

ST. MARY'S UNIVERSITY COLLEGE  
BUSINESS FACULTY  
DEPARTMENT OF MANAGEMENT

AN ASSESSMENT OF MOTIVATIONAL SCHEME  
OF EMPLOYEES: THE CASE OF JUSTICE ORGANS  
PROFESSIONAL TRAINING CENTER (JOPTC)

BY

AGAR AYELE

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SMUC  
ADDIS ABABA

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# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the Study

Managing the human capital is the main challenge both in public and private sectors. Not having proper motivational scheme leads to high turnover and as a result the mission of the organization will not be achieved as intended. There are four resources in every organization: Human, material, financial and informational resources. These all are important to the achievement of the goal of the organization, but the human element is more vital than the other resources. For an organization to become competitive and cope up with or take advantage of the change in the business environment, it has to formulate a corporate strategy that will enable to motivate its employees to respond to change and deliver quality service and product to its customer (Hackman, and Oldham, 1976; 251).

Factor of motivations play an important role in motivating employees, increasing job satisfaction and morale among employees, reducing employees turnover, absenteeism and in making innovative strategies and product. These all will eventually lead to organizational effectiveness like achieving targets, satisfying customers and other stakeholders.

“People constitute one of the most important resources to be managed in any organization. To manage people effectively requires an understanding of those characteristics which affect how they work probably the most important of those characteristics is their motivation. You may be aware of that staffs who are motivated to work in line with task requirements are enormously more productive than those who are not (Vroom, V.H 1964: 345-46).



Therefore, investing people, towards corporate capability emphasizes the fact that organization should device motivational programs that add value to the human resources, its people, so that they can move towards corporate capability and strong determinants of motivational factor. In relation to this, this study tries to describe the motivational schemes for employees of JOPTC.

## 1.2 **Background of the organization**

The 364/2003 proclamation established the Justice organs Professional Training Center (JOPTC) as a federal institution having its own legal personalities and being accountable to the Federal Supreme Court (FSC), announced in Federal Negarit Gazeta on 9<sup>th</sup> year No.89 Addis Ababa 9<sup>th</sup> September 2002.

### **The main objective of JOPTC:**

- To enable the judicial system build itself with professionals having the highest professional competences, integrity and who would be confided by the public and stand firm to the protection of the constitutional order.
- To bring about coordinated and uniform system of justice based on the principles of rule of law, transparency and accountability.
- Provide sustainable and continuous training so as to bring about just, efficient and effective system of justice.

## 1.3 **Statement of the Problem**

The prosperity, of any business organization to day largely depends on the performance its employees. Thus, blending the individual goals with organizational objectives for achieving their commitment to the organization assumes vital importance. Viewed in this context, employees motivation has in recent time, emerged as on important area of concern. Notwithstanding improved monetary

compensation, better job security, good working environment and comprehensive conduction of employment, it has been observed that fairly a large majority of the employees are not only unwilling to direct their energies to the attainment of organizational goals but do not also do their work assignment.

Organization of any kind is expected to provide effective and efficient services for its customers. This effective and efficient product usually emanates from the motivated workers.

The achievements are mainly attributed to the dedicated, disciplined, committed and honest employees from regional sites to head office level. However, JOPTC'S organizational development, efficiency and effectiveness are not growing as fast as expected. The very high turnover of the experience employee, the student researcher believes that, the most critical factor that contributed to the retarded organizational development.

The loss of qualified and experienced employees greatly limits the rate of knowledge skill transfer from old employees to new employees. New employees do not have the required skills; working culture and experience of the organization: new employees require many months to familiarize themselves with the work culture, procedure, experience and values of JOPTC. Therefore, in this study, the student researcher will try to investigate the real problem and come up with possible solutions or recommendations.

#### **1.4 Research questions**

Based on the facts discussed in the statement of the problem, this study has tried to find out answers for the following basic questions.

1. What motivational systems are employed in JOPTC (type, regularity, standard and fairness of the motivation system)?

2. How does the management of JOPTC perceives the need of maintaining motivational schemes for employees?
3. What are the factors that affect motivation of employees in JOPTC?

## **1.5 Objectives of the study**

### **1.5.1 General Objective**

The General objective of the study is to assess the existing motivation system of JOPTC.

### **1.5.2 Specific Objectives**

The study has the following specific objectives:

1. To identify the motivational scheme of JOPTC & to check its regularity, standard and fairness.
2. To explain how the management of JOPTC perceives the need of motivation for employees.
3. To identify the factors that affect motivation of employees in JOPTC.

## **1.6 Significance of the study**

The major significance of this study way that to point out the existed problems related to motivated system of JOPTCS. So as the management of the center focus about its weakness and overcome by using the stated recommendations. The study also the students and researchers by being an academic exercised in doing research and secondary data respectively.

## **1.7 Scope ( Delimitation of the study)**

JOPTC has 4 branches which are located at Addis Ababa, Awassa, Adama and Mekele. Through it is important to study the motivational schemes' of all these

training center, this study were focus on Justice Organs Professional Training Center which is located in Addis Abeba.

## 1.8 Definition of Terms

**Assessment** - The act of judging or assessing a person or situation or event (Wikipedia, the free encyclopedia).

**Motivation** - is a process that starts with physiological or psychological deficiency or need that activates behavior or a drive that is aimed at a goal or an incentive (Aswaappa, 2004: 316).

- Is psychological act, which attracts the workers to do more work (verma, 2002:188).

**Employee** – A person who is hired to provide services to a company on a regular basis in exchange for compensation and who does not provide these services as part of an independent business (Wikipedia, the free encyclopedia).

## 1.9 Research Design & Methodology

### 1.9.1 Research Design

The research design used in this research is descriptive method. The Justification for using this method is that it enables the student researcher to describe the phenomenon reflected by respondents as it is.

### 1.9.2 Population and Sampling Techniques

According to the data obtained from JOPTC, the number of employees who have been working is 70. As such figure is manageable and is possible to reach and deliver questionnaires to all, all the population have been involved in the study. In other words, census was employed for the study.

### **1.9.3. Types of Data collected**

In order to address the research questions and objectives, both primary and secondary data were collected.

Primary data were collected from questionnaires and interview.

Secondary data were collected from both published and unpublished materials related to employee motivation schemes.

### **1.9.4. Methods of Data Collection**

Data was gathered both by employed questionnaires and interviews. In the case of employees, self administered questionnaires have been used as this type of questionnaire allows the respondents sufficient time to answer adequately and freely to provide substantial amount of information.

In this respect, the student researcher was explicitly explaining how to complete the questionnaire upon distribution. Combination of both close-ended and open-ended question type are presented in order not to restrict respondents to the pre-determined choices only. Interview was also being conducted with the JOPTC Management personnel to complement the data that were gathered through questionnaire.

### **1.9.5. Data Analysis Methods**

The data that's collected by means of questionnaire were analyzed by using frequency, tabulations and percentages. Data collected through interview and open ended questions were analyzed qualitatively.

## **1.10. Organization of the study**

The paper has four chapters. The first chapter deals with the introduction part of the paper which contains background of the study, background of the organization, statement of the problem, research questions, objective of the

study, significance of the study, scope (delimitation of the study), Definition of terms, Research design and methodology. The second chapter focuses on the review of related literature. The third chapter deals with analysis and interpretation of the results of the study. Finally summary, conclusion & recommendation are presented in the fourth chapter.

# CHAPTER TWO

## Review of Related Literature

### 2.1 Meaning and definition of Motivation

#### 2.1.1 Meaning of Motivation

Motivation is a key factor for the organization to utilize the manpower resources optimally. Mirza.S.Saitad in, (2003:40) discussed a term motivation as follows Motivation is derived from the Latin word “mover” which means “ to move” most organizational behavior strategies are eventually meant to optimally utilize the capabilities of individual and groups towards achievement of organizational objectives. The performance of individual is a function of his ability and willingness or desire in achieving certain goals. This willingness or desire direct to act, to behave, to run, or even to keep quite is what may very simplistically be called motivation.

Based on the above definition, by using “motivation”, we can create energetic, insisted, harmonized and efficient manpower.

#### 2.1.2 DEFINITION OF MOTIVATION

A word motivation defined by many authors; (Steven L Mc Shane,2000:06) as the force within a person that affects his or her direction, intensity and persistence of voluntary behavior. Similarly (Navey Kumar, 2004:283) defined motivation as follows motivation is a way enthused at work to intensify a person’s willingness to use his potentially for the achievement of organizational objectives.

According to Dalton E.Mcfarland "Motivation refers to the way in which urges, drives, desires, assertions, striving or need direct, control or explain the behavior of human beings".

As to Dubin "Motivation is the complex forces starting and keeping a person at work in an organization".

As (Aswaappa, 2002:313) stated, motivation is a process that starts with a physiological or psychological deficiency or need that activities behavior or a derive that is aimed at a goal or an incentive.

The definition presented above, argues in three basic facts that are:-

1. Effort – the amount of effort put into the activity identifies the strength of the pensions work related behavior.
2. Persistence – motivation is permanent and an integral part of human being.
3. Direction – persistent hard work determines the quality of effort while direction determines the quality of the anticipated output (Navey Kumar, 2004:282).

Generally different authors expressed that motivation consists of three elements, which are need, drives and incentives.

- I. Needs: - Are created whenever there is a physiological or Psychological imbalance.
- II. Drives: - Are deficiency with direction.
- III. Incentives: - At the end of motivation cycle is the incentive is Defined as anything that will alleviate a need and reduce a drive (Navey Kumar, 2004:284-285).



### 2.1.3 NATURE OF MOTIVATION

1. Basically Motivation have seven key natured which are internal feeling - motivation points to energetic forces within individuals that drive them to behave in certain ways and to environmental forces that trigger these drives, (Ibid).
2. Motivation produces goal – directed behavior – motivation has got a profound influence on human behavior, it harnesses human energy to organizational requirements there is the motivation of goal orientation on the part of individuals, their behavior is directed toward something (Ibid).
3. Motivation is psychological concept – Motivation deals with the psychology of workers. An effective worker will not perform the work desirable well unless he is properly motivated. So, effective performance requires proper motivation. Proper motivation is possible only through proper analysis of the psychology of workers (T.Ramasany ,1998:283).
4. Motivation can be positive or negative – positive motivation means use of incentives. The incentives confirmation of job and the like are positive motivations. Negative motivation means emphasizing penalties. Demotion and termination from the service are some of the examples of negative motivation (T.Ramasany 1998:284).
5. Motivation is unending process – A social animal has number of wants. This wants induce to work. All the wants cannot be satisfied, and then another want emerges motivation is also an unending process just like the satisfaction of wants is an unending (T.Ramasany, 1998:283).
6. Motivation can be financial or non financial.

**Financial motivation:-** includes increasing wages, allowance, bonus, perquisites and the like.

**Non financial motivations:** - includes recognition, praise, give more responsibility and inducing to participate in the decision making process, (T.Ramasany, 1998:284).

7. Motivation and satisfaction are related but not synonymous concept. Motivation is the drive to satisfy a want or goal. It is concerned with goal directed behavior (Navey Kumar, 2004:286).

#### **2.1.4. Theories of motivation**

Many methods of employee motivation have been developed. The study of work motivation has focused on the motivator (supervisor) as well as the employee. Motivation theories are important to supervisors attempting to be effective leaders.

There are several approaches to the study of motivation. As put forth by (K. Aswaappa, 2002:316), all the theories can be classified into two broad categories: early theories and contemporary theories. Early theories include scientific management, and human relation model. Contemporary theories are further classified into: content, process, and reinforcement categories. Content theories include Maslow's need hierarchy theory and Herzberg's two factor theory. Process theories include Vroom's expectancy model, Adam's equity theory and Porter's performance and satisfaction model.

##### **A. Early theories**

Our thinking about motivation has evolved from early approaches, which sought the one "right" model of motivation, the individual, to more contemporary approaches which realized that motivation arises from the interplay of both individual and environmental factors.

- **Scientific Management Theory:-**

Taylor who is said the father of scientific management stated that people are primarily motivated by economic rewards and will take direction if offered an opportunity to improve their economic positions. However, behavioral scientists criticized by arguing that Taylor and his colleagues dehumanized workers by treating them as mere factors of production who could be manipulated completely through economic incentives. Similarly I can say that, Taylors theory of motivation only put the financial satisfaction of humans in their position but motivation is a function of satisfying several type of needs and wants of human being.

- **Human Relation Model:-**

Elton Mayo and other human relations researchers found that the social contacts, which the workers had at work places, were also important and that the boredom and repetitiveness of tasks were themselves factors in reducing motivation. Eventually, it becomes clear that the assumption that workers were primarily motivated by money was inadequate.

Mayo and others also believed that managers could motivate employees by acknowledging their social needs and by making they feel useful and important. The problem with the human relations model is its undue reliance on social contacts at work situations for motivating employees. Social contacts, though desirable, by themselves will not always help motivate works. As my opinion the Mayos theories not take on account the real world costs resulted from rotating to overcome workers boredom and lose of experience during circulation.

## **B. Contemporary Theories**

### **I. Content theories of Motivation**

As noted by (Mcshane and Vonglinow, 2000:67), the content theories of motivation explain that behavior and attitudes at work are based up on individual needs. Needs are deficiencies that energize behaviors to satisfy them. Unfulfilled needs create a tension that makes us want to find way to reduce or satisfy them. The stronger your needs, the more motivated you are to satisfy them. Conversely, a satisfied need does not motivate.

As stated clearly by (K.Awaappa,2002:319), content theorists suggest that the managers' job is to create a work environment that responds positively to individual needs. According to (Schemerhon, Jr, 1996:146), content theories are classified in to four main categories as stated below.

- **Hierarchy of Needs Theory**

Abraham Masolw describes a hierarchy of human needs involves five levels, namely:-

Physiological needs that include need for food, water, and physical wellbeing.

1. Safety needs, which include need for security, protection, and stability in the events of day-to-day life.
2. Social needs, which include need for love, affection, sense of belongingness in one's relationships with other people.
3. Esteem needs which includes need for respect, prestige, recognition and self-esteem
4. Self-actualization needs which includes need for self-fulfillment to grow and use abilities to fullest and most creative extent.

According to (Ivanceviche and Matteson, 1990:175), Maslow's theory assumes that:-

1. A satisfied need ceases to motivate
2. Unsatisfied needs can cause frustration, conflict, and stress. From a managerial perspective, unsatisfied needs are dangerous because they may lead to undesirable performance outcomes.
3. People have a need to grow and develop and consequently will strive constantly to move up the hierarchy in terms of need satisfaction. These assumptions may be true for some employees but not others.

- **Herzberg's two Factor Theory**

As noted by (Mcshane and Vonglinow, 2000:691), Herzberg proposes that employees are primarily motivated by growth and esteem needs such as recognition, responsibility, advancement, achievement and personal growth. He called these factors motivators. In contrast, factors extrinsic to the work, called hygiene; affect the extent that employees feel job dissatisfaction. Hygiene factors include job security, working conditions, company policies, co-worker relations, and supervisor relation. Improving hygiene will reduce job dissatisfaction, but they will have almost no effect on job satisfaction or employee motivation.

A unique characteristic of motivator-hygiene theory is that it does not view job satisfaction and dissatisfaction as opposites. Moreover, job satisfaction is produced by growth fulfillment and other work content outcomes, where as job dissatisfaction is produced by the work context.

Thus, Herzberg differs from Maslow's and Alderfer's hierarchy models by suggesting that growth needs represent the only source of motivation.

- **Alderfer's Erg Theory**

The E,R and G of ERG theory stands for existence, relatedness and growth the three sets of needs which are the focus of this alternative theory of human needs in organizations. ERG theory, developed by Alderfer, argues, as Maslow did, that people do have needs, which those needs are arranged in a hierarchy and that needs are important determinants of human behavior. However, the ERG theory differs from the need hierarchy theory in three respects as listed below.

1. Instead of five hierarchy of needs, the ERG theory hypothesis only three.
2. The need hierarchy theory postulates a rapid step like progression. The ERG theory, instead, hypothesis, that more than one need may be operative at the same time.
3. Maslow had stated that a person will stay at a certain level until that need is satisfied. The ERG theory counters this by noting that when a higher-level need is frustrating, the individual's desire to increase a lower level need takes place. Thus, the ERG theory contains a frustration regression dimension. Frustration at a higher level need can lead to regression to a lower-level need (K.Aswaappa, 2002:327-28).

- **McClelland's Learned Needs Theory**

As stated by (Ivanceviche and Matteson, 1990:130), proposed a theory of motivation that is associated with learning concepts. That is, many needs can be acquired from the culture. Three of these needs are the following:-

1. The need for achievement:- having a high need for achievement encourages an individual to set challenging goals, to work hard to achieve the goals and to use the skills and abilities needed to achieve them.
2. The need for affiliation: reflects a desire to interact socially with people and thus, social relationship take precedent over task accomplishment.
3. A person with a high need for power concentrates on obtaining and exercising power and authority. He or she is concerned with influencing other and winning arguments.

Generally, the main theme of McClelland's theory is that these needs are learned through coping with one's environment. As noted by (Schermerhorn, Jr.1996:149), McClelland contends that people acquire the above stated needs overtime because of individual life experiences.

In summary, the above listed content theories of motivation suggest that different people have different needs at different times. Some employees are ready to fulfill growth needs, where as others are still struggling to satisfy their minimum existence needs. Needs change as people enter new stages of their life. Most organizations distribute the same rewards such as a salary increase or paid time off to all employees with good performance. But rewards that motivate some people have less effect on those with different needs. This content theory advises organizations to offer employees their choice of rewards. They also warn us against relying too heavily on financial rewards as a source of employee's motivation. As noted earlier, some content theories may have been too critical of money as a motivator. However, these theories point out that there are other forms of motivation.

## II. Process Theories of Motivation

According to (Ivanceviche and Matteson, 1990:132), the content theories we have examined focus mainly on the needs and incentives that cause behavior. They are concerned primarily about which specific things motivate people. However, the process theories of motivation are concerned with answering the questions of how individual behavior is energized, directed, maintained, and stopped. They pointed out that the following are the most popular process theories of motivation.

- **Expectancy Theory**

A basic premise of the expectancy theory is that employees are rational and not impulsive. They think about what they have to do to be rewarded and how much the rewards mean to them before they perform their jobs. To better understand the expectancy theory. For important variables need to be explained as follows:

1. **First levels and second level outcomes:** - performance achieved because of efforts is the first level out come. Performance may be reflected through productivity, absenteeism, quality of work and the like. Second level outcomes are the rewards (Positive or Negative) that the first level outcomes are likely to produce. They include a pay raise, promotion, peer acceptance, and security.
2. **Expectancy:** - the belief that a particular level of effort will be followed by a particular level of performance is called expectancy. It can be restated as effort to performance.
3. **Instrumentality:** - this is the perception by an individual that first level outcomes are associated with second level out comes. It can be restated as performance to outcome.
4. **Valence:** - is an individual's preference for a second level outcome.



In

summary, expectancy theory noted that motivation is expectancy X instrumentality X valence. If any one of these variables is low, motivation is likely to be low. Managers of successful firms strive to ensure that employees' level of expectancy, instrumentality, and valence are high so that they will be highly motivated K.Aswaappa (2002:330-31).

- **Equity Theory**

As noted by (Ivanceviche and Matteson, 1990:136), the essence of equity theory is that employees compare their efforts and rewards with those of others in similar work situations. This theory of motivation developed by Adam is based on the assumption that individuals are motivated by a desire to be equitably treated at work. Four important terms in this theory are: person, comparison, other inputs and outcomes.

As stated by (Schermerhorn, Jr, 1996:151), equity theory reminded us that the way rewards are perceived by their recipients will largely determine how they impact satisfaction and performance. Because feelings of inequity are based on individual perceptions, it is not the rewards absolute value or what a manager thinks that counts. It is what the recipients think that determines motivational outcome. Thus, it is not enough for a manager simply to give rewards. The entire process, including dealing with the way rewards are perceived by recipients must be well managed.

- **Goal Setting Theory**

According to (Mcshane and Vonglinow, 2000:82), goal setting is the process of motivating employees and clarifying their role perception by establishing performance objectives. Goal setting potentially improves employee performance in to two ways:

1. By stretching the intensity and persistence of effort.

2. By giving employees clearer role perceptions so that their effort is channeled toward behaviors that will improve work performance. Goal setting is widely used to motivate employees.

As noted by (Ivancevich and Matteson, 1990:138-39), Lock proposed that goal setting is a cognitive process of some practical utility. His view is that an individual's conscious goals and intentions are the primary determinants of behavior. One of the commonly observed characteristics of intentional behavior is that it tends to keep going until it reaches completion. Lock has carefully described the attributes or the mental process of goal setting. The attributes he highlighted are:

1. **Goal difficulty:** - The degree of proficiency or the level of performance that is sought.
2. **Goal intensity:** - The process of setting the goal or of determining how to reach it.
3. **Goal specificity:** - the degree of quantitative precision (Clarity) of the goal.

As noted by (Schermerhorn, Jr, 1996:153-54), Lock's goal setting theory's promise is that task goals can be highly motivating if they are properly set and if they are well managed. Goals can clarify performance expectations between coworkers, and between levels of authority in an organization. In this and related ways, Lock believes goal setting can enhance individual work performance and job satisfaction. However, these benefits are realized only when a manager works with subordinates to set the right goals in the right ways.

### C. Reinforcement Theory of Motivation

As noted by (Schermerhorn, Jr, 1996:154-55), the content and process theories of motivation are concerned with explaining why people do things in terms of satisfying needs, resolving felt inequities, and/or pursuing positive expectancies and task goals. Reinforcement theory, by contrast, is concerned with explaining why people do things in terms of satisfying needs, resolving felt inequities, and/or pursuing positive expectancies and task goals. Reinforcement theory, by contrast, views

human behavior as determined by its environmental consequences. Instead of looking with the individual to explain motivation behavior, it focuses on the external environment and the consequences it holds for the individual. The basic premises of the theory are based on Thorndike's law of effect; behavior that results in a pleasant outcome is likely to repeat; behavior that results in an unpleasant outcome is not likely to be repeated.

The three main reinforcement strategies are the following ones.

1. **Positive reinforcement:-** This increases the frequency of or strengthens desirable behavior by marking a pleasant consequence contingent upon its occurrence.
2. **Negative reinforcement:** - This increases the frequency of or strengthens desirable behavior by making the avoidance of an unpleasant consequence contingent up on its occurrence.
3. **Punishment:** - This decreases the frequency of or eliminates an undesirable behavior by making the removal of a pleasant consequence contingent up on its occurrences.

#### 2.1.5. Importance of Motivation

No one question the central role motivation plays in shaping behavior and specially, in influencing work performance in organizations.

According to (Ivancevich and Matteson, 1990:122), job performance is a function of the capacity to performance is a function of the capacity to perform, the opportunity to perform, and the willingness (Motivation) to perform. No combination of capacity and opportunity will result in high performance in the absence of some level of motivation, or willingness to perform.

As noted by (A.P Verma, 2002:189), Importance of motivation could be seen under these heads:

1. Appropriate use of factors of motivation
2. Kindling of desire to work
3. Lessening in labor turn over attraction of new persons
4. Basis of cooperation

Due to the above mentioned importance of motivation, probably, no concept of human resource management receives as much attention of academicians, researchers and practicing managers as motivation. The increased attention towards motivation is justified by the following reasons.

1. Motivated employees are always looking for better ways to do a job.
2. A motivated employee, generally, is more quality oriented.
3. Highly motivated workers are more productive than apathetic workers.
4. For an organization to be effective, it must come to grips with the motivation problems of stimulating both the decision to participate and the decision to produce at work, etc

From the above stated importance's of motivation one can easily understand that more concern is being directed towards stimulating employees to enlarge their job skills, at both blue collar and white collar levels, in an effort to ensure a continual reservoir of well trained and highly motivated people.

#### **2.1.6. Applications of Concepts of Motivation**

One of the most powerful influences on individual performance is an organization's reward system. Management uses rewards to increase performance by present employees and to attract skilled employees to join the organization (Lance and Matteson, 1990:11).

According to (McShane and Vonglinow, 2000:98), rewards help to align individual goals with corporate goals and to provide a return to the individual contribution.

(K.Aswaappa, 2002:345), noted that people join organizations expecting rewards. Firms distribute money and other benefits in exchange for the employee's availability, competencies and behaviors and he indentified four types of rewards as stated below.

#### **A. Membership and Seniority Based Rewards**

Benefits and employee receives depend on the firm which he or she joins. In the same firm, a senior employee receives more benefits than his or her junior employee. Advancement, pay raises, retirement benefits and perquisites depend on seniority of an employee.

Membership based rewards attract job applicants but the problem is such rewards may not directly motivate job performance. Seniority based rewards tend to reduce turnover but may fail to motivate achievers to perform better. Another problem with membership based rewards is that they discourage poor performers from leaving the firm voluntarily because alternative jobs are simply not available to them As noted by (Mcshane and Vonglinow, 2000:98), the largest portion of most paychecks is based on membership and seniority. Employees receive fixed hourly wages and many benefits are the same for everyone in the firm. Other rewards increase with the person's seniority.

#### **B. Job Status Based Rewards**

As stated by (K.Aswaappa, 2002:345), every firm rewards employees for the status of the jobs they are holding. Firms use job evaluation system which helps to establish differentials in status of jobs. Jobs that require more skill and effort, have more responsibility and have difficult working conditions would have more value and placed in higher pay grades. Firms that don't use job evaluation system still reward job status based on pay survey information about the labor market. One advantage of status based pay in that it helps maintain feelings of equity. It also motivates employees to compete for positions higher up in the

organizational hierarchy. Job states based rewards are criticized by many. For nothing, such benefits fail to motivate achievers to perform better. Further, higher grades confer higher rewards on the jobs.

### **C. Competency Based Rewards**

Competency based rewards employees for their skills, Knowledge, and traits that lead to desired behaviors. Employees are expected to have several competencies, and these competencies are evaluated by observing specific behavior patterns. These rewards have been praised for developing a better skilled and more flexible workforce. Rather than paying people for their ability to perform a specific job, competence based rewards ensure that the best paid employees are those who can adjust to new situations because they possess the capabilities across jobs and circumstances. However, competency based rewards have their own limitations. That is, it is difficult enough to measure personality traits through scientific measures. Skilled based pay systems measure specific skills, so they are usually more objective and accurate. However, skill based pay plans are expensive (Mcshance and Vonglinow, 2000:100-01)

### **D. Performance Based Rewards**

The trend that is emerging recently is to link pay to performance rather than to seniority or membership. Performance based rewards are many, but the most common among them are the following.

- Organizational reward:-

Profit sharing is an organizational reward. In profit sharing, designated employees are allowed to share in the profit earned by the company. Employees' stock option schemes confer ownership of the firm on employees and encourage

employees to buy shares of the company and reward them through dividend and market appreciation of the shares.

- Team rewards:-

Are common where firms rely on teams to get the work done. Some teams are rewarded with special bonuses or gifts if they collectively, achieve specific goals. A gain sharing plan is a type of team reward that motivates team members to reduce costs and increase labor efficiency in their work process.

- Individual Rewards:-

Are quite common in organizations. The most common is the piece rate which links pay to the units produces by an employee.

Commissions are paid to sales people on the actual sales shown by them. Merit pay is based on an individual's performance. This is gradually replaced by reasonable bonuses for accomplishing specific tasks (K.Asswaappa, 2002:346).

### **2.1.7. Increasing Work Motivation through Job Design motivation increased**

It is true that work motivation increased by implementing job design according to its corporate objectives .Job design is the process of creating jobs by assigning specific work tasks to individuals and groups (Schermerhern, Jr, 1996:163) Job design is the consciously planned structuring of work effort performed by an individual or a team of persons. Good jobs designs must answer the job related questions such as work is to be performed, who is perform, where the work is to be done, when the work is to be done, why the job is necessary and how should the work be accomplished. Job designers usually attempt to minimize the amount of physical human effort (Verma, 2002:163).

As noted by (Batteman and Snell, 1999:453), well designed jobs lead to high motivation, high quality performance, high satisfaction, and low absenteeism and

turn over as proposed by Hackman and Oldman. These outcomes occur when people experience three critical psychological states:

1. They believe they are doing something meaningful because their work is important to other people.
2. They feel personally reasonably responsible for how the work turns out.
3. They learn how well they performed their jobs.

According to (McShane and Vanglinow, 2000:114), three main strategies potentially increase the motivational potential of jobs. These are:-

1. **Job Rotation:** - is the practice of moving employees from one job to another. Job rotation helps employees learn new tasks and thereby increase their ability to move to jobs where they are needed.
2. **Job enlargement:** - Instead of rotating employees through different jobs, job enlargement combines tasks into one job. According to (Bateman and Sneel, 1999:450), job enlargement means that the worker is given additional tasks at the same time. In recent studies of job enlargement in a financial service organization enlarged jobs lead to higher job satisfaction, better error detection by clerks and improved customer service.
3. **Job enrichment:** - is a procedure of redesigning work content makes the job more meaningful and enjoyable by solving employees in planning, organizing and controlling their work (Verma, 2002:179). According to (McShane and Vanglinow, 2000:115-16), job enrichment occurs when employees are given more responsibility for scheduling, coordinating, and planning their own work. Although some writers suggest that job enrichment is any strategy that increases one or more of the core job characteristics, Herzberg said that jobs were enriched only through autonomy and the resulting feelings of responsibility.



*The most popular methods to enrich jobs are:-*

1. ***Empowering employees:-*** Describe how employees are given more autonomy over the work process.
2. ***Forming natural work units:-*** To organize tasks in to a natural grouping, such as completing a whole product.
3. ***Establishing client relationships:-*** putting employees' indirect contact with hire clients rather than using the supervisor as go between.

## **CHAPTER THREE**

### **Data Presentation, Analysis and Interpretation**

#### **3.1 Discussion and Analysis**

The student researcher believes that the questionnaires and interview that are developed address an Assessment of Motivational Schemes in the case of JOPTC by distributing questionnaires to seventy (70) supportive staff. An interview has also been conducted with JOPTC human resource information manager. Among the distributed 70 questionnaires to the supportive staff all were returned back. Therefore the analysis is based on the total 70 respondents.

### 3.2 Data Presentation and Analysis based on primary data

Table 3.2.1 Characteristics of the respondents

No	Item	No of respondents	%
1	• Sex		
	Male	8	11
	Female	62	89
	Total	70	100
2	• Educational background		
	Below diploma	18	26
	Diploma	44	63
	Degree	8	11
	Total	70	100
3	• Experience		
	<2 years	33	47
	2-5 years	37	53
	Total	70	100

As it is indicated on Table 3.2.1, among 70 respondents, 89% of the respondents are female and 11% are male. The main reason behind this fact is that, the nature of the jobs needs employees who are female . With regard to

educational background, 26% of the respondents are below diploma, 63% of the respondents have diploma and the rest 11% are first degree holders. This shows that majority of operational staff of JOPTC are diploma holders.

Regarding service year of respondents, 47% of the supportive staffs have served the center for less than 2 years and 53% of the respondents served for 2-5 years. There are no supportive staffs who served JOPTC for more than five years. This show that more than half of the staffs have service ranging from 2-5 years even if the JOPTC is 6 years old.

Table 3.2 .2 Administrative staffs interest towards JOPTC

No	Item	No of respondents	%
1	Why were you interested to join JOPTC?		
	A. Because you didn't have job	52	74
	B. Because of better salary	-	-
	C. Because of better working environment	18	26
	D. Because of better incentives	-	-
	Total	70	100
2	Do you believe that the JOPTC selects the right person for the right job?		
	A. Yes	33	47
	B. No	37	53
	Total	70	100
3	Are you satisfied with your job?		
	A. Yes	26	37
	B. No	44	63
	Total	70	100

As item 1 of table 3.2.2 above shows, 52(74%) respondents replied that they joined JOPTC by the reason that they did not have other job, the rest 18(26%) reported that they joined JOPTC because they were attracted by better working environment of JOPTC. This implies that majority of the supportive staffs of JOPTC joined it without their interest. In addition to this, in item 2 of the same table, respondents were asked to explain whether each staff is assigned to a right job or not. More than half of them replied that there is mismatch between the type of job and personnel assigned to perform it. Moreover, under item 3 of table 3.2.2, respondents were asked about satisfaction with their job. Relatively large member of respondents i.e. 44(63%) said that they are not satisfied while the rest 26(37%) reported that they are satisfied; with their job.

Accordingly to (Mcshcine and Vonglinow ,2000:204-05) job satisfaction is a combination of the person's feeling towards the different facets of job sites it is really a collection of attitude about specific facets of the job while simultaneous dissatisfied with others. This implies that the management of the centers focuses up on its employee's attitude about a job or other related situations in order to cope up with not having unsatisfied workforce.

Table 3.2.3 Promotion opportunities for JOPTC supportive staffs

No	Item	No of respondents	%
1	Have you got any promotion since you joined JOPTC		
	A. Yes	15	21
	B. No	55	79
	Total	70	100
2	If yes, what type of promotion?		
	A. Monetary	15	100
	B. Non Monetary	-	-
	C. Change in status	-	-
	Total	15	100
3	If you are promoted, are you satisfied with such promotion?		
	A. Yes	-	-
	B. No	15	100
	Total	15	100
4	If your answer for question No, what measures are you planning to take?		
	A. Leave JOPTC	52	75
	B. Demand / ask officials / concerned body	-	-
	C. Working until getting better opportunity	18	25
	D. No measure	-	-

	Total	70	100
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There are a variety of motivational ways that contribute to employee's job satisfaction. The following are the major ones; salary/wages, job security, advancement, growth, recognition and training (A.P.Verma, 2002:192-93).

From the above table i.e. Table 3.2.3, 55(79%) of the supportive staffs responded that they did not get any promotion opportunity while the rest 15(21%) replied the opposite. Even those who were promoted had got only monetary promotion. But under item 3 of such table the same respondents were asked about their satisfaction with the promotion they obtained. Surprisingly all of them responded that they are not satisfied. As a result of this, as indicated on item 4 of the same table, majority of the respondents 52(75%) plan to leave JOPTC and the rest 18(25%) decided to work in JOPTC until they get a better alternative.

The interview conducted with human resource also indicated that those personnel's who want to resign present diversified reasons, the major problems being management related, narrow opportunity for promotion routine work, lack of encouraging reward, salary related and absence of contusive work atmosphere. Regarding remuneration and benefit to the employees of JOPTC, the human resource manager explained that employees claim that salary scale and benefit for employees are not attractive.



Table 3.2.4 Motivational System in JOPTC

No	Item	No of respondents	%
1	What System does JOPTC have to motivate the staff?		
	A. Regular salary increment	-	-
	B. Promotion	15	21
	C. Training	55	79
	D. Job rotation	-	-
	E. Incentives	-	-
	F. Verbal Phrase	-	-
	G. Written appreciation	-	-
	Total	70	100
2	How do you evaluate the motivation system at JOPTC?		
	A. Very good	-	-
	B. Good	-	-
	C. Fair	11	16
	D. Low	59	84
	Total	70	100
3	Have you got any incentives since joined JOPTC?		
	A. Yes	-	-
	B. No	70	100
	Total	70	100

As we discussed before there are certain type of motivational ways which the management of an organization can use to create well motivated employees. When we see the JOPTC management strategy policy towards using motivational

methods. From the above table 3.2.4, we can infer two major facts; first the center uses promotion and training motivational ways only. Majority of the staff members i.e. around 55(79%) gain training as a motivation but 59(84%) of the respondents leveled the motivational system as low. All of the supportive staff respondents i.e. 70(100%) responded that they did not get any incentives this shows the company did not apply incentives as means of motivational scheme.

*Table 3.2.5 level of motivational schemes in JOPTC*

No	Item	No of respondents	%
1	As compared to other governmental organization; how do you rate the JOPTC'S employee motivational schemes?		
	A. Better	-	-
	B. Similar	70	100
	C. Slightly lower	-	-
	D. Lower	-	-
	Total	70	100
2	JOPTC is giving opportunity for employee's carrier growth?		
	A. Yes	13	19
	B. No	57	81
	Total	70	100

As indicated on table 3.2.5 item 1, employee's motivational system of JOPTC is similar to other government organization. It is resulted from the uniformly of

governmental policy towards employee motivation. 57(81%) of the respondents did not get any kind of incentives the rest of 13(19%) of the respondents gained carrier growth opportunity. This shows that, the management of the center doesn't use motivation as a means to retain and upgrade qualified employees.

Table 3.2.6 Rewarding System in JOPTC

No	Item	No of respondents	%
1	Has management of JOPTC reward employees for their effective work in advance?		
	A. Yes	4	5
	B. No	66	95
	Total	70	100
2	Could you believe that reward makes employees to be efficient?		
	A. Yes	62	89
	B. No	8	11
	Total	70	100

One of the most powerful influences on individual performance is an organizations reward system. Management use reward to increase performance of the present employees and to attract skilled employee who want to join the organization. A number of firms reward their employees in advance but other

after evaluating performance competencies and behavioral patterns of its employees I Voinovich and Matteson (1990:11).

Regarding to item 1 of table 3.2.6, about 66(95%) of the respondents believe that the management of the center haven't taken any rewarding system in advance, these implies that the management of the center doesn't consider the use of pre-accomplishment motivation system in the implementation of management by objectives. From the same table 3.2.6 item 2, 62(89%) of the supportive staff believes that reward leads to be efficient.

*Table 3.2.7 Awareness of JOPTC'S management towards importance of motivation*

No	Item	No of respondents	%
1	Do you think that the management of JOPTC is aware of the importance of motivation for JOPTC'S success?		
	A. Yes	61	87
	B. No	9	13
	Total	70	100

As Invanovich and Matteson stated (1990:122), Job performance is a function of capacity to perform, the opportunity to perform and the willingness (motivational to perform and also as noted by A.P.Verma (2002:189), Importance of motivation could be seen under these heads:

1. Appropriate use of factors of production.
2. Kindling of desire to work.
3. Lessening in labor turnover attraction of new personnel.
4. Basis of cooperation.

From the above table 3.2.7 question 1, 2, 3 of 87% the respondents said that the management of JOPTC has conceptual know how about the importance of having motivational policies but when we see its application no action is taken totally. Most of the respondents said that there is no motivation and incentives for employees because of lack of budget for this purpose. The student researcher understands the situation in such way that there is lack of consistency and harmony in the employee to be efficient in their line of duty, as a result that enable the organization to meet its short and long run objectives with minimum cost. Nevertheless about 8(11%) supportive staff responded that reward by itself does not make employees to be efficient even if it is one of financial motivating factors.

During the interview, the human resource manager reflected that reward is in order to make employee efficient. There are various types of motivation, one of them is reward, and it can be given in the form of financial or non financial means; however there are factor that play crucial roles in motivating employees, some of these are recognition, conducive working environment, responsibility, advancement and interpersonal relation. While employees main needs are to be paid comparably to what other organization pay for similar work, acceptable working conditions and good management practices, such that, prospect of making a little more money in another organization where these factors are unknown will usually not be enough to pull the employees away. Staff motivation therefore becomes the basis and catalyst for job satisfaction. A.P.Verma (2002:192-93)

Grouping aims, purpose and values between staff, teams and organization is the most fundamental aspect of motivation. People are motivated towards something they can relate to and something they can believe in the foundation the cohesive alignment of employee needs and values with the aim and purpose of the

organization. Motivation and inspirational experiences improve employees' attitudes, confidence and performance K. Aswaassp.

# CHAPTER FOUR

## Summary, Conclusion and Recommendation

### 4.1 Summary of Findings

The purpose of the study was to point out the major factor that influences the implementation of motivational schemes in JOPTC. The study was intended to provide answers to the following basic questions:

- 1 What motivational systems are employed in JOPTC (Type, regularity, standard and fairness of motivation system)?
- 2 How the management of JOPTC does perceives the need of maintaining motivational schemes for employees?
- 3 What are the factors that affect motivation of employees in JOPTC?

In order to deal with those basic questions, the related literature was reviewed. Data were gathered from supportive staffs by using questionnaires and interview. The student researcher come across a number of revealing interpretations of data that enabled her to indicate a few findings. Accordingly a summary of the findings is given below.

- As indicated by 62 (89%) of the respondents are female and 8(11%) are male. This shows that the majority of supportive staff of JOPTC is females.
- With regard to educational background, 44(63%) of the respondents have diploma, 18(26%) of the respondents are below diploma and the rest 8(11%) are first degree holders. This shows that majority of the supportive staff of JOPTC are diploma holders.
- Regarding service year 33(47%) of the supportive staff have served the center for less than 2 years and 37(53%) of the respondents served for 2-5 years.

There are no supportive staffs who served more than 5 years. This shows that more than half of the staff service ranging from 2-5 years.

- As indicated by majority of the respondents i.e. 52(74%), they joined JOPTC because they did not have job. This shows that the respondents joined it without their interest.
- 37(53%) of the respondents replied that there is mismatch between the type of job and personnel assigned to perform it.
- 44(63%) of the respondents said that they are not satisfied with their job and the rest 26(37%) of the respondents satisfied with their job.
- 55(79%) of the supportive staffs responded that they did not get any promotion opportunity while the rest 15(21%) replied the opposite. The type of promotion is only monetary.
- The organization doesn't sufficiently promote and satisfied its employees, as confirmed by majority of the respondents.
- Majority of the staff members i.e. 55(79%) gain training as a motivation but 59(84%) of the respondents revealed the motivational system as low.
- All of the supportive staff respondents i.e. 70(100%) responded that they did not get any incentives.
- According to the respondents, 70(100%) motivational schemes of the organization as compared to other governmental organization, is similar it is resulted from the uniformly of governmental policy towards employee motivation.
- Large number of the respondents said that i.e. 57(81%) they did not get any kind of incentives the rest of 13(19%) of the respondents gained carrier growth.



This shows that, the management of the center doesn't use motivation as a means to retain and upgrade qualified employees.

- 62(89%) of the respondent believes that reward makes employees to be efficient.
- 61(87%) of the respondents said that the management of JOPTC has conceptual know how about the importance of motivation but the problem is its application.
- Effective workforce development within JOPTC requires ongoing evaluations of organizational performance in requirement, training, support and retention of direct support professionals and frontline supervisor's .JOPTC that fail to implement effective human resource motivation scheme and development practices experience high turnover, more vacancy, staffdisattsfaction, less staff motivation and poor outcomes for the individuals being supported.

## 4.2 Conclusion

- The man-power management policy of JOPTC basically implementing promotion and training as a motivation scheme. The systems also include monetary promotion in order to appreciate and initiate workers for better work. This Schemes applied in regular base i.e. yearly base.
- The civil servant policy and procedures of the government is a fream work for JOPTC'S motivational system so the system bounded to those polices and related to this it exposed to a lack of flexablity in real environment cases.
- Based on the data gathered analyzed and presented on the previous pages, the motivational system doesn't achieve a success of creating well motivated man power. It is resulted from the unfairness of the system. We can say that the management of JOPTC has a good knowledge about the system of motivating employees and it s impact over the overall operation of the center. But it's only a concept which is not applicable enough until this study its computed.
- There are a number of factors which affect motivation of employees sex, educational level, income level, and experience and budget, policies, procedures which barriers additional work, are the majors on employees and management's respectively.

### 4.3 Recommendation

- As we know there are a various type of motivational ways. In which mangers uses in order to maintain a well motivated work force. The JOPTC'S management uses training, promotion and monetary promotion in order to motivate the centers work force.
- The main reason behind this fact is lock of budget as a members of the management says but there are some alternatives which does not ask financing such as oral as well as written appreciation and others the same like this.
- There is several types of factors which affects the motivational leven of the employees at centers. The management must be get a full understanding about them for makes it an input to design an employee's centered motivation system.
- In order to use a center's manpower effectively and efficiently the management can be:-
  - Formulate better studies and more applicable motivational scheme.
  - Keep the fines of the motivational system
  - Regulate more better by altering its conceptual know how to applied policies and procedures.

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II. ዝርዝር መረጃ

4. ፍትህ አካላት ባለሙያዎች ማሰልጠኛ ማዕከል ለመቀላቀል ዋናው ምክንያት?

- ሀ. ስራ አጥ ስለነበሩ
- ለ. የተሻለ ደመወዝ ስለሚከፈለዎ
- ሐ. ጥሩ የስራ አካባቢ ስላለው
- መ. የተሻለ ጥቅማ ጥቅም ስላለው

5. የፍትህ አካላት ባለሙያዎች ማሰልጠኛ ማዕከል በትክክለኛው የሥራ ቦታ ትክክለኛውን ሠራተኛ ቀጥሮ ያሰራል ብለው ያምናሉ?

- ሀ. አዎ
- ለ. አይደለም
- ሐ. በክፊል

6. በስራም እርካታ ያገኛሉ?

- ሀ. አዎ
- ለ. አላገኘሁም
- ሐ. በክፊል

7. የፍትህ አካላት ባለሙያዎች ማሰልጠኛ ማዕከል ከተቀላቀሉ የስራ እድገት አግኝተዋል?

- ሀ. አዎ
- ለ. አላገኘሁም

8. ለ7ኛው ጥያቄ መልስ “አዎ” የሚል ከሆነ ያገኙት እድገት ምን አይነት ነው?

- ሀ. የገንዘብ
- ለ. ገንዘብ ነክ ያልሆነ
- ሐ የደሞዝ ጭማሪ

9. በአድገቱ እረክተዋል

- ሀ. አዎ
- ለ. አልረካሁም

10. ለ9ኛው ጥያቄ መልስዎ “አልረካሁም” ከሆነ ምን አይነት እረምጃ ለመውሰድ አስበዋል?

- ሀ. ከድርጅቱ መልቀቅ
- ለ. ለሚመለከተው የድርጅቱ አካል ጥቆማ ማድረግ
- ሐ. የተሻለ አማራጭ እስኪገኝ ዝም ብሎ መስራት
- መ. ምንም አላሰብኩም

11. የፍትህ አካላት ባለሙያዎች ማሰልጠኛ ማዕከል ሠራተኛን ለማነቃቃት ምን አይነት ስልት ይጠቅማል?

- ሀ. የደሞዝ ጭማሪ
- ሠ. ጥቅማ ጥቅም
- ለ. የደረጃ እድገት
- ረ. መገሣ
- ሐ. ስልጠና
- ሰ. የምስጋና ደብዳቤ
- መ. የስራ ዝውውር

12. የፍትህ አካላት ባለሙያዎች ማሰልጠኛ ማዕከል የማበረታቻ ስልት እንዴት ያዩታል?

- ሀ. በጣም ጥሩ
- ሐ. በቂ

ለ. ጥሩ  መ. ዝቅተኛ ነው

13. የፍትህ አካላት ባለሙያዎች ማሰልጠኛ ማዕከል ከተቀላቀሉ ጀምሮ ማበረታቻ አግኝተው ያውቃሉ?

ሀ.አዎ  ለ. አላገኘሁም

“አዎ”ካሉ የማበረታቻውን አይነት ይግለጹ

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14. ከሌሎች የመንግስት መስሪያ ቤቶች ጋር ሲንጻፀር የፍትህ አካላት ባለሙያዎች ማሰልጠኛ ማዕከል የሠራተኞች ማበረታቻ ስልት ምን ይመስላል?

ሀ. የተሻለ ነው  ሐ. በጥቂቱ ያንሣል   
ለ. ተመሳሳይ ነው  መ.በጣም ያንሣል

15. የፍትህ አካላት ባለሙያዎች ማሰልጠኛ ማዕከል ለሰራተኞች እድገት ሁኔታዎችን ያመቻቻል?

ሀ. አዎ  ለ. አያመቻችም

16. የፍትህ አካላት ባለሙያዎች ማሰልጠኛ ማዕከል አመራር ለሰራተኞች ውጤታማነት በቅድሚያ ማበረታቻውን ያደርጋል?

ሀ. አዎ  ለ. አይደለም

17. ማበረታቻዎቹ ውጤታማ ናቸው

ሀ.አዎ  ለ. አይደለም

18. የፍትህ አካላት ባለሙያዎች ማሰልጠኛ ማዕከል አስተዳደር ሠራተኞችን ማበረታቻ ስላለው ጥቅም ጥቅም ግንዛቤ አላቸው ብለው ያምናሉ

ሀ. አዎ  ለ. አላምንም

19. ለጥያቄ መልሰዎ አላምንም የሚል ከሆነ ምክንያት በዝርዝር ቢገልፁልኝ:

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20. የፍትህ አካላት ባለሙያዎች ማሰልጠኛ ማዕከል ለሠራተኞቹ ተገቢውን ጥቅም ጥቅምና ማነቃቂያ የማያደርግ ከሆነ ምክንያቶች ናቸው የሚሏቸውን ቢዘረዝሩልኝ:

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አመሰግናለሁ፤

## APPENDICE II

### ቃለ መጠይቅ

1. ሠራተኞችን በየጊዜው ማበረታታትና ጥቅማጥቅም ማመቻቸት ለድርጅቱ የሚኖረውን ውጤት ቢገልጹልኝ?
2. የሠራተኞችን ቅሬታ በዳሰስ መልኩ ሠራተኞችን ለማበረታታት የሚያስችል ስልት ቀይሰው ያውቃሉ?
3. ሠራተኞችን ለማበረታታት ምን አይነት ስትራቴጂ እየተጠቀሙ ይገኛሉ? ማበረታቻዎች ሠራተኞችን ውጤታማ ያደርጋል ብለው ያስባሉ?
4. የፍትሕ አካላት አባላት ማሠልጠኛ ማዕከል ሚዛናዊና መደበኛ ማበረታቻዎችን ያደርጋል ብለው ያስባሉ?
5. የደረጃ እድገት እውቀትና ልምድን ያማከለ ነው ብለው ያምናሉ? ካልሆነ እባክዎን በዝርዝር ይግለጹ?
6. ማሠልጠኛ ማዕከላችሁ ለሠራተኞቹ የሚያደርገውን የማነቃቂያና ማበረታቻ ወይም ጥቅማ ጥቅም አይነት ቢገልጹልኝ?
7. ለማዕከሉ ሠራተኞች ተገቢውን ማበረታቻና ጥቅማ ጥቅም ለመስጠት ያልቻሉ ከሆነ ምክንያቱን ቢጠቅሱልኝ?

አመሰግናለሁ!



## Declaration

I, the undersigned declare that this senior essay is my original work prepared under the guidance of Ato Abate Lakew. All sources of material used for the manuscript have been duly acknowledged.

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**ST. MARY'S UNIVERSITY COLLEGE  
BUSINESS FACULTY  
DEPARTMENT OF MANAGEMENT**

**AN ASSESMENT OF  
MOTIVATIONAL PRACTICES  
IN METAHARA SUGAR FACTORY**

**BY  
ALAZAR FULAS**

**JUNE 2010  
SMUC  
ADDIS ABABA**

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**A SENIOR ESSAY SUBMITTED  
TO THE DEPARTMENT OF MANAGEMENT  
BUSINESS FACULTY  
ST. MARY'S UNIVERSITY COLLEGE**

**IN PARTIAL FULFILLMENT OF THE REQUIREMENTS  
FOR THE DEGREE OF BACHELOR OF ART IN  
MANAGEMENT**

**JUNE 2010  
SMUC  
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**APPROVED BY THE COMMITTEE OF EXAMINERS**

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## **ABBREVIATIONS AND ACRONYMS**

**MSF** : Metahara Sugar Factory

**TCD** : Tone of Cane per Day

# I. INTRODUCTION

## 1.1 Background of the Study

The primary objective of any business company is generating profit successfully. The successes of these objectives depend up on good management and the ability of the managers to accomplish results through the effort of their employees. Though the knowledge and skills possessed by the employees are important in determining their job performance, these factors alone are not sufficient. Managers should be able to motivate their employees either by themselves or through external stimulus (Accel-Team, 2009). Thus, motivation is needed to activate these abilities and skills of employees to release their potential and it is the tool for performance.

Motivation is concerned with the human behavior. It is the act of stimulating someone or oneself to get a desired course of action, to put the right button to get desired action (Gupta R.S., BD Sharma and NS Bhalla 2003). Why does one find happiness in performing a job while another is not willing to do it? There are much similar questions that help us to understand the motives of human behavior. It is difficult, however, to understand what motives are operating within an individual at particular moment. An individual himself usually doesn't fully understand the cause of his behavior.

There is a gap between an individual's actual state and some desired state and the Manager tries to reduce this gap. Motivation is a means to reduce and manipulate this gap. (Accel-Team, 2009). Therefore, motivation is a management responsibility to establish the motivational systems and practices to attain the organizational objective through motivated workers. However, the motivation system varies from a work place situation and it must be conformed to the policy of the organization, (Accel-Team, 2009) and Failure to understand the impact of motivation on employee performance will result in job dissatisfaction and

as result job dissatisfaction lead to absenteeism, employee turnover and decreasing performance of employees.

The increasing demand for sugar in Ethiopia and suitability of land and climate for sugar cane cultivation urged the Dutch company H.V.A. to extend the sugar industry from Wonji to Metahara plains, which is located some 200 KM south east of Addis Ababa on the Addis Ababa – Dire Dawa – Djibouti road with in the upper Awash Valley.

The factory started producing plantation white sugar on 9<sup>th</sup> of November 1969 with an initial crushing capacity of 1700 tons of sugar cane per day (TCD). Since then, the factory had under gone successive phases of expansions. The first Expansion was made in 1973 to raise the crushing capacity of the factory to 2450 TCD. The third expansion took place in 1976 and in 1981 which increased its crushing capacity to 3000 and 5000 TCD respectively.

The Factory was nationalized in 1975 and until now it is state owned enterprise; currently it has a total concession area of 14,733 hectares out of which 10300 hectare is conversed with cane plantation.

Metahara Sugar Factory is one of the largest state owned sugar factories, and its product target is an average output of 5,000 daily and 1.3 million quintals annually. Since, employers' motivation is a key factor to fulfill the product target. This research focuses on employees' motivational practice in Metahara Sugar Factory.

## **1.2 Statement of the Problem**

In the free market economy, any Company or business enterprise is facing the challenges of business competition of other organizations in the industry and new entrants. The competition is mainly based on the cost and quality of product or services that it gives. Both quality of product and cost effectiveness are directly associated with employees

good performance, which is a result of motivated workers. Thus, motivation plays an important role to build up the competitive image of an organization and it is indispensable for better performance.

Therefore, it is the function of management to give emphasis for motivational practices. However Motivational practices are not give due attention in relation to the following areas:

- MSF gives salary increment and incentives to all workers annually as motivation based on their performance appraisal. However, it is a group incentive system and does not consider and motivate workers who exert high level effort for better achievement of the factory.
- Today most of organizations attempt to develop the outlook and performance of employees by using training and educational programs. The factory does not give much attention for employee's educational improvement and training. However, providing such facilities are some of motivational factors.
- The factory does not create or practice any type of motivational system such as hardship allowance considering work load and hardship of the working area.

### **1.3 Basic Research Question**

- What are the motivational systems and practices that the factory is using now in general to increase the performance of employee?
- What type of motivational system the factory uses for better achievers in addition to group incentive?
- What are the factors that affect the implementation of the motivational methods currently?
- Does the factory facilitate training program to all workers and considering it as motivational factor for employee's better performance?
- Does the factory apply different motivational practices considering the hardship of the working area?

## **1.4 Objectives of the Study**

### **1.4.1 General Objective**

The main purpose of this study is to assess the motivational practices that are applied by MSF management.

### **1.4.2 Specific Objectives**

The specific Objectives are: -

- To identify the purpose of motivational practices that the factory is using now.
- To identify the motivational methods which are currently applied by the factory?
- To evaluate employees satisfaction in relation to motivational practices employed by the factory.
- To identify the weaknesses through this study and to show the corrective action to be taken.

## **1.5 Significance of the study**

The study has the following importance:

- To draw attention of different levels of management bodies of MSF, to give due consideration to the motivational concept and practices as the key factor for the better performance of the employees and for the achievement of organizational objectives through them.
- To highlight how motivational concepts and practices can be used to gain competitive advantage.
- To identify the major problems on the issue and to suggest possible recommendation.
- This paper may serve as reference for students, researchers, and policy makers.

## **1.6 Scope of the Study (Delimitation of the Study)**

The scope of this study is to assess the motivational practices that are used for productivity of employees which are practiced in Metahara Sugar Factory. In order to find out these motivational practices, all permanent employees of the factory are included in this study.

## **1.7 Definition of Terms or Operational**

- **Motivation** : It is financial and non-financial reward given by the Factory
- **Assessment** : Finding of motivational practices in Metahara Sugar Factory
- **White sugar** : Plantation Cane Sugar
- **Employee** : All permanent workers
- **Staff members** : Supervisors, unit, section, department and managers from group 12-23
- **Non staff members** : All employees from group 1-11

## **1.8 Research Design and Methodology**

### **1.8.1 Research Design**

As it is mentioned in objectives of the study part, the aim of this study is to assess the factory motivational practice and its effect in the performance of employees. Thus, descriptive type of research is used.

### **1.8.2 Population and Sampling Technique**

The population frame for this study is 2,417 permanent employees of Metahara Sugar Factory. In order to get reliable and dependable information, the total population was taken as population of the study.

The total population (sample frame) is classified in to four operation groups; agricultural, factory, overhead and production improvement and the total number of sample is 120 employees.

In order to obtain representative of all type of operation of employees, this study used proportionate stratified sampling technique.

### Manpower Distribution by Operation

Operation	Total Employees in Number	Sample Size in Number
Agriculture (FES, Civil work, LPCD)	424	21
Factory	947	47
Over Head	908	45
Production improvement	138	7
<b>Total</b>	<b>2417</b>	<b>120</b>

#### 1.8.3 Types of Data Used

In this study, to dig out the actual practice of all the above mentioned ideas, the researcher used both primary and secondary data from primary and secondary source.

#### 1.8.4 Methods of Data Collection

The data were collected through questionnaires which were filled by employee and unstructured interview was conducted with specific management group members.

Primary data collection was carried out through questionnaire and unstructured interview with management officials in order to obtain information about human resources policies and procedures in the implementation of the motivational practices. The student researcher used questionnaire to assess the reaction of employees toward motivational instruments.

The student researcher used available publications, different reports that are helpful for the study as secondary source for the analysis of the data. Other different texts and journals from different disciplines and web sites were used to make the study factual.

### **1.8.5 Methods of Data Analysis**

The data that were collected through questionnaire were analyzed by using tables that are used for summarizing the data and percentage method. Those data that were collected through interview and open ended question of the questioner were analyzed quantitatively.

### **1.9 Limitation of the Study**

The major limitation faced during the study was the location of the factory which is 200km far from Addis Ababa so it was difficult to distribute and collect questionnaire with minimum time and less cost.

The student researcher had also learnt that no study had been done previously regarding motivation in the factory. So that it was difficult to compare this study with other studies previously made.

### **1.10 Organization of the Study**

The research paper has four chapters. The first chapter describes the introduction, background of the study, statement of the problem, objectives, scope, definition, design and methodology of the study. The second chapter deals with literature on motivational theories and practices. The third chapter deals with the analysis and interpretation of the collected data. The final chapter summarizes the major findings accompanied by conclusion and recommendation.



## **II. LITERATURE REVIEW**

This part of the study deals with the theoretical background of motivation which is published by different authors.

### **2.1 Definition of Motivation**

The term motivation comes from the Latin root word 'mover' which means "To move". Motivation is related to the motives of people by what they are moved and activated to achieve their goal. (Mishara, 2003, 149)

In the study of human resource management or organizational behavior, motivation has got substantially great concern by many scholars because it is a key factor in determining an effective and productive manpower. Most of them have their own definition of motivation.

According to Robbins (2001, 155), motivation defined as the willingness to exert high level of effort toward certain goal, conditioned by the efforts ability to satisfy some individual need. In addition to that Shane and Von Glinow (2000, 66) defined as the forces within a person that affect his or her direction, intensity and persistence of voluntary behavior willing to exert a particular level of effort (intensity) for certain amount of time and (Persistent to words a particular goal (direction). To add one more, according to Mishara (2003, 149) motivation is spirit of the people which is ignited by something such as a message, appeal and so on since the level of self-realization, spirit and power is different in different people. From the above sayings we can observe that some key elements are common in the definitions of motivation. Like desire, aim, goal, need, drive, motive, effort and direction. Therefore the meaning of motivation or understanding of the concept lies mainly in the meaning and relationship of these elements.

Another looking from the definitions focuses on arousing the motives or the drives, which is mainly seen as emanating by internal or external activities. Nelson and Quick (2000, 146) explain on their research that, motivation is the process of arousing and sustaining goal directed behavior

As Singh (2000, 76) stated, motivation is a psychological force which is more related with working behavior of employees. They can be motivated by providing necessary stimuli, by molding the pattern of behavior, modifying their perception and values and inspiring them.

In general Motivation is always directed towards achievement of high level of work, favorable jobs and high performance and quality of work, employee level of performance and quality of work and their qualifications are considered for motivation.

## **2.2 Theoretical Development of Work Motivation**

Traditional theories of motivation at work have placed little emphasis of course; indirect attempts have been made to apply that elementary psychological process to the practice of management.

According to Singh (2000, 71), the earlier development as took place in the motivation assumptions provided by traditional models and later replaced by human relations models, the assumptions are:

- People, as is their natural instinct went to feel useful and important
- People crave for belongingness and want to be recognized as individuals and
- These needs carry more weight and importance than money in motivating people to work.

This leads to the need to revise the approach by implementing new ideas, which had never been considered.

As Singh described this concept, relying on these assumptions, the realization came about in managements, that their policies should undergo a change and in pursuance thereof impress upon their managers that their fundamental task was to provide a feeling to each worker (ibid).

## **2.3 Theories of Motivation**

### **2.3.1 Early Theories**

According to Mishara (2003, 153), motivation theories can be found in the early history of civilization when people started living in groups and in society; they searched for methods of helping and inspiring each other.

Early theories of motivation are the result of new thinking over the traditional human relation approach. Here again the dynamic environmental and organizational variables gave rise to the emergency of new way of thinking or new understanding about motivational techniques. These theories have new ideas or they included other side looking that could not be considered before.

Early theories of motivation are the hierarchy of needs theory, theory of X and Y and the two factor theory. These theories were formulated in 1950s. Robbins (2001, 156) suggests that we should know these theories, though more valid explanations of motivation have developed after them. Because first, they represent a foundation from which contemporary theories have grown. Second, practically managers still regularly use these theories and their terminology in explaining employee motivation. All of these theories have focused on different aspects of human needs as a factor for motivation.

### **2.3.2 Modern /Contemporary Approach of Motivation**

The early theories of motivation have laid foundation for the creation and development of new and contemporary approaches. This doesn't mean that those early theories should be discarded out now this time. There are a number of contemporary theories that have one thing in common with the earlier. Each of the modern theories has a reasonable degree of valid supporting documentation. But the current approaches are contemporary theories not only because they are developed recently but also according to Robbins (2001, 160), they represent the current state of Art in explaining employee motivation. Some humanistic concerns served as a transition to the modern approaches to work motivation. Some of contemporary theories are:

- The ERG theory, the McClelland's theory of needs, cognitive evaluation theory, task characteristics theories, etc.

#### **2.3.2.1 Content Theories of Work Motivation**

Content theories of motivation explain why people have different needs at different time, thus, motivation begins with individual needs. According to Singh (2000, 84), human behavior is basically a need-based phenomenon and it is therefore generally influenced by the needs. These theories are based on the assumption that an individual behaves in a particular manner to satisfy his needs.

Thus, these need theories are called content theories and it consists "higher level" needs or motivates such as esteem and self-actualization (Maslow), responsibility, recognition, achievement and advancement (Hertzberg), and growth and personal development (Alderfer) and McClelland's theory of learned needs.

Understanding of the major contents models contributes to the understanding of work motivation and leads to specific application techniques.

### **(a) Maslow's hierarchy of needs theory**

It is the most well-known theory of motivation. According to Shane Steven and Von Glinow (2000, 61), one of the earliest and best known content theories to explain why people have different needs at different time. Abraham Maslow hypothesized that with in every human being; there exist a hierarchy of five needs. These needs are: -

- **Physiological need:** - Includes the most basic needs like food, air water and shelter.
- **Safety need:** - Includes security and protection from physical and emotional harm.
- **Social need:-** Includes affiliation, belongingness, acceptance, and friendship.
- **Esteem need:-** Internal esteem factors like self-respect, autonomy achievement and:
  - External esteem factors like status, recognition, attention, appreciation, status etc...
- **Self-actualization need:** - the drive to become what one is capable of becoming includes growth, achieving one's potential and self-fulfillment.

As each of these needs becomes substantially satisfied, the rest need becomes dominant. A satisfied need no longer motivate. So, to motivate a person need to know the level of satisfied need

### **(b) Herzberg's two -factors theory of motivation**

According to Sudan Amrik and Naveen Kumar (2004, 182), Herzberg's theory differs from Maslow's need hierarchy. The hygiene factors are preventive and environmental in nature, and they are roughly equivalent to Maslow's lower level need. Thus hygienic factors prevent dissatisfaction. But, they don't lead to satisfaction. In effect, they bring

motivation up to a theoretical zero level and are a necessary Floor to prevent dissatisfaction. The two factors are called dissatisfies- satisfiers or the hygiene – Motivators or the extrinsic - intrinsic factors. His researches give rise to specific conclusion. First, there is a set of extrinsic conditions (the job context) which result in dissatisfaction among employees when conditions are not present. If these conditions are present they don't motivate employees these conditions are the dissatisfied or hygiene factors, since they are needed to maintain at least a level of " no dissatisfaction". They include:

- Salary
- Job security
- Company procedures
- Quality of technical supervision
- Status
- Good working conditions
- Quality of interpersonal relation among peers, with superiors and subordinates

Second, motivational factors when a set of intrinsic conditions present in the job, they build Strong levels of motivation that can result in good job performance. If these conditions are not present, they do not provide highly dissatisfying. The factors in this set are called the satisfiers or motivators and include:

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

One appealing aspect of Herzberg's explanation of motivation is that the terminology is work oriented. Despite this important feature, Herzberg's work has been criticized for a number of reasons. Here are some of them:

- When things are going well, people tend to take credit themselves. Contrarily, they blame failure on the external environment.
- The theory provides an explanation of job satisfaction. It is not really a theory of motivation and no overall measure of satisfaction was utilized i.e. a person may dislike part of his job, yet still think the job is acceptable.
- The motivation hygiene theory ignores situational variables.

### **(c) Alderfer's ERG theory.**

Clayton Alderfer argues that there are three groups of core needs existence, related and growth needs

**Existence needs:** Concerned with providing our basic material existence requirement they include the items that Maslow considered to be physiological and safety needs.

**Relatedness needs:** The desire we have for maintaining important interpersonal relationships. These social and status desires require interaction with others if they are to be satisfied, and they align with Maslow's social need and the external component of Maslow esteem classification.

**Growth needs:** An intrinsic desire for personal development. These include the intrinsic components from Maslow's esteem category and the characteristics included under self-actualization.

- Need is stifled, the desire to satisfy a lower-level need increases. But, Maslow's need hierarchy is a rigid like a step like progression (a lower need must be substantially gratified before one can move on. A person can, for instance, be working on growth, even though existence or relatedness needs are unsatisfied or all three needs categories could be operating at the same time.

Generally ERG theory is more consistent with our knowledge of individual difference among people. Variables such as education, family background and culture can alter the importance of driving force that a group of needs holds for a particular individual (ibid).

#### **(d) Mc Clelland's theory of needs**

McClelland has proposed a theory of Motivation that focuses three needs:

**Need for achievement:** the drive to excel, to achieve in relation to a set standards, to strive to succeed in a competitive situations.

**Need for power:** The needs to wake others behave in the way that they would not have behaved and manipulate the surroundings.

**Need for affiliation:** The desire for friendly and close interpersonal relationships to be liked by them.

He explains that when a need is strong in person, its effect is to motivate the person to use behavior that leads to its satisfaction. For example, having a high need of achievement encourages an individual to set challenging goals, to work hard to achieve the goals, and to use the skills and abilities needed to achieve them. He extends his research and developed a set of factors that reflect high needs for achievement are the person likes to take responsibility for solving problems. A person with a high need of power concentrates on obtaining and exercising power and authority. He/she is concerned with influencing others and winning arguments. According to his research power has two dimensions either negative (unsocial zed) or positive (socialized).

McClelland's theory concludes that all these needs are learned from the environment. Since they are learned, behavior that is rewarded tends to recur at a higher frequency. In a learning process, individual develop unique configurations of needs that affect behaviors and performance.



### **2.3.2.2 Process Theories of Work Motivation**

According to Singh (2000, 64), every manager has a responsibility to get things done by the subordinates. To discharge this responsibility in satisfactory manner he performs the management function and creates healthy interpersonal relationship with subordinates. For doing this the manager has to find out what makes people do the things.

Process theories are concerned with identifying such variables that go into motivation and more importantly, how they relate to one another the process theories of motivation are concerned with answering the questions of how individual behavior is energized, directed, maintained and stopped.

Some of researchers called these theories as cognitive evaluation theories and they are relevant to that of organizational jobs. Some of the theories included under this category.

#### **(a) Expectancy Theory of Motivation**

According to Robbins (2003, 171), expectancy theory of motivation is the strength of a tendency to act in a certain way depends on the strength of an expectation that the act will be followed by a given outcome and on the attractiveness of that outcome to the individual.

Therefore, the attractiveness of the rewards will satisfy employee's personal goals, thus, the theory focuses on the following relationships.

- 1. Effort-performance relationship:** The probability perceived by individual that exerting a given amount of effort will lead to performance.
- 2. Performance-reward relationship:** The degree to which the individual believes that performing at a particular level will lead to the attainment of desired outcome.

3. **Reward-personal goals relationship:** The degree to which organizational rewards satisfy individual personal goals (Ibid).

**(b) Equity Theory**

Equity theory of motivation is based on the assumption that individuals are motivated when they are equitably treated. According to Gupta's and et al (2000, 222) definition, a worker always compared his performance with his co-workers. If one worker is slow and less active, he may make his fellow workers also like him

**(c) Goal Setting**

According to Robbins (2001, 166), the theory specifies that specific and difficult goals with goal/feedback lead to higher performance. Intentions to work toward a goal are a major source of work motivation. That is goals tell an employee what needs to be done and how much effort will need to be expended. Specific hard goals produce a higher level of output than does a generalized goal of "do your best" (ibid). An individual's conscious goals and intentions are the primary determinants of behavior. Once a person starts something (e.g. a job, new project), he/she pushes on until a goal is achieved. A goal is the object of an action. The attributes or the mental (cognitive) processes of goal setting are: -

- **Goal specify:** - the degree of quantitative precision (clarity) of the goal.
- **Goal difficulty:** - is the degree of proficiency or the level of performance.
- **Goal intensity:** - the process of setting a goal or of determining how to reach it.
- **Goal commitment:** - the amount of effort used to achieve a goal.

People do better when they get feedback on how well they done. Because feedback helps to see the discrepancy between what they have done and what they want to do. That feedback acts to guide behavior. But all

feedbacks are not equally important. Self-generated feedback (by monitoring own progress) is more powerful motivator than external feedback.

#### **2.4 Importance of Motivation in Work Performance**

The development of the “will to work” as industry’s core problem in the utilization of its manpower creates the need for greater attention to problems of motivation. A worker’s level of performance on his job is dependent both on his ability and on his motivation (the capacity to work and the will to work). According to Ramasamy T. (2001, 284), two important things are necessary to perform any job. People have ability to work and willingness to work. Unwillingness to work is of no use. Accordingly, he expressed performance in the following formula:

$$\text{Performance} = \text{ability} \times \text{motivation (willingness)}$$

The effects of motivation on performance are dependent on the level of the ability of the worker, and the relationship of ability to performance is dependent on the motivation of the worker. The effects of ability and motivation on performance are not additive but interactive i.e. performance (ability motivation). More is to be gained from increasing the motivation of those who are high in ability than from increasing the motivation of those who are low in ability. Similarly, more is to be gained from increasing the ability of those who are highly motivated than increasing the ability of those who are relatively unmotivated. This will suggest that managerial efforts to obtain and develop persons with skill and ability and motivate these persons must proceed concurrently.

#### **2.5 Factors to be Considered in the Application of Motivational Theories**

We have assessed different types of motivational theories so far. The sole advantage of going through these theories and concepts is to develop a flexible and scientifically proved motivational practice in use. But, it is

here the difficult question appear for the manager-the how question. How we select one among the theories? Which theory shall we prefer? Which one is better? The answer for these questions reveals the difficulties with the Manager in the application.

According to Mishara (2003, 181), motivation theories are applied in different organizations differently. Integrating theories have incorporated all the theories for managing organizations. Many theories are theoretical sound and practically non feasible. It becomes essential to evaluate the feasibility of these theories.

Therefore, we have to consider the following factors when we want to apply motivational practices.

1. Economic
2. Management by objectives
3. Employee involvement programmers
4. Performance appraisal

#### ➤ **Economic Considerations**

In economic consideration money is greatly contributed as primary motivation, and it is associated with position power and prestige. Rao and Narayana (2000, 574) summarize the following rules regarding the money as motivation.

1. Money should not be considered the primary motivator at the expense of other factories.
2. Money will always have a central place in motivation programmed
3. Merit increase should be based on reliable and valid performance.
4. The amount of money should be directly related to performance.
5. Money and other financial rewards should be received as equitable in comparison to one's own effects.

6. Money tends to be a potent motivator when it is used to reduce the tension and worry.

There are different type of performance is used for motivating employees.

- **Variable pay program:** It refers to a system of payment of same portion of the total remuneration and the basis of an individual performance.
- **Piece rate play plan:** Piece rate payment is based on the actual performance. The wage is linked within production.
- **Wage incentives:** More pay for more production is an incentive to employee for higher production. Normally, Workers devote routine time and energy towards performing their job, but they exert themselves more when some incentives are given for higher production.
- **Profit Sharing:** Profit sharing practical type of motivation to monitor employees for better performance. An organization declares bonus on additional profitability at an agreed rate of sharing, because the increase in profitability is not only the outcome of employees but is also due to organizational structure, machines, method and management.
- **Gain sharing:** Gain sharing is formula-based group incentive plan improvement in group productivity is aimed for under gain sharing which is an incentive plan by which the total is allotted to employees.
- **Skill-based plan:** A skill – based plan refers to payment for knowledge and skills possessed by employees. It is totally different from profit sharing and wage incentives employees are paid for their skills, depth of knowledge, range of capabilities and experience based skills. For

examples, a university professor gets higher salary, although life takes less class.

- **Flexible Benefits:** Flexible benefits provide combinations of benefits from which the employees have to select the benefits of their respective choice. It is also called a cafeteria benefit program, as employees are allowed to pick and choose benefits of their own from a menu of benefit options.
- **Management by objectives (MBO):** - is a program that encompasses specific goals, participative bet, for an explicit time period with feedback on goal progress. It emphasizes on goals that are tangible, verifiable, and measurable. It is not an idea. It is emphasis is on converting overall organization objectives into specific objectives for organizational units and individual members so that it gives a specific personal performance objective. When individuals achieve their objectives, organizational objective becomes realize. It has four variables.
  - Goal Specificity.
  - Participative decision making
  - Explicit time period
  - Performance feedback.

The objectives in MBO are concise statements of expected accomplishment. The superiors and subordinate jointly choose the goals and agree on how they will be measured.

- **Participative management:** is a process where subordinates share significant degree of decision making power with their immediate superiors. Ruling power is good for many reasons. First, when jobs have become more complex, managers may not know everything their employee do and if here participation allows those who know the most to contribute and better decisions. Second, participation increases

commitment to decision. Third, it provides intrinsic reward for employees and can make their job more interesting and meaningful. The most widely used form of participative management is quality circles. It is a work group of employees who meet regularly to discuss their quality problems, investigate causes, recommend solutions, and take corrective actions. Quality Circle draws on employees to identify and solve quality problems in their area.

- **Performance based Compensation:** According to Mishra (2003, 189) performance appraisal is an important tool for rewarding employees. It has become a common practice to consider the factors of performance of employees to maintain a fair relationship, develop employees and accept feedback from employees. Paying employees on the basis of some performance measure. Instead of paying for the time on the job, pay is adjusted to reflect some performance measure. It needs individual productivity, work group or departmental productivity, unit profitability, or the overall organization's profit performance. This may probably be most compatible with expectancy theory. Individuals should perceive a strong relationship between their performance and the rewards they receive if motivation is to be maximized. If rewards are allocated completely on non-performance factors—such as seniority or job title, then employees would like to reduce their effort.

## **2.6 Importance of Motivation**

To accomplish the objective of any organization, motivation is an important and indispensable management responsibility. Thus to understand the importance of motivation, management can measure or judge from different angles. According to Gupta R.S, BD Sharma and NS Bhalla (2003, 216) motivation is the process which influences people to act and determine the organizational efficiency. All facilities may go waste

if employees are not properly motivated. The importance of motivation can be judged from the following factors:

***Need Satisfaction:*** Motivation helps in satisfying individual as well as group needs of employees. It results in the voluntary co-operation and co-ordination of employees and the goals of the organization can be easily achieved.

***Job Satisfaction:*** When employees are properly motivated, they use their skill and knowledge up to their maximum ability to show better results to the management. This promotes the feeling of job satisfaction among the employees. Thus the policies and plans of the organization are effectively implemented.

***Productivity:*** Motivation results in increased productivity since its basic object is to achieve the goals of the enterprise. The workers give their best performance which helps in increasing the productivity of the organization.

***Reduction in Labour Turnover and Absenteeism:*** One of the most important contributions of motivation is that employees prefer to stay in the organization thereby bringing the labour turnover to the minimum. Similarly motivated employees tend to be regular and the problem of absenteeism is also minimized.

***Acceptance of Organizational Changes:*** The technological changes taking place in the world have brought about revolutionary changes on the production side. Generally employees resist these changes but with proper motivation, they accept these changes thereby keeping the organization in line with the other competing concerns.



**Increasing All-round Efficiency:** The friction between the workers themselves and also between the management and workers is decreased resulting in the all-round efficiency. It helps in decreasing the wastages, accidents, complaints and grievances. The motivation circle which helps in overall efficiency works as follows:

Wants → Needs → Motives → Helped by motivation →  
Actions → Goals → Performance

## 2.7 Methods of Motivation

We have seen different types of motivators advocated by various authors. Some of the important motivators are explained below:

- A. Financial Motivators (incentives)
- B. Non-financial Motivators (incentives)

### A. Financial Motivators or Incentives

Money is a basic motivator for all employees as the primary needs are to be met only with money. However, money is not an end; it only serves as a means for achieving the minimum standard of living. Financial incentives are of two types:

- (a) *Individual* financial incentives and
- (b) *Collective* financial incentives.

All financial incentives which induce an individual to produce more (e.g. Halsey, Rowan and Taylor's incentive plans) are individual financial incentives whereas collective incentive are given to a group (e.g. bonus, profit sharing etc.)

### B. Non-Financial Incentives

According to Gupta R.S, BD Sharma and NS Bhalla (2000, 225) these methods of motivation include the following:

**Participation:** Subordinate staff should be associated with the decision making process. Employees should be encouraged to participate in the decision making process.

**Job Enrichment:** Workers should have a hand in setting their goals so that they have a feeling of personal responsibility for their task. They should be given more latitude in deciding about certain routine things. An effort should be to create pride in the job among staff members all this results in job enrichment.

**Integrating the Communication Flow:** If there is a proper communication among the employees or between the management and employees it acts as a motivator. Let all employees be given adequate information to solve their problems. It is very essential that employees should know as to what is going on in the enterprise. Upward communication is very essential as it reflects response to various policies and programs.

**Positive Reinforcement:** The performance of works increases manifold when there is a positive reinforcement among the workers by the management. Such guidance from time to time enhances vitality and efficiency of workers. Sometimes, praise of work is a great motivator for an employee.

**Terms of Employment:** In addition to pay, other terms of employment also act as a motivator e.g., status, chances of promotion, responsibility, job security etc.

**Favorable work Environment:** Both physical and mental environment should be searched that there is a conducive work environment. The

management should try to remove the irritants which creep in and spoil the work environment.

***Building Morale:*** High morale and low morale are directly related to higher production and low production respectively. When physiological and psychological needs of the workers are satisfied, the morale is high. When the morale is low the management should analyze the factors responsible and proper action should be immediately taken.

***Stimulating Leadership:*** Leadership may be defined in terms of totality of functions performed by executives as individuals and as a group.

### III. DATA PRESENTATION, ANALYSIS AND INTERPRETATION

This chapter of the study summarizes the primary data collected through questionnaires and unstructured interview. In addition to that secondary data obtained from human recourse department and collective agreement with the interpretation of the primary data.

To collect data Questionnaires were distributed to selected employees in all departments to obtain representative of all type of operation employees. Thus, distribution of the questionnaires in the factory held as per the following.

1. Factory employees	47
2. Agricultural "	21
3. Overhead "	45
4. Project and Research	7

Questionnaires were distributed to 120 employees randomly and all distributed questionnaires collected back.

#### 3.1 Characteristics of the Study Population

The following table presents the general characteristics of respondents concerning their sex, age, educational level, work experience and their working operation unit at the factory.

**Table 1: Characteristics of the Respondents**

NO	Characteristics of the respondents	Item	Respondents	
			No	Percent (%)
1	Sex	Male	102	85.0
		Female	18	15.0
		<b>Total</b>	120	100.0
2	Age	18-30	31	25.8
		31-40	35	29.2
		41-50	39	32.5
		51-60	15	12.5
		<b>Total</b>	120	100.0
3	Level of Education	1-8	6	5.0
		9-12	28	23.3
		Certificate	21	17.5
		Diploma	51	42.5
		Degree	14	11.7
		<b>Total</b>	120	100.0
4	work experience in MSF	1-5	24	20.0
		6-10	25	20.8
		11-15	15	12.5
		16-20	8	6.7
		above 20	48	40.0
		<b>Total</b>	120	100.0
5	Respondent work unit	Agriculture	20	16.7
		Factory	48	40.0
		Overhead	45	37.5
		Project and Research	7	5.8
		<b>Total</b>	120	100.0

According to the data summarized in Table 1, out of 120 respondents 85.0% of the employees are male and 15.0% are female, most of the jobs are occupied with male employees.

The data in terms of age indicates that 25.8% respondents fall under the age group of 18-30, 29.2% under age group of 31-40, 32.5% under age group of 41-50 and 12.5% under the age group of 51-60. This data shows that most of the workers are above the age of 30.

When we look at the employees' work experience, 80% of employees are having more than five years' experience while only 20.0% having five and less than five years' experience. It is possible to conclude from the information that the factory has employees of high work experience.

Regarding the educational level of the respondents as indicated in the Table 1, No 4, 17.5% are certificate holders, 42.5% are diploma holders, 11.7% have their first degree and 28.3% are grade 12 and less than grade12.This shows that most of the employees (71.7 %) are trained in certificate, diploma and degree. It shows most of the employees are able to understand their work or to learn.

In general as shown in Table 1 about characteristics of the respondents most respondents have stayed in the factory for more than5 years and they are Certificate and Diploma holders can provide adequate information about the factory and can understand the items in the questionnaire to fill them in the appropriate way.

### 3.2 Analysis of Finding of the Study

**Table 2: Resource Allocation**

Item	Alternatives	Respondents	
		No	Percent (%)
Do you have sufficient resources to perform your job?	Yes, it is sufficient	39	32.5
	Partially sufficient	67	55.8
	Not sufficient	14	11.7
	<b>Total</b>	120	100

Sufficient resources are very important for employees to perform their duty. As indicated in Table 2, 32.5% respondents only have sufficient resources, 55.8% revealed that they have partially sufficient resources and 11.7% of the respondents have responded that the resource provided

by the factory is not sufficient to perform their duties. This indicates that the organization does not provide sufficient resources to all employees.

**Table 3: Performance Evaluation Related to the Evaluators**

Item No.	Item	Alternatives	Respondents	
			No	Percent (%)
1	Do you have any problem faced or observed from your performance evaluator?	Yes	28	23.3
		No	88	73.3
		I don't know	4	3.3
		<b>Total</b>	120	100
2	On what basis does your evaluator evaluates you?	Personal Basis	21	17.5
		Comparing with other employee	26	21.7
		Based on past performance	18	15.0
		Average rating	6	5.0
		Current performance	47	39.2
		Other	2	1.7
		<b>Total</b>	120	100

Regarding performance appraisal system and employees relation with their performance evaluator 23.3% of the employees have faced problem with evaluators, 73.3% of the employees have good relation and the remaining 3.3% of the employees did not recognized their relations with evaluators regarding to performance evaluation. Generally most of the employees believed that they are evaluated free of personal problem with their immediate supervisors and it contributes more for productivity.

As indicated in Table 3 - Item No. 2 respondents believe that they are evaluated based on different methods, that is 17.5% of the employees believe that they are evaluated on personal basis, 21.7% evaluated by comparing with other employees, 15.0% evaluated based on past performance, 5.0% evaluated on average rating, 39.2% evaluated on current performance and 1.7% evaluated based on other evaluation methods.

Performance evaluation is made in every six months to evaluate the current performance of the employees. However, 39.2% of respondents only relied that they evaluated based on their current performance. This indicates that the objective of the performance evaluation is not fulfilling the intended objective. Performance evaluation process shall be free from any bias and should be conducted based on the performance of the employee. If evaluators using different methods, it will affect motivation of employees as the result reduces productivity.

**Table 4: Performance Evaluation and Importance**

Item No.	Item	Alternatives	Respondents	
			No	Percent (%)
1	Does the management tell everyone what is being done wrong and right based on the performance evaluation?	Yes	41	34.2
		No	65	54.2
		I don't know	14	11.7
		<b>Total</b>	120	100
2	To what extent does your performance evaluation result helps you?	Promotion	11	9.1
		Transfer	11	9.1
		Salary increment	50	41.7
		Award	4	3.4
		Incentive	38	31.7
		Nothing	4	3.3
		Other	2	1.7
		<b>Total</b>	120	100.0

Table 4 - Item No. 1 reveals that 34.2% of the respondents replied that the management tells the employees what is wrong and right but 54.2% of respondents assure that the evaluator did not tell everyone and 11.7% don't know whether their evaluators tell them what is being done wrong and right. This will develop a reluctant sense on employees and its effect can be extended to their future performance.

Employees' response concerning importance of performance evaluation is indicated in Table 4 - Item No. 2. Most of employees believe that performance evaluation helps them for promotion 9.1%, transfer 9.1%,



salary increment 41.7%, award 3.4%, incentive 31.7%, nothing 3.3% and others 1.7%. Most of the respondents revealed that the performance evaluation helped them for annual salary increment and incentive which is currently have been implemented by the factory to motivate employees. This shows the factory uses financial incentives to motivate employees.

**Table 5: Policies and Procedures for Better Performance**

Item No.	Item	Alternatives	Respondents	
			No	Percent (%)
1	How policies and procedures are attractive to initiate employees for better performance?	Highly attractive	19	15.8
		Attractive	37	30.8
		Moderately attractive	37	30.8
		Unattractive	15	12.5
		Low attractive	12	10.0
		<b>Total</b>	120	100
2	Do you agree the management treats every employee equally in accordance with the rules and procedures?	Strongly agree	5	4.2
		Agree	15	12.5
		Moderately agree	58	48.3
		Disagree	30	25.0
		Strongly disagree	12	10.0
		<b>Total</b>	120	100

Regarding policies and procedures attractiveness for better performance and motivation 15.8% respondents believe that the policies and procedures are highly attractive, 30.8%, attractive 30.8%, moderately attractive 12.5%, unattractive and 10.0% low attractive as the result indicated in the Table 5 - Item No. 1, totally 22.5% workers do not believe that the policies and procedures are attractive. In general most of the employees agreed the factory policies and procedures are attractive. If most of employees feel the factory polices are attractive it will help them for better performance.

Table 5 - Item No. 2 indicates that 4.2% of the respondents strongly agree and 12.5% agree that the factory management treats every employee equally in accordance with the rules and procedures. On the other hand 25.0% of the respondent's disagree and 10.0 % strongly disagrees about

equal treatment of management according to the rules and procedures of the factory. In general this data shows 35% of respondents are dissatisfied comparing to the agreed ones. Moreover, 48.3% moderately agree it shows they are not well satisfied.

If employees feel that there is impartial treatment, they will lose their confidence and it will frustrate them and not to be initiated to exert their maximum effort towards the accomplishment of organizational objectives.

**Table 6: Motivation Systems Employed by the Factory**

Item No.	Item	Alternatives	Respondents	
			No	Percent (%)
1	Is their motivational systems employed by the factory?	Yes	98	81.7
		No	9	7.5
		I don't know	13	10.8
		<b>Total</b>	120	100
2	If your answer is 'yes' what type of motivational systems employed by the factory for motivating employees?	Salary increment	28	28.6
		Training and education	10	10.2
		Incentive	30	30.6
		Promotion	12	12.3
		Recognition	5	5.1
		Bonus	9	9.1
		Other benefits	4	4.1
		<b>Total</b>	98	100.0
3	How much are you satisfied with currently implemented motivational system?	Very satisfied	27	22.5
		Satisfied	39	32.5
		Average	41	34.2
		Dissatisfied	6	5.0
		Very dissatisfied	7	5.8
		<b>Total</b>	120	100

According to Table 6 - Item No. 1, 81.7% of the respondents assured that the factory employed motivational systems to motivate employees but 10.8% of the respondents believe that there is no motivational systems employed by the factory and 11.9% of the respondents even don't know whether the factory employed motivational systems or not. This shows that these respondents will not exert their maximum effort to perform their job unless they do not know the motivational systems.

As indicated in Table 6 – Item No. 1, among 120 respondents 98 of them indicated that the factory employed motivational system. Accordingly in Table 6 – Item No. 2, these respondents revealed that the factory uses the following incentive systems, 28.6% salary increment, 10.2% training and education, 30.6% incentive, 12.3% promotion, 5.1% recognition, 9.1% bonus and 4.1% other benefits. Salary increment and incentive are indicated by most of the respondents. As respondents indicated that the factory uses annual salary increment and incentive, that is one or two months' salary is paid as incentive based on the performance of the factory as well as employees.

As it is shown in Table 6 – Item No. 3, 11 out of the total respondents 22.5% are very satisfied, 32.5% satisfied, 5.0% dissatisfied, 5.8% very dissatisfied and 34.2% moderately satisfied with the current motivational system has been implemented by the factory. As the result indicated most of the employees are satisfied with the current motivational system employed by the factory.

**Table 7: Effort of Employees and Awarding System**

Item No.	Item	Alternatives	Respondents	
			No	Percent (%)
1	Do you exert your maximum effort to achieve your duties?	Never	2	1.6
		Often	41	34.2
		Almost always	68	56.7
		Sometimes	9	7.5
		<b>Total</b>	120	100
2	Is there awarding system to motivate those workers especially who exert their maximum effort to achieve more result?	Yes	18	15.0
		No	50	41.7
		I don't know	52	43.3
		<b>Total</b>	120	100

According to Table 7 – Item No. 1, 56.7% of the respondent revealed that they have exerted their maximum effort almost always to achieve their duties, 7.5% of them sometimes, 34.2% of them often exert their

maximum effort to achieve their work. This unexploited effort of employee is very important for the factory since they are ready to exert their maximum effort through motivational practices.

As indicated in Table 7 – Item No. 2, 41.7% of respondents disclosed that there is no awarding system employed by the factory, 43.3% do not know whether there is award or not and 15.0% believed there is awarding system.

Awarding to high performers will encourage and motivate other workers to work hard and it creates competition between employees and this will help to be productive. Thus, award is one of the motivational tools to increase productivity award can be financial and non-financial

**Table 8: Type of Awarding Systems**

		1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	5 <sup>th</sup>	6 <sup>th</sup>	7 <sup>th</sup>
Which type of motivational system is better to motivate for high performance achievers? (please give rank from 1-7)	Salary increment	19%	24%	29%	12%	14%	2%	0
	Promotion	25%	32%	20%	10%	9%	4%	0
	Bonus	1%	5%	10%	16%	14%	51%	3%
	Recognition	14%	11%	9%	14%	31%	20%	1%
	Incentive	2%	9%	15%	32%	26%	13%	3%
	Training and edu.	39%	19%	17%	16%	6%	3%	0
	Other	0	0	0	0	0	7%	93%
	<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Table 8 shows the direction to which employee needs to be given as award for best performance achievers, and this table tries to show the motivational types that are assumed by the employees of the respondents to have higher value from the alternative given as motivational factors.

Accordingly, most of respondents selected or ranked:

- 1) training and education,
- 2) promotion,
- 3) salary increment,
- 4) incentive,

- 5) recognition,
- 6) bonus and
- 7) other.

**Table 9: Training and Education**

Item	Alternatives	Respondents	
		No	Percent (%)
To what extent does the factory give chance to employees to develop their skills through training and education?	To very great extent	13	10.8
	To great extent	24	20.0
	To some extent	63	52.5
	Not at all	9	7.5
	I don't know	11	9.2
	<b>Total</b>	120	100

In Table 9 presented that to what extent the factory gives chance to employees to develop their skills through training and education. Accordingly, 10.8% respondents said that the factory gives chances to very great extent, 20.0% great extent, 52.5% to some extent, and 7.5% not at all and 9.2% don't know whether the factory gives chance or not.

Training and education is one of the motivational tools for productivity of employees which helps them to fulfill their personal and organizational objectives.

**Table 10: Support for Education and Training**

Item	Alternatives	Respondents	
		No	Percent (%)
What type of support does your factory provides you to improve your educational level by your own effort?	Financial and material support	33	27.5
	Morally and consultation	8	6.7
	Reduction of the work load	19	15.8
	In all aspect	9	7.5
	No support	51	42.5
	<b>Total</b>	120	100.0

As shown in the above Table 10, 27.5% respondents revealed that the factory supported them financial and materially to improve their educational level, 42.5% respondents said that the factory does not support them by any means, 6.7% supported morally, 15.8% of them replied that they are supported through reduction of load and 7.5% the factory support them in all aspects.

This data implies that the factory does not support all employees for education specially those who tries to learn by themselves.

**Table 11: Climatical and Hazardous Conditions**

Item	Alternatives	Respondents	
		No	Percent (%)
Do you believe your productivity is affected by climatical and hazardous conditions?	Yes	61	50.8
	No	39	32.5
	I don't know	20	16.7
	Total	120	100

According to the above table 50.8% of the respondents reveals that the working environment regarding climatical and hazardous conditions affects their productivity, 32.5% believes that it does not affect their productivity and 16.7% do not recognized whether these factors affect their productivity or not.

Most of the respondents stated the factors that affected their productivities are:

- hot weather of the factory area,
- air pollution by sulfur oxide gas and lime,
- dust from boiler baggas.

**Table 12: Types of Incentive Implemented for Climatrical and Hazardous Conditions**

Item	Alternatives	Respondents	
		No	Percent (%)
What type of incentive implemented for climatrical and hazardous conditions?	Transfer	14	11.7
	Allowance	17	14.2
	Better salary	18	15.0
	Nothing	7	5.8
	Protective device	51	42.5
	Other	13	10.8
	<b>Total</b>	120	100

The factory that have been implemented to motivate employees working in hazardous conditions are as asserted by respondents that 42.9% the factory provide them protective devices, 11.6% transfer to other, 14.6% better salary, 11.5% other benefits and 5.6% noting.

**Table 13: Employees' Satisfaction**

Item No.	Item	Respondents	Very satisfied	Satisfied	Neutral	Very dissatisfied	Dissatisfied	I don't know	Total
1	Salary	No.	5	28	57	10	20	0	120
		%	4.2	23.3	47.5	8.3	16.7	0	100
2	Promotion	No.	5	22	30	24	30	9	120
		%	4.2	18.3	25.0	20.0	25.0	7.5	100
3	Award	No.	5	3	9	11	28	64	120
		%	4.2	2.5	7.5	9.2	23.3	53.3	100
4	Job itself	No.	29	39	36	7	9	0	120
		%	24.2	32.5	30.0	5.8	7.5	0.0	100
5	Company procedure	No.	9	20	53	11	24	3	120
		%	7.5	16.7	44.2	9.2	20.0	2.5	100
6	Benefits	No.	7	19	50	22	21	1	120
		%	5.8	15.8	41.7	18.3	17.5	0.8	100
7	Job security	No.	19	33	32	18	16	2	120
		%	15.8	27.5	26.7	15.0	13.3	1.7	100
8	Insurance coverage	No.	18	31	28	9	17	17	120
		%	15.0	25.8	23.3	7.5	14.2	14.2	100
9	Medical service	No.	25	22	32	23	17	1	120
		%	20.8	18.3	26.7	19.2	14.2	0.8	100

Table 13 show summarized employees' level of satisfaction for different motivational factors like salary, promotion, award, job itself, company procedure, benefits, job security, insurance coverage and medical service.

As we have seen from the above table item No. 1 majority of respondents (47.5%) replied that they are neutral which means not satisfied as well as dissatisfied with salary they obtained, 4.2 are very satisfied and 23.3% are satisfied on the other hand 8.3% and 16.7% are very dissatisfied and dissatisfied respectively. Money or salary is the primary motivator as indicated in the table most of the workers are not satisfied or dissatisfied with their salary.

Item No. 2 of this Table 13 indicates 4.2% of respondents are very satisfied, 18.3% satisfied, 25.0% neutral, 20.0% very dissatisfied and 25.0% are dissatisfied with promotion. Promotion is related with structure of the factory and performance each employees. However, most of the workers are not satisfied with promotion.

As in item no 3 of table 13, indicated 53.3% of respondents replied that they do not know whether the factory gives award or not, 4.2% are very satisfied, 2.5 satisfied, 7.5% moderately satisfied, 9.2 % very dissatisfied. The data shows that most of the employees have never been informed whether they are award or not.

Item No 4 shows employees satisfaction towards their specific duties. Majority of respondents that is 24.2% are very satisfied, 32.5% satisfied, 30% moderately satisfied, 5.8% very dissatisfied and 7.5% dissatisfied with their job. From this we can conclude that the employees are able to perform their duty since they like the job.



Regarding company procedure as indicated Table 13, of Item No. 5, 44.2% replied that they are moderately satisfied, 5.8% very satisfied, 16.7% satisfied, 9.2% very dissatisfied, 20.0% dissatisfied and 2.5 % said they do not know the company procedure. Generally most of the respondents are satisfied with the factory procedures.

Table 13, Item No. 6 shows that 41.7% of respondents are moderately satisfied with the factory benefits, generally 21.6% respondents are satisfied on the other hand 35.8% dissatisfied with different level. Different type benefits are provided by the factory however most of respondents selected neutral.

As far as job security concerned respondents have answered that 15.8% of respondents said it is very satisfied, 27.5 satisfied, 26.7 moderately satisfied, 15.0% very dissatisfied and 13.3% dissatisfied. Since, it is state owned factory relatively job security is better than other organizations However, the job security is depends up on performance of each employees.

In connection to insurance coverage as shown in item 8 of Table 13, generally 40.8% of respondents satisfied with the current insurance coverage to employees, 21.7% have replied with the insurance coverage, 23.3% moderately satisfied and 14.25 of respondents do not know the insurance policy of the factory.

Medical service is given to all employees with its own medical center and other government and private medical hospitals. The response of respondents related to medical service is shown that 20.8% respondents are very satisfied, 18.3% satisfied, 26.7%, moderately satisfied, 19.2% very dissatisfied and 14.2% dissatisfied.

In general Table 13 shows employees' attitude towards these motivational factors is clear indicators for the management to understand employees' needs and thereby to reconsider the existing motivational systems which have been employed by the factory.

## **IV. SUMMARY, CONCLUSION AND RECOMMENDATIONS**

### **4.1 Summary**

The main objective of this study is to identify and examine the motivational practices that are currently applied by the factory and whether they are attaining the desired goals. In addition to that to answer the basic research questions raised in chapter one of this study and to give possible recommendations based on the research carried out which may increase the productivity of workers.

In line with findings the following summary of findings, conclusion and Recommendations are drawn:-

#### **Summary of Finding**

The primary data collected through questionnaire is summarized and presented as follows.

- Regarding employees background most of the workers are male and have long year experience, most of them have certificate and diploma and considerable employees are approaching to their retirement age.
- Most the employees assure that the factory provided them insufficient recourses even though most the employees are interested to exert their maximum effort to perform their duty.
- In relation to performance evaluation more than half of the employees believe that they are not evaluated based on their current performance. However, they believe that performance evaluation helps them for financial incentive which is paid annually.
- Above half of employees feel that the factory rules and regulations have been implemented by the management equitably. However, Considerable numbers of respondents did not agree.

- One of the motivational systems is awarding employees who exert their maximum effort, making computation among employees increases productivity but currently the factory did not implement this incentive method and most of employees have recommended that it is better to implement the system and give training and education opportunity for best performers.
- Most of the respondents believed that to some extent the factory support the employees to develop their skill through training and education; on the other hand, it is found that the factory does not give financial and other supports for those who are learning in different institutions by them.
- Most of the employees believed that the factory area hotness and some other like baggas dust and air pollution because of chemical gas affected their productivity. To protect them the factory provided the workers protective devices as asserted by respondents.
- As far as the employees level of satisfaction to different type of motivational factors like salary, promotion, award, job satisfaction, company procedure, benefits, job security, insurance coverage and medical service most of respondents are moderately satisfied.

#### **4.2 Conclusion**

- The factory uses financial incentive method which is annual salary increment and pays 1-2 months' salary as incentive. But the factory does not consider non-financial incentive systems to motivate workers in a way they are to be productive.

- The incentive system of the factory has related with employee performance. This annual incentive is paid based on group performance who scored the same result will get the stated amount of money which is stated in the criteria. However, this method of evaluation does not motivate the best performers, outstanding and creative workers.
- Giving training and education is one of the best motivational systems to motivate workers for better performance. But the factory does not apply education and training opportunity for employees as an incentive rather it gives education and training for those selected employees when it is necessary and decided by the management.
- The productivity of some of the factory and field workers is affected by climatically and hazardous conditions. In order to protect them from these hazardous conditions, the factory provides them different protective devices.

### **4.3 Recommendations**

From the data collected and analyzed, the student researcher would like to forward the following recommendations that are useful for the factory to improve the problems raised in relation to the employee motivational practices.

- In order to make all the rewards to be effective to their motivational value, the management should link rewards with job performance. To show a clear linkage between them, each criterion should be seen that they have a clear correlation with the performance and should be known to the employees accordingly.

- Currently the factory has applied group based performance incentive, however, this type of incentive does not encourage those workers who exert their maximum effort and dissatisfied individuals personal goals. Therefore, the factory management should revise and incorporate awarding system for better achievers in the in the factory incentive practices since it is the base for maximizing employee motivation.
- Today many organizations understand the importance of training and education which will help for improvement of workers thereby it increases productivity. As it is asserted by most of the respondent workers those who try to improve their educational level by themselves does not financially supported. But supporting these workers can motivate them. Thus, training and education opportunity should be given as award to motivate workers as most of the respondents suggested it.
- The factory is providing protective devices to those workers working in hazardous working area. This is very important and it is a key factor to protect and to make them productive. However, currently the factory paid immaterial amount of money as incentive or premium stated in the collective agreement. Moreover, these workers should be motivated through financial incentive that is allowance, enough amount of money or better payment. They should also motivate with non-financial incentive methods, like transfer to other working areas generally physical and mental conducive working environment should be created.

In general as many of scholars agreed motivation is a human behavior and act of stimulating someone to get the desired goals. Thus, the factory management better to redesign the existing motivational system to get things done as desired, by which the

management could manage all motivational issues under its limit. So that, to motivate employees in better way the factory management considered different types of motivational practices like management by objective, employ involvement program and performance appraisal. In addition to this before applying these motivational models management also take into consideration and assess the motivational factors that can be applied and feasible as well as increases the productivity of workers. Therefore, the factory can fulfill its objective as well as its mission.

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# APPENDICES

**St. Mary's University College**  
**Department of Management**  
**QUESTIONNAIRE**

This questionnaire is designed to collect relevant data for senior paper in partial fulfilment of the requirement for the BA Degree in Management at St. Mary's University College. The research topic is Motivational practices in the case of Metahara Sugar Factory.

Please take few minutes of your time to complete this questionnaire. The data you provide will be used for academic purpose. Thus you are encouraged to freely express your views, honest response and concern will have a positive contribution to success of the research. Moreover, your response will be kept confidentially.

I kindly request you to fill and return it as soon as possible.

**NB** There no need of writing name  
Put ✓mark on the box provided

**PART I**

**Background of Respondents**

1. Age

18-30

31-40

41-50

51-60

2. Sex

Male

Female

3. Level of Education

1-8

9-12

Certificate

Diploma

Degree

4. Work experience at MSF

1-5

6-10

11-15

16-20

above 20

5. What is your work unit operation?  
 Agriculture                       Factory   
 Overhead                       Research

**PART II**

**Data Related to Research Question**

1. Does the factory fulfil all essential resources to perform your job?  
 Yes, it does                       Partially fulfil   
 No, it doesn't
2. Do you have any problem faced or observed from your performance evaluator?  
 Yes                       No                       I don't know
3. On what basis does your evaluator evaluates you?  
 Personel Basis                       Average rating   
 Comparing with other employee                       Current performance   
 Based on past performance                       Other
4. Does the evaluator tells everyone what is being done wrong and right based on the performance evaluation ?  
 Yes                       No                       I don't know
5. To what extent you think your performance evaluation result helps you?  
*(you can choose more than one)*  
 Promotion                       Salary increment                       Incentive   
 Transfer                       Award                       Nothing   
 Other
6. Are the factory's policies and procedures attractive to initiate employees for better performance?  
 Highly attractive                       Low attractive   
 Attractive                       Unattractive   
 Moderately attractive

7. Do you agree the management treats every employee equally in accordance with the rules and procedures?

Strongly agree  Agree   
Moderately agree  Strongly disagree   
Disagree

8. Is their motivational systems employed by the factory?

Yes  No  I don't know

9. If your answer is 'yes' what type of motivational systems employed by the factory for motivating employees?(you can choose more than one)

Salary increment  Promotion  Bonus   
Training and education  Recognition   
Incentive   
Other benefits

10. How much are you satisfied with currently implemented motivational system?

Very satisfied  Satisfied  Average   
Dissatisfied  Very dissatisfied

11. Do you exert your maximum effort to achieve your duties?

Never  Sometime  Often   
Almost always  Not at all

12. Is there rewarding system to motivate those workers especially who exert their maximum effort to achieve more result?

Yes  No  I don't know

13. Which type of motivational system is better to motivate for high performance achievers? (please give rank from 1-7)

Salary increment  Promotion   
Insurance  Incentive   
Recognition  Bonus  Other

14. To what extent does the factory give chance to employees to develop their skills through training and education?

To very great extent  To great extent   
To some extent  Not at all

15. What type of support does your factory provides you to improve your educational level by your own effort ?(you can choose more than one)

Financial and material support  Reduction of the work load   
Morally & consultation  In all aspect   
No support

16. Do you believe your productivity affected by climatical and hazardios conditions?

Yes  No

If yes please specify it\_\_\_\_\_.

17. What type of incentive system is implemented by the factory for climatical and hazardios conditions?

Transfer  Additional payment   
Allowance  Protective device   
Other  Nothing

18. What type of incentive do you expect for climatical and hazardios conditions?

(please give rank from 1-5)

Transfer  Additional payment   
Allowance  Protective device  Other

19. How much are you satisfied with:-

	<b>Very Satisfied</b>	<b>Very Satisfied</b>	<b>Neutral</b>	<b>Dissatisfied</b>	<b>dissatisfied</b>	<b>I don't know</b>
Salary	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Promotion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Award	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Job itself	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Company procedure	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Benefits	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Job Security	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Insurance coverage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Medical service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

20. Please give your comment, suggestion or recommendation if you have any.

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## DECLARATION

I, the undersigned, declare that this senior essay/project is my original work, prepared under the guidance of Ato Biruk G/Michael. All sources of materials used for the manuscript have been duly acknowledged.

Name \_\_\_\_\_

Signature\_\_\_\_\_

Place of submission \_\_\_\_\_

Date of submission \_\_\_\_\_

## SUBMISSION APPROVAL SHEET

This senior research paper has been submitted to the Department of Management in partial fulfillment of the requirements of BA Degree in management with my approval as an advisor.

Name\_\_\_\_\_

Signature\_\_\_\_\_

Date of submission \_\_\_\_\_