



**ST. MARY'S UNIVERSITY
SCHOOL OF GRADUATES**

**ASSESSING MOTIVATIONAL LEVEL OF EMPLOYEES IN
CASE OF COMMERCIAL BANK OF ETHIOPIA ON
WEST ADDIS ABABA DISTRICT**

**BY
KALKIDAN AREGAHEGNE**

**MAY 2016
ADDIS ABABA, ETHIOPIA**

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**THESIS SUBMITTED TO ST. MARY'S UNIVERSITY, SCHOOL
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APPROVED BY BOARD OF EXAMINERS

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DEDICATION

*I dedicate the entire work to almighty GOD, for taking care of my life
throughout the education and to my dear parents Zinash Assefa and Aregahegn
Wodajo*

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LIST OF ACRONYMS/ABBREVIATIONS

CBE:- Commercial bank of Ethiopia

SPSS:- Statistical Packages for social sciences

BSC:- Balanced scorecard

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ABSTRACT

Employees and customers are a company's livelihood. How they feel about the work they are doing and results received from that work directly impact an organization's performance and ultimately, its stability. An unstable organization ultimately underperforms. The major purpose of the study assessing motivational level of employees in case of commercial bank of Ethiopia. The study mainly focuses on the following, the influence that motivation had on the performance of employees, the level of motivation of the staff, the factors that motivate and de motivate employees and finally how employees perceive the motivation mechanisms of commercial bank of Ethiopia. To achieve these goals this study adopted a descriptive design because it involved administering questionnaire to a sample of individuals. Simple random sampling was used as no complexities were be involved and to select clearly defined population. The study employed the use of self-administered questionnaire to collect the required primary data. Descriptive statistical analysis technique was employed to obtain useful summary of responses. Statistical Program of Social Scientists (SPSS) version 20 tools were used to generate data that was presented in tables as was necessary. The findings of the study revealed that there is influence of motivation on employee's performance, it was discovered that of the employees are more motivated by extrinsic reward than intrinsic rewards. In ranking among the six selected motivational factors, high salary was ranked as the number one motivating source. The study also revealed that major de motivating factor of employees was uninteresting and routine job schedule, Poor working condition and inadequate reward system were the most important ones. The study concluded that staff level of motivation at Commercial bank of Ethiopia is generally 42.4% said average and 44% said low and it is evident in relation to their output of work and will commit them in order to work to see the success of the business. It was therefore recommended that motivation should be management's topmost priority in order for employees to deliver excellent service to its valued customers.

Key words: motivation, extrinsic and intrinsic motivation, salary and fringe benefits

CHAPTER ONE

INTRODUCTION

The first chapter discusses the introduction of the research which includes background of the study, definition of term and concept, statement of the problem, research question, and objective of the study, scope of the study and how the paper organized.

1.1. Back ground of the study

Motivation is the most important matter for every organization public or a private sector. For the success of any organization motivation play an important role. All organization encounters the matter of motivation whether they are in the public or private sector. According to Chaudhary & Sharma (2012) basically motivation word is derived from “Motive”. The meaning of “motive” is needs, wants, and the desire of the persons. So that “employees motivation mean the process in which organization inspiring our employee with the shape of rewards, bonus etc. for achieving the organizational goals.

Even with the best strategy in place and appropriate organizational architecture, an organization will be effective only if it members are motivated to perform at a high level. The types of motivation are intrinsic and extrinsic. “Intrinsic motivation is a psychological force that determines the direction of a person’s behavior as a result of challenging or interesting work, giving autonomy to work, designed scope to develop skills, abilities, opportunity to develop and grow, etc. Extrinsic is also psychological force that determines behavioral change as a result of tangible and intangible benefit such as salary, fringe benefit and special awards” (Jones et. al 2007). Motivated workers are highly productive in comparison the others who are not motivated. They are also happy and can easily drive satisfaction from their job that leads to develop new mechanisms of production. This in turn leads to the development of proper attitude towards the organization and good work behavior of the employees.

The existence and success of any organization is highly dependent on its efficient and effective utilization of material and human resources. Among these, human resources is most crucial and delicate part of the discipline of management practice. Human aspect is important to the organization because all the policies, rules and regulation are implemented by people working for the organization in achieving the objective of the organization. Hence it is important to focus

on the human resource management for the benefits of both the organization and employees. Due to its subjective nature, human resource management is also very challenging. What motivates one person may not motivate others due to differences in their level of needs within the same organization and even the same department.

Managers need to identify motivational factors and strategically design to address them for the persistent encouragement and employee satisfaction. Encouraged and satisfied employees will directly contribute to smooth running of activities of the organization that eventually lead to the productivity. According to Herzberg and Glinow, (2000:73) “motivation is the forces within a person that affect his or her direction, intensity and persistence of voluntary in the work place”.

People who express essentially the same motive may engage in very different behavior while people who express very different motives may engage in very similar behavior for the smooth running of business activities employees performance is a crucial issue. According to Inancevich (1990:52) if a manager is to influence work behavior and performance. He or she must have an understanding of motivation and the factors which influence an individual's motivation to come to work, to work hard and to work well.

So the study was conducted in Commercial bank of Ethiopia which is a public owned bank engaged in delivering financial service the leading bank in Ethiopia, established in 1942. Pioneer to introduce modern banking to the country. It has more than 1000 branches stretched across the country. The leading African bank with assets of 310.98 billion Birr as on June 30th 2015 and total deposit of the bank is 244.34 billion birr. Plays a catalytic role in the economic progress & development of the country. The first bank in Ethiopia to introduce ATM service for local users. Currently CBE has more than 11 million customers. CBE has a SWIFT bilateral arrangement with more than 700 other banks across the world. CBE combines a wide capital base with more than 20,000 talented and committed employees. The study assesses the level of motivation in commercial bank of Ethiopia and the level of understanding and attention given by the management.

1.2. Statement of the problem

A work will be more productive if the workers are motivated, when employees are not motivated and dissatisfied with their job, they will be less productive and begin to show unwanted behaviors like carelessness in work, late coming, absenteeism and grievances and disobedience to the rules of the organization.

Motivated employees are happy about their job and highly productive; they try to develop new mechanisms of doing their business so as to improve their productivity. The success of an organization largely depends on the quality of its employees which is measured by their performance. Good employees' performance is the ingredient for the success of the organization. Job with high motivation and hygiene factors leads to high performance and few complaints among employees. Organizations need to understand the factors that affect employees' performance because such insight will help them make decisions that will inculcate improved performance from the employees and to an extension the overall performance of the organization (Nelson and quick 2003).

In recent times employees move from one organization to another due to lack /low level of motivation. Some employers try to give high salaries or wages to their employees just to motivate them to try their best so as to increase productivity. Others also give rent and transportation allowances to their employees so that the employees can do their best to enhance their performance, yet the whole thing seems to be a mirage.

This tells us that motivation is subjective, that is to say that what motivate someone to put up his best will also de-motivate the other person. Human needs are insatiable for this reason they always struggle for new things in life so that we can live a comfortable life. If someone receives huge salaries, allowances in terms of rent, transportation and yet does not get motivated, it means motivation does not base on extrinsic reward but also on intrinsic rewards' well. According to Maslow, individuals attain the next hierarchy of needs after the first one has been achieved. Managers are not much motivated extrinsically by money and other physiological needs but are well motivated intrinsically through self-esteem and actualization needs and by so doing if their ideas are well transformed into performance , they feel well motivated.

In Ethiopia, currently Banking Industry is increasing in number and the competition among banks is getting a great attention. Hence the workforce and human resource systems to produce corporate- level competencies that create sustainable competitive advantage are the key factors

of winning the competition. They need to have employees who are passionate about their work and strive to take their organization to greater heights. (Mulatu M., 2014)

Commercial bank of Ethiopia is one of those service providing organizations for the public which relies on the performance of its qualified employees. The Vision of commercial bank of Ethiopia is that “To become a world-class commercial bank by the year 2025” through Strong Financial Position and Enhanced Developmental Partnership; Stakeholder Responsiveness; Process Efficiency and Effectiveness and mainly by Motivated and Proficient Employees.

During the preliminary study the researcher found that the motivation package used by the organization is mainly focused on financial incentives and it is rarely given; based on the performance of the branch and the motivational packages are not updated consistently as per the market. This has an influence on performance of individual employees. It is observed that organizational set up has irregular promotional structure and lacks recognizing workers achievements. Hence, some of employees in the bank are not committed enough as expected. For the nature of the job by its self is redundant, repetitive and tiresome, employees exhibit late coming, poor time management, early depart from office. This in turn contributed to the obstacle of performance.

Therefore, it is necessary to generate relevant evidence through a detail study to highlight strategies for improving the performance of employees. With this regard, the study tries to reveal what motivates employees in commercial bank of Ethiopia to perform at their best and achieve optimal business results at all times. It also tries to figure out the de motivating and motivating factors as well as aims to determine the employees’ level of motivation in the commercial bank of Ethiopia. It can help the organization reach the goals by improving the performance of employees and the organization as a whole. In addition there is not enough research done in this area on CBE.

1.3. Research questions

In this study it is intended to answer the following basic questions.

1. What is the influence of motivation on the employee performance?
2. What is the motivational level of employees towards their job?
3. What are the factors motivate and de-motivate the employees at commercial bank of Ethiopia?
4. What is the perception of employees towards the current motivational packages of Commercial bank of Ethiopia?

1.4 Objective of the study

This part deals with the general as well as specific objectives of the study

1.4.1. General objective

The objective of the study is to assessing the motivational level of employees in commercial bank of Ethiopia.

1.4.2. Specific objective

- To assess the influence of motivation on employee performance
- To determine the motivational level of employees towards their job
- To identify the factors that motivates and de-motivates employees at Commercial bank of Ethiopia.
- To identify the perception of employees towards current motivational packages of Commercial bank of Ethiopia.

1.5. Definition of terms and concepts

Motivation refers to a psychological process that gives behavior purpose and direction. By appealing to this process, managers attempt to get individuals to pursue organizational objectives willingly and persistently. (Robert Kreitner 2009). It's a key of successful organization to maintain the continuity of the work in a powerful manner and help organizations to survive.

Performance management a process which contributes effective management of individuals and teams in order to achieve high level of organizational performance, as such, it establishes

shared understanding about what is to be achieved and approach to leading and developing people which ensure that it is achieved. (Armstrong and baron, 2004).

Intrinsic motivation comes from a person's internal desire to do something, motivated b such things as interest, challenge, and personal satisfaction. (Mc gergor 2004).

Extrinsic motivation includes money, promotions, and benefits. They are external to the job and come from an outside source, mainly management. Consequently, if an employee experiences a sense of achievement or personal growth from a job, we would label such rewards as intrinsic. If the employee receives a salary increase or a write-up in the company magazine, we would label these rewards as extrinsic (David A Deceno and Stephen,2007)

Monetary rewards include base pay, merit pay, incentives, commission, bonus and healthy allowances, Armstrong (2007).

Non-monetary rewards include recognition, decision making roles, promotion, flexible working hours and company uniforms. (Armstrong 2007).

Fringe benefits are defined as a service or advantage that employees are given with their job in addition to pay.

1.6. Significance of the study

The paper mainly covers the assessment of level of motivation towards performance of employee's on the case of commercial bank of Ethiopia. The main focus area is employee performance and various motivational factors enable better performance and productivity.

- It helps CBE to identify motivational problems of the organization and take corrective measures.
- The findings and recommendation suggest and also benefit similar organization.
- The study also helps the researcher to acquire more experience on research.
- And finally, the study may attract other researchers to take extensive research on the organization to fill research gap.

1.7. Scope of the study

The study was conducted in Addis Ababa city, Ethiopia. The bank selected for the study is government owned bank known as commercial bank of Ethiopia. The study covered only those employees working as professionals. They have direct contact with customers and the reason behind focusing on professional employees, they are relatively large in number compared to other staffs in the bank and this helped the researcher to get better information on assessment of the motivation. The study addressed the objectives mentioned which is to investigate or assessing motivational level of employees to performance of employees at commercial bank of Ethiopia on west Addis Ababa district. The researcher considers addressing all the branches of the bank in to the study is unmanageable hence the study is limited to Addis Ababa city branches. The study subjects were enough to provide the relevant responses regarding the study. Assessing motivation on the whole staff of the bank's employees will require longer time, resources, costs and wider study.

The major reason why the study was on CBE and not on the other banks or all banks is because the researcher works there and wishes to attempt to improve the situation.

1.8. Limitation of the study

The major limitation was persuading employees to fill questionnaire, was the major challenge because they are busy serving their customers and hence do not have time. The managerial staff could not be able to arrange interview session with the researcher and this is because they reason out they are busy as they engaged in different meetings and the researcher forced to cancel the interview session of data collection and rely only of questionnaires. The other limitation of the study was that the researcher was not able to review all the relevant secondary sources for the study due to restriction from the bank's management and the filed questionnaire was not responded on time due to busy schedule of the day time. The other limitation was the researcher work load and time constraint affect the completion of the project on time.

1.9. Organization of the paper

The paper consist five chapters. The first chapter contains introductions of the study which includes background of the study, definitions of term and concepts, statement of the problem, research question, and objective of the study, significance of the study, scope of the study and organization of the paper. The second chapter is to review of the related literature. The third chapter focused on the research design and methodology while the fourth chapter provides analysis of data collected. The fifth chapter which is the last one focuses on providing interpretation, conclusions and recommendations based on the findings.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1. Introduction

A literature review drives the research (Berg, 2004) and is an essential first step when undertaking a research project (Neuman, 2006). This chapter builds a theoretical foundation for the research through a thorough review of the existing literature on the assessing of motivation al level of employees and their performance.

As a result chapter discusses on basic concepts and issues that had been discusses by different scholars on the research topic, basically definitions, concepts, types, theories of employees motivation will be discussed more over the relationship between motivation and employees performance and challenges of employee motivation will be discussed.

2.2. Definition of Motivation:

Motivation has as many definitions as the word management. The following are several definitions that begin to help us in understanding this elusive concept.

- Motivation is a predisposition to act in a specific goal directed manner. (Hellriegel and Slocum, 1976)
- Motivation may be defined as the state of an individual's perspective, which represents the strength of his or her propensity to exert effort toward some particular behavior. (Gibson, 1979)
- The term motivation refers to goal directed behavior. Goal directed behavior, are characterized by the process of selecting and directing certain actions among voluntary activities to achieves goals. (Chung and Rose, 1977)
- Motivation refers to expenditure of efforts toward a goal.(Dubrin ,1970: 53)
- Motivation is the desire to achieve beyond expectations, being driven by internal rather than external factors, and to be involved in a continuous striving for improvement. (Torrington, et. al 2009,P276)
- Luthans (1992) says, "Motivation is a combination of needs, drives and incentives. Motivation is defined as the process that starts with physiological or psychological

deficiency or need that activates behavior or a drive that is aimed at a goal or incentive”.

From these definitions we derive several common characteristics to help us in the discussion of motivation phenomenon:

- An internal need energizes and activates human behavior.
- Drive is the inner force that propels behavior in a specific direction, and
- Goals are the incentives or payoffs that reinforce private satisfaction, that in turn reinforce the perpetuation of needs.

For example, a student may possess a strong need or want to perform well in a course, which will drive that student to study diligently to receive the goal of an “A” grade. With those concepts in mind, we define motivation as follow:

Motivation is the need or drive within an individual that drives him or her toward goal-oriented action. The extent of drive depends on the perceived level of satisfaction that can be achieved by the goal. Figure 1.1 provides a simplified model of the motivation process.

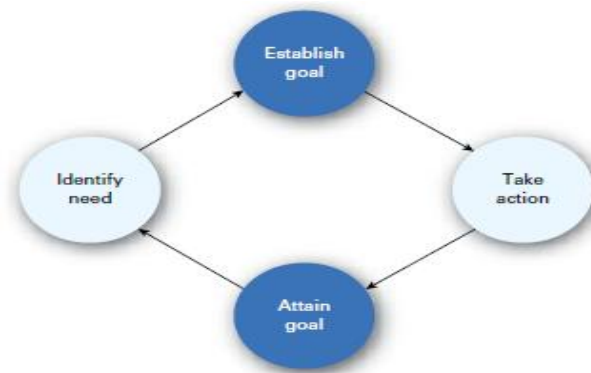


Figure 1.1 the process of motivation (Michael Armstrong 2014 P.172)

Generally speaking, when employees enjoy their jobs, find the work challenging, and like the work environment, they will usually put forth their best efforts and perform their tasks enthusiastically. In other words, if employees cannot wait for the end of the workday, are alienated from the results of their efforts, and feel their work is terribly boring, they will not do their best. They will do the minimum required to keep their jobs in the best productivity of the firm. That is to say, they are not very motivated to perform well. (Michael Armstrong 2006 P.107).

Among financial, economic and human resources, the latest are more essential and have the capability to endow a company with competitive edge as compared to others (Rizwan et al, 2010). Employee performance fundamentally depend on many factors like performance appraisals, employee motivation, employee satisfaction, compensation, training and development, job security, organizational structure and others, but the area of study is focused only on employee motivation as this factor highly influence the performance of employees. Employee motivation is one of the policies of managers to increase effectual job management amongst employees in organizations (Shadare et al, 2009). A motivational employee is responsive of the definite goals and objectives he/she must achieve, therefore he/she directs its effort in that direction. Rutherford (1990) reported that motivation formulates an organization more successful because provoked employees are constantly looking for improved practices to do a work. Getting employees to do their best work even in strenuous circumstances, is one of the employees most stable and greasy challenges and this can be made possible through motivating them.

2.3. Types of motivation

According to Crabbe, researchers identified two sources of motivation; these are internal and external sources which have also been labeled as the intrinsic and extrinsic motivation.

Intrinsic motivation

This arises between the relationship between the worker and the task and is usually self-applied. Feelings of accomplishment, achievement challenge and competence derived from performing ones work are examples of intrinsic motivation.

Extrinsic Motivation

This stems from work environment external to the task itself and is usually applied by someone other than the person being motivated. Pay, fringe benefits, favored company policies and various forms of supervision are examples of extrinsic motivation.

2.4. Sources of Motivation

While every individual and group may be motivated by different things. Experts in the behavior field have a divided option as to whether workers are motivated by factors in the external environment such as rewards or fears or whether motivation is self-generated without the

application of external factors. It is quite well understood that under the set of external factors all workers are not equally motivated. Some of these motivational sources are:-

i. Positive motivation

Positive motivation involves proper recognition of employee efforts and appreciations of employee's contribution towards the organizational goals achievement. Such motivation improve the standards of performance, lead to good team spirit and pride, a sense of cooperation and a feeling of belonging and happiness.

ii. Negative Motivation

This motivation is based on upon the use of force power, fear and threats. The fear of punishment or unfavorable consequences affects the behavioral change. (Chandan, 1995).

2.5. Factors affecting Employees' motivation

Employees want to earn reasonable salary and payment, and desire their workers to feel that is what they are getting (Houran, 2010). Money is the fundamental inducement; no other incentive or motivational technique comes even close to it with respect to it s influential value (Sara et al, 2004). It has the supremacy to magnetize, maintain and motivate individuals towards higher performance. Frederick Taylor and his scientific management associate described money as the most fundamental factor in motivating the industrial workers to attain greater productivity (Adeyinka et al, 2007). Research has suggested that reward now cause satisfaction of the employee which directly influences performance of the employee (Kalimullah et al 2010). Rewards are a management tool that hopefully contributes to firms' performance by influencing individual or group behavior.

All businesses use pay, promotion, bonuses or other types of rewards to motivate and encourage high level performances of employees (Reena et al, 2009). To use salaries as a motivator effectively, managers must consider salary structures which should include importance organization attach to each job, payment according to performance, personal or special allowances, fringe benefits, pensions and so on (Adeyinka et al, (2007). Leadership is all about getting things done the right way, to do that you need people to follow you, you need to have

them trust you. And if you want them to trust you and do things for you and the organization, they need to be motivated (Baldoni, 2005).

2.6. Theories of Motivation

Motivation theories help to understand different motivators. Motivation theories have been examined for decades. These theories can be implemented to the company's human resource policies to get the best performance from the employees. Though there are so many theories on motivation, only some of the prominent theories of motivation that are close to this study are discussed below

Maslow's Hierarchy of Needs Theory

In 1943 psychologist Abraham Maslow proposed that people are motivated by a predictable five-step hierarchy of needs. Little did he realize at the time that his tentative proposal, based on an extremely limited clinical study of neurotic patients, would become one of the most influential concepts in the field of management. Perhaps because it is so straightforward and intuitively appealing, Maslow's theory has strongly influenced those interested in work behavior. Maslow's message was simply this: people always have needs, and when one need is relatively fulfilled, others emerge in a predictable sequence to take its place. From bottom to top, Maslow's needs hierarchy includes physiological, safety, love, esteem, and self-actualization. (Robert Keritiner 2009).

Physiological needs. At the bottom of the hierarchy are needs based on physical drives, including the need for food, water, sleep, and sex. Fulfillment of these lowest-level needs enables the individual to survive, and nothing else is important when these bodily needs have not been satisfied. As Maslow observed, "It is quite true that man lives by bread alone when there is no bread. "But today the average employee experiences little difficulty in satisfying physiological needs. Figuratively speaking, the prospect of eating more bread is not motivating when one has plenty of bread to eat.

Safety needs. After our basic physiological needs have been relatively well satisfied, we next become concerned about our safety from the elements, enemies, and other threats. For reasons

that are not entirely clear (terrorism? workplace violence?), researchers have documented a recent jump in the need for “feeling safe at work.”

Love needs. A physiologically satisfied and secure person focuses next on satisfying needs for love and affection. This category is a powerful motivator of human behavior. People typically strive hard to achieve a sense of belonging with others. As with the first two levels of needs, relative satisfaction of love needs paves the way for the emergence of needs at the next higher level.

Esteem needs. People who perceive themselves as worthwhile are said to possess high self-esteem. Self-respect is the key to esteem needs. Much of our self-respect, and therefore our esteem, come from being accepted and respected by others. It is important for those who are expected to help achieve organizational objectives to have their esteem needs relatively well fulfilled. But esteem needs cannot emerge if lower-level needs go unattended.

Self-actualization needs. At the very top of Maslow’s hierarchy is the open-ended category self-actualization needs. It is open-ended because, as Maslow pointed out, it reflects the need “to become more and more what one is, to become everything that one is capable of becoming. (Robert Keritiner 2009).

Herzberg’s Two-Factor Theory

During the 1950s, Frederick Herzberg proposed a theory of employee motivation based on satisfaction. His theory implied that a satisfied employee is motivated from within to work harder and that a dissatisfied employee is not self-motivated. Herzberg’s research uncovered two classes of factors associated with employee satisfaction and dissatisfaction. As a result; his concept has come to be called Herzberg’s two-factor theory. The two factors are called the dissatisfiers – satisfier or the hygiene-motivators or the extrinsic-intrinsic factors, depending on the discussant of the theory. The original research which led to the theory, gave rise to two specific conditions.

First there is a set of extrinsic condition, the job context, which results in dissatisfaction among employees when the conditions are not present. If these conditions are present, this does not

necessarily motivate employees. These conditions are the dissatisfiers or hygiene factors, since they are needed to maintain at least a level of no dissatisfaction they include

- Salary
- Job security
- Working condition
- Status
- Company procedures
- Quality of technical supervisors
- Quality of interpersonal relation among peers, with superiors and with subordinates.

Second, a set of intrinsic conditions, the job content with present in the job, builds strong levels of motivation that can result in good job performance for increase the productivity of the firm. If these conditions are not present they do not prove highly dissatisfying. The factors in this set are called the satisfiers of motivation and includes

- Achievement
- Recognition
- Responsibility
- Advancement
- The work itself
- The possibility of growth

Harzberg's model basically assumes that job satisfaction is not the undimensional concept. His researches led to the conclusion that two continual are needed correctly interpret job satisfaction.

Alderfer's ERG theory

The ERG needs theory, developed by Clayton Alderfer, is refinement of Maslow's need hierarchy. Instead of Maslow's five needs, ERG theory condenses these five needs in to three needs. These three needs are those of existence, relatedness, and Growth. The E, R, and G are the initial for these needs.

Existence needs

These needs include those needs required to sustain human existence. As such, this category would include both physiological and safety needs. These needs are satisfied primarily by material incentives. This includes the needs for shelter, physical and physiological safety from threats to people's existence and well-being.

Relatedness need

These needs roughly correspond to social and esteem needs in Maslow's hierarchy. These needs are satisfied by personal relation and social interaction with others. It involves open communication and honest exchange of thoughts and feelings with other organizational members.

Growth needs

These categories, the highest need category, include the needs for self-esteem and self-actualization. These needs are fulfilled by strong personal involvement in the organization in the organizational environment and look for new opportunities and challenges.

ERG theory differs from Maslow's theory in proposing that people may be motivated by more than one kind of needs at the same time. While Maslow's proposed that in the hierarchy of needs, a person will satisfy the lower level needs and will stay at that level until it is satisfied. ERG theory suggests that if a person is frustrated in satisfying his needs at a given level, he will move back to the lower level needs (Rosenbom, 1982).

Equity Theory

Equity theory (Adams, 1965) is concerned with the perceptions people have about how they are being treated as compared to others. To be dealt with equitably is to be treated fairly in comparison with another group of people (a reference group) or a relevant other person. Equity involves feelings and perceptions and it is always a comparative process. It is not synonymous with equality, which means treating everyone the same, since this would be inequitable if they deserve to be treated fairly. Equity theory, in effect, states that people will be better motivated if they are treated equitably and de-motivated if they are treated inequitably. It explains only one aspect of the process of motivation and job satisfaction, although it may be significant in terms of morale.

There are two forms of equity, which are distributive equity, which is concerned with the fairness with which people feel they are rewarded in accordance with their contribution and in comparison with others and procedural equity, which is concerned with the perception employees have about fairness with which company procedures in such areas as performance appraisal, promotion and discipline are being operated.

McClelland's theory

David McClelland's and his associate John Atkinson proposed another important theory of motivation called achievement motivation. According to this theory organization offers an opportunity to satisfy at least three needs.

The need for achievement

Achievement motivation is derived that some people have to overcome challenges and obstacles in the pursuit of goals. An individual with this drive wishes to develop and grow, and advance up the ladder of success. Accomplishment is important for its own sake, not for the rewards that accompany it. A number of characteristics define achievement-oriented employees. They show the following characteristics:

They work harder when

- They perceive that they will receive personal credit for their effort
- When there is only moderate risk of failure
- When they receive specific feedback about their past performance

The need for affiliation

Affiliation motivation is derived to relate to people on a social basis. Comparison of achievement-motivated employees with affiliation-motivated employees will illustrate how the two patterns influence behavior. Achievement-oriented people work harder when their supervisor provides a detailed evaluation of their work behavior. But a person with affiliation motivation works better when they are complimented for their favorable attitude and cooperation. Achievement-motivated employees select assistance who are technically capable, with little regard for personal feelings about them; however, those who are affiliation-motivated tend to select friends to surround them. They receive inner satisfaction from being with friends, and they want the job freedom to develop these relationships.

The need for power

Power motivation is derive to influence people and change situation. Power motivated people wish to create an impact on their organizations and are willing to take risks to do so. Once this power is obtained, it may be used either constructively or destructively. Power motivated people make excellent managers if their derive are for institutional power instead of personal power. Institutional power is the need to influence other's behavior for the good of the whole organization. (Rosenbaum, 1985)

Expectancy theory

Expectancy theory states that motivation will be high when people know what they have to do to get reward, expect that they will be able to get the reward and expect that the reward will be worthwhile.

Both Maslow's and Herzberg's theories have been criticized for making unsubstantiated generalizations about what motivates people. Practical experience shows that people are motivated by lots of different things. Fortunately, expectancy theory, based largely on Victor H. Vroom's 1964 classic *Work and Motivation*, effectively deals with the highly personalized rational choices individuals make when faced with the prospect of having to work to achieve rewards. Individual perception, though secondary in the Maslow and Herzberg models, is central to expectancy theory. Accordingly, expectancy theory is a motivation model based on the assumption that motivational strength is determined by perceived probabilities of success. The term expectancy refers to the subjective probability (or expectation) that one thing will lead to another. Work- related expectations, like all other expectations, are shaped by ongoing personal experience. For instance, an employee's expectation of a raise, diminished after a request for a raise has been turned down, later rebounds when the supervisor indicates a willingness to reconsider the matter. (Robert Keritiner 2009).

Motivation is only when a clearly perceived and usable relationship exist between performance and outcome, and the outcome is seen as a means of satisfying needs. This explains why extrinsic financial motivation, for example, an incentive or bonus scheme works only if the link (line of sight) between effort and reward is clear and the value of the reward is worth the effort. It also explains why intrinsic motivation arising from the work itself can be more powerful than extrinsic motivation; intrinsic motivation outcomes are more under control of individuals, who

can place reliance on their past experience to indicate the extent to which positive and advantageous results are likely to be obtained by their behavior. (Ricky W. Griffin, 1990)

Goal setting theory

It is a relatively applied approach to motivation and is based up on the assumption that the type as well as the challenge of the goal induces motivation in the individual to achieve such goal. The theory proposed by Edwin Locks (1968) studies the process by which people set goals for themselves and then put in effort in order to achieve them. The quality of performance is generally shaped by how difficult and how specifically defined the goals, resulting in improved performances. Similarly, difficult goals, accepted, led to higher performance.

The most important element of goal-setting theory is the acceptance of goal by the worker. Of course, the best way to have the goal acceptance by workers is to let them set their own goals within the general organizational guidelines.

2.7. Importance of Motivation

The achievements of individuals and organizational goals are independent process linked by employee work motivation. Individuals motivates themselves to satisfy their personal goals, therefore they invest and direct their efforts for the achievements of organizational objectives to meet with their personal goals also. It means that organizational goals are directly proportion to the personal goals of individuals.

Robert (2005), reported that the manager's job is to ensure the work done through employees are satisfied and the employees are self-motivated towards their work rather than just being directed. The manager's involvement is not so much important in the motivation of employees. The employees should motivate themselves to work hard.

The major issue in all services organizations is the motivation of employees whether they are skilled or unskilled or professionals. Employee motivation is also a major issue for the commercial banks. It is a today's challenge for the management in this competitive world to motivate employees to offer efficient and good services that customers expect so for. The employees' motivation, their enthusiastic and energetic behavior towards task fulfillment play key role in successes of an organization to benefit (Cheng, 1995). According to Petcharak

(2002), one of the functions of human resource manager is related to ensure employees' workplace motivation. The human resource manager's function should be to assist the general manager in keeping the employees satisfied with their jobs. Another goal in organization is the goal for the services manager is to develop motivated employees and encourage their morale regarding their respective works. The employee work morale, such as supervisors, peers, organization, and work environment can be defined in a sense that the employee has the feeling and be conscious about all aspects of the job. The performance is poor if the employee is not satisfied and happy. Workplace dissatisfaction often leads organization and its employees' poor performance.

2.8. Dilemmas managers face in motivating employees

Managers are aware that their job involves getting things done through their employees. In this regard, managers should be able to motivate their employees to attain high productivity. Unfortunately managers are often confronted with the challenge of coming up with appropriate rewards and programs that would keep their employees motivated. These dilemmas stem from a lack of understanding and/or general misconceptions about motivation and employee satisfaction. Morse notes that 'managers are not as good at judging employee motivation as they think they are. In fact people from all walks of life seem to consistently misunderstand what drives employee motivation' (2003:283). Some of these misconceptions are discussed below.

1. One-size-fits all reward and recognition. Most managers use this concept as a way of recognizing, rewarding and motivating their staff. The problem with this kind of program is that it refuses to acknowledge individual differences in human beings and lumps all employees together into a homogenous group. It is important to note that individuals have different motives, and may act in different ways and be motivated by different things. Moreover, people's cultural, educational, religious background, and even sexual preferences may influence what motivates them. It is thus essential that managers tailor rewards and recognition as a way to focus on and understand the individual and his/her unique qualities' (Atchison, 2003:21).

2. Money is the ultimate Motivator. This idea of money being the ultimate or sole motivating force was first proposed by Taylor (1911). With such misconception, certain managers either

focus or tend to have a bias for monetary rewards. However Shanks notes that monetary ‘compensation motivates only to a point; that is, when compensation isn’t high enough or is considered to be inequitable, it is a de-motivator. In contrast, when it is too high, it also seems to be a de-motivator... and results in individual performance being tempered to protect the higher compensation level’ (2007:32). Further, Atchison argues that ‘as soon as money is predictable, it is an entitlement, not a motivator’ (2003:21).

3. Not everyone can be motivated. Managers with this perception tend to ignore the idea of motivation in total. However as Shanks notes, ‘everyone is motivated by something, the problem for some managers are that “that something” may not be directed toward the job’ (Shanks 2007:21). Thus the job of the manager is to try and identify the specific motivational factor for such individuals and channel them towards ‘job-related behaviors’ (Manion 2005:285).

4. All motivation is either Extrinsic or Intrinsic. Managers tend to think that motivation is either extrinsic or intrinsic and thus focus on just one of them, ignoring the other. Morse argues that in most work settings, managers and even employees tend to have a bias towards extrinsic rewards. Manion however argues that it is critical for managers to remember that ‘typically, a combination of factors motivates employees, not just one type of extrinsic or intrinsic reward’ (2005:283). It is therefore crucial that managers make the effort to combine both reward methods to achieve effective motivation method or program for their employees.

Managers attempt to motivate their employees often fail because when they identify one way of motivating them, they stick with it without varying them. This situation leads to repetition which ends up losing its essence thereby becoming ineffective way of motivating employees.

2.9. Performance Management

According to Judge and Ferris (1993), perhaps there is no human resources system more important in organizations other than performance evaluation and the ratings of employees’ performance represent critical decisions that highly influence a variety of subsequent human resources actions and outcomes.

Performance is often defined simply in output terms the achievement of quantified objectives. But performance is a matter not only of what people achieve but how they achieve it. The Oxford English Dictionary confirms this by including the phrase ‘carrying out’ in its definition of

performance: _The accomplishment, execution, carrying out, working out of anything ordered or undertaken. High performance results from appropriate behavior, especially discretionary behavior and the effective use of the required knowledge, skills and competencies. Performance management must examine how results are attained because this provides the information necessary to consider what needs to be done to improve those results (Armstrong, 2006:497-498).

Performance Measurement: Measurement and evaluation are used to strengthen and improve performance. According to Armstrong (2006), firstly, performance measures are yardsticks which used to determine how well employees produced or provided products or services. It is important that the required outcome of an intervention to be measured and assessed is clearly defined and known; secondly the appropriate methods are used; and thirdly to determine whether the selected activities and Interventions will narrow or close the performance gap. The importance of measurement in the performance improvement process cannot be overemphasized. As Sutherland et.al (1995:12) highlight, if you cannot understand something you cannot measure it. If you cannot measure it, you cannot control it. If you cannot control it, you cannot improve it.

2.10. LINKS BETWEEN MOTIVATION AND PERFORMANCE

The process of motivation requires a partnership attitude between management and employees. Managers can however play a key role by having great in-depth understanding of the linkages between motivation, performance and rewards to help their workers stay motivated on the job. This is because the process of motivation requires more than just the provision of adequate rewards. It encompasses other equally vital elements some of which are discussed below.

Creating an Enabling Environment While managers require motivated employees to work with, an often overlooked factor is the circumstances under which work activities take place. When the work environment is not conducive, or there exists negative attitude, it becomes difficult for employees to be motivated. Bessell et al, argue that ‘if a supervisor or team leader approaches the workplace with a positive, upbeat attitude about the work projects, that enthusiasm should transfer to associates, thus creating a better work environment’ (2002:2) and vice versa. It is essential that managers are advised to ensure that behaviors are either rewarded

or punished in a timely manner. Dubrin notes that ‘for maximum effectiveness, people should be rewarded shortly after doing something right and punished shortly after doing something wrong’ (2004:302). Other issues which can impact the work environment in one way or the other pertains to mutual respect between managers and employees.

Communication Adkins (2006:26) notes that communication is very essential to keeping employees motivated and helps in maintaining a ‘motivated culture’ in the workforce. She notes that there is the need for managers to put in ‘a system of regular staff appraisals and stresses that it is crucial to clearly articulate what the objectives of the business are’ (Adkins 2006:26). By so doing, employees can get a clear sense of what is expected of them She stresses further that managers need to let ‘people know how they contribute to the company and how they make a difference’ (2006:26).

Role Clarification: According to Malhotra et al., role clarity is ‘the degree to which employees perceives that required information is provided about how the employee is expected to perform his or her job’ (2007:2102). They assert the importance of role clarification employee commitment, motivation, and performance. They note that such employees are more likely to be committed and motivated to work than those who perceive ambiguity in their job functions or that their roles have not been adequately clarified

Coaching: Coaching has been noted to be an art of management which when done properly raises the level of motivation in employees. Authorities on management styles have noted that coaching takes a paradigm shift from traditional management style which focuses on control and compliance and rather dwells on efforts by managers to unravel actions and behaviors which allows employees to be more productive in the work setting. Dubrin argues that ‘because of the uniqueness of a coaching relationship, the person being coached is better motivated to accomplish goals for the good of the organization (2004:309).

Participation in Decision Making: This is the degree to which employees perceive that their input with regard to decision making is valued or that they are able to influence decisions at the workplace especially with regards to their job functions. Malhotra et al. argue that employee participation in decision making ‘is seen as an indirect means of communicating managerial

expectations of work behavior' (2007:2102) and can be a motivating force for employee performance.

Feedback: Various researchers have touted the importance of feedback that managers give to employees have on motivation (Young et al. 1998, Malhotra et al. 2007, Hackman & Oldham 1976). According to Malhotra et al, feedback; 'includes the recognition and praise received from immediate superior for good service delivered. Armstrong (2001) asserts that feedback is an important intrinsic motivational tool. It is important to note that the effect of feedback on employee motivation is heightened when it is specific rather than generalized and given in a timely manner. This allows the employees to focus on areas which require improvement.

2.11. Levels of Employee Motivation

According to research conducted by Mosley, Megginson, and Pietri (2001), there are three levels of employee's motivations.

(1) The direction of an employee's behavior. It relates to those behaviors which the Individuals choose to perform.

(2) The level of effort. It refers to how hard the individual is willing to work on the behavior.

(3) The level of persistence. It refers to the individual's willingness to behave despite obstacles. They found that management can make use of different tactics, strategies and policies to motivate employees in work settings, but different tactics, strategies and policies would have a different motivational impact on diverse people. Daschler and Ninemeier (1989), conducted research and investigated what employees may seek from the work environment. Their discussion reviews some of employee-related concerns that can be found in the venue of strategies to employees" motivation.

- Employees are individuals that come from different backgrounds, they have different education with different experiences and their different family classes are all the factors in which their needs be located.

- The primary interest of employees is to satisfy their personal needs, ambitions, desires and goals.

- An employee wants to satisfy its basic needs, linked to survival and security concerns and desire to belong, to generate positive feelings from within and from others, and to be self-fulfilled. Most employees want

- a) fair and consistent company policies in matters affecting them;
- b) management they can respect and trust;
- c) adequate working relationships with managers and co-workers;
- d) acceptable salaries and working environment;
- e) appropriate job security assurance;
- f) Favorable job status.

The other important factors that can fulfill and motivate employees are: challenging work, work that yields a sense of personal accomplishment, expression of appreciation for good performance, increased responsibility and the chance to grow in the job, the feeling of importance and making a contribution to the organization, and participation in job-related matters that affect the employees. The research conducted by Kashifurrehman et al. (2007), in Pakistan measuring the effect of Human Resource Strategies like pay, promotion and training on job satisfaction. Their study was focused on workforce of service based companies in Pakistan. They concluded from their research that pay, promotion and training had positive and significant impact on job satisfaction. They argued and suggested that employees in Pakistan give more importance to pay and promotion than training. Al Jenaibi (2010), explored the sense of job satisfaction and the struggles employees face in government organizations by using a case study of different organizations in the UAE. Job satisfaction occurs when someone feels he/she has proficiency, value, and is worthy of recognition. Therefore, job satisfaction is a workers sense of achievement and is generally noted to be directly associated with improved efficiency as well as to personal welfare. Job satisfaction is the belief of the employee that he/she is doing a good job, enjoying the process, and being suitably rewarded for the effort. Job satisfaction is a measure of how happy workers are with their jobs and work environment. Keeping morale high among workers is of fabulous benefit to any company, as content workers will be more likely to produce more results, take fewer days off, and remain loyal to the company. Job satisfaction is an essential factor that affects employees' initiative and enthusiasm. A lack of job satisfaction can lead to increased absenteeism and unnecessary turnover in the workplace. Job satisfaction increases the degree of happiness in the workplace, which leads to a positive work approach.

2.13. Empirical Review

A study carried out by Burney et al, revealed that the level of performance of employees relies

Not only on their actual skills but also on the level of motivation has each person exhibited. Motivation is an inner drive or an external inducement to behave in some particular way, typically a way that will lead to rewards. Dessler and Harrington observe that over-achieving, talented employees are the driving force of all institutions so it is essential that institutions strive to motivate and hold on to the best employees. The quality of human resource management is a critical influence on the performance of the institution. Concern for strategic integration, commitment flexibility and quality, has called for attention for employees motivation and retention. Financial motivation has become the most concern in today's organization, and tying to Maslow's basic needs, non-financial aspect only comes in when financial motivation has failed. Linz revealed that several studies have found that there are positive relationship between intrinsic motivation and job performance as well as intrinsic motivation and job satisfaction. This is significant to institutions in today's highly competitive business environment in that intrinsically motivated employees will perform better and, therefore, be more productive, and also because satisfied employees will remain loyal to their institution and feel no pressure or need to move to a different institution. Employees would require the reward in order to perform the job and would probably expect the reward to increase in amount. If the rewards were not increased or if they were taken away they actually served as negative reinforcement. Deci and Ryan in collaboration with two of their colleagues conducted a study to examine the effects of performance-contingent rewards on an employee's intrinsic motivation. The study also found that these types of rewards are very controlling since these rewards are directly associated with an employee's performance of some task (Cameron, Deci, Koestner, & Ryan, 2001) . In that respect, performance-contingent rewards undermine intrinsic motivation; however, if the reward given to the employee conveys that the employee has performed on a truly outstanding level, the reward would serve to solidify that employee's sense of competence and decrease the negative effect on that employee's intrinsic motivation. Also significant in the study was the importance of the interpersonal atmosphere within which the performance-contingent rewards were distributed. When Cameron et al. Compared the administering of rewards in a controlling climate and in a non-controlling climate; they discovered that the performance-contingent rewards given in the more controlling interpersonal climate undermined intrinsic motivation. To prevent the decrease in employees' intrinsic motivation, the interpersonal climate when distributing performance-contingent rewards should be more supportive.

Vroom proposes that people are motivated by how much they want something and how likely they think they are to get it. He suggests that motivation leads to efforts and the efforts combined with employees ability together with environment factors which interplay's resulting to performance. This performance interns lead to various outcomes, each of which has an associated value called Valence.

Adams on his part suggests that people are motivated to seek social equity in the rewards they receive for high performance. According to him the outcome from job includes; pay recognition, promotion, social relationship and intrinsic reward. To get these rewards various inputs needs to be employed by the employees to the job as time, experience, efforts, education and loyalty. He suggests that, people tend to view their outcomes and inputs as a ratio and then compare these ratios with others and turn to become motivated if this ratio is high. Work motivation does not determine employee's level of performance, but it does influence his/her effort toward performing the task.

The role of motivation in performance can be summarized in the following formula:

Performance = Ability x Understanding of the task x Motivation x Environment

Accordingly, in order to perform well employees need first to have the knowledge and skills that are required for the job. Then, they must understand what they are required to do and have the motivation to expand effort to do so. And last, employees need to work in an environment that allows them to carry out the task, Landy and Conte, emphasizes the importance of motivation - if motivation is equal to zero, even the most talented employee will not deliver. Similarly, an energized and highly motivated employee can reach good performance despite having some knowledge gaps. A good example for the latter situation is a new worker or trainee, who joins the institution fully motivated to work, yet lacks skills and experience. The motivation to learn and develop will quickly outweigh the weaknesses. The effects of motivation do not stop with performance. In the group of motivated employees there are fewer work accidents, fewer rates of ethical problems, less employee turnover and lower levels of absenteeism (Jurkiewicz, Massey & Brown).

Robison, observe that motivated employees feel less stress, enjoy their work, and as a result have better physical and mental health Furthermore, motivated employees are more committed to their

institutions and show less insubordination and grievance. They are also more creative, innovative, and responsive to customers, thus indirectly contributing to the long-term success of the institution (MAN forum) . In short, motivated employees are the greatest asset of any institution.

CHAPTER THREE

RESEARCH METHODOLOGY

This chapter discusses how the researcher is designed, the methodology, and population and sampling, sources of data gathering tools and method of data analysis.

3.1. Research Design

Research design is the blueprint for fulfilling research objectives and answering research questions (John *et al.*, 2007). It ensures that the study would be relevant to the problem and that it uses economical procedures. It is a grand plan of approach to the topic it is quite a lot of work and reading as well as simply understanding the views of the researcher. (Greener, 2008). The study was conducted through descriptive survey design; information on the influence of motivation on performance was presented as received from the respondent. Descriptive survey is a process of collecting data in order to answer questions concerning the current status of the subject in the study (Mugenda and Mugenda, 2003) since the researcher wants to answer the question what, who, where, when, and how questions regarding to the topic. In addition the researcher used quantitative approaches that are important to measure the objectives and perform statistical analysis of numeric data to understand and explain phenomenon from perspective of participants in the study.

3.2. Sources of data

The researcher used both primary and secondary data sources.

Primary data sources: This refers to raw facts collected or generated in a given research for the first time. This data was generated from the sample population by use of the questionnaire which was close ended as well as open ended questionnaires.

Secondary data sources: This method involves sourcing for already processed information. Data's are taken from by reviewing relevant text books, journals, magazines and other documents of the CBE are used to enrich the paper with tangible facts.

3.3 Population of the study

The study incorporate employees of Commercial Bank of Ethiopia who are working in Addis Ababa on selected branches Even if the bank staff comprises large number of professional staff and clerical staff selecting target population is necessary nevertheless collecting data from all respondents of the bank is beyond researchers capacity thus the study was targeted only on professional staff and the staff's that have more than one year experience and work in the capacity of professional posts in the operation with the following justifications.

- It is assumed that they are familiar to motivation practices of the bank
- They are back bone of the banking operation and are playing a great role in service excellence; they have undeniable contribution for productivity
- They are the one who have first contact with customers.

3.4 Sampling Technique and Sample Size Determination

The researcher used simple random sampling technique in order to select respondents and branches. Simple random sampling technique is sampling procedure that ensures each element in the population will have an equal chance of being included in the sample.

The total population size is the sum of professional employees working in Addis Ababa area and having more than one year experience in commercial bank of Ethiopia since these professional employees are engaged directly in the day today operation of the business furthermore they have direct and great influence on customer satisfaction. And it counts a total of 1721 professional employees working in the branch level will be the population size of the researcher.

The researcher uses the formula suggested by Yemane Taro, 1967 which is indicated below to determine the sample size.

$$n = \frac{N}{1 + N(e)^2}$$

Where n is the sample size, N is the population size, and e is the level of precision.

N= population size of this research is1721

e= precision level the researcher prefer to use 5% of sampling error (with a confidence level of 95%) which is an acceptable level of sampling error in many social science researches.

Then $n = 1721 / (1 + 1721 \cdot (0.05)^2)$

$n = 1721 / 5.3025$

$n = 325$

Probability sampling is also known as ‘random sampling’ or ‘chance Sampling Under this sampling design, every item of the universe has an equal chance of inclusion in the sample. It is, so to say, a lottery method in which individual units are picked up from the whole group not deliberately but by some mechanical process (Khotari, 1990).

The researcher selected branches randomly and then distributed the questionnaires to randomly selected employees according to the sample size determined.

Then the researcher selected west Addis Ababa districts because the branches are more convenient for the researcher and district branches will be randomly, consequently respondents will be selected randomly from the already randomly selected branches this method gives equal chance to all branches and respondents to be represented in the research.

3.5. Data collection Procedure

According to Blaxter (2001), primary data is defined as consisting of materials that one has gathered by himself through systematic observation, information archives, the results of questionnaires and interviews and case study which one has compiled. Data are primary if they have been gathered according to one’s rational and interpreted by one to make a point which is important to one’s own argument. Primary data was collected in order to solicit responses directly from the field. The data collected: both primary and secondary (official document) constituted the basic information from which conclusions were drawn for making decision. Open and close ended questionnaire and observation was the main collection tools that the researcher employed to collect data from the sample frame.

3.6. Method of data analysis

Data collected based on the concepts and define in the research model and questions planned to address. This study is a descriptive study, to collect detailed and factual information that describes an existing phenomenon; the data was collected from respondent employees through open and close ended questionnaire. They are analyzed and interpreted so as to reach on

meaningful findings. The researcher used SPSS version 20 to code and analyze the collected responses for questionnaires. In addition to these descriptive statistical techniques, tables and percentages were used for data analysis.

3.7. Validity and Reliability

According to the definition of Kothari (1990), validity is the most critical criterion and indicates the degree to which an instrument measures what it is supposed to measure.

Reliability estimates the consistency of the measurement or more simply, the degree to which an instrument measures the same way each time it is used under the same conditions with the same subjects. Robert Raeside and David White (2007)

In order to ensure the validity and reliability of the research, the researcher distributed some questionnaires to the sample of the intended population and subject area experts as a pilot test before a full-fledged study of the research was conducted. In addition to this, the researcher avoided ambiguous words to get a reliable response. Moreover, the researcher also used questionnaires from previous researchers in the area with some modification that helped the respondents to understand easily.

Cronbach's Alpha	N of Items
.737	29

The result of Cronbach's coefficient alpha calculated to be 0.737. Based on the results, we can conclude that there is an internal consistency in questions and the questionnaire can be used for the intended purpose without any reliability and validity problem.

3.8. Ethical considerations

The primary responsibility of the researcher is to confirm its confidentiality and guarantee the privacy of respondents during the information given by respondents. The purpose of the research was explained before conducting the survey. It also will be more concerned not to violate the self-esteem and self-respect of the subjects as well. All the data collected in this research is used only for the study purpose and is not accessible rather than intended aim. However, the research results would be presented and accessible for both the graduating university and organization.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1. INTRODUCTION

This chapter deals with the data analysis and interpretation of the findings. The data collected using questionnaires are presented and analyzed in this chapter. This section of the study deals with analyzing the collected questionnaire and interpretation of the result making use of SPSS version 20 software. The results have been presented in both tables and figures showing frequencies and percentages of the responses given by the staff of commercial bank of Ethiopia

As stated in the previous chapters the questionnaires were designed and distributed to a total of 325 employees of the bank. Accordingly, 297 questionnaires were appropriately filled and returned which gives a 91.38% return rate that is assumed to be suitable for further analysis. The detail is summarized in the below table.

Table 1: Sampling plan and Actual Performance

Category	Intended sample size	Responded	Percentage of collection
Employee Questionnaire	325	297	91.38

4.2. Background of the respondents

The first part of the questionnaire consists of five items about the demographic information of the respondents. It covers the personal data of respondents, such as gender, age, marital status, educational qualification, and the like. They are summarized on following tables it reveals the demographic profile of respondents.

The below table, section A revealed that the 56.9 % of respondents are males whilst 43.1 respondents were females. Thus the majority of the respondents are males. Though the number of females in CBE has envisaged a remarkable growth through time nonetheless their male's counterparts still dominates the field. With regard to respondents' marital status, as shown in the

below table, 169 of the employees which constitute about 64% of the respondents are single and the rest 99 or around 33% are married And only 8 which is around 3% are divorced.

Table 2 . Background of respondents

Biographical Information of respondents			
Item	Scale	Frequency	Percent
A. Sex	Male	169	57%
	Female	128	43%
Total		297	100%
B. Marital status	Married	99	33.3%
	Single	190	64%
	Divorced	8	2.7%
Total		297	100%
C. Age	20-30	233	78.5%
	31-40	49	16.5%
	41-50	6	2.0%
	51-60	9	3.0%
Total		297	100%
D. Level of education	Levels/certificate	5	1.7%
	Diploma	27	9.1%
	Degree	238	80.1%
	Masters	22	7.4%
	Above	5	1.7%
Total		297	100%
E. Year of service	1-3	164	55.2%
	4-7	90	30.3%
	8-15	32	10.8%
	Above 15 years	11	3.7%
Total		297	100%

Source: own survey, May 2016

As indicated on above table section-C reveals that CBE has employee's large number of young workers of population. This is because 233(78.5%) of the respondents are with a range of 20-30 years , 49(16.5%) are between 31-40 years of age, 6 respondents representing 2% are between 41-50 ages and 9 representing 3% of respondents are in between 51-60 . This clearly shows that majority 95% of the respondents are active age group. In effect if the human resources at CBE are well managed and motivated, the organization is likely to benefit from this resource through its youthful energetic, talents, skills and innovation and also passionate which can be harnessed and tapped for organizational purpose.

The educational background of the staff at CBE ranges from levels or certificates, diploma, BA/BSC Degree and MA/MSc and others or above. The data for the study on the section-D shows that the workforce at CBE attained higher educational level to the extent that only 32 (10.8%) were below Degree, and Degree holders 238 (80.1%) and MSc /MA 22 (7.4%) and above 5 (1.7%). This revealed that 87.5% of the employees are degree and above degree holders. From the findings it is realized that the bank has qualified HR resources to carry out its day today activities in a better way. Even though it could be better

If the bank extends the qualification of employees to master level assuming that offering educational sponsorship as one part of motivational incentive and it can serve as strategic tool that creates sense of ownership and good governance in the minds of employees.

As shown on the above table section- E, 164 (55.2%) of the respondents worked in CBE between 1-3 years, 90 (30.3%) have served CBE between 4-7 and 32 (10.8%) have served between 8-15 years and 11 (3.7%) of the respondents have served CBE for more than 15 years. This indicates that the staff of CBE does not stay at post for a very long period and the turnover prevailing in the organization having adverse impact for the achievement of the missions and visions of the organization. This is due to various factors among which poor motivational schemes of the organization takes the major place. When majority of staff leave after a number of years, the subsequent effect is that, CBE loses the rich knowledge and experiences that it could access organizational benefits. Most of them eventually end up becoming assets to other competitors in the same industry. This and many others should be the reason why management would have to take another look at staff motivation again for its own benefits.

4.3. The influence of motivation on employee's performance

Employees were asked whether motivation influence them on their performance their response summarized on below `table According to Kotelnikov (2008), the extent to which employees are motivated in their work depends on how well those employees are able to produce in their job. He goes further, to assert that motivation is expected to have a positive effect on quality performance; employees who are characterized by a high level of motivation will definitely show higher work and life satisfaction.

Employee motivation promotes workplace harmony and increased employee performance. It is the key to long term benefits for the company. Motivated employees means staff retention and company loyalty, which in the short run will give birth to growth and development of business (Jishi, 2009). In order to know respondents views towards the effect of motivation on employee's performance table 6 shows the response of employees.

Table 3: The effect of motivation on employee's performance

Motivation has an effect on performance	Frequency	Percentage
1. S. disagree	-	-
2. Disagree	13	4.4
3. Neutral	5	1.7
4. Agree	109	36.7
5. s. agree	170	57.2
Total	297	100%

Source: own survey, 2016

Respondents were asked whether motivation affect their level of performance. So that 170 representing 57.2% of respondents strongly agreed, 109 representing 36. 7% agreed that motivation has an effect on performance and 5 representing 1.7% of respondents respond neutral

and only 13 representing 4.4% respond negative. This reveals that majority of respondents believe that motivation affect their performance.

The motivation and increase level of performance

Respondents were inquired to answer whether motivation increase their performance , As below table shows majority of respondents which are 239 representing 80.5% said if they feel well motivated there will be increase in the current level of performance and 58 representing 19.5% responded it doesn't have any effect. This shows increase in level of performance has and effect on their motivation.

Table 4: Performance and Motivation

Whether well motivated employees increase in the current level of performance	Frequency	Percent
1. Yes	239	80.50%
2. No	58	19.50%
Total	297	100%

Source: own survey, 2016

The study revealed that motivation is directly proportional to performance as shown from the response on the table above. This result clearly presupposes that the more motivated the workforce, the higher their level of input into work and hence increase in performance.

4.4. Level of motivation

Worker performance clearly depends on their level of motivation, which stimulates them to come regularly, work diligently, be flexible and be willing to carry out the necessary tasks. The performance and quality of banking service depends on the quality and motivation of banking human resources. Therefore, bankers' motivation is likely to have contribution on the delivery of banking service and the outcome on customer care and performance of work. Respondents were quizzed how they rate their level of motivation towards their work. The responses are summarized below

Table 5: level of motivation towards job

LEVEL OF MOTIVATION	FREQUENCY	PERCENTAGE
Very low	59	19.9
Low	73	24.6
Average	126	42.4
High	32	10.88
Very high	7	2.4
Total	297	100%

Source: own survey, 2016

When the respondents rated the level of motivation towards their job in the organization. The results in Table 4.4 below were obtained. 59 representing 19.9% % said that their level of motivation is very low, 73 representing 24.6 % said it is low this implied the level of motivation of the staff outweigh low. 126 representing 42 % said average and on the other side 32 representing 10.88% said high and 7 representing 2.4% said their level of motivation is very high. This shows that majority of the employees level of motivation was average and they are not well motivated. In order to reach the goals of the bank highly motivated staff is necessary. Southern (2007) proposes that boosting employee morale and enthusiasm in the organization is one the most important things that can be done by management. If management is not paying attention to the morale of employees, they can be assured that the business will begin to see drop in productivity, as well as a lack of loyalty. The keys to raising the morale of your office or workplace begin with you simply paying attention. Boosting morale is not difficult if you are paying attention to how you would like to be treated.

Staff preparedness to go extra-mile in delighting customers

Respondents were quizzed how far they would go to delight customers both external and internal the next table shows the staff response

Table: 6 Staff preparedness to go extra-mile in delighting customers

Whether Staff prepared to go extra-mile in delighting customers	Frequency	Percent
1. Yes	162	54.5%
2. No	135	45.5%
Total	297	100%

Source: own survey, May 2016

This research also sought to determine the level of preparedness of staff to go the extra-mile to better serve the customer irrespective of the challenges that they may face. When the respondents were asked about their preparedness to go extra mile to delight customers as far as provision of quality service to customers were concern, the data for the study shows that only 162 staff representing 54.5% answered in the positive whilst 135 staff representing 45.5% answered NO. Thus majority of the staff indicated that they were prepared to go extra mile to delight customers. It is argued that excellent service delivery retains customers and CBE should make sure that all staff's put every effort to ensure that customers are delighted so as to remain competitive in the market.

Staff commitment to company success

Commitment to a worthy course is one of the attributes of motivation. According to Joe Love and JLM and Associates (2005) many of the world's corporations today suffer from low employees morale and performance, which lead to poor-quality products and services, and higher costs. This is because managers today in most corporations lack the listening, feedback, and delegation skills needed to enhance employee commitment and improve productivity. In order to ascertain staff commitment to commercial bank of Ethiopia respondents were asked to indicate the extent to which they agreed with the statement that CBE deserves every little sacrifice and be prepared to give the very best of myself to ensure it succeeds.

TABLE 7: Commitment level of the staff

CBE deserve 100% commitment	Frequency	Percentage
1. S. disagree	19	6.4
2. Disagree	121	40.7
3. Neutral	56	18
4. Agree	86	29
5. A. agree	15	5.1
Total	297	100%

Source: own survey, May 2016

On above table 5 it can be observed that 19 staff representing about 6.4% strongly disagreed with the statement as against 15 staff representing 5.1 % who strongly agreed with the statement and 86 representing 29% agreed with the statement and 56 respondents 18.9 % were neutral for the statement . Low staff commitment level at work is very risky to the success and survival of it affects the general attitude, behavior and the approach of staff to work. This becomes evident in the increase in staff absenteeism, excuses from work, poor quality of service rendered to customer’s apathy etc. Respondents were not so obsessive and passionate about their work as 121% and 40.7% of the total staff respectively disagreed and strongly disagreed with the statement, “commercial bank of Ethiopia deserves 100% commitment in executing their work”. This shows that the Company should put in much effort to motivate the workers so that they can succeed.

4.5. Factors of motivation at CBE

Motivational factors

The results are shown on below table show what motivate respondent’s most. Using likert scale, respondents were asked to rank 6 statements relating to how to best they will be motivated on the following motivational factors on their job.

Table 8. Major Factors of motivation on employees

Motivational factors	Below Average	Average	Above average	Credit	Excellent	Total
Job satisfaction	28(9.4)	75(25.1)	54(18.1)	45(15.1)	95(31.8)	297(100%)
Recognition	40(13.4)	66(22.1)	36(12.0)	71(23.7)	84(28.1)	297(100%)
Sense of achievement	10(3.3)	68(22.7)	66(22.1)	59(19.7)	94 (31.4)	297(100%)
Good salary	17(5.7)	65(21.7)	39(13.0)	43(14.4)	133(44.8)	297(100%)
Training and development opportunities	44(14.7)	72(24.1)	60(20.1)	69(23.1)	50(16.7)	297(100%)
Fringe benefits such as pension, medical house and related benefits	21(7.0)	49(16.4)	48(16.1)	53(17.7)	125(42.2)	297(100%)

Source: own survey, 2016

Above table shows good salary 133(44.8%) as most important factor of motivation followed by fringe benefit 125(42.2%), 95(31.8%) job satisfaction, sense of achievement 94(31.4), recognition 84(28.1), training and development 50(16.7). This reveals that good salary is considered as the most important factor of motivation followed by fringe benefits, job satisfaction, sense of achievement, recognition and training and development.

SOURCE OF STAFF MOTIVATION

In order to ascertain the staff source of motivation and drive towards work, respondents were asked to select which factor among four major selected factors motivates them to be more productive and effective at work. The factors were later grouped under intrinsic and extrinsic sources of motivation.

Table 9: Sources of Motivational Factors

Source of motivation	Rank	Percentage
High salary	118	39.7 %
Recognition	73	24.6%
Sense of achievement	38	12.8%
Career advancement	65	21.9%
Total	297	100%

Source: own survey, May 2016

The factors were grouped under intrinsic and extrinsic sources of motivation. All factors were ranked on above tables it shows the collective rank order of the four motivational factors according to how important each factor is influencing the staff performance.

Extrinsic motivation: It is related to tangible rewards such as salary and fringe benefits, security, promotion, contract of service, the work environment and conditions of work. Such tangible rewards are often determined at the organizational level and may be largely outside the control of individual managers (Mullins, 2005).

Money is the most fundamental inducement; no other incentive or motivational technique comes even close to it with respect to its influential value. (Sara et al, 2004) as cited by European journal of business and management). It has supremacy to magnetize, maintain and motivate individuals towards higher performance. From Above table shows majority of respondents which are 64.4 % consider extrinsic motivational factor are the most important factor to motivate them to be more productive and effective at work than intrinsic motivational factors. From extrinsic

factor of motivation 118 of respondents representing 39.7 % rank high salary and secondly 73 representing 24.6% said recognition is important for their motivation.

Intrinsic source of motivation: from intrinsic factor of motivation 38 representing 12.8 % said sense of achievement and 65 representing 21.9% chose career advancement was their major motivator to be most effective and productive at work. The motivation of commercial bank of Ethiopia therefore comes from high salary in completion or even working on a task. However, intrinsic motivation does not mean the staffs do not seek for rewards but it means that such external rewards are not enough to keep a person motivated. Looking at the two it was observed that the staffs are motivated by extrinsic factors/reward.

Alternative motivational packages suggested by employees

Respondents were asked to indicate other alternative motivational packages that induce them to work harder and the researcher summarize these views in the following manner

- Flexible working hours
- Job design should be improved
- Work life balance
- Increase Advancement opportunities
- Good communication between staff and manager
- Create social events
- Freedom to work

The almost all above motivational packages which are not currently available they are possible suggested additions, if a bank intends to revise the schemes this will result in increase employees level of motivation .

4.6. The factors that de-motivates the staff of CBE from being productive at work

There are many factors that de-motivates the staff of commercial bank of Ethiopia from those factors the researcher selects the below common factors that mostly occur on the bank employees. Below table shows that from all factors majority of respondents 118 representing 39.1% said that uninteresting and routine job schedule, secondly poor working conditions 32%, inadequate reward system 22.2% and lastly lack of requisite training for employees are the major factors that de-motivate employees.

Table 10: The factors that de-motivates employees

FACTOR THAT DEMOTIVATES THE STAFF		FREQUENCY	PERCENT
1.	In adequate reward system	66	22.2
2.	Uninteresting and routine job schedule	118	39.1
3.	Lack of requisite training for employees	15	5.1
4.	Poor working conditions	95	32
	Total	297	100

(source own survey may2016)

Work environment is one of the factors that affect employees' decision whether to stay with the organization or not. Productivity and efficiency are directly affected by how people work, and this is equally affected by their work environment. This may include issues such as office space, equipment, air conditioning, comfortable chairs just to mention but a few. Working environment that is comfortable, relatively low in physical psychological stress, facilities and attainment of work goals will tend to produce high levels of satisfaction among employees. In contrast, stressful working environment result to low level of satisfaction. Daly *et al.*, (2006), observes that heavy workloads may generate hostility towards the organization and diminish levels of

employee commitment. The nature of the job in the bank by its self is redundant, repetitive and tiresome as stated on above table Uninteresting and routine job schedule as well as poor working condition was the major de-motivating factors . Reward can be defined as something that an organization gives to the employee in response to their contribution or performance to make employees motivated for future positive behavior (Armstrong, 2009). The purpose of reward strategy is to develop policies and practices which attract, retain and motivate high quality people. Organizations should clearly tie rewards and recognition to achievement of the desired performance. This helps the employees to know that they are valued and their efforts and contributions are appreciated (Jenkins, 2009). CBE has to consider improving the working environment, the schedule of the job and also improve the reward system in order to retain and to have satisfied and motivate employees.

The major reasons for staff leaving CBE

Management interest in motivating employees would had enables the institution to retain the more experienced employees and this would have led to cost saving because a low turnover rate also means less hiring and training activities. For Every organization it is important to reduce turnover rates. In order to do that, organizations has to identify the reasons why their employees leave to other organizations.

Table:11 The major reasons for staff leaving CBE

Reasons of resigning CBE	Frequency	Percentage
Poor remuneration and fringe benefits	58	19.5
Better job offer	164	55.5
Lack of motivation	63	21.2
Other	12	4
Total	297	100%

Source: own survey, May 2016

As shown on the above table 55.2 % representing 154 respondents replied that if they get better job offer they will leave CBE for good. Next to that 63 representing 21.2% said lack of motivation was there reason for leaving CBE and the thirdly 58 representing 19.5 % responded poor remuneration and fringe benefit , lastly 12 representing 4% mentioned other reasons such as to start their own business and also all the three reasons together. The majority of respondents respond better job offer and lack of motivation are their major reason for leaving CBE.

4.7. Perception of employees towards current motivational packages of CBE

Staff reward and compensation against others in banking sector

Perceived fairness and equitability is very crucial to its success of any organization In order to find out the staffs perception on how they think they are being treated. When staffs feel they are not treated fairly, it results in negative consequences on performance that is, how fair or equitable their treatment is regarding compensation and reward they receive from CBE, The below table shows staff response on the subject matter.

Table : 12 The reward and compensation systems of CBE against other in the same` industry

The reward and compensation systems of CBE against other in the same` industry	Frequency	Percentage
1. V. poor	19	6.4
2. Poor	80	26.9
3. Good	158	53.2
4. V. good	38	12.8
5. Excellent	2	0.7
Total	297	100%

Source: own survey, 2016

Out of the total number sampled, 19 of the staff representing 6.4% pointed out that the Reward/compensation CBE is poor, whereas 79 staff representing 26.6% feels Very poor and only 2 staff representing 0.7% was of the view that reward and compensation are excellent. Consequently, 157 representing majority of 52.9% were of the view that reward and compensation is not too exceptional from the others in the same industry.

Reward and compensation system of CBE fair and equitable to encourage high performance

Perceived fairness and equitable reward and compensation system has and effect on performance of employees so as to this the respondents were asked how they perceive the reward and compensation of CBE fairness and equitability that encourage them to perform higher. Below table reveals that 108 representing 36.4 % said yes and majority of respondents which are 189 representing 63.6% doesn't believe that the commercial bank of Ethiopia reward system is not fair and equitable enough to encourage high performance.

Table .13: Reward and compensation system of CBE to encourage high performance

Response	Frequency	Percent
1. Yes	108	36.4%
2. No	189	63.6%
Total	297	100%

Source: own survey, 2016

In order to identify the recognition practice in the commercial bank of Ethiopia the respondents asked whether they got recognition from their superiors or not and how did it affect their performance. above table shows 127 representing 42.8% responded positive and 169 representing 56.9% responded negative and they didn't get any recognition at all and they felt discourage to work hard. This reveals that CBE has to improve the recognition practice in order to have motivated and hardworking employees and to reach vision of the organization.

The extent respondents are satisfied with the current motivational packages of the bank

As indicated on below table only 9 respondents are very satisfied, and 46 representing 15.4% are satisfied with the current motivational packages of CBE. Whereas 107 respondents are dissatisfied, 23 representing 7.7% of respondents where very dissatisfied and majority of respondents said neutral 114 representing 38.1 % were not sure said neutral. so as to this mass of respondents were neither satisfied nor dissatisfied and next to this close to neutral the number of dissatisfied respondents are high this reveals the bank has to work on improving the current motivational packages.

Table: 14 what extents are you satisfied with the current motivational packages of the bank

The extents are you satisfied with the current motivational packages of the bank	Frequency	Percentage
1. V. dissatisfied	23	7.7
2. Dissatisfied	107	35.8
3. Average	114	38.1
4. Satisfied	46	15.4
5. V. satisfied	7	3
Total	297	100%

Source: own survey, 2016

Employees of CBE satisfaction is neutral which is below satisfied and next to that they the number of employees who are dissatisfied are 35.8% this reveals the satisfaction level of the staff towards the motivational packages of CBE is low and this likely affect their performance .since Motivation is significant because even people with the required knowledge, skills, and abilities will perform poorly if they are not motivated to devote their time and effort to work (Milapo, 2001). In another word, motivation is an important factor which describes performance. That means it is a driving force contained by the individuals (Mullins, 2007). From the context of

the relationship between motivation and performance, the notion that employees who are highly motivated are much more likely to be high performers is widespread in management and organizational psychology literature. In the contrary, other researchers found that motivation has not direct relationship with job performance of individuals.

Praise and Recognition practice at CBE

Praise or recognition is essential to an outstanding workplace .people want to be respected and valued for their contribution. Everyone feels the need to be recognized as an individual or member of a group and to feel achievement for work well done or even for a valiant effort and when employees work recognized their satisfaction raises and they will be motivated to maintain or improve their good work. According to Namusonge *et al.*, (2012), employee recognition is the timely, informal or formal acknowledgement of a persons or teams behavior, effort or business result that supports the organizations goals and values, and which have clearly been beyond normal expectations. Appreciation is a fundamental need and employees respond to appreciation expressed through recognition of their work because it confirms that their work is valued. Employees tend to stay in organizations where they feel their capabilities, efforts, performance and contributions are recognized and appreciated by others. Frequent recognition may be given in less formal ways.

Table 15 : praise and recognition given for employees

Praise and recognition given for employees	Frequency	Percent
1. Yes	127	42.8%
2. No	169	56.9%
3. Missing	1	0.3%
Total	297	100%

Source: own survey, 2016

The performance measurement practice of CBE is` fair and equitable

Measurement and evaluation are used to strengthen and improve performance. According to Armstrong (2006), firstly, performance measures are yardsticks which used to determine how well employees produced or provided products or services.|| It is important that the required

outcome of an intervention to be measured and assessed is clearly defined and known; secondly the appropriate methods are used; and thirdly to determine whether the selected activities and interventions will narrow or close the performance gap. The importance of measurement in the performance improvement process cannot be overemphasized. As Sutherland *et.al* (1995:12) highlight, if you cannot understand something you cannot measure it. If you cannot measure it, you cannot control it. If you cannot control it, you cannot improve it.

Table 16: Performance measurement practice of CBE is` fair and equitable

Performance measurement practice of CBE is` fair and equitable	Frequency	Percentage
1. s. disagree	58	19.5
2. Disagree	139	46.8
3. Neutral	68	22.9
4. Agree	17	5.7
5. s.agree	15	5.1
Total	297	100%

Source: own survey, 2016

Respondents were asked whether the performance measurement practice of the commercial bank of Ethiopia is fair and equitable, results on below table shows, 58(19.8 %) responded strongly disagree and 139(46.5%) disagreed on the statement. Whereas, 68 (22.7%) not sure, 17 representing 5.7strongly agreed and only 15(5%) agreed on the fairness and equitability of the performance measurement practice of CBE. This reveals that majority of respondents doesn't think the performance measurement practice of the bank is not fair and equitable. The bank has to work on the system to make the measurement fair and equitable.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

INTRODUCTION

In the final chapter of the study important summary of the finding based on analysis of data are presented. Moreover, from the findings of the study, the researcher forwards conclusions and recommendations.

5.1. SUMMARY

The primary objective of this study was to assess motivational level of employees in CBE so as to these Questionnaires were prepared and administered to 325 employees of which 297 was actual data collected. In general the study revealed that employees of commercial bank of Ethiopia 57.2% strongly agreed and 36.7% of them agreed that motivation has an effect on the their performance. The study revealed that 239 representing 80.55% responded that there is direct relationship between motivation and performance respondents responded that if they were more motivated there will be an increase in their level of performance and 58(19.50%) responded negative.

The level of motivation among staff at commercial bank of Ethiopia on west district is average and these reflect on their level of input into the job. From the study conducted, of the sample representing 126% indicated that their level of enthusiasm and passion towards work is average and 73 representing 24.6% of respondents implied that their level of motivation as low and 59 representing 19.9% indicates high with the remaining 32(10.8%) and only 7(2.4%) responded very low and very high respectively. this implied that over 35 % of the staff indicted that they have low motivation.

From the study employee perception towards source of motivation, employees of the bank are more prompt on extrinsic motivation than intrinsic motivation. 64.4% of respondents consider extrinsic motivation as the most important factor. They rank salary as major motivator and recognition as second best. With regard to rewards and compensation of CBE against other in banking industry the results shows that employees perceive it was good. The results show that 63.7 % of respondents perceive reward and compensation system of CBE is not fair and

equitable. Study also reveals that 66.3% of employees perceive the performance measurement practice of CBE is not fair and equitable.

Another major finding emerge from this study that the level of commitment of staff of CBE is low 47.1 %disagreed and 18% were neutral that CBE deserve 100% commitment in executing their work . In order for commercial bank of Ethiopia to succeed, all the major stakeholders must make a conscious effort to increase the level of employee motivation and zeal to work. The study identified that the major reason of the staff leaving CBE is that if employees firstly get better job offer and secondly lack of motivation. The study also identified that the major demotivating factor of employees that affected their performance is that uninteresting and routine job schedule then poor working condition thirdly in adequate reward system were the major demotivating factor.

Another major finding emerge from this study is the clear indication of job satisfaction as a top motivational factor among `Commercial bank of Ethiopia's employees. As many as 133 of the staff representing 44.8% claimed that among the six major motivational factors: good salary is the topmost factor that influences them to work. Fringe benefits came second with followed by the job satisfaction 31.8%, sense of achievement 31.4%, recognition 28.1% and availability of training and development opportunities 16.7% as the least. Respondents in this study placed high emphasis on good salary and other factors, which are largely basic in nature.

CONCLUSIONS

- In line with the basic research questions and objectives of the study, the following conclusions as made the results of the findings form the basis for the conclusions and recommendations on this chapter and have brought to light the importance of motivation to employees' performance.
- Having examined the critical issues raised by the respondents, it has come to light that the importance of motivation should not be overlooked. Indeed the long- term survival of any organization depends largely on the motivation of its employees be it financial or non-financial.
- The result of the study showed that among the six independent motivational packages salary and fringe benefits were the most important factors from this we can conclude that

extrinsic motivational packages were considered better than intrinsic motivational packages.

- The study revealed that employees of commercial bank of Ethiopia motivational packages has an influence on the performance and there is direct relationship between performance and motivation .It is agreed that the joy of employees in serving customers is very vital in the banking industry.
- The researcher concluded that when employees are motivated they are able to turn the fortunes of the bank in terms of increased deposit, loan/advances and profitability. Also, the shareholder value is increased in terms of the capital gains and dividends resulting from increased profitability. It promotes efficient utilization of assets for the generation of higher returns. A highly motivated employee's agility can effectively reduce operational cost without compromising service quality and profitability.
- Generally, Staff motivation at CBE is low and is to the extent to which they are unwilling to whole heartedly place business first and commit themselves to work to see the success of the organization.
- Respondents were not so obsessive and passionate about their work. Although an important motivational factor has been identified as wages by previous studies, since the things that motivates people to perform their best are different and distinct. Learning about what workers wants from their jobs, or what is more important for them, may generate essential information for effective human resource management. Money is certainly a motivator and a major one at that. Success of companies such as that of banks at least to some extent, a result of such motivation.
- There are other factors particularly job satisfaction as shown in the study. Rewarding employees financially does improve levels of employee motivation and thus enhance performance, which ultimately translates into increase in productivity.

RECOMMENDATIONS

The following recommendations have been made based on the Study

- The study recommends that since most of the employees feel well motivated by the extrinsic motivation, management of the bank should lay much emphasis on motivating employees extrinsically by providing other cash benefits to supplement their fixed or base pay. CBE should keep its progress with good remuneration system that should be updated according to the labor market.
- The study recommends Management should consider the use of extrinsic motivation such as incentives and other case benefits in motivating staff more often than the intrinsic source of motivation.
- The study recommended to management of this bank to motivate the employees with what they need most and this will transform into a higher level of performance on part of the employees.
- The study recommends that the management should continually recognize the performance of employees formally as well as informally.
- The bank should create an effective and good performance appraisal system for the fact that, constructive appraisal system can assist in motivating employees, as well as ensure clear performance evaluation mechanisms based on corporate BSC.
- The bank has to improve the working conditions like the uninteresting routine job schedule to increase the level of motivation of employees. As the study reveals it is the major de motivating factor of employees.

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QUESTIONNAIRES
COMMERCIAL BANK OF ETHIOPIA WORKERS
SAINT MARY'S UNIVERSITY
MBA PROGRAM

This research is to find your opinion on the level of motivation in Commercial bank of Ethiopia. Please I would be very pleased if you could spare me some time and complete this questionnaires for me. The information provided will be used for academic purpose and as such going to be confidential.

Sincerely,
Kalkidan Aregahegne
Thank you.

In all questions, please tick [] only unless otherwise indicated.

Part one: background data

1. Sex: a) Male [] b) Female []
2. Age of respondent a) 20-30 [] b) 31-40 [] c) 41-50 [] d)51-60 []
3. Level of education: a) levels [] b) Diploma [] c) Degree [] d) Masters []
f) Others (please specify).....
4. For how long have you been working with your present organization?
a) 1-3 years[] b) 4-7 years[] c) 8-15years [] d) more than 15 years
5. Department /Branch.....
6. Position. a) Junior level [] b) customer service officer [] c) auditor []
d) Chief cashier [] e) Management level []
f) Others (please specify)

7. Marital status

- a) Married b) unmarried c) divorced

Part two: The motivational level of employees towards their job

8. How do you rate your level of motivation and moral towards your job and organization?

- a) Very low B) low C) average d) high e) very high

9. Do you feel motivated enough to go extra mile in delighting your customer

- a) Yes b) No

10. How would you describe the general eagerness and attitude of staff in your department towards work, with regards to reporting time, involvement in organizational activities etc?

- A) Very high B) High c) average d) low e) v. low

11. To what extent do you agree with this statement” CBE deserve every little sacrifice and am prepared to give the very best of myself to ensure it Succeeds”.

- a) strongly agree b) agree c) neutral d)disagree E) strongly disagree

Part 3: The factors that motivate and demotivate the employees at commercial bank of Ethiopia

12. If you were considering leaving CBE, which of the following would be your reason(s)

- Poor remuneration and fringe benefits
- Better job offer
- Lack of motivation
- Others (please specify).....

13. Would there be an increase in your current level of performance if you felt well motivated to work?

- a) Yes b) No

14. Which of the following motivates you most to be effective and productive at work?

- a) Higher salary b) sense of achievement
- c) Recognition d) career advancement

15. Which of the following de-motivates you most from being effective and productive at work?

- a) Inadequate reward system
- b) Uninteresting and routine job schedule
- c) Lack of requisite training for employees
- d) Poor working conditions

16. Management's leadership style has an effect on the level of performance inclination.
 a) Strongly agree [] b) agree [] c) disagree [] d) strongly disagree []

Part four: The influence of motivation on employee's performance

17. Have you ever been praised or given recognition for good job done by your superiors?

- a) Yes [] b) No []

18. If 'Yes', how did it affect your performance?

- a) Encourage working harder []
 b) Indifferent []
 c) Others please specify.....

19. If 'No', how did it affect your performance?

- a) Felt discourage to work harder []
 b) Indifferent []
 c) Others (please specify).....

20. Is the reward system fair and equitable to encourage high performance?

- A) Yes [] b) No []

Part four: Motivational factors

21. Kindly indicate by circling the corresponding number against each factor of motivation you consider the most important that would influence performance at work

1- Below average 2- average 3- above average 4- credit and 5- excellent

	Motivational factors	Ranks
1	Job satisfaction	1 2 3 4 5
2	Recognition	1 2 3 4 5
3	Sense of achievement	1 2 3 4 5
4	Good salary	1 2 3 4 5
5	Training and development opportunities	1 2 3 4 5
6	Fringe benefits (housing, fuel allowances)	1 2 3 4 5

Part five: The perception of employees towards motivational packages

22. CBE consistently designs motivational strategies/ packages that enhance employee motivation? A) Not at all [] B) not very often [] C) neutral [] d) quite often []

E) Very often []

23. To what extent are you satisfied with the current motivational packages of the bank?

A) Very dissatisfied [] B) dissatisfied [] C) average []

D) Satisfied [] e) very satisfied []

24. How do you rate the reward and compensation systems of CBE against others in the same industry?

a) Very poor [] b) poor [] c) good [] d) very good [] d) excellent []

25. In your opinion, what can be done to motivate staff at CBE?

a) Appropriate remuneration to reward high performance []

b) Introduction of challenging but interesting job schedule []

C, recognition and promotion []

d) Specify if any other.....

26. “The performance measurement practice of CBE is fair and equitable” to what extent do you agree on the statement?

A) Strongly disagree [] B) disagree [] c) neutral d) agree [] E) strongly agree []

Part six: open ended questions

27. What do you suggest to improve current motivational system at CBE?

.....
.....
.....

Declaration

I Kalkidan Aregahegne declare that this research paper entitled “Assessing motivational level of employees: In case of Commercial Bank of Ethiopia” is my original work, and has not been presented for a degree or diploma in any other university and it is in partial fulfillment to the requirement of the program Masters of Art (MA) Degree in Business administration.

Declared by
Kalkidan Aregahegne

July, 2016

Student Signature

Endorsement

This thesis has been submitted to St. Mary's university, school of graduate studies for MBA program with my approval as a university advisor.

Temesgen Belaneh

Advisor (PHD)

signature

St Mary's university

July, 2016