



ST. MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES

**THE EFFECT OF MOTIVATION ON EMPLOYEES PERFORMANCE: THE
CASE OF C&E BROTHERS STEEL MANUFACTURING**

By

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JAN, 2022

ADDIS ABABA, ETHIOPIA

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**ATHESIS SUBMITTED TO ST.MARY'S UNIVERSITY, SCHOOL OF
GRADUATE STUDIES IN PARTIAL FULFILLMENT OF THE
REQUIREMENTS FOR THE DEGREE OF MASTER OF BUSINESS
ADMINISTRATION.**

JAN, 2022

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DECLARATION

I declare that this Master of Business Administration. Thesis is my original work, and has never been presented for the award of any degree in this or any other university and all source of materials used for the thesis have been duly acknowledged.

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ENDORSEMENT

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ACKNOWLEDGEMENT

First my innumerable praise to the Almighty God and His Mother Saint Merry for giving me the opportunity, capacity and guidance throughout my life. Next I am deeply grateful and indebted to SaleamlakMolla (Ph.D), my advisor, for his valuable guidance and understanding through all the preparation of this paper for his encouragement, suggestions, guidance and overall assistance to successful accomplishment of this research would have been very difficult without his generous time devotion from the early design of the proposal to the final write-up of the thesis by adding valuable, constructive and ever-teaching comments; and thus, I am indebted to him for his kind and tireless efforts that enabled me to finalize the study.

My sincere appreciation and thanks also goes to my colleagues for the remarkable memories and constant moral support during the study period. I also feel great to express my thanks to the AtoMulugeta marketing manager, AtoAbey sales manager and AtoNaol HRM of C and E steel manufacturing who participated in the study for sparing their precious time to give the necessary data.

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LIST OF ACRONYMS/ABBREVIATIONS

C and E: China and Ethiopia

SPSS: Statistical package for the social sciences

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Abstract

Motivation, nowadays, is getting crucial for organizations to function. The situation is even more serious in developing countries where working conditions are unattractive. Employee motivation is the key factor to boost up the function of an organization. Without motivation, employees will not put up their best efforts, and the organization's performance would be less efficient and effective. Highly motivated employees are considered as a core element in running a successful organization. The primary purpose of this study is to identify employee motivation factors and their effect on employee's performance. This study adopted both descriptive and explanatory research methods. A well-structured self-administered questionnaire was used as the main tool for data collection and was administered to 86 respondents, out of which 79 were retrieved and appropriately filled. Reliability of the research instrument was calculated and the Cronbach's alpha coefficient was 0.78. The data were analyzed using both descriptive and inferential statistical tools. Moreover, the result was described using mean, frequency and standard deviation, and the researcher was also applied parametric statistical test (correlations, and multiple regression analysis to interpret and analyze the data, using Statistical Package for Social Science version 20.0. The results also revealed that extrinsic factors were considered to have more significant effects on employee's performance than intrinsic factors. From the hypotheses tested, the result indicated that employee motivation has a significant effect on organizational performance. Furthermore, this study also recommended that organizations should figure out factors that motivate their employees and seek ways of ensuring their performance level. The more employees are motivated the better employee's performance will be. Finally, the study also suggested that future studies should focus on private sectors' employee motivation and improving organizational performance.

KEYWORDS: *Employee performance, Extrinsic Motivation, Intrinsic Motivation, Recognition, working condition.*

CHAPTER ONE

1. INTRODUCTION

This chapter will be focus on background of the study, background of the company, statement of the problem, basic research questions, and objective of the study, significance of the study, scope or delimitation of the study, limitation of the study, operation definition of key terms and organization of the study.

1.1. Background of the Study

In any organization, whether it is a public sector or any other business sector, its core is its employees; their presence and contribution are very important in such a way that they determine if the organization is going to be successful or not. An organization may have a good manager, a good vision and a good goal. However, if it neglects its employees, that company is practically in turmoil. Employee motivation is a key to the overall effectiveness of organizational performance. Motivation acts as a predictor of individuals' behavior's and performance, all of which in turn contribute to organizational performance (Ritz et al., 2016). The issue of employees' motivation, especially in the private sector, has continually posed a big challenge where high levels of a performance play a major role in determining growth, development, stability and future success of an organization.

Employee Performance fundamentally depends on many factors like high salary and fringe benefits, provision of allowances, leadership style, empowerment, recognition and award, autonomy and freedom of performing a job, training and career development, good working condition, and so on. However, there are two types of motivated behavior in the organization which is intrinsically and extrinsically motivated behavior (Kat, 2009). A lack of employee motivation leads to lower productivity, an inability to overcome challenges, apathy and poor customer service (Leonard, 2019). It also leads to absenteeism, late-coming, uncommitted employees' lower levels of engagement and higher employee turnover (Rutachururwa, 2013; Andritotis, 2017).

The word motivation is derived from the Latin word „mover“ which means to move (Baron, Henley, McGibbon and McCarthy, 2012). Also Certo (2016) describes motivation as providing individuals incentives that lead them to act in desired ways. Nelson (2013) on his part defined motivation as the process of arousing and sustaining goal-directed behavior.

Motivation is driver force that drives or leads the employees toward attaining specific objective and goals of the organization (Hussein, Simba, 2017). Motivation has big role to develop and increase the desire of every employees of the organization to work effectively and efficiently.

According to (George and Jones, 2012) motivation can be classified into two categories namely, extrinsic and intrinsic. Intrinsic motivation develops from an employee's internal desire to perform a task out of self-interest or self-need rather than a need or desire for some external reward (healthy relationship with manager and co-workers, recognition, interesting duties, respect, achievement and others). Extrinsic motivation is the type of motivation that arises when an employee is compelled to act in a specific way either as a result of that employee's desires for external rewards or to avoid punishment (compensation, flexible work schedules, benefits in the other forms like transportation, health service, working condition, and others). Motivated workers are satisfied, dedicated and innovative, competent and determinant. On the other hand, de-motivated workers are likely to put no effort or little effort in their jobs, and this leads to low quality work, they avoid their workplace and even leave the organization if provided opportunity.

Employee performance refers to the effectiveness and efficiency of employees in achieving organizational objectives. It is widely accepted by the organizational theorists that human power is one of the most important assets of an organization because things are getting done through employees. In other words, the success of an organization in realizing its objectives heavily depends on the performance of its employees. Therefore, it is important to focus on the factors affecting the performance of the employees. Motivating employees is a challenge and also keeping employees motivated an even greater challenge for an organization (Levy, 2013). These days, organizations are under strong pressure to identify and put into practice the programs that will prove effective in improving employee performances (Deci, 2013). It is not only enough to increase salaries and expect increased performance; it is more than that (George and Jones, 2013). However, the schemes used to motivate workers may have potentially negative effect on their morale if not properly used or applied.

There are various researchers done studies on the relation between motivation and employee performance. Also many scholars have proposed theories to understand what motivation is

and how it work and also how it affect individuals. From the various researchers who is known for his studies is Abraham Maslow, in his studies he suggests that human needs can be categories in five. Also known as the hierarchy of needs (Riggio, 2014). They are psychological, security, social, esteem and self-actualization needs (Kreitner and Kinicki, 2016). Frederick Herzberg is another well-known researcher known by his two factor theory, the first category is labeled as motivation factors, and second category is labeled as hygiene factors. Dissatisfaction results from the absence of hygiene factors which include salary and relationships with others, while satisfaction results from the presence of motivating factors such as job opportunities and recognition (Kinicki and Kreitner, 2016). V.H Vroom is the recent scholar who developed the expectancy theory. Vroom suggests that people are most motivated to seek results they value highly and think they can achieve. It is based on employee's perceptions of rewards and whether they are able to achieve them (Certo, 2016).

Many organizations in Ethiopia including of C & E Brother Steel factory. Provide motivational incentives to their employees and invest in their employees to be effective and efficient. However many researchers tried to study about the relation between motivation and performance. Up to the researcher knowledge there is no research done in the area of motivation and performance in the organization. The purpose of this study is therefore to fill this research gap and it focuses on investigating the motivational factors in C & E Brother Steel Manufacturing and their effect on employee performance.

1.2. Statement of the Problem

Today there are many discussions about the relationship between motivation and employee's performance. Motivation will lead to the fact that workers of the organization will seriously do their duties and responsibilities (Azar and Shafiqhi, 2013). There are various ways to get skilled, reliable, experienced and hardworking employees one is by motivate them. It's obvious that highly skilled, reliable and experienced employees are a valuable asset for an organization. Because of this case organizations are continuously trying to build up and motivate their workers to help achieve good job performance with various practices and strategies.

Some people can be motivated by extrinsic factors such as compensation, training and career development and other can be motivated by the other factor which is the intrinsic factors such as being recognized, appreciation, relation with other employee and manager or supervisor.

This reveals that motivation is subjective, that is to say that what motivates someone to put up his/her best may also de-motivate others, here to say that motivation does not rely only on extrinsic rewards but also on intrinsic rewards. According to (Jobber and Lee ,2014) if there is a poorly motivated labor force in the organization, the organization will face high cost in terms of increased expenses, frequent absenteeism, lower performance, excessive staff turnover and a negative effect on the morale of colleagues, this shows that Employee motivation affects performance

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

This reveals that the notion of motivation is subjective, that is to say that what motivates someone to put up his/her best may also de-motivate others. Human needs are instable for this reason they always struggle for new things in life so that they can live a comfortable livelihood. If someone receives huge salaries, allowances in terms of rent, transportation fee does not guarantee ones motivation, here to say that motivation does not really only on extrinsic rewards but also on intrinsic rewards. Previously there was monetary as well as non-monetary motivational practice in C & E Steel factory plc. Based on their performance evaluation through employee's participation but currently the current COVID 19 pandemic there are no employee's participation and the current market situation there is no new planed motivational system. Parallel to this, it is also observed that professional employees leave the company to work for other existing and new Steel companies seeking better benefit packages and more pleasing working environment, some feel underpaid, problems in promotion and lack of co-operation and /or appreciation from top management .Top management members are not also knee to make exit interview to those who leave the company; some employees in the Steel factory are not committed enough as expected. These mean that it is manifested in late coming, absenteeism, poor time management, early departure from office, failure to meet deadline in submitting work reports and wasting working time by having various unwanted rumors for discussion.

If someone receives huge salaries, allowances in terms of rent, transportation fee does not guarantee ones motivation, here to say that motivation does not rely only on extrinsic rewards but also on intrinsic rewards. Previously there was monetary as well as appreciation letter motivational practice at C&E Steel factory based on their performance through employees participation but currently there is no planed motivational system. Therefore, this study conducted the same topic on the effect of motivation on employee's performance in the case of C & E Brother Steel factory.

1.3. Research Questions

The research questions of the study was

1. Do intrinsic motivations affect employee's performance at C & E steel factory?
2. Do extrinsic motivations affect employee's performance at C & E steel factory?
3. What motivation techniques do principals use to motivate employees in C & E steel factory?

1.4. Objectives of the study

1.4.1. The general objective

The general objective of the study is to investigate the effects of motivational packages on employee's performance in the C&E Brothers Steel Factory.

1.4.2. Specific objectives

The specific objective of the study was

1. To examine the effect of intrinsic motivation on employee performance in C & E steel factory.
2. To investigate the effect of extrinsic motivation on employee performance in C & E steel factory.

1.5. Significance of the study

According to Towers (2003), Employee motivation is perhaps the biggest drive of organizational performance. Employees' motivation is related to organizational commitment and consequent

increased productivity and organizational effectiveness / successes. The organization cannot achieve its aims and objectives without having well motivated employees.

Therefore, it is very important to study the effect of motivation on employee's performance as this is a key factor for organizational successes. Furthermore it will provide information for the management on how to motivate employees in order to increase their performance and their productivity for achievement of organizational objectives. Once the organization gaining more knowledge about motivation and its effect on the performance the management will devise concrete strategies to keep their employees and also make them happy both at home and at work.

Finally, the result of this study give an insight to any individual who has interest to undertake further study on this area.

1.6. Scope of the study

The study is focused on effect of motivation factors such as extrinsic (payment, career advancement, benefit, supervision, work condition) and intrinsic (achievement, recognition and advancement) on employee performance. There are various factors that affect the employee performance, in this study these eight factors were tested and discussed. In particular, questionnaires were distributed to all employees who work in the organization and the result of the study might only be generally applied to employees who work at C & E steel factory manufacturing.

1.7. Limitation of the study

The major limitations of the study was difficulty of getting up to data related to the subject matter; The managerial staffs could not be able to arrange the interview session with the researcher, and this is because the reason out that they are busy and the current COVID 19 pandemic, as they are engage in different meetings and the researcher is forced to cancel the interview session of data collection method and relay on only questionnaires; Not responding the field questionnaires on time due to the busy schedule during the day; Researcher work load and time constraint affect the completion of the projection time.

1.8. Organization of the study

The researcher was divided the paper in to five chapters. The first chapter consists of background of the study, background of the company, statement of the problem, research question, and objective of the study, significant of the study, scope and limitations of the study, operation definition of key terms and organization of the study. Chapter two will deals review of related literature. Chapter three presents the overall researcher methodology. Chapter four focuses on data analysis and interpretation. Finally, the last chapter presents summary, conclusions and recommendations.

CHAPTER TWO

2. REVIEW OF RELATED LITERATURE

This portion reviews the related literatures written by different authors and researchers aiming to show how different scholars pose their insights in relation to the study. This chapter will be focuses on basic concepts and issues that had been discussed mainly the relationship between motivation and employees performance. This section reviews the theoretical, empirical and conceptual frame work.

2.1. Theoretical Literature Review

2.1.1. Definition of Motivation

According to James and Stoner(2009) definition motivation it is one of the psychological characteristics of humans that give to an individual's level of commitment towards objective or goal. Also Jennifer and George (2006) defined motivation as a mental force that manage the direction of an individual's behavior in an organization, an individual's level of effort, and level of determination when faced with difficulty. She also stated that even with good strategies and administrative structures in organization, an organization can only be productive if its employees are highly motivated to perform at higher levels. According to Jibomo(2007) motivation can be defined as the supporting goal directed behavior and progression moving. According to George and Jones(2012) work motivation can be defined as self-induced forces that control and manage the directions and behavioral patterns of the workforce in an organization by taking account of their levels of commitment and enthusiasm towards the successful accomplishment offset goals or objectives. In addition Broussard &Garrison(2004) defined motivation as "those factors that drives an individual to act or not to act".

Motivation is complex and abstract because different approaches produce different outcomes at different times/place and there is no single approach that can produce guarantee favorable outcomes all the times/place (Halepota, 2005).Motivation plays the most important role for every organizations and all organization encounters the matter of motivation whether the sector is private or public. For the any organization to achieve its own objective and goal motivation is essential (ChintalloandMahade, 2013).Any discussion of work behavior there is

motivation in the center because it is believed that it has a direct link and lead to a good work performance; it is assumed that motivated worker is the productive worker (Riggio, 2014). The significance of motivation even led some known scholars and researchers to build up some motivation theories such as; Abraham Maslow's Hierarchical, Arrangement of Needs, Herzberg's Motivational Factors and Vroom's Expectancy theory. All these scholars tried to explain the complex and abstract concept of motivation both from outside and from within the employees themselves (Salanova and Kirmanen, 2010). Employee motivation is one of the key factors that can help the employer to improve organizational performance and employee. Motivation determines the efficiency and Effectiveness of an organization performance, and it is a basic part in the process of management and every manager must motivate his/her workers to create in them the spirit to work (Sandhyaand Kumar, 2011). Therefore, motivation can be considered as the degree to which an employee WANTS and CHOOSES to engage in certain behavior (Matoka, 2011). From the above definition, we can conclude that motivation is a deriver forces that drive a person or an individual to fulfill his/her need or goal. Also it has the power to influence in the employee performance and to act in some curtain behavior toward to the set goal. Also motivation can be conclude as the way and manner an individual or person inspired and act to fulfill the desired need or wants.

2.1.2. Employees Motivation

According to Quratul (2012) and Ovidiu (2013), any organization deals with various resources such as financial, economic and human resources, the latest and more essential and has the capability to provide a company with competitive edge as compared others. Employee performance fundamentally depend on many factors like performance appraisals, employee motivation, employee satisfaction, compensation, training and development, job security, organizational structure and other, but the area of study will focus only on employee motivation as this factor highly influence the performance job management amongst employees in organizations. A motive employee is responsive of the definite goals and objectives he or she must achieve, therefore he or she directs its efforts in that direction. Getting employees to do their best work even in successfully circumstances is one of the employees most stable and greasy challenges and this can be made possible through motivating them. As per Nikolas and panagiotis (2011)in

their study investigating the link between motivations. Word stress and job performance in the steel industry discussed that motivated employees are productive employees to achieve any given goals set and help organizations to survive and prosper.

2.1.3. Factors that Motivate Employee

Motivators are things that lead employees to be satisfied and motivated by their own jobs and have to do with job content, they are inherent in the work itself: a presences of motivators can results or lead itself to job satisfaction and motivation, but their absence results only in neutrality (Levy, 2013).Lin (2007) proposed that motivation can either be extrinsic or intrinsic. In the workplace motivation is most of the time classified as being naturally extrinsic or intrinsic (Martocchio, 2006). Intrinsic motivation it derived from within an individual or from the nature of the positively influences behavior, the work itself, wellbeing and productivity (Ryan &Deci, 2000).

2.1.3.1. Extrinsic

The other motivation is extrinsic: referred as behaviors are those that are external to the work or the activity, such as safety, conditions of work, elevation, compensation, and welfares, etc. .In this case the extrinsic motivation behavior needs the employee or an individual effort and hard working to get the reward that come with it. George and Jones (2012) an extrinsically inspired individual will be devoted and motivated as long as external rewards are available. Extrinsic motivation derived from the outside of the person or from those things that are outside or external to the work or activity itself, its influences behavior positively, performance and also productivity (Ryan &Deci, 2000). The drawback of extrinsic motivators is not last long or not have a longer term effect on employees like intrinsic motivator among employees but have an immediate and powerful effect. There are various forms of extrinsic motivation factors, this study focus on compensation and working environment. Compensation: Compensation refers to the amount of money and benefits that an employee receives from his/her organization in return for his/her contributions to the organization (Hamidi, Saberi& Safari, 2014).Compensation or pay is linked with pay satisfaction and linked with general satisfaction as the whole (Lumley et.al, 2011). Compensation also satisfies social, psychological and material needs of the individual (Altinoz, Cakiroglu& Cop, 2012). There

are several of ways to compensate a sales force; most organization uses these three main methods: straight compensation, straight salary and a combination of compensation and salary. Besides salary and commission, they stated other financial compensation include transportation and reimbursement of sales expenses (Wiese and Coetzee, 2013).

Working Condition- In a well-structured work environment employees are likely to be more productive. A better work environment boosts worker's productivity. Kohun (1992) refers an organization's work environment as a whole. It includes all forces, it also including activities which are significant elements that are presently or potentially challenging the worker's productivity and performance levels. However, in toxic or uncomfortable work environments, motivated, responsible and talented workers can be turned into unreliable and irrational employees as a follow strategy (Kyko, 2005). He also stated several elements that constitute a toxic work environment therefore causing a decline in productivity of workers and the organization as a whole, such as biased managers, interpersonal affiliations, administrative policies, work conditions, lack of transparency in management and compensation.

Payment: - is a fixed regular payment from an employer in exchange for employee's services typically paid on monthly basis.

Career advancement: - is the process by which professionals across industries use their skill sets and determination to achieve new career goals and more challenging job opportunities. Some companies offer career advancement programs that allow existing employees to move up within the company.

Promotion:- is the advancement of an employee from one position to another job position that has a higher salary range, a higher level of job title, and, often, more and higher level job responsibilities in an organization.

Supervision is the action of overseeing, guiding and managing employees in the work place.

2.1.3.2. Intrinsic

According to Armstrong (2007) Intrinsic motivation can be defined as a self-generated and it is thought that an individual or employee seek for a job they think will most satisfy their needs or wants. The concern of intrinsic motivators is the „quality of working life“ (a phrase and movement that emerged from this concept), are likely to have a deeper and longer-term effect because they are inherent in employees and not forced from outside (Armstrong, 2007).

There are many various intrinsic motivational factors but the study focus on recognition, relationship with manager and nature of work. Recognition: According to Daniel and Metcalf (2009), “recognition is a return on an employee's effort and dedication at work, as well as his or her results”. An employee recognition program can be a tool as great morale-building for any organization. If the recognition program is effective it can lead to higher productivity, grater job satisfaction for the workers and workers become innovate (Beer and Walton, 2014).Employee recognition programs could include several kinds of levels of recognition and the program is different from each organization, it can be from a simple Certificate of Appreciation to Employee of the Month to awards given on the department and companywide level (Steers and Porter, 2011).

Recognition:- is one of the strong motivation factors; employees feel comfortable and motivated when they are praised and recognized (Armstrong, 2007). Organizations that have implemented and have effective employee recognition programs they enjoy a return on equity that is more than triple the return of organizations who don't implement recognition programs (Elton and Gostick, 2006).Employees always don't only want a good salary and benefit package, they also want to be valued and appreciated for their work (Wiese and Coetzee, 2013). When employees feel recognized and involved, they're much less likely to worry about money and security (Elton &Gostick, 2006).

Achievement:-The work of Hunter et al. (2012) defines that achievement is a unique and specialized form of organizational performance. As per Satyawadi and Ghosh (2012), employees are motivated to a greater extent by achievement and self-control. Now this can be understood that

an employee who is achievement motivated seeks achievement, bringing realistic but challenging goals, and betterment in the job. There is a strong need for feedback from the higher officials in the organization as to achievement and progress, and a need for a sense of attainment.

Job satisfaction:- In (2011), Parvin and Kabir studied the tested factors affecting job satisfaction for pharmaceutical companies and described job satisfaction as how content an individual is with his or her job, and viewed job satisfaction is not the same as motivation, although clearly linked. Similarly, Pantouvakis and Bouranta (2013) indicated job satisfaction as a consequence of physical features and as an antecedent of interactive features. Wickramasinghe (2009) investigated that gender and tenure are significant in job satisfaction measurement. So here it can be said that job satisfaction is often determined by how well outcome meet or exceed expectations. For example, a good work environment and good work conditions can increase employee job satisfaction and the employees will try to give their best which can increase the employee work performance.

Regardless of whether people are intrinsically or extrinsically motivated, they join and are motivated to work in organizations to obtain certain results. A result is anything a person gets from a job or organization. Some results such as autonomy, responsibility, feeling of accomplishment and the pleasure of doing interesting or enjoyable work, result in intrinsically motivated employee. Other outcomes such as pay, job security, benefits and vacation time result in extrinsically motivated employee.

2.1.4. Definition of Performance

According to Aguinis (2009), performance refers behavior or what employees do, and not, it also refers the outcomes of their work or what employees produce. He also stated that Performance is an effort that comes with the ability and willingness to put efforts aligned with the organizational strategies in order to achieve certain objectives. Campbell (1990) also describes performance as behavior and it is something done by the employee. This concept differentiates performance from outcomes. Outcomes are the result of other influences not only the result of an individual's performance. Cole and Kelly (2011) describe performance as a constant process for improving the performance of employees or individuals by supporting the

actual performance with that desired (and with the strategic goals of the organization) through a several of means such as appraisal and evaluation both informally, day-to-day, standard-setting, and formally/systematically through appraisal interviews and goal-setting.

2.1.5. Employee Performance

Organizations have homework how to improve employee's performance, and so they can find an explanation as to why employees fail to perform their duties (Muchinsky, 1993). Performance of the employee is considered as what an employee does and what he doesn't do. Employee performance involves quality and quantity of output, presence at work, accommodative and helpful nature and timeliness of output (Yang, 2008). According to Arverty& Murphy (1998) employee performance can be defined as the ability of employee to complete tasks that assigned to him or her in an organizational context. In the same way, Armstrong (2006) define employee performance as the achievement of specific tasks measured against predetermined or identified standards of accuracy, completeness, cost and speed. Performance of the employee's is considered as what an employee does and what he doesn't do.

Employee performance is actually influenced by motivational factors because the fact that employees are motivated then they will do work with more effort and by which performance will ultimately improve (Azar and Shafighi, 2013).According Kiruja and ElegwaMukur(2013) Employee performance is a function of ability and also motivation, where ability is included of the skills, resources and training required for performing a task and motivation is more known as an inner force that drives employee to act towards something. From the above discussion we can conclude that employee performance refers to how employee behaves in the workplace and how well the employee performs the job dutiesthat he/she obligated to them. There are five different employee performance dimensions to measure performance of employee. The first one is Quality of work; this refers the quality or amount of work produced or the volume of work completed by employees. The second dimension is Timeliness of work: timely delivery of work in terms of schedules, meeting deadlines. The third one is Quality of work: this refers to the quality of work produced in terms of standards, errors, waste and rework. The fourth employee performance dimension is Use of Resources/Efficiency: this refers produces work in an efficient way in terms of using time, money, materials and other resources. The

last employee performance dimension is Alignment and Compliance: this refers to the employee behave in a way that is aligned with the values, culture and mission of the organization as well as common organizational practices and procedures.

2.1.6. Impacts of Employee Motivation on Employee Performance

A. Employee Motivation and Absenteeism

Absenteeism is defined as the non-attendance of employees for scheduled work. According to Lat-ham, (2007) there is an inverse relationship between motivation and absenteeism. When motivation is high, absenteeism tends to be low and when motivation is low, absenteeism tends to be high. Even though this correlation has been found to be rather moderate, the underlying assumption is that absence is at least in part, the result of dissatisfaction on the job.

B. Employee Motivation and Productivity

The relationship between employee motivation and employee productivity is not well established. However, the consensus is that motivation leads to increase in productivity in the long run the strongest implication of much of the research is that the two variables, motivation and performance, are relatively independent of each other. There seems to be at least two possible reasons for this. The first is that in many jobs variations motivation cannot lead to variations in productivity. Secondly, even when correlations do appear, the associations may be spurious, since both may be associated with other factor. There are some conditions under which high productivity more clearly leads to motivation. One condition is that the employees perceive that intrinsic and extrinsic rewards are contingent upon their productivity. The second condition is that the extrinsic rewards (pay for example) be distributed equitably. Inequitable distribution fails to convince the employees close correlations between hard works and rewards

C. Employee Motivation and Turnover

Employee turnover basically means the percentage of employees who within a particular period of time opt to leave the company or business for other companies. This forces the company to replace them with new employees at an additional cost. This is a great loss for the company, given the fact that it has spent a lot of resources to perfect the skills of these employees, only to have them leave the company and render their

services to competitors. A company with a high rate of employee turnover faces greater risks of failed performances in the long run.

D. Employee Motivation and Safety Practices

Poor safety practices show a negative consequence of low motivation level. When people are discouraged about their jobs, organizations and supervisors, they are more predisposed to experience accidents. An underlying reason for such accidents is that discouragement may take one's attention away from the task at hand. Inattention leads directly to accidents.

2.1.7. Performance in Organizations

Performance in organizations can be separated in organizational performance and job performance (Otley, 1999). According to Otley, the performance of organizations is dependent upon the performance of employees (job performance) and other factors such as the environment of the organization. The distinction between organizational and job performance is evident; an organization that is performing well is one that is successfully attaining its objectives, in other words: one that is effectively implementing an appropriate strategy (Otley, 1999) and job performance is the single result of an employee's work (Hunter, 1986). Since the aim of this thesis is to provide a link between motivating employees and their performance, organizational Performance lies outside the scope of this research and only job performance is addressed.

2.1.8. Measuring Job Performance

According to Kostiuk and Follmann (1989) in most organizations performance is measured by supervisory ratings, however these data are not very useful since they are highly subjective. Bishop (1989) adds to this that in most jobs an objective measure of productivity does not exist and he also states that the consistency of worker performance is greatest when conditions of work are stable, but in practice work conditions never are stable. This makes it even harder to measure performances objectively. According to Perry and Porter (1982), the performance of many employees probably will be measured despite the lack of availability of generally accepted criteria.

Perry and Porter (1982) and Bishop (1989) both argue the problem of objective measuring, however according to Bishop (1989) the problem even increases because most employers believe they can rate the productivity of their employees, and that it is done in an inefficient manner. However, Bishop (1989) states, it is not impossible, but only costly to obtain objective information about a worker's effort and productivity.

It is stated before that some researchers argue that a person's personality plays a more specific role in job performance (Barrick& Mount, 1991). However, the effect personal characteristics and education have on performance is difficult to interpret, since those estimates are imprecise and the models who claimed that can interpret them are rejected as invalid (Kostiuk&Follmann, 1989). However, Kostiuk and Follmann do argue that personality differences seem to be important in the relationship with performance.

It can be stated that job performance contains a problem; the measurement of it. Job performances are commonly measured by supervisory ratings and those ratings are not perceived as objective. However, it seems that there are alternative options to measure job performance; these are addresses in the next paragraph.

2.1.9. Job Performance

Good job performances and productivity growth are also important in stabilizing our economy; by means of improved living standards, higher wages, an increase in goods available for consumption, etc (Griffin et al., 1981). Griffin et al. also argue that therefore research of individual employee performance is important to society in general.

Employee production and employee job performance seems to be related; e.g. in the U.S. performance is in some cases measured as the number and value of goods produced. However, in general productivity tends to be associated with production-oriented terms (e.g. profit and turnover) and performance is linked to efficiency or perception-oriented terms (e.g. supervisory ratings and goal accomplishments) (Pincus, 1986).

According to Hunter (1984) crucial in a high job performance is the ability of the employee himself. The employee must be able to deliver good results and have a high productivity. Hunter

and Hunter (1984) also argue that this is something the organization can know at forehand; they can select employees with the required abilities or they can recruit those employees themselves. Of course the latter is more time consuming, but can obtain better results in the end (Hunter, 1986).

However, job performance is more than the ability of the employee alone. Herzberg (1959) and Lindner (1998) refer to the managerial side of performance. According to Herzberg (1959) performance is: let an employee do what I want him to do. This implies that the organization's hierarchy and task distribution are also critical for a good employee performance. Lindner (1998) adds to this statement by arguing that employee performance can be perceived as "obtaining external funds"

According to Vroom (1964) an employee's performance is based on individual factors, namely: personality, skills, knowledge, experience and abilities. Many researchers agree that job performance is divided in those five factors (e.g. Hunter & Hunter, 1984). Some researchers even argue that a person's personality has a more specific role in job performance. (Barrick& Mount, 1991).

Vroom's (1964), Hunter & Hunter's (1984), Hunter's (1986), etc. results are evident. Namely, Job performance can be divided in personality, skills, knowledge, experience and abilities. Some researchers even argue that personality has a more specific role in job performance. However, according to Bishop (1989) and others, job performance contains a problem; namely the measurement of performance.

2.1.10. The relationship between employee motivation and job performance

The relationship between employee motivation and job performance has been studied for a long period. However, earlier research could not succeed in establishing a direct relationship between the two Vroom(1964). Yet it seems that these factors do influence each other. Petty et al. (1984) reviewed the 15 studies Vroom (1964) used in his research and added another 20 more recent studies; they concluded that employee motivation and performance are indeed related. The result of their research indicated that the relationship between individual, overall job satisfaction and individual job performance is more consistent than reported in previous researches) e.g. Vroom, (1964) and Hackman and Oldham (1976) argue that when employee satisfaction is added, a circular relationship is formed with performance, satisfaction and motivation. The term satisfaction is also

used by Herzberg (1959); he argues that when as an increase in employee motivation. Amabile (1993) states that work performances are dependent upon the individual's level of motivation; the individual's level of motivation can be intrinsically and/or extrinsically based. It is also argue that certain job characteristics are necessary in establishing the relationship between employee motivation and performance (Brass, 1981; Hack man & Oldham, 1976; etc.)

Brass (1981) argues that when certain job characteristics are present in an organization, employees are better motivated and an increase in performance is noticeable. Job characteristics (1981) Hack man and Oldham (1976) defined five job characteristics, which are based on the Two-Factor Theory from Herzberg (1959) Those characteristics are: skill variety, task identify, task significance, autonomy and feedback.

The results of their study indicate that employees who work on jobs scoring high on the five characteristics, show high work motivation. Satisfaction and performance Brass (1981). Hack man and Oldham (1976) conclude that employees can be motivated through the design of their work; they argue that by providing certain intrinsic and extrinsic factors an employee can be motivated to perform well.

The five job characteristics (skill variety, task identify, task significance, autonomy and feedback) can bring the employee to their "critical psychological states," namely: (1) experienced meaningfulness of the work, (2) experienced responsibility for outcomes of the work and (3) knowledge of the actual results of the work activities according to Hack man and Oldham (1976). The three critical psychological states will lead to high motivation, satisfaction and performance.

Hack man and Oldham (1976) also argue that the growth need strength of the employee has a role in the relationship; employees who have a need for personal growth and development will respond more positively to a job high in motivating potential than employees with a lower need for growth strength. Their research concludes that for introverts extrinsic factors are more important, and extraverts are more intrinsically motivated. Therefore introverts at less satisfied than stable individuals and perform to a less extent. This concludes that there presumably also a relationship between personality and performance exists Gray (1975).

However, the exact relation among motivation, satisfaction and performance is not yet defined. Petty et al. (1984) argue that the relationship is circular and starts by a high performance causing satisfaction. According to them, when the employee performs well on a particular task, satisfaction will occur. Because of the internal satisfaction of the employee, the employee is motivated to try performing well in the future (Brass, 1981).

According to Hackman and Oldham (1976) the result is “a self-reinforcing cycle of work motivation, powered by self-generated rewards (satisfaction), that will continue until one of the three psychological stages is no longer present, or until the employee no longer values the internal rewards (satisfaction no longer occurs) from his/her good performance”. However, Hackman and Oldham’s (1976) theory is based on intrinsic factors because they argue that an increase in extrinsic factors does not lead to an increase in performance, However, other research suggests that the self-reinforcing circle also could work for extrinsic motivators (Ansar et al., 1997; Kraimer et al., 2005).

Starting by a high performance causing satisfaction, this increases the employee’s motivation to try to perform well in the future. This circular relationship can be caused by providing opportunities for high scores on the five job characteristics; skill variety, task identity, task significance, Autonomy and feedback and according to other research the circular relationship can also be caused by certain extrinsic factors.

However, as described, how employees can be intrinsically and/or extrinsically motivated to perform. At forehand must be stated that in organizations it is likely that both intrinsic and extrinsic motivators are present for most tasks that people do in their work (Amabile, 1993).

2.2. Empirical Review

There were a number of scholars who conducted research studies on employee’s performance in the work place. According to the most theorists, such performance can actually be predicted, explained and influenced. One of these scholars is Nilson (1997), who established different reward ways and relates with employee satisfaction and employee performance. The better satisfied employee is expected to perform well.

Balasundaram (2010), study on job satisfaction and employee performance and he concluded that employee's job satisfaction has positive impact on their performance and high level of fair promotion, reasonable pay system, appropriate work itself and good working condition leads to high level of employees' performance.

A study by Arabi, subramaniam and Akeel (2013) that deals with the relationship between motivational factors and job performance of employees in Malaysian companies indicate that job performance as dependent performance while payments, job, security, promotion, freedom, friendly environment and training were considered as independent variables of motivational factors. The results showed that both training and promotion variable were found significant contributors to job performance (40% and 43%) respectively.

Danish&Usman (2010) suggested that a firm that fulfills both financial and non-financial rewards could be the best one. Moreover, they investigated the influence of financial motivators to the performance of employee. And the study results showed that better performance was best foreseen by the job reward: and job commitment was best forecasted by a combination of costvalues, rewards and the amount of investment. Indeed, the financial and non-financial rewards motivate the employees; and this motivation leads to realize a higher performance level.

According to Gerhart&Milkovich (1990) claims that reward system should be carried out by the simplification of the connection between the given reward and the additional performance. Moreover, they suggested that to achieve positive effect, reward practices have to be performance-dependent. Indeed, managers who attempt to run a fair rewarding system seem to be more prosperous in performance rather than those who reward in an unfair manner.

A research by (PianarGungor, 2011) focuses on the relationship between the reward management system applications and employee performance of bank employees on global banks in Istanbul. He concludes that employee performance effectiveness is determined on reward systems. In addition (Madhuri K. and Prabhakar K., 2014) remark that perceived level of rewards and motivation has significant relationship among the private sector employees and the monetary rewards had a significant effect on employee motivation than the non-monetary rewards.

Tausif (2012) conducted a study on the influence of non-financial rewards on employee in educational sector of Pakistan. Structured questionnaire were employed to collect the data from the selected respondents. The researcher developed two competing hypothesis on the relationship between non-financial rewards and employee performance. In the study test, regression and correlation to test hypothesis. Whether non-financial rewards have positive relationship with employee job satisfaction or negative relationship with job satisfaction. The independent variable promotion, job enrichment and autonomy and its influence on dependent variable employee performance were his area of study.

AbdulHameed et al (2014) conducted a research on impact of compensation on employee performance in the banking sector of Pakistani. Findings were compensation has positive impact on employee performance. It is proved from correlation analysis that all the independent available have weak or moderate positive relationship to each other. Regression analysis shows performance. Descriptive analysis also reveals that all the independent variables have positive impact on employee performance.

IsaackKorir, Dinah Kipkebut (2016) examines the effect of financial and non-financial rewards on organizational performance and employee commitment of employees in Universities in Nakuru Country. Results indicated that there was a moderate significant positive relationship between financial rewards and affective commitment ($r=0.344$, $p> 0.000$) and a weak significant positive relationship between financial rewards and normative commitment ($r= 0.249$, $p<0.008$).

A critical review of the relevant empirical literature in relation to the factors that affect employee motivation at the work place. The researcher relates this literature to the research questions being analyzed, which are based on the extent that salary, promotion, super vision and good working condition.

Employees want to earn reasonable salary/payment and desire their employers to feel that is what they are getting. Money is the fundamental inducement; no other incentive or motivational technique comes even close to it with respect to its influential value. It has the supremacy to magnetize, retain and motivate individuals towards higher performance. Frederick Taylor and his

scientific management associate described money as the most fundamental factor in motivating the industrial workers to attain greater productivity (Abadi, etal. 2011).

24In another research study by Odongo (2009), Which was based on motivation profile and productivity in public enterprises, The study concluded that it has been accepted universally that employees can work diligently and efficiently if there is a motive behind such work. Employees highly motivated assume their responsibilities thoroughly and it is true that where employees are de-motivated they cannot work effectively and efficiently these can affect the performance of the organization (Ryan and Deci, 2010).Nchorbune Dominic Abonam (2011),on Roles of Motivation on employee performance in university for development Studies-WA Campus, He found that motivational packages available to employees in the university were largely inadequate and not enough to motivate employees. Destructive environment within the university were not promoting efficient work. Since employees were found to be poorly motivated, this led into poor attitude towards work, lateness to work, absenteeism and indiscipline hence poor job performance.A research conducted by Okan, v. Safakli and Mustafa,E. (2012),on Universality of Factors on Motivating employees in Banking Sector of Northern Cyprus,The study revealed that the most important factors motivating employees are equitable wage and promotion, extended health benefits and working environment. Furthermore, when compared with a similar study in Finland, it is found out that the most important factor motivating employees in both countries is equitable wage. The result of study by AfrevIjah (2013),also this study Showed that there exists a positive and significant relationship between extrinsic motivation and workers performance but there exists no significant relationship between intrinsic motivation and employee performance

Kulchmanov and Kaliannan (2014) showed that money remains the strongest and compulsory factor for employees, which can satisfy only basic needs. But in isolation of other factors money is not able to motivate employees. Furthermore, according to Hosseini (2014), there is a significant relationship between motivation and salary. In other words, an increase in employees“ salary will result in increased job motivation.

Promotional opportunities affect employee motivation considerably. The desire for promotion is generally strong among employees as it involves change in job content , pay, responsibility,

independence and status among others .An average employee in a typical government organization can hope to get two or three promotions in his entire service , though chances of promotions are better in private sector . It is no surprise that the employees take promotion as the ultimate achievement in their career and when it is realized, he/she feels extremely satisfied (Turkyilmazet al, 2011).

There must be growth and generally promotion related amendments and opportunities in an organization in order to motivate employees to perform better (Management Study Guide, 2016). Takahashi (2006) study showed that promotion influence positively employee's work motivation. Furthermore, fair promotion was a more powerful motivator than salary level and salary increase. As the study of Hosseini (2014) also confirmed that, there is a significant relationship between promotion and motivation. An increase in job promotion will enhance job motivation.

Working ConditionEvery organization strives to achieve some internal objectives such low sick leave, reduction in employee turnover, improved employee productivity and performance and these elements can only be achieved through a good and healthy working condition (Ahmad & Salman, 2015).

2.3. Conceptual Framework

According to the discussions of Greener, 2010 in the review of related literature, hygiene factors and from McPheat (2013) motivator factors were considered to this model. Basically, the model is constructed based on the Herzberg's two factors two factor theory and their influence on employee's performance.

Based on the review of related literatures, there searcher has been developed to ascertain the effect of motivational packages on employees performance. It has basically applied linear regression analysis type. The motivational packages (independent variables) influencing employees' performance in the study consists work content, recognition, job satisfaction, payment, working conditions, career advancement, benefit and supervision.

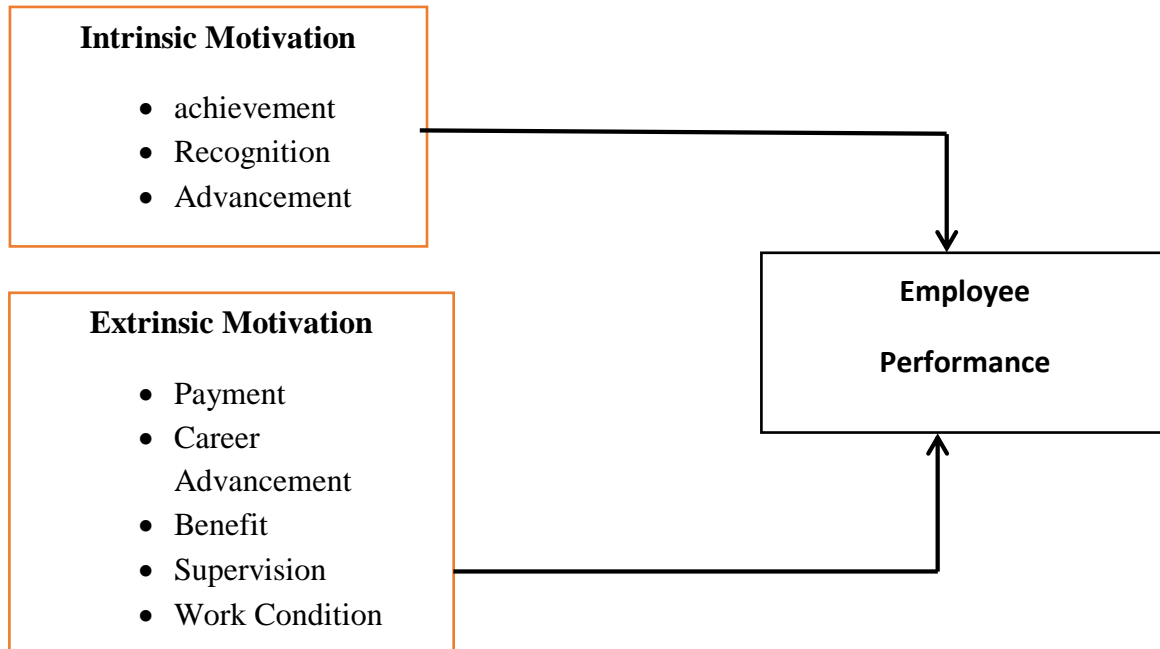


Figure 2.1 conceptual framework

Source: Adopted from Adopted from (Gohari, P. et. al, 2013)

CHAPTER THREE

3. RESEARCH DESIGN AND MEHODOLOGY

This chapter deals with the methodology used for this study. The methodology comprised of research design, population for the study, sampling procedures, the data collection tools/instruments employed, the procedures of data collection and data analysis procedures are critically analyzed.

3.1. Research Design

Research design is a framework or structure for data collection and analysis. It is a plan for conducting research, which usually contains specifications of elements to be investigated and the procedures to be followed. Research design is about organizing research activities, including data collection, and analyzing it in such ways that help to achieve the research aims. Oppenheim (1992) points out that the term research design refers to a basic plan or strategy of research and the logic behind it, which make it possible and valid to draw more general conclusions from it.

According to Yogesh Kumar Singh (2006), Research methodology involves the systematic procedures by which the researcher starts from the initial identification of the problem to its final conclusions. The role of the methodology is to carry on the research work in a scientific and valid manner. The method of research provides the tools and techniques by which the research problem is attacked. The methodology consists of procedures and techniques for conducting a study. Research methodology involves such general activities as identifying problems, review of the literature, formulating hypotheses, procedure for testing hypotheses, measurement, data collection analysis of data, interpreting results and drawing conclusions. Thus, research methodology consists of all general and specific activities of research. Mastery of the research methodology invariably enhances understanding of the research activities. Thus, it seems that research design and methodology have the same meaning i.e. mapping strategy of research, (Yogesh Kumar Singh, 2006.)

The research was designed to assess the effect of motivation on employees' performance of C&E brother's steel manufacturing.

The researcher use both descriptive and explanatory type of research method. Study immediate status of a phenomenon. Fact findings examine the relationships of traits and characteristics (trends and patterns). The descriptive survey is more realistic than other research types. The study looks at social issues having a valuable significance with the behavior of workers in relation to how they react to different form of motivation given by supervisors and managers. Accordingly (Williams, 2011), Explanatory research design is determining the relationship between dependent variables (employee performance) and independent variables such as payment, career advancement, working condition and supervision, Recognition, work content, job satisfaction, benefit through statistical technique that is multiple regression analysis.

3.2. Population for the Study

Babie& Halley (2010) defined target population as the entire aggregation of respondent that meet the designated set of criteria within a study. According to Onwuegbuzi& Leech (2015) a population element is the study subject and may consist of person, an organization, customer database, or the amount of quantitative data on which the study measurement is being taken.

The population of the study consisted of respondents from head office located in Addis Ababa Churchill Avenue and factory located in Bishoftu the current total of 692 employees (report of HRM 2021). From this target population under investigation the study was comprised 668employees who come from various departments within the organization. Since they are the source of the study and provided the relevant answer the study question.

3.3. Sample Size and Sampling Procedures

3.3.1. Sampling Technique

In choosing the research participants, in this study, simple random sampling was employed in determining concerned participants that enable the researcher to answer the research questions and to meet the research objectives effectively.

Random sampling technique is a process of selecting a sample that allows all members of the group or population to have an equal and independent opportunity of being selected for the sample. Random sampling technique employed when selecting the employees at non-supervisory level.

3.3.2. Sample size

Determination of the proper sample size is crucial to any study: sample is one of the most important determinants of the accuracy of the research results. Therefore, to determine the sample size of that population who participate in this study the researcher selected 86 employees. The sample respondent was selected without any limitation of gender and sex. Thus the researcher uses simple random sampling method.

The sample size for this research is drawn using the following formula which was developed by Yamane Tare (1967), the reason for this formula is that is the most simplified and widely applied in determining sample size.

$$N = \frac{N}{1 + N(e^2)}$$
$$N = \frac{668}{1 + 668(0.1^2)}$$
$$= 86$$

Where
N = is the population size
e = is the level of precision
n = sample size

3.4. Techniques of Data Collection

3.4.1. Source of data

This refers to raw facts collected or generated in a given research for the first time. This data was generating from the sample population by use of the questionnaire and structured interview. This method involves sourcing for already processed information. Data was got by reviewing relevant text books, journals, newspapers, and other published materials about the research topic.

3.4.2. Data Collection Instruments

The researcher applied both primary and secondary data. Firstly, a standard questionnaire survey adopted from Lathika Krishan Wijesundera (2018) which will be used as a data collection tool on the effect of motivation on employee's performance. Secondary data used from secondary sources include books on management, journals. Further secondary data will be gathered from the files of the Human Resource Department, this contribute towards the formation of background

information and literature review, needed by the researcher in order to build constructively the study and to comprehend more thoroughly the survey outcome for the readers.

3.5. Data Analysis Procedure

The data that collected from respondents through questionnaires were analyzed and interpreted so as to reach on meaningful findings. The researcher was used SPSS version 20. To code and analyzes the collected responses from questionnaire. After proper editing, the data was coded and entered to the software then to get ready for analysis. Furthermore; Descriptive statistical techniques are adopted for analysis of data from questionnaire responses of respondents, in doing so tables and percentages were applied.

3.6. Validity and Reliability

3.6.1. Validity

The issue of validity is the most important concept that researchers are required to deal critically with. The design of the measuring instrument must be valid so that the collected data will lead to sound conclusions. If research is invalid (as a result of a poor instrument), then it is worthless (Cohen et al., 2007).

In this study, validity was achieved by pilot testing of the construct the research instrument with some experts and make necessary adjustment to ensure that it measures what is intended to be measured.

3.6.2. Reliability Test

Cronbach's alpha was used in this study to assess the internal consistency of items on the research instrument, which is developed questionnaire. Cronbach's α (alpha) is a coefficient of reliability used to measure the internal consistency of a test or scale; it resulted as a number between 0 and 1. As the result approaches to 1, the more is the internal consistency of the items, which means all the items measure the same variable. Scales were considered reliable if their Cronbach's alpha value reached at least 70 (Najanja, M. and Naiagi, 2013).

Therefore, in the below table, it is indicated that the questionnaire was internally consistent which was checked against the cutoff point for Alpha value of 70% (0.7). The Cronbach's Alpha value

for all the variables is above 70%, confirming that the internal consistency of the scales used in the questionnaire and also the reliability of the data.

Table 3.1 Reliability test result

Items	Cronbach's alpha
Employee performance	0.7732
Work content	0.7433
Job satisfaction	0.757
Working condition	0.7739
Payment	0.8094
Career advancement	0.7932
Recognition	0.7345
Supervisor	0.7432
Benefit	0.7628
Overall	0.7875

Source: own survey (2021)

3.7. Ethical Consideration

The researchers follow logical procedures in every stage of data collection processes. Accordingly, the respondents were introduced about the purpose of the study then informed consent from the respondents and responsible officials of the company covered by the study obtained to answer with questionnaires about the subject under study. Therefore, on the basis of these ethical principles, efforts were made and confidentiality is assured and kept throughout the process of this research work.

CHAPTER FOUR

4. DATA PRESENTATION ANALYSIS AND INTERPRETATION

In pursuit of analyzing the effect of physical distribution practice a total of 87 questioners were distributed for selected respondents; accordingly out of the total 87 questionnaires 79 questionnaires were returned successfully; however, 2 questionnaires were not properly filled so the researcher discarded and the rest 5 questionnaires didn't return at all. Therefore, the research had a questionnaire response rate of 91 percent. Hence, the data analysis the made below is based only the returned amounts of questionnaire.

4.1. Demographic Characteristics of Respondents

Table 4.1 Personal profile of the respondents

Gender	Frequency	Percent
Male	48	60.8
Female	31	39.2
Total	79	100.0
Age of Respondents		
Below 25	5	6.3
26-35	43	54.4
36-45	18	22.8
46 and above	13	16.5
Total	79	100.0
Education level		
up to grade 12	1	1.3
Diploma`	26	32.9
Certificate	6	7.6
Degree and Above	46	58.2
Total	79	100.0
Working experience		
less than One year	5	6.3
1-4 years	25	31.6
5-10 years	19	24.1

More than 10 years	30	38.0
Total	79	100.0
<hr/>		
Position		
<hr/>		
Team leader	11	13.9
Manager	4	5.1
Officer	64	81.0
Total	79	100.0
<hr/>		

Source: Own survey (2021)

The study was interested to use sex in order to get information from both sexes because both sexes have an equal chance of being employees. The result showed that the majority of respondents were 61% which are males and 39% were females. This depicts that majority of worker in the steel manufacturing sectors were males.

The study showed that many respondents comprise of 54.4% and were found in age group 26-35. 22.8% of respondents were of age group 36-45. More over 16.5% of respondents were found in age group 45 and above years old. Few respondents were found in age group below 25 years with 6.3%. Based on the result one can be conclude the majority of the employees in the C & E brothers steel manufacturing were adults.

The study was interested in using level of education because education is the bases of productivity and growth. Educations also influence the working behavior of literacy people understands the meaning and importance of manufacturing sectors in our country. From the findings it was observed that the majority of respondents were degree and above holders, and they were 58.2%. Diploma level was comprised of 32.9%. Other respondents were having certificate which counts 7.6% and few of them were primary education and they were 1.3%. The majority of the employees are well educated and they are high contribution for company productivity.

The study was interested to use years of respondents working in C & E brothers steel manufacturing plc because the longevity of employee to stay in the job will determine that employee is satisfied with the motivating factors given to him hence performing well in the organization. The numbers of years an employee remain in the employment of the manufacturing enhance his/her chances of getting motivated in way one or the other. The study found that majority

of the respondents 38% has worked more than 10 years whereas 31.6% of respondents have worked in the bank for 1-4 years. 24.1% of respondents have worked between 5-10 years with the bank and the few respondents were 6.3% worked less than one year. This implies that majority of employees are well experienced in the area of manufacturing sectors.

The study showed that majority of the respondents is officer with 81%, 13.9% of the respondents are team leaders while only 5.1% of the respondents are managers at different level of the company.

4.2. Descriptive statistics

The intention of this research was analyzing the effect of motivation on employee performance; in considering this, under this topic the descriptive statistics of each variable were discussed. Totally there were nine variables including the dependent one (employee performance, achievement, job satisfaction, working condition, payment, career advancement, recognition, benefit and supervision). Each of the variables were contains three to ten questions which was measured using a likert scale. Therefore, a five point likert scale was the main instrument used to analyze the data.

According to Scott 1999 explained for Likert scale data from 1 (Strongly disagree) to 5 (Strongly agree) if the sample is approximately normally distributed the interpretation should be intended for mean up to 2.8 is “Disagree”, mean between 2.9 and 3.2 is “Neutral”, and mean above 3.21 is “Agree. Therefore, the decision of each variable statistics is done based on these criteria. In the process of analyzing of the data, standard deviation was used. Small standard deviations (relative to the value of the mean itself) indicate that data are close to the mean whereas a large standard deviation (relative to the mean) indicates that the data points are distant from the mean. The mean is a poor fit of the data. Standard deviation is a measure of how well the mean represents the data. All of the variables were measured using a five-point Likert scale where 1 stands for strongly disagree and 5 stands of for strongly agree. Therefore, the interpretation made using the mean of each variable, as a matter of fact the mean falls between the two ranges, hence if the mean approaches to 1 the interpretation would be the respondents disagree on the raised issue or variable and if it approaches to 5 the reverse would be true.

4.2.1. Intrinsic Motivation Factors

Intrinsic motivation indicates the pleasure and satisfaction that derives from the work itself, extrinsic is more connected with benefits and rewards recognition and competition that arise from performing a work activity. Motivating an individual's work reflects not only the ability to increase productivity, but also an increase of efficiency of human resources management in terms of management of human capital in terms of promoting performance, personal adjustment and growth group or organizational level.

Table 4.2 Descriptive statistics of intrinsic motivation and employee performance

Variables	Mean	Sta. Deviation
Employee performance	3.8	0.8
Achievement	3.85	0.86
Job satisfaction	3.97	0.83
Recognition	3.7	0.93
Gran mean	3.83	

Source: own survey (2021)

According to Scott 1999 explained for Likert scale data from 1 (Strongly disagree) to 5 (Strongly agree) if the sample is approximately normally distributed the interpretation should be intended for mean up to 2.8 is "Disagree", mean between 2.9 and 3.2 is "Neutral", and mean above 3.21 is "Agree. Hence, the analysis and finding of the descriptive statistics of each variable is done based on the standard set by Scott (1999).

Accordingly, the first variable was issues related with the effect work content on employee performance. The variable work content had got a mean score of 3.80 and a standard deviation of 0.80. This implies that majority of the respondents were agree that work content is contribution for employees performance in the organization.

The above table shows that the cases of intrinsic motivation on employees' performance in C & E steel manufacturing plc. Job satisfaction is high contribution on employee performance with the

mean value is 3.97 with small standard deviation 0.83. This implies employee performance is increasing as they are satisfied on their job.

The study showed that many respondents were agree that recognition were the factors of employee performance with the mean score value is 3.7 and standard deviation is 0.93. This implies recognition motivates, provides a sense of accomplishment and makes employees feel valued for their work. Recognition not only boosts individual employee engagement, but it also has been found to increase productivity and loyalty to the company, leading to higher retention.

4.2.2. Extrinsic Motivation Factors

Extrinsic motivation (EM) refers to performance of behavior that is fundamentally contingent upon the attainment of an outcome that is separable from the action itself. In other words, EM is instrumental in nature.

Table 4.3 Descriptive statistics of extrinsic motivation and employee performance

Variables	Mean	Sta. Deviation
Employee performance	3.8	0.8
Working condition	3.97	0.74
Payment	3.43	1.00
Benefit	3.41	1.01
Career advancement	3.62	0.89
Supervision	3.89	0.87
Grand mean	3.69	

Source: Own survey (2021)

The table above showed that respondents were agreed that working condition is the high case of employee performance with the mean score of 3.97 and standard deviation 0.78. The physical aspects of a workplace environment (working condition) have a direct impact on the employees' productivity and performance. An improper and unfavorable workplace environment leads to work stress. It also causes errors being committed by the employees.

The study showed that many respondents were agreed that payment has high importance on employees performance with the mean score value is 3.43. This means people work to earn money

that satisfies their needs. Financial incentives are important rewards that motivate employees to exhibit high level of performance. Employees want their good work to be appreciated and appropriately compensated by employers.

Accordingly Soon C (2008) employee benefit is defined as any form of reward provided by the organization other than wages or salaries that is paid for in whole or in part by the employer. The benefit also referred as indirect compensation because it is given to employees in the form of a plan (such as health Insurance, organization shares and retirement benefits) rather than cash (Nyangi, 2011). The result of this study reveals the mean score of benefit is 3.41 which indicates respondents were agree that benefits are associated with employees performance.

The mean score of career advancement and supervisor are 3.62 and 3.69. This implies both career advancement and supervision were the case of employee satisfaction in the organization. Career advancement normally entails a clearly marked path of progression through the ranks of an organization. It is based on merit without regard for race, gender, age or ethnicity. Deserving cases become eligible for advancement. When employees get to know that each one of them has an equal chance of succeeding, it becomes easy for them to put in their best. Smit et al., (2007) agree and note that the prospect of career advancement might in itself motivate employees to work hard.

4.3. Regression Analysis

4.3.1. Assumption Test

4.3.1.1 Test of multicollinearity

Table 4.4 Test of multicollinearity

Variable	Collinearity Statistics	
	VIF	Tolerance
Achievement	2.945	.340
Job satisfaction	1.924	.520
Working condition	2.793	.358
Payment	1.068	.936
Career advancement	1.846	.542
Recognition	1.708	.586
Supervision	2.813	.356
Benefit	2.167	0.461

Source: Own survey (2021)

Multicollinearity is a problem that happen when there is a linear relationship between the dependent and each independent variables. Among different tests for the purpose of this research VIF test was performed to test whether the data is suffering from a multicollinearity test. Accordingly, the results of the test indicates the highest VIF is 2.945; which indicates the model performed with no major multicollinearity problem among the explanatory variables, since the problem arises if there is any variable whose VIF result is greater than 10.

4.3.2. Test of Heteroscedasticity

Table 4.5 Test of Heteroscedasticity

Breusch-Pagan / Cook-Weisberg test for heteroskedasticity
Ho: Constant variance
Variables: WR JS WCD P CA R S B
F(8 , 70) = 12.31
Prob> F = 0.0690

Source: Own survey (2021)

The second important assumptions of ordinary least square is the problems of heteroscedasticity, which refers there should be constant variance between each disturbance term. Different techniques of testing heteroscedasticity might be there; however, for the purpose of this research Breusch-Pagan test was used. The interpretation is done through the results of p values, if the p value is less than 5% significant level it is the indication of heteroscedasticity problem; however if the p value is greater than 5% level it implies the data is not suffering with the problem of heteroscedasticity. Accordingly, as shown in the table below the results of the test indicates that there is no a problem heteroscedasticity since the p values is not significant.

4.3.3. Normality Test

The Doornik-Hansen test for multivariate normality (DOORNIK, J and HANSEN, H. (2008)) is based on the Skewness and kurtosis of multivariate data that is transformed to ensure independence.

Table 4.6 Test for multivariate normality

Doornik-Hansen test for Normality
Ho: No- normal distribution
chi2(18) = 57.114
Prob>chi2 = 0.0000
Source: Own survey (2021)

The interpretation is done through the results of p values, if the p value is less than 5% significant level it is the indication of non-normality distribution; however if the p value is greater than 5% level it implies the data is normal distribution. Accordingly, as shown in the table above the results of the test indicates that there is no a problem of normality since the p values is more than 0.05.

4.4. Estimation Result

Table 4.7 Model summary

Source	SS	df	MS	Number of obs=	79
				F(8, 70) =	7.95
Model	11.7969565	8	1.47461956	Prob> F	0.0000
Residual	12.9797533	70	.185425047	R-squared =	0.7961
				Adj R-squared =	0.6338
Total	24.7767098	78	.317650126 E	Root MS =	.548111

As a matter of chance all of the assumptions of OLS were fulfilled; hence, employee performance was estimated using OLS without any amendment. As shown in the Model summary table above the coefficient of determination (adjusted R²) for the model is 0.6338 which indicate the model explained 63.38% of the variation in the level of employee performance.

Apparently, apart from the model summary in the table above the F-statistics and the p-value F= 7.95, p =0.000 which is less than 0.05, showing that overall model is statistically significant.

The results of the econometric model estimation revealed that, work content, job satisfaction, payment, recognition and supervision were found to contribute significantly and positively to employee performance whereas working condition, career advancement and benefit didn't show a significant association with employee performance. The effects of each variable are discussed below.

Table 4.8 Result of Estimated coefficient

Employee performance	Coef.	Std. Err.	t	P>t	[95% Conf.	Interval]
Achievement	.2332935	.1134243	2.06	0.043**	.0070758	.4595112
Job satisfaction	.305789	.0853688	3.58	0.001***	.1355264	.4760516
Working condition	.0692288	.0740657	0.93	0.353	.0784906	.2169482
Payment	.2294864	.1051238	2.18	0.032**	.4391492	.0198235
Career advancement	.056462	.064011	0.88	0.381	.184128	.071204
Recognition	.313909	.098786	3.18	0.002***	.1168866	.5109314
Supervision	.2329348	.0907516	2.57	0.012**	.4139331	.0519365
Benefit	.0131574	.0973407	0.14	0.893	.2072974	.1809825
_cons	2.400216	.538023	4.46	0.000	1.327163	3.473269

Source: Own survey (2021)

The multiple linear regression result is

$$Y = 2.40 + 0.233Wc + 0.306Js + 0.229Pt + 0.314Rc + 0.233Su + \varepsilon$$

Where Y: Employee performance

Ac: Achievement

Js: Job satisfaction

Pt: Payment

Rc: Recognition

Su: Supervision

The regression model points out the relationship between the dependent and the independent variable. The model result suggested that work content, job satisfaction, payment, recognition and supervision have appositve and a significant at $p < 0.05$.

The first variable coefficient of work content result of the model show that $\beta = 0.233$ this implies that a one unite of work content increased will leads to an increase employee performance by 23.3%. the literature shows that the result of empirical studies suggested that work content is positively related to its employee performance.

The second variable coefficient of job satisfaction has $\beta = 0.306$ this means that a one unit increment of job satisfaction will leads to an increase employee performance by 30.6%. Balasundaram (2010), study on job satisfaction and employee performance and he concluded that employee's job satisfaction has positive impact on their performance and high level of fair promotion, reasonable pay system, appropriate work itself and good working condition leads to high level of employees' performance.

The third variable coefficient of payment $\beta = 0.229$ this means that a one unit increment of payment will lead to an increase employee performance by 22.9%. Different empirical evidence shown as employee benefit is defined as any form of reward provided by the organization other than wages or salaries that is paid for in whole or in part by the employer (Soon C, 2008).

The fourth variable coefficient of recognition has $\beta = 0.314$ this means that a one unit increment of recognition will leads to an increase employee performance by 31.4%. Empirical evidences shows intrinsic elements of the job are related to the actual content of work, such as recognition, achievement and responsibility were a significant effect on employee performance Nchorbune Dominic Abonam (2011).

The Fifth variable coefficient of supervisor has $\beta = 0.233$ this means that a one unit increment of supervisor leads to an increase employee performance by 23.3%. AfrevIjah (2013) elaborated that supervision, the kind of consideration for the employees' needs and feelings is what the supervisor should concern themselves with. He also states that supervisors who give their staff opportunities to assist in decision making promote their level of motivation, which in turn increase their productivity.

CHAPTER FIVE

5. SUMMARY, CONCLUSION AND RECOMMENDATION

5.1. Summary of Major Finding

This research was done to find out the effect of motivation on employee performance. The intrinsic and extrinsic motivation was expressed by the work content, job satisfaction, working condition, career advancement, payment, benefit, recognition and supervisor. In considering this the following are the summary of the major findings of this study:

- The descriptive statistics indicates that work contents were the effect of employee motivation that provide by the company; in addition the regression analysis also shows work content that given by the company is significantly affect employee performance.
- Concerning job satisfaction shows employee were satisfied by their job provide by the organization. So job satisfaction was affected employees performance. Apparently, job satisfaction had positive and significant effect on employee performance.
- The findings of the study shows the physical aspects of a workplace environment (working condition) have a direct impact on the employees' productivity and performance,; apart from these the regression analysis shows that the work condition hadn't a significant effect on employee performance.
- Convenient career advancement was also another component of employee performance; this implies both career advancement and supervision were the case of employee satisfaction in the organization. Career advancement normally entails a clearly marked path of progression through the ranks of an organization. It is based on merit without regard for race, gender, age or ethnicity. The result of regression analysis shows career advancement had not a significant effect on employee performance.
- With regard to benefit, employees are satisfied and with the current organizational benefit; however the regression analysis didn't show a significant association with employee performance.

- Regarding with payment people work to earn money that satisfies their needs. Financial incentives are important rewards that motivate employees to exhibit high level of performance. Payment is a significant effect on employee performance.
- Concerning with recognition; it not only boosts individual employee engagement, but it also has been found to increase productivity and loyalty to the company, leading to higher retention, and also it is a significant effect on employee performance.
- With regarding to supervisor, reveal that supervisor support is positively related to employee performance. This is a leadership role that plays an important part in company morale and employee confidence. When supervisors provide moral, emotional and professional support, they can help facilitate employee growth. The regression result shows that a good supervisor is a significant effect on employee performance.

5.2. Conclusion

The purpose of this study was to analyze effect of motivation on employee performance. Particularly the research were intends to analyze to what extent intrinsic (work content, job satisfaction and recognition) and extrinsic (working condition, payment, benefit, career advancement and supervisor) determine employee performance. In order to analyze that explanatory research design was employed where data was collected from 79 respondents with a 91 percent response rate, and questionnaires were the main data collection instrument.

Accordingly, the descriptive analyses revealed that employee performance depend on intrinsic and extrinsic motivation. Work content, job satisfaction and recognition were from intrinsic motivation factors. On the other hand working condition, benefit, payment, career advancement and supervisor were from the extrinsic motivation factors.

Regression analysis further revealed that out of the eight anticipated variables five of them show a significant effect on employee performance.

The findings of the study show that payment had a significant effect on employee performance. Any positive change on payment increases employee performance.

In addition to the above points the findings of the study revealed that job satisfaction had a significant effect on employee performance; which indicates the more the job the more will be the employee performance.

Apart from the above points recognition also had a significant effect on job satisfaction; therefore, the effect shows whenever the recognition becomes good the employee performance also increases. The last significant variable was supervisor; this variable had a positive and significant effect on employee performance; as the supervisor is at good that plays an important part in company morale and employee confidence.

5.3. Recommendation

Based on the findings of the study the researcher forwards the following recommendations

- In order to motivate workers intrinsically and extrinsically, not only looking on complain and questions of employees, but also the appropriate answer should be given accordingly.
- In today's competitive situation, the company should be sensitive to the requests and feelings of the employees, which can increase their work commitment and encourage them not to look for other industries.
- The company should have acceptable salary scale in order to resolve or minimize leaving experienced employees.
- The company should facilitate new reward systems to the employees. This motivates to work hard and spend their extra time to accomplish company's objective and goal.

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Appendix
ST MARY’S UNIVERSITY
School of Graduate Studies

Master of Business Administration Department

Questionnaire to be filled by Employees

Dear respondents, I am attending my post graduate degree in the field of business Administration at St. Mary’s University. The purpose of this questionnaire is to collect data for the study entitled “The Effect of Motivation on employee performance in the case of C & E Brother’s steel factory plc. Your genuine, frank and timely response is vital for the success of this study. The researcher wants to underline that the data collected are kept confidential and used only for academic purpose. No respondent will be identified by his name.

General Description It is not necessary to write your name where alternative answers are given, encircle your choice and put “√” mark where necessary. Kindly, do not hesitate to explain your true feeling Thank you, in advance for your kind cooperation and timely response.

Part I: Demographic Information

1. Gender

Male

Female

2. Age

25 and below

26-35

36-45

46 and above

3. Educational level

Elementary	<input type="text"/>	Up to grade 12	<input type="text"/>
Diploma	<input type="text"/>	Certificate	<input type="text"/>
Degree and above	<input type="text"/>		

4. For how long have you been in the company?

Less than 1 year	<input type="text"/>
1-4 years	<input type="text"/>
5 –10 years	<input type="text"/>
More than 10 years	<input type="text"/>

5. What is your current job position in the organization?

Deputy General Manager	<input type="text"/>
Senior Manager	<input type="text"/>
Manager	<input type="text"/>
Team Leader	<input type="text"/>
Officer	<input type="text"/>

Part Two: Rewards and Performance Questionnaire

Please put (X) mark against each question that indicate your level of agreement for each question.

5= Strongly Agree, 4 =Agree, 3= Neutral, 2= Disagree, 1=Strongly Disagree

Research Question	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
WORK CONTENT	5	4	3	2	1
6. I am interested in my work					
7. My work consists of a variety of work					
8. I receive new training which are related with my work					
9. I handle the amount of work I do myself					
10. My work creates a sense of responsibility					
11. I am allowed to decide on the methods for doing the work					
12. I am proud to say what kind of work I do					
13. I have the opportunity to take part when decisions are made					
14. I feel that my work has great value in my department					
15. I have a certain degree of authority in my work					
JOB STISFACTION	5	4	3	2	1
16. I am given work in accordance with my qualifications and skills					
17. I work in the department of my choice					
18. I am personally in agreement with the stated goals of my work unit					
19. The structure of my work unit is well designed					
WORKING CONDITIONS	5	4	3	2	1
20. My working hours are reasonable					
21. I get the opportunity to mix with my colleagues and to communicate on aspects of our work					
22. I am satisfied with the way my co-workers get along with each other					
23. The arrangements of office layout is convenient for employee					
PAYMENT	5	4	3	2	1
24. The payment system is clearly stated and communicated to the employee					
25. The existing salary is satisfactory in relation to what I do					
26. I earn the same as or more than other people in a similar job					
27. The basis for payment is clear and easily understandable by the employee					
28. The pay scale and benefits of our company treat each employee equitably					
29. All tasks to be accomplished are associated with incentives					

BENEFITS	5	4	3	2	1
30. My pensions benefits are good					
31. My medical scheme is satisfactory					
32. I never have problems with my arrangements for leave					
33. Company insurance schemes enhance the motivation of employee					
CAREER ADVANCEMENT	5	4	3	2	1
34. The career paths are clearly stated and communication to the employee					
35. The opportunity for promotion exists in this organization					
36. Staffs are promoted in a fair and transparent way in this organization					
RECOGNITION	5	4	3	2	1
37. I am praised regularly for my work					
38. I receive constructive criticism about my work					
39. I get credit for what I do					
40. I am told that I am making progress					
SUPERVISION	5	4	3	2	1
41. My supervisor is satisfied easily with my working result					
42. My supervisor will support me if there are problems					
43. My supervisor can be convinced and persuaded with my work					
44. My supervisor observes the talents of her/his subordinate and directs them to improve their talents					
EMPLOYEE PERFORMANCE	5	4	3	2	1
45. I get a continuous feedback from my supervisor regarding my performance					
46. Stakeholders are always satisfied with my contributions					
47. My contribution in my department is very high					
48. My performance appraisal result is always above average					
49. I am always committed to work beyond employment contractual expectation					

Thank you once again!