



**ST. MARY'S UNIVERSITY COLLEGE
SCHOOL OF GRADUATE STUDIES**

**THE IMPACT OF MOTIVATION ON EMPLOYEES
PERFORMANCE AT ABYSSINIA BANK**

**By
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**ST. MARY'S UNIVERSITY COLLEGE
SCHOOL OF GRADUATE STUDIES
FACULTY OF BUSINESS**

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ACCRONYMS

BoA Bank of Abyssinia

HRM Human Resource Management

HR Human Resource

PMS Performance Management System

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ABSTRACT

The study investigates the impact of motivation on employees performance in Bank of Abyssinia and the level of understanding and attention given by the management and how it affects profitability. The study is geared towards helping the bank of Abyssinia and managers to make reasonable decision regarding HRM practices, specifically in motivational techniques and performance to adopt to their particular circumstances and environment. The researcher solve the problem described, by using Area sampling and simple random sampling techniques. This study is descriptive and data was collected through questionnaire and smi- structured interview.

A sample of 200 respondents, from five branches was randomly selected from which 82.5% of them filled the questionnaire and returned. The main findings of this study shows that there is motivational practice related to performance in Bank of Abyssinia but it is not standardized and formal. However the research outcome of such empirical, explanatory study may result in the identification of which motivational technique greatly contributes to the BOA profitability and from the finding can be conclude motivation has strong relation with performance in BOA and recommended annual awarding ceremony of recognizing best employees of the year should be continued and the selection process for such award must be clear, transparent and meaningful to all involved.

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CHAPTER ONE

1. INTRODUCTION

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

1.1. Background of the study

"In order to become good in anything, the only talent you need is motivation" (Charles de Gaulle 2004). Motivation is the key of a successful organization to maintain the continuity of the work in a powerful manner and help organizations to survive. Motivation is finding a need inside the employees and help to achieve it in a smooth process. Motivating the staff leads to broaden their skill to meet the organizational demands the organization as the collection of people are expected to be deliver. Good performance depends on whether staff able to do things, or whether they are willing to do things (Bacal 1999). The level of performance depends on the level of motivation that stimulates someone to work and carry out the necessary tasks to achieve the goals. The link between motivation and performance seem to be an obvious one. If individuals are highly motivated, they could perform better. In turn, better performance may well lead to a sense of achievement and result in greater motivation. Through the desirable performance of an employees the organization can realize the competitive advantage in the market and among their competitor. Dissatisfaction also might work as guidance for the manager to explore the need of the staff and start with it to motivate them and attract them to do better performance (Atkinson 1974). Agarwal (1982) has underline that the needs of the employees (motivation) and the needs of the organization they work in (desire for quality performance) , might not always be the same ,So, the organization(manager) should consider these two sets of needs, take appropriate measures to satisfy its employees' needs and channelizing the labor force in the direction of the organizational goals. Effective channelizing of the human resource can be attained through designing, implementing and proper practice of motivational techniques.

Motivated employee could be a good recourse and a model to be followed by other staff and adds positive input to the work within the organization. It is not just the matter of how motivated the staff are, but also how prepared they are for the job. Thus the relationship between motivation and performance can be a mutually reinforcing one. So, without motivation nothing unique will ever happen that allows the organization to specialize with its production (Suliman 2001). So the study investigates the impact of motivation on employees performance at bank of Abyssinia. Bank of Abyssinia (BoA) is a privately owned bank in Ethiopia. The Bank provides a wide range of financial services including current, savings and checking accounts, time deposits, overdraft facilities, term loans, merchandise loans, letters of credit, guarantees, and money transfer. On 15 February 1996, ninety years to the day following the establishment of the first Bank of Abyssinia, a new privately-owned bank with this historic name, but otherwise not connected with the older bank, came into existence. The subscribed capital of the new Bank of Abyssinia (BoA) was Birr 25 million and its authorized capital Birr 50 million, with 131 shareholders, all Ethiopian. The BoA has sixty four branch in Ethiopia thirty three branch were found in Addis Ababa(info@bankofabyssinia.com).

The bank of Abyssinia is established to provide full fledged domestic and international banking service through qualified and motivated employees, utilization of modern technology and through socially and ecologically responsible practice as well as ensuring profitability and growth. This study investigates the impact of motivation on employees performance in Bank of Abyssinia and the level of understanding and attention given by the management and how it affects profitability. The researcher solve the problem described, by using Area sampling and simple random sampling techniques. This study is descriptive and data was collected through questionnaire and semi- structured interview.

1.2. Statement of the Problems

One of the problem facing BoA currently is lack of employee motivation system where it has affected the banks profitability and competency compared with other similar private banks. (on observation time).The Bank has given less attention and as a result haveless understanding of the impact of motivation on employees performance. Dissatisfaction of staff has made the bank less productive which has decreased the service delivery of the bank. Human resource is one of the key organizational factors for business success. Individual effectiveness usually reflects his/her knowledge, abilities, skills, and characteristics. In order to reach the human resource ultimate goals of any organization employees must be highly motivated with this understanding the researcher investigates the impact of motivation on employees performance. Competent employees are always propose with competitive remuneration schemes, to recognize the relationship of job performance effectiveness the employee's motivation is vital to human resources management. Improving organizational productivity (performance) has become one of the overriding goals of human resource management as performance is the synergetic sum total of the performance of all employees in the organization. This being the fact, employee performance has to be closely planned, coached, and appraised to ensure that it is in line with the interests of organizations. However, it seems that performance is not given the proper attention in BOA.and is exercised periodically more as a usual practice than as a tool of motivation on the basis of which various administrative and developmental decisions are taken. Motivation influenced an employees performance in different ways ,This study investigates the impact of motivation on employees performance at the BoA.

1.3. Objectives of the Study

This part deals with the general objectives of the study and the specific objective.

1.3.1. General Objective

The main objective of the study is to investigate the impact of motivation on employees performance at bank of Abyssinia and recommending solutions for the problems.

1.3.2. Specific Objectives

Based on the general objective the followings are specific objective;

To investigate the effect of motivation on the attainment of BoA objectives

To assess the performance of employee and motivation system for better achievement

To emphasize the motivation impact on performance.

To explore the existing motivational techniques of employees.

To explore the commitment of the top management in implementing motivational tools to enhance performance.

To investigate the current motivational practice and performance of the bank

To find out and assess the factors that should be considered in motivation and performance.

To identify the attitude of the employees on the applicability of the motivational.

1.4. Research Questions

This study investigates the impact of motivation on employees performance to address whether there is adequate motivational practice that encourages the employees to exert their maximum effort for the success of the bank. In so doing it is plan to give insight in creating awareness on how to implement efficient and effective motivational techniques that help the bank to channel the human resources of the organization towards its strategic objective and the link between the motivation and performance. Research questions are as follow;

What are the major problems for low profitability and productivity of the banks ?

what are the impact of motivation on employees performance?

How to implement the appropriate motivational techniques?

What is the attitude of the employees towards the current motivational practice and its
Implication on their performance?

What are the major problems underlying the motivational and performance system of the
BoA?

1.5. Significance of the Study

The study is useful in the following regards.

This research is important for professionals and managers to understand the impact of motivation on employees performance and specifically is also important for the bank of Abyssinia to increase employee productivity and the bank's profitability

The study may serve as a reference material for both academicians and practitioners.

The study has significance from the perspective of all employees by increasing motivation level.

The study creates good understanding of the current impact of motivation and on performance.

The study creates good image for BoAby designing effective motivational police in order to motivate and perform better.

The study may initiate other interested researchers to carry out more extensive studies in the area.

1.6. Scope of the Study

If the study had not focused only few branches of BoA it would have obtained a lot of information that might be useful for all private and government banks of Ethiopia. However, it is impractical or unmanageable to include all the Ethiopian banks because of resource limitations. The Bank of Abyssinia has fifty one branch in Ethiopia from these thirty three of the Branches are in Addis Ababa . This study select the five branches in Addis Ababa . The five branches included in this research are; Bole, Bole Medhanialem, Air port ,Filwuha and Olmpia.

1.7. Definition of Terms and Concepts

Motivation is key of successful organization to maintain the continuity of the work in a powerful manner and help organizations to survive.

Performance Management a process which contributes to the effective management of individuals and teams in order to achieve high level of organizational performance, as such, it establishes shared understanding about what is to be achieved and approach to leading and developing people which ensure that it is achieved (Armstrong and Baron 2004).

Human Resource Management as distinct approach to managing the workforce and argues that, although personnel management will also select and training that matters and should be linked to high performance and commitment rather than compliance (Guest 1997)

Employees Feedback is to know opinions of employee about things which happened or not happen in organization.(internet).

Intrinsic Motivation come from a person's internal desire to do something, motivated by such things as interest, challenge, and personal satisfaction(Mc Gregor2004).

Extrinsic Motivators come from outside the person and include such things as pay, bonuses, and other tangible rewards(Mc Gregor2004).

Total Rewards is a strategy which recognize that pay, although important, is not the only motivator, and that there are other tangible and non-tangible rewards that can encourage amore committed work force(according to the CIPD 2004a)

1.8. Organization of the Paper

The paper consists of five chapters. The first chapter introduces the introductions of the study which includes background of the study, definition of term and concept, statement of the Problems, research question, objectives of the study, significance of the study, scope of the study, and organization of the paper. The second chapter is devoted to the review of the related literature. The third chapter focus on research design and methodology while the fourth chapter analysis of the data collected. The fifth chapter which is the closing chapter focuses on providing conclusions and recommendations based on the findings.

CHAPTER TWO

2. REVIEW OF RELATED LITERATURE

This part introduces and discuss the related literature review on the impact of motivation on employees performance. This chapter discuss Adams' Equity theory and Vrooms expectancy theory.

2.1 Motivating Self and Others

Motivation has internal and external factors that lead an individual to engage in goal-related behavior. Motivation can affect the intensity, direction, and persistence a person shows in working toward a goal. *Intensity* is concerned with how hard a person tries. This is what most of us focus on when we talk about motivation. However, high intensity is unlikely to positively affect job performance unless the effort is channeled in a *direction* that is useful. Finally, the effort requires *persistence*. This is a measure of how long a person can maintain his or her effort. Motivated individuals stay with a task long enough to achieve their goal. Many people incorrectly view motivation as a personal trait—that is, some have it and others don't. Along these lines, Douglas McGregor has proposed two distinct views of human beings. **Theory X**, which is basically negative, suggests that employees dislike work, will try to avoid it, and must be coerced, controlled, or threatened with punishment to achieve goals. **Theory Y**, which is basically positive, suggests that employees will use self-direction and self-control if they are committed to the goals (Petri, 1996). Our knowledge of motivation tells us that neither of these theories fully accounts for employee behavior. What we know is that motivation is the result of the interaction of the individual and the situation. Certainly, individuals differ in their basic motivational drives. But the same employee who is quickly bored when pulling the lever on a drill press may enthusiastically pull a slot machine lever in Casino Windsor for hours. You may read a thriller at one sitting, yet find it difficult to concentrate on a textbook for more than 20 minutes. It's not necessarily you it's the situation. So as we analyze the concept of motivation, keep in mind that the level of motivation varies both between individuals and within individuals at different times. What motivates people will also vary for both the individual and the situation.

Motivation theorists talk about **intrinsic motivators** and **extrinsic motivators**. Extrinsic motivators come from outside the person and include such things as pay, bonuses, and other tangible rewards. Intrinsic motivators come from a person's internal desire to do something, motivated by such things as interest, challenge, and personal satisfaction. Individuals are intrinsically motivated when they genuinely care about their work, look for better ways to do it, and are energized and fulfilled by doing it well. The rewards the individual gets from intrinsic motivation come from the work itself, rather than from external factors such as increases in pay or compliments from the boss. Are individuals mainly intrinsically or extrinsically motivated? Theory X suggests that people are almost exclusively driven by extrinsic motivators. However, Theory Y suggests that people are more intrinsically motivated. Intrinsic and extrinsic motivation may reflect the situation, however, rather than individual personalities (Petri, 1996). For example, suppose your mother has asked you to take her to a meeting an hour away and then drop off your twin brother somewhere else. You may be willing to drive her, without any thought of compensation, because it will make you feel nice to do something for her. That is intrinsic motivation. But if you have a love-hate relationship with your brother, you may insist that he buy you lunch for helping out. Lunch would then be an extrinsic motivator something that came from outside yourself and motivated you to do the task.

2.2 Theories of Motivation

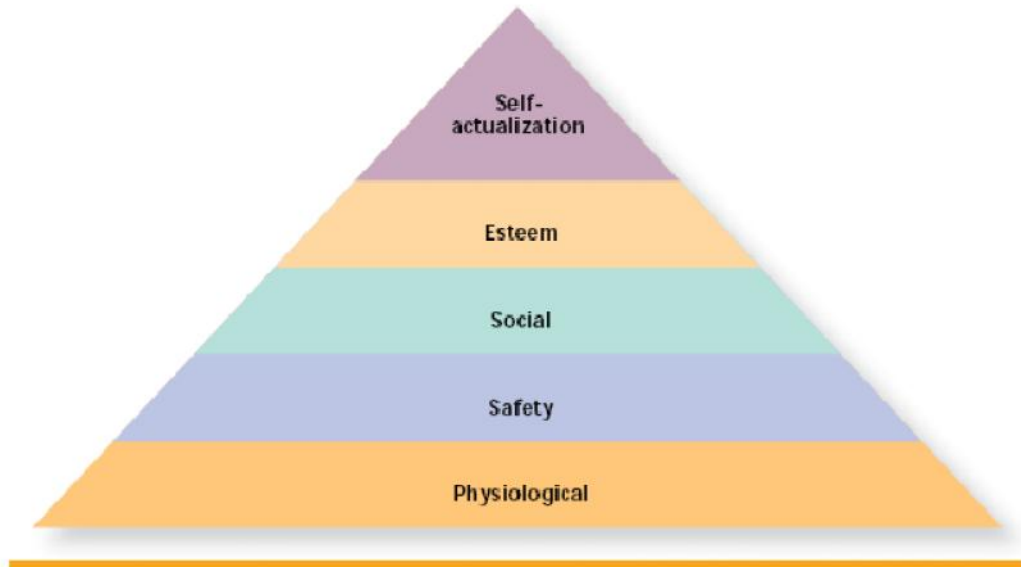
2.2.1 Need Theory of Motivation

The main theories of motivation fall into one of two categories: needs theories and process theories. *Needs theories* describe the types of needs that must be met in order to motivate individuals. *Process theories* help us understand the actual ways in which we and others can be motivated. There are a variety of needs theories, including Maslow's hierarchy of needs, Alderfer's ERG theory, McClelland's theory of needs, and Herzberg's motivation-hygiene theory (sometimes called the *two-factor theory*).

2.2.2 Maslow's Hierarchy of Needs Theory It is probably safe to say that the best-known theory of motivation is Abraham Maslow's hierarchy of needs. He hypothesized that every human being has a hierarchy of five needs:

- *Physiological*. Includes hunger, thirst, shelter, sex, and other bodily needs.
- *Safety*. Includes security and protection from physical and emotional harm.
- *Social*. Includes affection, belongingness, acceptance, and friendship.
- *Esteem*. Includes internal esteem factors such as self-respect, autonomy, and achievement; and external esteem factors such as status, recognition, and attention.
- *Self-actualization*. Includes growth, achieving one's potential, and self-fulfillment. This is the drive to become what one is capable of becoming (Agarwal,1982).

Maslow's Hierarchy of Needs



(Agarwal,1982).

2.2.3 ERG Theory

Clayton Alderfer has reworked Maslow's hierarchy of needs to align it more closely with the empirical research. His revised need hierarchy is called **ERG theory**. Alderfer argues that there are three groups of core need—existence, relatedness, and growth—hence, the name: ERG theory. The *existence* group is concerned with our basic material existence requirements. They include the items that Maslow considered to be physiological and safety needs. The *relatedness* group is concerned with our desire for maintaining important interpersonal relationships. These social and status desires require interaction with others if they are to be satisfied, and they align with Maslow's social need and the external component of Maslow's esteem need. Finally, the *growth* group is concerned with our intrinsic desire for personal development. This group includes the intrinsic component of Maslow's esteem need and the characteristics included under self-actualization (Jane,2003).

2.2.4 McClelland's Theory of Needs McClelland's theory of needs was developed by David McClelland and his associates to help explain motivation. The theory focuses on three needs: achievement, power, and affiliation. They are defined as follows:

- **Need for achievement.** The drive to excel, to achieve in relation to a set of standards, to strive to succeed.
- **Need for power.** The need to make others behave in a way that they would not have behaved otherwise.
- **Need for affiliation.** The desire for friendly and close interpersonal relationships. Some people have a compelling drive to succeed. They are striving for personal achievement rather than the rewards of success per se. They have a desire to do something better or more efficiently than it has been done before. This drive is the achievement need (*nAch*). From research into the achievement need, McClelland found that high achievers differentiate themselves from others by their desire to do things better. The need for power (*nPow*) is the desire to have impact, to be influential, and to control others.

Individuals high in *nPow* enjoy being “in charge,” strive for influence over others, prefer to be placed in competitive and status-oriented situations, and tend to be more concerned with prestige and gaining influence over others than with effective performance. The third need isolated by McClelland is affiliation (*nAff*). This need has received the least attention from researchers. Individuals with a high affiliation motive strive for friendship, prefer cooperative situations rather than competitive ones, and desire relationships that involve a high degree of mutual understanding (Gareth R, 2009).

Contrasting Views of Satisfaction and Dissatisfaction



(Gareth R,2009)

Relying on an extensive amount of research, some reasonably well-supported predictions can be made based on the relationship of these needs to job performance. First, individuals with a high need to achieve prefer and will be motivated by job situations with personal responsibility, feedback, and an intermediate degree of risk. Second, people with a high achievement need are interested in how well they do personally and not in influencing others to do well.

Thus, they may not make good managers. Third, the best managers are high in their need for power and low in their need for affiliation.

2.2.5 Motivation-Hygiene Theory

The **Motivation-Hygiene Theory** was proposed by psychologist Frederick Herzberg. Herzberg investigated the question “What do people want from their jobs?” in an effort to determine what might lead to a person’s success or failure at work. He found that intrinsic factors—such as achievement, recognition, the work itself, responsibility, advancement, and growth—seem to be related to job satisfaction. Herzberg also found that there were characteristics that led to job dissatisfaction. The factors that caused dissatisfaction were extrinsic—such as company policy and administration, supervision, interpersonal relations, and working conditions.

Herzberg’s research led him to conclude that the opposite of satisfaction is not dissatisfaction, as was traditionally believed. Removing dissatisfying characteristics from a job does not necessarily make the job satisfying.

Herzberg explained that the factors leading to job satisfaction were *motivators* that are separate and distinct from the *hygiene factors* that lead to job dissatisfaction. Thus managers who try to get rid of factors that create job dissatisfaction can create more pleasant workplaces, but not necessarily more motivated ones. Hygiene factors include company policy and administration, supervision, interpersonal relations, working conditions, and salary. When these factors are adequate, people will not be dissatisfied; however, neither will they be satisfied. Motivating factors include achievement, recognition, the work itself, responsibility, and growth. These are the characteristics that people find intrinsically rewarding or motivating.

2.3 Goal-Setting Theory According to Locke, goal setting motivates in four ways:

- *Goals direct attention.* Goals indicate where individuals should direct their efforts when they are choosing among things to do. For instance, recognizing that an important assignment is due in a few days, goal setting may encourage you to say no when friends invite you to a movie this evening.
- *Goals regulate effort.* Goals suggest how much effort an individual should put into a given task. For instance, if earning a high mark in accounting is more important to you than earning a high mark in organizational behavior (OB), you will likely put more effort into studying accounting.

- *Goals increase persistence.* Persistence represents the effort spent on a task over time. When people keep goals in mind, they will work hard on them, even in the face of obstacles.
- *Goals encourage the development of strategies and action plans.* Once goals are set, individuals can develop plans for achieving those goals. For instance, a goal to become more fit may include plans to join a gym, workout with friends, and change eating habits (Bacal,1999).

Lock's Model of Goal Setting



(J.S chanda,1998)

In order for goals to be effective, they should be “SMART.” SMART stands for

- **Specific:** Individuals know exactly what is to be achieved.
- **Measurable:** The goals proposed can be tracked and reviewed.
- **Attainable:** The goals, even if difficult, are reasonable and achievable.
- **Results-oriented:** The goals should support the vision of the organization.
- **Time-bound:** The goals are to be achieved within a stated time (Bacal,1999).

2.4 Adams' Equity Theory (1965)

This view holds that motivation can be affected by the comparisons employees make of their job inputs (effort, experience, education, confidence) and the job's outcomes (salary levels, raises, recognition) relative to the inputs and outcomes of other employees. If the ratios of inputs to outputs are roughly equal between employees, a state of equity is said to exist. The situation is perceived to be fair.

However, when the ratios are seen as unequal, employees may experience tension and emotion. Employees who believe they are under-rewarded may be angry, while those who feel they are over-rewarded might feel guilty. This emotional tension provides the motivation to do something to correct the situation and can be manifested in various ways among which the following are essential to note.

1. **Referent Comparisons:** The individual that the employees compare themselves to (their referents) can vary widely. The four basic comparisons are:
 - A. Self Inside: and employee's own experiences in a different position within the current organization.
 - B. Self Outside: and employee's experiences in the situation or position outside the current organization.
 - C. Other-Inside: other individuals within the current organization.
 - D. Other-Outside: other individuals outside the employee's current organization.
2. **Four Moderating Variables:** The selection of which referent to use in comparison will depend upon four moderating variables.
 - A. Gender: Both genders prefer same-sex comparisons.
 - B. Length of Tenure: Employees with little experience in the current organization will tend to use their own personal experiences, while employees of long tenure will tend to use co-workers as referents.
 - C. Level in the organization: Upper-level employees tend to other-outside comparisons more often than do lower-level employees. This is true as

benchmarking is essential for continuous improvement and to remain competent enough at national and international levels in the areas of their employee's specialization.

D. Amount of Education of Professionalism: The higher the educational level of the employees, the more likely they are to use other-outside comparisons.

3. **Six choices in condition of perceived inequity:** When motivated to change an equitable situations, employees have six basic choices to relive the tension.

- a. Change their inputs.
- b. Change their outcomes.
- c. Distort perceptions of self
- d. Distort perceptions of others
- e. Choose a different referent
- f. Leave the field

4. **Equity Theory and Pay:** The following prepositions are based on equity theory under conditions of inequitable pay. The purpose of each of the prepositions is to bring the ratios back into balance.

- a. When paid based on time (hourly wages or salary), over-rewarded employees will produce more than will equitably paid employees.
- b. When paid by quantity of output (piecework), over-rewarded employees will produce fewer, but higher-quality, units than will equitably paid employees.
- c. When paid based on time, under-rewarded employees will produce less output or output of poorer quality.
- d. When paid by the piece, under-rewarded employees will produce a large number of low quality units in comparison with equitably paid employees. Research has shown

that overpayment does not have very significant effect on behavior in most work situations and that not all people are equally equity sensitive.

5 **Justice and Equity:** Equity is closely tied to a desire for fairness is normally associated with justice. There are a number of views of justice that relate to equity theory.

- i. **Distributive Justice:** The historical type of justice used in equity theory, distributive justice is the perceived fairness of the amount and allocation of rewards among individuals. The form of justice is most strongly related to satisfaction with outcomes and organizational commitment.
- ii. **Organizational Justice:** In this, more recently accepted view of justice, justice is the employee's overall perceptions of what is fair in the workplace. The key element in organizational justice is perception, and since we've already learned that perception is a highly individual process, it should be obvious that judgments of fairness in organizational can vary significantly between individuals.
- iii. **Procedural Justice:** This view of justice focuses on the fairness of the process used to distribute rewards.
- iv. **Interaction Justice:** Defined as the individual's perceptions of the degree to which he or she is treated with dignity, concern and respect. This is a more interpersonal view of justice, normally related directly between supervisor and employee (Schein,1985).

To promote fairness in the workplace, managers should consider openly sharing information on how allocation decisions were made, following consistent unbiased procedures, and similar practices to increase the perception of procedural justice.

2.5 Vrooms Expectancy Theory (1964)

Vroom's Expectancy Theory is widely accepted explanation of motivated and deals with a coupling of three beliefs. The belief that:

Effort will lead to a good performance appraisal Good appraisals will lead to organizational rewards and Organizational rewards will satisfy the employee's personal goals. The relationship between these three beliefs and the strength of the links between them are the focus of this theory (Michael Armstrong 2006).

A effort- performance relation; is defined as the probability perceived by the individual that exerting a given amount of effort will lead to successful performance. If the employee believes that effort will not result in successful performance or that the performance will not be accurately reflected in the performance appraisal, little effort will be expended.

B performance –reward relationship; the degree to which the individual believes that performing at a particular level will lead to attainment of a desired outcome, unless the relationship between strong performance appraisals and rewards is clear, little effort will be expended to achieve those high appraisal marks the degree to which organizational rewards satisfy an individual's personal goals or needs and the attractiveness of those potential rewards for the individual are elements of motivation; but need to be tailored. Unless organizational rewards are tailored to individual employee wants and needs, they will not be very motivational and little effort will be expended.

CHAPTER THREE

3. RESEARCH DESIGN AND METHODOLOGY

This chapter discusses how the researcher is designed, the methodology, population and sampling, sources of data, data gathering tools, method of data analysis and ethical considerations has been taken in the process.

3.1. Research Design

The research approach applied for this study is descriptive research method. The objective of a descriptive research is to study the who, when, where and how of topic and concerns a univariate question or hypothesis in which ,we ask about, or state some things about the size, form, distribution, or existence of a variable (Donald and Cooper 1995).The research designed to investigate the existing impact of motivation on employees performance at the bank of Abyssinia.

3.2 Population and Sampling

The Bank of Abyssinia has fifty one branch in Ethiopia from these thirty three of the Branch are around in Addis Ababa the capital city of Ethiopia. The total population size of the study was 485 but this study by used convenience sampling and distributes random select from each branch 40 staffs from the five branch 200 (41.2 %) staffs was included on this study. The study has semi – structured interview questioning session for administrate with the selected branch managers to supplement the data gather through questionnaire from employees. The researcher uses both Area sampling and Simple random sampling methods and convenience . Area sampling method meets both the problems of high sampling cost and the unavailability of a practical sampling frame for individual elements(Donald R.cooper 1995). Area sampling is used to select the five area banks located in Addis Ababa that are considered for the study because of the limitation of budget. Simple random sampling is the simplest form of probability sampling since probability sample must provide a known non zero chance of the selection for each population element and considered a special case in which each population element has a known and equal chance of selection.

3.3 Sources of Data

The study uses both primary and secondary data in its construction. Primary data come from the original sources and are collected especially to answer the research questions. Primary data is collected mainly through questionnaires of both types (closed-ended and open-ended) as well as through interviewing of concerned staff.

Secondary sources of data classified internal and external sources of information, internal published by the organization, external published outside the organization. The source used such as, published books, the Banks motivation system and performance data, and the Internet was also extensively reviewed as references.

3.4 Data Gathering Tools

The study used questionnaire, interview and observation to investigate the impact of motivation on employees performance. Questionnaire is a research instrument consisting of a series of questions and other prompts for the purpose of gathering information from respondents (Sir Francis Galton 1997).

Interview is a meeting between an applicant for employment and a bank representative to determine if the candidate is qualified for a job, an internship or a volunteer opportunity.

Observation is a tool that is critical to the improvement and innovation of a new product or service are organized below by the extent to which an experimenter intrudes upon or controls the environment.

Through questionnaire, information regarding all the variable (salary and bonus, health and safety, recognition, feedback, promotion, and growth opportunity) was gathered and supplemented by interview with managers.

3.5. Procedures of Data Collection

Primary data is collected mainly through questionnaires of both types (closed-ended and open-ended) as well as through interviewing of concerned staff. Secondary data was collected from annual financial reports, payroll data and HR manuals of the banks to explore information about the salary and bonus, health and safety, and bank performance . Books, journals and scholarly websites were also used to develop the theoretical and conceptual basis for the study.

3.6 .Method of Data Analysis

A descriptive method research is used to study the who, when, where and how of topic and concerns a univariate question or hypothesis in which ,we ask about, or state some things about the size, form, distribution, or existence of a variable. It uses to present and interpret the data collected on various dimensions of the employee motivation and performance system .Frequency Tables along with percentages employed to analyze the responses of employees on those dimensions.

3.7 Ethical Considerations

A policy of anonymity of the employees and managers was adhered to, as various confidential data might be accessed by the researcher. Moreover, a statement confirming the prohibition of including any identity details or personal references of the respondents in the questionnaire forms were included. This was to avoid any biased response or unauthentic data provided by the employees or managers.

Also request for names and employee's identification number or position was prohibited at any part of the data collocation so that participants were certain that he /she cannot be traced by employee. This would offer them enough room to express their ideas and point out their responses freely and safely.

Data gathered in process of the study was kept confidential and would not be used for any personal interest and the whole process of the study was controlled to be within acceptable professional Ethic.

CHAPTER FOUR

4.DATA ANALYSIS AND INTERPRETATION

This chapter discusses the presentation, analysis and interpretation of the data gathered through questionnaires, interviews, and personal observation made by the researcher. It includes the characteristics of the respondents and data presentation, analysis and interpretation.

4.1 Characteristics of the Respondents

Table 1: Gender, Age, Educational qualification and Salary.

No	Profile of respondents	Frequency	Percentage %
A	Sex		
	a) Female	39	23.6%
	b) Male	126	76.4%
	Total	165	100%
B	Age		
	a) 19-30	69	41.8%
	b) 31-40	66	40%
	c) 41-50	27	16.4%
	d) Above 51	3	1.8%
	Total	165	100%
C	Educational Qualification		
	a) Certificate	0	0%
	b) Diploma	24	14.6%
	c) BA/BSC	135	81.8%
	d) MA/MSC	6	1.8%
	Total	165	100%
D	Years of service in the Bank		

	a) Below 1 year	6	3.6%
	b) 1-3 years	39	23.6%
	c) 4-6 years	57	34.5%
	d) 7-9 years	33	20%
	e) More than 9	30	18.3%
	Total	165	100%
E	Respondent's Salary		
	a) Below 1500	0	0%
	b) 1501-3000	21	12.7%
	c) 3001-4500	33	20%
	d) 4501-6000	51	30.4%
	e) More than 6000	60	36.4%
	Total	165	100%

Distribution of respondents on Gender issue, table 1 items A, reveals regarding the gender composition of the respondents, the trend is almost similar with others. Accordingly male represent 76.4% of the respondents while the remaining 23.6% are female. This indicates the number of male employees are high.

According to the above table 1 items B, 41.8 % of the respondents are found in an age group of 19-30 while 40 % of them is found in age group 31-40 respondents that lie with an age group of 41-50 represent 16.4 % where as staffs with over 50 years of age accounted for only 1.8 %. This shows the banks employees are energetic and as well as difficult to manage as compared to the aged ones. One of the reasons for this can be the social and family responsibility level below 40 age may be less than compared to aged ones. At the same time this age group is sensitive to the extent to motivational practice employed in the bank.

The educational background of the respondents items C, As shown in the above table most of them 81.8 % is degree graduated. Whereas 14.6 % of them passes college diploma and 3.6 % of them are masters holder. There is no certificate holder. This shows that the level of academic

qualification of the banks employees were at high level. Table 1 items D, Shows Most of the respondents 34.5 % do have work experience 4-6 years where as 23.6 of them are 1-3 years experience below one year 3.6 % of the respondents 18.3 % of the respondents more than 4 years experience. This shows that the most experienced employees in the bank. This may call to see whether any motivational practices employed in the bank the performance increased and long stay in the bank.

Items E, reveals 36.4 % of the respondents earn a monthly salary more than 6,000 birr whereas 30.4 % of the respondents earn a monthly salary 4,500-6,000 birr. There is no salary earn below 1,500. This shows that the average salary of the banks pay for employees are good.

4.2. Analysis and Interpretation of Data pertaining to the study

Questionnaire was designed and distributed by the researcher to Bank of Abyssinia employees.

Out of the total 200 questionnaires distributed 165 respondents were filled out and returned which accounts to 82.5%.

Table 2: summary of the questionnaires distributed and returned

Items	No .of questionnaires		
	Branch	Distributed	Returned
Bole	40	32	80%
Bole Medhanialem	40	34	85%
Airport	40	35	87.5%
Filwuha	40	35	87.5%
Olympia	40	29	72.5%
Total	200	165	82.5%

The above table shows that Questionnaire was designed and distributed by the researcher for five branches of Abyssinia bank employees and Out of the total 200 questionnaires distributed 165 respondents were filled out and returned which accounts to 82.5%. This indicates the majority of the selected branches employees participated on this research.

The collected data have been organized manual and number of tables are 11. The tales linked as follows, gender, age, educational qualification and salary, summary of the questionnaires distributed and returned, priority of the bank, employees' response on salary related issues,respondent's response on safety and health condition, recognition for performance, feed back, motivational practice and It's relation to the level of performance, managerial involvement on motivational practices, employees' attitude towards the current motivational practice, summary of employees' motivators was presented.

Table 3: Opinion Survey on BOA

Items		Measurements	Increasing productivity	Motivating workers	Cooperation	policies and procedures	Total
A	What did you give priority in your BOA	Frequency	42	51	24	48	165
		Percent	25.6%	30.9%	14.5%	29	100%
			People in position	rules and procedures	commitment	workgroup	
B	Work performance is managed and influenced by	Frequency	42	75	33	15	165
		Percent	25.6%	45.5%	20%	9.1%	100%
			Money	Participation	Decision making	Other	
C	What kind of motivation use in your Bank	Frequency	90	42	3	30	165
		Percent	54.5%	25.6%	1.8%	18.3%	100%

Most of the respondents 30.9 % respond that the bank gives priority to motivating workers 29 % of them said that banks give priority to working according to policies and procedures where as 25.6 % are productivity is given priority. The rest of them respond cooperation with coworkers

give priority. This indicates that bank of Abyssinia gives attention for all activities related to the workers.

Item B, 54% of the respondents work performance is managed and influenced by people in position of authority. 25.4% of the respondents responded that the work performance is managed and influenced by the system rules and procedures. It shows that the work evaluation system is based on the set of standards.

The banks motivation kinds, Item C, 54.5 % respondents responded that money is motivation kind with in the bank. 25.4 % respondents responded that participation on decision making is motivation kind. Most of the respondents 69% that draw back brought by the motivational approach in the bank. This opinion survey shows that there is the motivational practice and the performance also gives attention with in the bank.

Table 4: Employees' Response on Salary Related Issues

The practice of motivation as perceived by employees is shown in following table

Items			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
1	The pay matches my responsibility.	Frequency	6	39	60	54	6	165
		Percent	3.6%	23.6%	36.5%	32.7%	3.6%	100%
2	Money is my only motivator at the Bank.	Frequency	54	57	41	2	1	165
		Percent	32.7%	34.5%	24.8%	1.2%	0.6%	100%
3	Satisfied with my current salary.	Frequency	18	45	54	39	9	165
		Percent	10.9%	27.3%	32.7%	23.6%	5.4%	100%
4	The bonus payment has no effect on the quality of my work because it was already at the appropriate standard.	Frequency	45	21	32	57	10	165
		Percent	27.3%	12.7%	19.4%	32.7%	6%	100%
5	Salary increment in the banks is based on the level of quality products produced.	Frequency	21	36	45	45	18	165
		Percent	12.7%	21.8%	27.2%	27.2%	10.9%	100%

				%	%		%	
6	Bonus payment is based on achieving predetermined target production.	Frequency	12	27	12	87	27	165
		Percent	7.3%	16.4%	7.3%	52.7%	16.4%	100%
7	Salary increment in the banks is based on the level of loyalty to management.	Frequency	72	7	59	17	10	165
		Percent	43.6%	4.3%	35.7%	10.3%	6.1%	100%
8	The existing financial reward is not sufficient to motivate me on my work.	Frequency	11	18	63	46	27	165
		Percent	6.6%	10.9%	38.3%	27.8%	16.4%	100%

Table 4 item number 1 shows 23.6 % of them disagree whereas 36.5 % remained neutral while 32.7 % of respondents agree that the pay matches their responsibility 3.6 % equal number of respondents responded that strongly disagree and strongly agree about the pay matches their responsibility, Table 4 Items number 2, 67.2 % of the respondents responded that money is not their only motivator. This may call to motivate the employees with in the bank for better performance and achievement is not only money. It is at the base of Maslow's pyramid, it is in McGregor's theory X which focuses around Maslow's base of pyramid and it is hygiene factor in Herz Berg's theory. All of these theories show that money is a short term motivator. money is motivator because if you do not have money which causes you to go hungry; you will be motivated to take any job to fill that basic need.

Items 3 shows that ,38.2 % of the respondents were not happy with their current salary were as 38.7 % of them neutral. Items 4 shows that ,32.7 % of the total respondents think the bonus has no effect on the quality of work because it was already at the appropriate standard while 27.3 % of them think lowly acceptable for the effect. Table 4, items 5 shows that, 59.9 % the target population perceives that the salary increment is based on the quality of work performed. Items 7, 43.6 % of the respondents lowly acceptable the salary increment in the bank based on the level of loyalty to management while 35.7 % neutral where as 16.4 % of them accept that the salary increment is based on the level of loyalty. Items 6 as more than 69% respondents accept that the bonus payment is based on predetermined target while 14.6% them are not clear and lowly accept on how the bonus is given to them. Table 4 items number 8 reveals 44.2 % of the respondents accept that the existing financial reward is sufficient enough to motivate the while 38.1 % of them rated as neutral and 6.6 % of them feel that they are not motivated by the current financial reward.

To conclude the above discussion the employees response on salary related issues shows positive implication for the BoA. This lead to increase the banks profitability and competences with the others by securing the employees satisfaction.

Table 5: Satisfied with safety and health services.

Items			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
A	Satisfied with the working conditions in the bank	Frequency	11	5	60	65	24	165
		Percent	6.6%	3%	36.3%	39.3%	14.5%	100%
			Not at all true	Rarely	Sometimes	Mostly always true	Almost always true	
B	The existence of safe working conditions has encouraged me to give sustained high performance at work.	Frequency	7	24	67	41	26	165
		Percent	4.2%	14.5%	40.6%	24.8%	15.8%	100%

Table 5, items A, shows that 53.8 % of respondents were satisfied with existing working conditions in the bank while 9.6 % respondents are not comfortable with the current working conditions and 36.3 % of them rated as neutral. Accordingly 40.6 % responded that the existence of safe working condition had encouraged them to give sustained high output. 40.6 % of the respondents were in different for both of the questions. Whether they are satisfied with the current work conditions has any contribution to at high performance at work. This implied that BoA have safety and healthy condition on the working environment to encourage the employees with in the bank for the better performance.

Table 6: Employees Recognition for their Performance

Items		Measurement s	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
1	Satisfaction of the recognition	Frequency	20	34	41	60	10	165
		Percent	12.2%	20.6%	24.8%	36.4%	6%	100%
		Measurement s	Not at all true	Rarely	Someti mes	Mostly always true	Almost always true	
2	The existence recognition is good	Frequency	13	28	64	39	21	165
		Percent	7.9%	16.9%	38.8%	23.6%	12.7%	100%
		Measurement s	Lowly acceptable	Moderat ely acceptabl e	Neutral	Accept able	Highly acceptab le	
3	The reward practices of the Bank have significantly for work.	Frequency	40	19	27	68	11	165
		Percent	24.3%	11.5%	16.3%	41.2%	6.7%	100%

Table 6, Items 1 shows that , 42.4 % of respondents were found to be satisfied with the recognition they receive for their accomplishment while 32.8 % of them are not satisfied and 24.8 % of them are neutral. 36.3 % of the respondents think that the existing recognition helped them to work beyond the requirement while 38.8 % of the respondents respond that neutral the rest of them are disagree. Similarly 47.9 % of respondents agreed on the reward practices of the organization raised their motivation while 35 % of the respondents are disagree. Generally the respondents related to the existing recognition practices of the bank and they agree that such recognition motivated them to work harder. To conclude the recognition practice for their performance at BoA is good.

Table7: Employees Receive Respective for their Achievements

Items			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
A	Feel that my job performance is fairly evaluated	Frequency	12	21	39	78	15	165
		Percent	7.3%	12.7%	23.6%	47.3%	9.1%	100%
B	In this Bank both praise and appreciation are used to extract work from the employees	Frequency	6	36	37	73	13	
		Percent	3.6%	21.8%	22.4%	44.3%	7.9%	
			Not at all true	Rarely	Someti mes	Mostly always true	Almost always true	
C	My department uses employee feedback to make improvement	Frequency	23	37	73	29	3	165
		Percent	13.9%	22.4%	44.2%	17%	1.8%	100%

On Table 7 items A shows that , 56.4 % of respondents were on fair job evaluation system only 20 % were found to disagree on this point again 85.4 % of the total respondents rated that the banks use feedback to improvement employees performance. Items B shows that , 52.2 % of the respondents were also agreed that the banks uses praise and appreciation as a means to extract work from employed more than 47.8 % respondents remain in different for all questions raised to know the usability of feedback given by the employees in performance improvement and the extent to which praise and appreciation were used to encourage and motivate employees to work hard.

Table 8: Motivational Practice in Relation to the Level of Performance

Ser .no	Items	Measurement	Not at all true	Rarely	Sometimes	Mostly always true	Almost always true	Total
1	Performance pay like bonus, made employees to reduce defect level	Frequency	30	31	64	22	18	165
		Percent	18.1%	18.8%	38.3%	13.3%	10.1%	100%
2	Bonus payment helped to increase production of defect services.	Frequency	23	27	85	19	11	165
		Percent	13.9%	16.4%	51.5%	11.5%	6.6%	100%
3	The existence of growth opportunity in the banks helps employees to increase services	Frequency	15	35	52	47	16	165
		Percent	9.1%	21.2%	31.5%	28.4%	9.7%	100%
4	The existence of promotion has no effect on the level of output of my work	Frequency	82	30	30	17	6	165
		Percent	49.7%	18.3%	18.1%	10.3%	3.6%	100%

Out of 165 respondents 62 respond that the performance related pay can help to reduce the defect level. Only 18.1 % of them did not agree on the idea that performance related pay can reduce the defect level, 18.8 % of the respondents rarely on the effect of performance related pay on defect level. Similarly that 69.6 % of the respondents rated that bonus payment helped to increase the defect free products 13.9 % of the respondents rated that bonus payment helped not to increase production of defect level. Table 8 items 4 shows that 41.2 % of the respondents think that the existence of promotion has effect on the level of their work. For the questions formulated to know

whether there exists relationship between the motivational practices and the defect level the general attitude of the respondents level that ,there is a positive relationship between defect level and the level of motivational practices. To conclude discussions performance pay help to reduce the unprofitability of the banks. In order to solve the unprofitability of the banks need to pay, for performance ,bonus, promotion are key for BOA to increase profitability.

Table 9: Managerial Involvement on Motivational Response.

Ser.no	Items	Measurement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
1	Banks leadership makes changes which are favorable to my work.	Frequency	17	28	0	95	25	165
		Percent	10.3%	16.9%	0%	57.6%	15.1%	100%
2	Managers seem willing to invest in the motivational practices	Frequency	4	42	27	88	4	165
		Percent	2.4%	25.4%	16.4%	53.3%	2.4%	100%
3	Satisfied with the overall job security	Frequency	23	26	50	55	11	165
		Percent	13.9%	15.8%	30.3%	33.3%	6.7%	100%
4	Satisfied with the Empower to influence the quality of my work.	Frequency	12	36	51	52	14	165
		Percent	7.3%	21.8%	30.9%	31.5%	8.4%	100%
5	Managers communicate frequently and honestly about issues affecting employees	Frequency	3	5	50	92	15	165
		Percent	1.8%	3%	30%	55.7%	9.1%	100%
6	The existence of growth opportunity in	Frequency	18	35	49	47	16	165

	the banks helps employees to reduce waste in production process	Percent	10.9%	21.2%	29.7%	28.4%	9.8%	100%
7	The Motivational practices is fundamentally unfair	Frequenc y	73	25	14	38	15	165
		Percent	44.2%	15.2%	8.6%	23%	9%	100%

Seven questions were raised focusing assessment of the extent of top manager’s involvement and commitment on motivational practices of the bank. Accordingly most respondents agreed on the overall involvement of the manager’s and the job security, 72.7 % of the respondents respond the banks leadership makes changes favorable to their work and 27 % did not agree on the questions. Also more than half of the respondents (55.7 %) agreed that the top manager’s are willing to invest in motivational practices and only 27.8 of them disagreed on this point again significant portion of them 16.4 % remained neutral 40 % of the target population was found to be satisfied with the existing job security and the remaining balance amount, 30.3 % were in different with existing empowerment, 39.9 % were satisfied and 30.9 % were neutral while 29.9 % were not satisfied. Table 9,Items 5 shows that ,65.2 % of the respondents were seen to agree on the manager’s communicate frequently and honestly addressing issues that affect employees motivation and their work .Although 30 % of them are neutral and only 3.8 % of respondents disagree on the question , 67.5% of the respondent that the existence of growth opportunity encouraged them to express themselves at work with greater clarity and the balance 10.9 % not at all true on the question 44.2 % of the respondent that respond the motivational practice is fair.

From the above findings it can be conclude, the motivational practice of the managerial involvement is good and satisfied the employees, creating awareness for the impact of motivation on employees performance.

Table10:Employee Responses

Table10, items1shows

Ser.no	Items	Frequency/ %	Lowly acceptabl e	Moderately acceptable	Neut ral	Accepta ble	Highly accept able	Total
1	The existing reward practices has made me willing to improve the quality of my work	Frequency	15	24	18	66	42	165
		Percent	9%	14.6%	10.9%	40%	25.5%	100%
2	The existing motivational practices has made me willing to increase the quantity of work I do	Frequency	26	15	35	75	14	165
		Percent	15.8%	9%	21.2%	45.5%	8.5%	100%
3	It would be better to base reward on the performance of groups rather than individuals	Frequency	17	10	59	72	7	165
		Percent	10.3%	6%	35.7%	43.6%	4.4%	100%

that, 65.5% of employees claim that the reward practices helped them to improve the quality of work. with 9 % of them are lowly accept and 10.9 % of them are neutral. The existing motivational practice items 2 shows that 54 % of the respondents to increase the quality of output 15.8 % lowly accept and 21.2 % of them are neutral. Items 3 shows that ,53.8% of the response collected from the target group, thought that rewarding on group would be much better than individuals. This idea was lowly acceptable by 10.3 % and the remaining 35.7 % were in different. From the finding it may be conclude that the employees attitude towards the current

motivational practice and performance have positive relationship at BOA because majority of the respondents accept that the existing reward practices increase their quantity of work

Table 11: Summary of Employees’ Motivators and performance

		Highly Motivated	Motivated	Neutral	Lowly motivate d	Not Motivat ed	Total
Interesting work	Frequency	30	90	20	13	12	165
	Percent	18.2%	54.5%	12.1%	7.9%	7.3%	100%
Fair bonus	Frequency	11	99	22	22	11	165
	Percent	6.7%	60%	13.3%	13.3%	6.7%	100%
Job Security	Frequency	21	77	44	7	16	165
	Percent	12.7%	46.7%	26.7%	4.2%	9.7%	100%
Good working conditions	Frequency	100	10	23	27	5	165
	Percent	60.6%	6%	13.9%	16.5%	3%	100%
Promotions	Frequency	40	9	70	46	0	165
	Percent	24.2%	5.4%	42.4%	27.9%	0%	100%
Growth opportunity	Frequency	26	131	5	2	1	
	Percent	15.7%	79.3%	3%	1.2%	0.6%	
Feeling of belongingn ess	Frequency	21	120	22	2	0	165
	Percent	12.7%	72.7%	13.7%	1.2%	0	100%

From the above table shows that, 72.5 % of employees were motivated by interesting work, respondents were found to be highly motivated the remaining 27.3 %, indifferent, fair bonus 66.7 % of them 59.4 by job security 66.6 % by good working conditions, 29.6 % by promotion, 95 % by growth opportunity, 85.4 % work and good working conditions were rated to be the most motivators in the bank. This shows the banks motivation system like interesting work , fair bonus ,job security ,good working conditions, promotions, growth opportunity and feeling of belongingness related with employees performance.

Interview with manager's

To complement the information gathered from the employees through questionnaire, the researcher had conducted interview with the selected manager's from each branch. For the question whether Abyssinia Bank has motivational techniques in place or not all of the manager's interviewed replied similar answer. There is no formal, standardized and planned motivational practices can not be considered as sufficient. However they claimed that their employees were motivated to some extent to perform the assigned duties.

Two of the manager suggested that profit sharing is the best way of motivating employees like cafeteria services and free lunch can bring significant change in the level of production.

The General attitudes of the respondents reveals that there is positive relationship between performance and the level of motivational practices. Employees have little information about the financial performance of the bank.

The bank has sufficient safety and health care. Managers were aware of the bank performance and clear and proper banks structure, believes that the existing lower level of motivational contributes to the high level of defect. Finally managers believe that any investment in motivating employees can bring significant change in financial growth of the bank.

CHAPTER FIVE

5. SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

In this chapter the major findings , Conclusions, and the researcher suggested solutions i.e. recommendations is presented.

5.1 SUMMARY OF THE FINDINGS

This study is designed to investigate the impact of motivation on employees performance at Bank of Abyssinia. In this regard an attempt has been made to see different motivational practices in the selected branch employee's attitude towards motivational practices and the banks performance. The summary of findings are presented as follows;

Although the average monthly salary was estimated to be 500,000 there

Is no employee's earn monthly salary below 1,500.

- Most of the respondents work performance is managed and influenced by people in position of authority.
- Below half of respondents agree that the pay matches their responsibility.
- Most of the respondents are not happy with their current salary.
- The half of the respondents lowly acceptable the salary increment is based on the level of loyalty.
- The half of the target population perceives that the salary increment is based on the quality of work performed.
- More than 69 % respondents accept that the bonus payment is based on predetermined target.
- Below the half of the respondents accept that the existing financial reward is sufficient enough to motivate them.

- More than the half of respondents satisfy with the recognitions helped them to work beyond the requirements.
- More of respondents were on the fairness of the job evaluations.
- Almost all of the total respondents rate that the organization use the feed back employees made to improve the bank performance.
- Most of the respondents also agree that the bank uses praise and appreciation as a means to extract work employees.
- Out of 165 respondents 76.2 % of them agreed on the performance related pay can help to reduce the defect level.
- More than the half of the respondents rated that bonus payment helped to increase the service of the bank.
- Almost all of the respondents feel that the banks leadership makes changes favorable to their work.
- Most of respondents were seen to agree positively on the manager's communication, frequently and honestly in addressing issues that affect employee's motivation and work.
- Out of all listed variable, interesting work, fair bonus, job security, promotions growth opportunity, feeling of belongingness motivate the employee's and make profitability for (BOA).

The researcher developed and conducted semi structural interview questions to complement the data gathered through questionnaire. The summarized opinion of the manager's is as follows.

- Manager claim that their employee's are sufficiently motivated to perform the assigned duties.

- Two of the manager's suggested profit sharing is the best way to motivating employees more over providing cafeteria services and free lunch can bring significant change in the level of production.
- The general attitude of the respondents reveals that there is a positive relationship between performance and level of motivational practice.
- Employees have little information about the financial performance of the bank.
- The bank has sufficient safety and health care.

5.2. LIMITATION OF THE STUDY

Financial ,time , information and materials are the major limitations of this study. When filling the questionnaires, there were hesitations and unwilling from the respondents. The research samples wastake from the staffs member of Bank of Abyssinia by using simple random sampling. Inevitably, It was bring limitation to complete a deeper research about the relationship of motivation on employees and Bank performance.

5.3. CONCLUSIONS

Based on the above findings the conclusions drawn as follows;

- From the above discussion. It can be understood that BOA is motivating its employees intrinsically and failed on that extrinsic.
- The general working condition, including safety and health issues are adequately addressed by the bank and employees are happy with it the banks creates smooth relationships with employees and working condition.
- The recognition are appreciation for good work which motivated employees.
- Employees are more motivated in interesting work.
- The Bank has no identified and planned motivational practices in place from which the Bank could generate significant amount of profit.

- Majority of the respondents perceived that the job evaluation as fair but the overall reward practices as defective and as satisfactory.
- Employees think that group based reward can better motivate them than that of individual based but the banks practice individual based.
- Motivation plays a significant role in shaping behavior and specially in influencing work performance in bank. Over the year's various factors that are considered to play an important role in performance have been suggested.
- The respondents of this study are satisfied with the overall job security. This is one of importance parameters to motivate employees and a way to get best out of them.
- Motivation is important to bank because it increase the performance level of employees, decreasing employee's turnover and absenteeism, and help in accepting of Bank changes so good motivation need to for all.
- Specially, there is no clear, standardized and adequate motivational practices in BOA that can address both the intrinsic and extrinsic elements of motivation it affects the employees performance.
- Although, employees rated as there is top management's involvement in practicing motivational techniques, the general managers' of the five branch think that such involvement is not sufficient.
- The general attitude of employees towards the current motivational practice is partly good, i.e. they are happy with the working conditions, safety and health, growth opportunity but are not happy with regard to bonus. The reward practice also lacks consistency and transparency.

5.4 RECOMMEDATIONS

Based on the findings and conclusion the researcher recommends the following which will be helpful for the BOA.

- ✓ The BOA must not only believe in the importance of adequate, proper motivational issues but also practices them as well.
- ✓ BOA has to recognize in order to accommodate human resource activities, create a clear guide line, manual and procedure as to how the human resource to be managed focusing on the motivational practice.
- ✓ The BOA must uses group based reward rather than individual based.
- ✓ To close the gap between the practice and the theories of motivation and performance and to create awareness of the importance of planned and adequate motivation techniques short term training should be arranged to top managers. Top managers will be benefited from such training to understand what it takes really to get the hearts and minds employees to deliver higher outputs. It also will be a means to convince the top managers to allocate adequate budget and attention to motivational issues.
- ✓ The top managers should give room to the managers at different departments, to participate in decision making. Managers also should clearly understand the mission and objectives of the Bank in order to align the human resource requirements and to estimate the level of motivation required from the existing employees and the means to attract new individuals.
- ✓ The annual awarding ceremony of recognizing best employees of the year should be continued and the selection process for such award must be clear and transparent to meaningful.
- ✓ Employees perceived that their salary payment not only for their performance but for the level of loyalty to the bank. BOA top managers should keep in mind that motivating worker's both intrinsically and extrinsically is equally important.

- ✓ The BOA must understand, motivational means like profit sharing can motivate employees significantly to increase profitability, to increase the level of commitment and retain the workforce.

Finally, to win the stiff business competition which yet to come, BOA must work hard to motivate and retain its work force as the human resource capital creates the core competency

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APPENDIXES

St. Marry University College

School of Graduate Studies

Questionnaire for Employees of Bank of Abyssinia

Dear Respondents

You are kindly requested to respond to the statements in the following questionnaire.

The statements are related to investigate the relationship between employee motivation and performance in the bank of Abyssinia. Your responses have a great importance for this survey study to assesses the relationship of employee motivation with their performance in the bank of Abyssinia and The main objective of the study to investigate the relationship between employee motivation and performance at bank of Abyssinia and recommendingsolutions forproblems related to thesubject matter. Your answer will treat confidentially and will only be used for the purpose of the research.

Part I: Respondents major characteristics.

I. Please tick mark (✓) in the boxes corresponding to your response of a question the question is not clear, please put dash mark and continue others

1 Sex: Female Male

2 Age _____

3 Academic Qualification Certificate Diploma

First Degree Second Degree

Other, Please specify _____

4 Year of service in the Banks _____

5 Location of your department _____

6 How much do you earn per month? Birr _____

Part II: Opinion survey .

I. Choose the correct answer according to your Banks.

1. What did you give priority in your Bank .

- a. Increasing productivity.
- b. Motivating workers.
- c. Cooperation with coworker.
- d. Working according to policies and procedures.
- e. Other, Please specify;-----.

2. Work performance is managed and influenced by;

- a. People in position of authority.
- b. The system rules and procedures.
- c. Their own commitment to achieving the goals of organization.
- d. Their own desire to accept by others and to be good members of their workgroup.
- e. Other, Please specify;-----.

3. What kind of motivation use your Bank.

- a. Money .
- b. Participation.
- c. Decision making.
- d. Other-----

4. Do you think that draw backs brought by the motivational approach in the Bank?

- a. Yes; -----
- b. No; -----

I. Please tick mark (✓) in the boxes corresponding to your response of a question.

		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	I feel that my job performance is fairly evaluated.					
2	I am satisfied with the recognition I receive for my accomplishment					
3	The pay matches my responsibility.					
4	I am satisfied with the Empower to influence the quality of my work.					
5	Money is my only motivator at the Bank.					
6	I am satisfied with my current salary.					
7	I am satisfied with the working conditions in the bank					
8	Banks leadership makes changes which are favorable to my work.					
9	Managers seem willing to invest in the motivational practices.					

II. Please tick mark (✓) in the boxes corresponding to your response of a question.

		Not at all True	Rarely	Sometimes	Mostly always True	Almost always True
10	I am satisfied with the overall job security.					
11	My department uses employee feedback to make improvement.					
12	The Motivational practices is fundamentally unfair					
13	Performance pay like bonus, made employees to reduce defect level					
14	Bonus payment helped to increase production of defect products					
15	The existence of growth opportunity in the banks helps employees to reduce waste in production process.					
16	The existence of recognition for good work, has given me an opportunity to work beyond the requirements of my job.					
17	The existence of safe working conditions has encouraged me to give sustained high performance at work.					
18	The existence of promotion has no effect on the level of output of my work.					

III. Please tick mark (✓) in the boxes corresponding to your response of a question.

		Lowly acceptable	Moderately acceptable	Neutral	Acceptable	Highly acceptable
19	The bonus payment has no effect on the quality of my work because it was already at the appropriate standard.					
20	The existence of growth opportunity given me an incentive to express myself at work with greater clarity.					
21	The reward practices of the Bank have significantly raised my motivation at work.					
22	The existing reward practices has made me willing to improving the quality of my work.					
23	The existing motivational practices has made me willing to increase the quantity of work I do.					
24	It would be better to base reward on the performance of groups rather than individuals.					
25	Salary increment in the banks is based on the level of loyalty to management.					

IV. Please tick mark (✓) in the boxes corresponding to your response of a question.

		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
26	Salary increment in the bank is based on the level of quality products produced.					
27	Bonus payment is based on achieving predetermined target production.					
28	The existing financial reward is not sufficient to motivate me on my work.					
29	In this Bank both praise and appreciation are used to extract work from the employees.					

30	Managers communicate frequently and honestly about issues affecting employees.				
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V. Please indicate to what extent you are motivated by the following aspects of your Banks and tick mark (✓) in the boxes corresponding to your response of a question.

Motivators	Highly Motivate	Motivate	Neutral	Lowly motivate	Not Motivate
Interesting work					
Fair bonus					
Job Security					
Good working conditions					
Promotions					
Growth opportunity					
Feeling of belongingness					

Other Suggestions:

Thank you for completing this questionnaire and your cooperation .
 Mesfin W/selassie
 +251 0913 16 81 04.

Semi structured interview questions to Managers.

1. Is there formal and structured motivational technique in place?
2. What do you think about the efficiency of the current motivational practices?
3. What do you think the reasons for high level of defects?
4. Do you think that motivational practices have something to do with the level of defect?
5. How is the trend of organizational achievement in terms of financial performance?
6. Do you think the salary and bonus payment has influence on the level quality service?
7. Do you think the existing growth opportunity motivates employees to perform better?

DECLARATION

I, the undersigned, declare that this thesis is my original work, prepared under the guidance of _____ . All sources of materials used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institution for the purpose of earning any degree.

Name

Signature

St. Mary's University College, Addis Ababa

February, 2013

ENDORSEMENT

This thesis has been submitted to St. Mary's University College, School of Graduate studies for examination with my approval as a university advisor.

Advisor

Signature

St. Mary's University College, Addis Ababa

February, 2013