



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

**Factors affecting employee motivation in Ethio-telecom**

**BY  
Meseret Haile**

**June, 2015  
ADDIS ABABA, ETHIOPIA**

**Factors affecting employee motivation in Ethio-telecom**

**In Partial Fulfilment of the Requirement for the  
Award of Masters of Business Administration  
(MBA)**

**By: Meseret Haile**

**Advisor: Temesgen Belayneh (PhD)**

**St. MARY'S UNIVERSITY  
SCHOOL OF GRADUATE STUDIES**

**June, 2015**

**ADDIS ABABA, ETHIOPIA**

**St. MARY'S UNIVERSITY**  
**SCHOOL OF GRADUATE STUDIES**

**Factors affecting employee motivation in Ethio-telecom**

**By:**

**Meseret Haile**

**Masters of Business Administration (MBA)**

**Approved by Board of Examiners**

**Dean, Graduate studies**

**Signature**

---

**Advisor**

**Signature**

---

**External examiner**

**Signature**

---

**Internal examiner**

**Signature**

---

---

## DECLARATION

I, declare that the project entitled “*Factors affecting employee motivation in ethio-telecom*” is my original work and has not been presented for a degree in any other university and that all sources of material used for the project have been duly acknowledged.

### Declared by:

Meseret Haile June, 2015

Student

Signature

Date

### Confirmation by Advisor

Temesgen Belayneh (PhD.) June, 2015

Advisor

Signature

Date

## **CERTIFICATION**

This is to certify that Ms. Mesret Haile has completed her project work entitled "*Factors affecting employee motivation in ethio-telecom*". As I have evaluated, her project is appropriate to be submitted as a partial fulfilment requirement for the Award of Degree in Masters of Business Administration (MBA).

**Advisor:** \_\_\_\_\_

Temesgen Belayneh (PhD.)

**Signature and Date**

## **ACKNOWLEDGEMENTS**

First and foremost, I would like to express my gratitude to God for his abundant grace that I am able to be what I am today. I also wish to express my deepest gratitude to my advisor, DR. Temesgen Belayneh for his intelligent guidance, encouragement and helpful advices during the whole process of research writing. Thank you for supporting and valuable insight. I am also deeply thankful to my husband for his assistance and encouragement. I also thank all respondents for their cooperation. Finally, I deeply wish to pay highest gratitude to Masresha Wondmagegn for his support, encouragement and advice.

## **LIST OF ACRONYMS**

CAAZ	Central Addis Ababa zone
EAAZ	East Addis Ababa zone
HQ	Head quarter
NAAZ	North Addis Ababa zone
SWAAZ	South Addis Ababa zone
WAAZ	West Addis Ababa zone

## LIST OF TABLES

Table 1: Response rate of questionnaires administered .....	25
Table 2: Reliability coefficients .....	26
Table: 3 Characteristics of respondents by Gender, Age and Educational background. ....	27
Table: 4. Number and percentage of respondents by work experience and category/group. ....	27
Table 5: motivational factors .....	29
Table 6 Descriptive statistics for employee perception regarding fair payments .....	33
Table 7 Descriptive statistics the company’s bonus payment system .....	34
Table 8. Descriptive analysis regarding financial rewards .....	34
Table 9 Descriptive statistics concerning to an attractive incentive plan which motivate employees.....	35
Table 10 descriptive statistics about opportunities for employee’s carrier growth and development .....	35
Table 11 providing appropriate training program relating to the job .....	36
Table 10. Descriptive statistics relating to tight supervision affects motivation .....	36
Table 11: Descriptive statistics regarding to team work adds more on motivation .....	37
Table 12: Feeling of team spirit and cooperation among co-workers and supervisors affect motivation positively. ....	38
Table13: Giving employees moral incentives, (Appreciation, respect, etc.) as well as physical incentives .....	38
Table 14: Descriptive statistics regarding the point that success of employees should be appreciated at all times.....	39
Table 15: providing challenging and interesting task .....	39
Table 16 Descriptive statistics with related to good working environment.....	40
Table 17 employee overall satisfaction on job security .....	41
Table 18 Summarized statistics of all factors .....	41
Table 19 correlation between the six independent variables .....	43
Table 21 Predictor of employee motivation.....	47
Table 22 tasting the model .....	42



# Table of Contents

<b>ACKNOWLEDGEMENTS</b> .....	<b>vi</b>
<b>LIST OF ACRONYMS</b> .....	<b>vii</b>
<b>LIST OF TABLES</b> .....	<b>viii</b>
<b>Table of Contents</b> .....	<b>ix</b>
<b>Abstract</b> .....	<b>xi</b>
<b>CHAPTER ONE</b> .....	<b>1</b>
<b>INTRODUCTION</b> .....	<b>1</b>
1.1. Background of the Study .....	1
1.2. Statement of the Problem.....	2
1.3. Basic Research Questions.....	4
1.4. Objectives of the Study .....	4
1.4.1. General Objective.....	4
1.4.2. Specific Objectives.....	4
1.5. Significance of the Study .....	5
1.6. Delimitation/ Scope of the Study .....	5
1.7. Definition of Terms.....	6
1.8. Organization of the research report .....	6
<b>CHAPTER TWO</b> .....	<b>8</b>
<b>REVIEW OF RELATED LITERATURE</b> .....	<b>8</b>
2.1. Introduction.....	8
2.2. The Meaning of Motivation.....	8
2.3. Work motivation .....	9
2.4. Motivation of an Employee .....	9
2.5. The Nature of Motivation.....	9
2.5.1. Intrinsic versus extrinsic motivation .....	10
2.6. Theories of Motivation .....	12
2.7. Content and process theory.....	12
2.8. Motivational Factors .....	14

2.9.	Factors Affecting Employee Motivation in the Workplace .....	17
2.10.	Empirical Studies .....	18
<b>2.11.</b>	<b>Conceptual Framework .....</b>	<b>19</b>
<b>CHAPTER THREE.....</b>	<b>.....</b>	<b>20</b>
<b>RESEARCH METHODOLOGY .....</b>	<b>.....</b>	<b>20</b>
3.1.	Research Approach and Method.....	20
3.1.1.	Target population, Sample size and sampling techniques .....	20
3.1.2.	Method of Data Collection .....	23
3.1.3.	Source of data.....	23
3.1.4.	Validity and Reliability .....	23
3.1.5.	Methods of data analysis .....	24
3.1.6.	Ethical Considerations.....	24
<b>CHAPTER FOUR.....</b>	<b>.....</b>	<b>25</b>
<b>DATA PRESENTATION ANALYSIS AND INTERPRETATION .....</b>	<b>.....</b>	<b>25</b>
4.1.	DATA PRESENTATION AND ANALYSIS .....	25
4.2.	Reliability of the Instrument .....	26
4.3.	Demographic profile of respondents .....	26
4.4.	Level of employees' perception towards motivational factors.....	28
4.4.1.	Assessment of the factors that determine employees' attitude towards motivation ..	29
4.4.2	Relative importance of motivational factors .....	31
4.5.	Descriptive Statistics for Perceptions of Employees Regarding Motivation .....	33
4.6.	Correlation analysis .....	42
4.6.1.	Inter component correlation .....	43
<b>CHAPTER FIVE.....</b>	<b>.....</b>	<b>49</b>
<b>SUMMARY, CONCLUSION AND RECOMMENDATION .....</b>	<b>.....</b>	<b>49</b>
5.2.	CONCLUSION .....	50
5.3.	RECOMMEDATIONS .....	52
5.4.	IMPLICATIONS FOR FURTHER RESEARCH.....	52
<b>References.....</b>	<b>.....</b>	<b>53</b>

## ***Abstract***

*Motivation is one of the most critical elements in the area of Human Resources Management. Companies design motivation systems not only to encourage employees to perform their best in the most efficient way, but also to attract future candidates to apply for specific posts. To be able to create an efficient motivation system, the key is to answer the question: What really motivates employees in an organization? To this end, the purpose of this research is to investigate factors affecting motivation amongst the employees of the company. A questionnaire survey was undertaken among 204 employees of the company to analyse their perceptions regarding motivation in workplace and also investigating the opinions of the supervisors of each department and also with Managers about the same issue.*

*In this study the researcher used descriptive research design with 5 likert scale to measure variables and Data was qualitatively collected through close-ended questionnaires. Data was analysed through correlation and multiple regressions using SPSS software. According to the study, it was found out that job security, financial factors and work condition are the most influencing factors. Generally, the company should focus on employees motivational factors especially job security, financial factors and work condition,*

*Key words: Motivation, ethiotelecom, employees, recognition, Job security*

# CHAPTER ONE

## INTRODUCTION

### 1.1. Background of the Study

The existence or going concern of any business organization, whether in the service sector, manufacturing or merchandising, is dependent on its profitability. After all, the primary objective of any business organization is maximizing the wealth of its shareholders and this is achieved through the organization's profitability. The organization's profitability is maintained and maximized by having effective and motivated employees. Different studies acknowledged that the more employees are motivated, the more will be their effort towards maximizing the level of the organization's profitability, by which its contribution for the maximization of the wealth of the organization's shareholders will increase. According to Armstrong (2009), high performance is achieved by well-motivated people who are prepared to exercise discretionary effort. To motivate people it is necessary to appreciate how motivation works, this means understanding motivation theory and how the theory can be put into practice. However, one of the biggest challenges that the business world is facing today is lack of awareness how to motivate their employees and enable them more dedicated, persistent and have intensified effort towards achieving the organization's goals. Basically, the way employees are motivated should not be made arbitrarily and should be undertaken in a more systematic and coordinated manner, even this should be supported with continuous and realistic assessment or survey of the need of the employees.

In this regard, employees' attitude surveys have been frequently used to ascertain what sparks and sustains their desire to work hard. However, not all organizations understand and acknowledge the need for motivation of their employees and consequently suffer from low performance of employees, which has direct impact on their low profitability. This is due to the fact that motivation of an organization's employees is influenced by a number of factors, which this paper tries to assess.

Ethio-telecom, the sole provider of telecom services in Ethiopia, has 11,748 employees all over the country. Even though customers have no choice except ethiotelecom to get telecom services, a number of factors influence the motivation of its employees and motivating them will have a direct impact on the maximizations of its profit. However, it is common to hear customers complaining on the service of the company. The researcher has witnessed this and heard customers complaining, for instance, on network quality, cost of service and customer handling. Most of them assume that this is associated with low performance of employees and they also consider employees as less motivated with low sense of ownership. However ethio-telecom offers relatively high salary and very attractive benefit packages which might be a motivating factor for employees.

According to Armstrong (2009), People are motivated when they expect a course of action is likely to lead to the attainment of a goal and a valued reward – one that satisfies their needs and wants.

Hence, the purpose of this study is to identify and critically evaluate the factors influencing the motivation of the employees and draw the attention of the company to take care of its employees' motivation and to identify factors that motivate them in order to achieve its objectives. Moreover, it also aimed to contribute its own share in indicating a way how motivated employees will increase customer handling mechanisms and how it gives values to the company as well as the customers, which intern maximize the company's profitability.

## **1.2. Statement of the Problem**

ethiotelecom is the sole and state owned provider of telecom services in Ethiopia, so that for most of its customers, the need to buy its products is not a matter of choice, rather it is a matter of buying or not at all. These days, information is becoming the heart of everything and the device for this information is provided with ethiotelecom. Consequently most of the company's employees may perceive that they are not required to invest more effort towards keeping the comfort of their customers if the customers' choice is very limited. It is believed that this has contributed for employees' motivation to be considered by customers as low. However, in the modern world of globalization,

this seems not working, especially in the telecom sector as this is the sector connecting parts of the world as if they are in one village.

Recent study on organization health survey (OHS) made by McKinsey and company in ethiotelecom indicated the existence of low employee motivation. In addition to this, there are also a lot of complaints on employees indicating that high salary and attractive benefit packages are not enough to motivate them and are seeking other motivational factors, which became part of this study, and it seems that salary and related benefit packages are not the only motivating factors for most of the employees.

As stated on Armstrong (2006), Doubts were cast on the effectiveness of money by Herzberg et al (1957) because, they claimed, while the lack of it can cause dissatisfaction, its provision does not result in lasting satisfaction. There is something in this, especially for people on fixed salaries or rates of pay who do not benefit directly from an incentive scheme. They may feel good when they get an increase; apart from the extra money, it is a highly tangible form of recognition and an effective means of helping people to feel that they are valued. But this feeling of euphoria can rapidly die away. Other dissatisfactions from Herzberg's list of hygiene factors, such as working conditions or the quality of management, can loom larger in some people's minds when they fail to get the satisfaction they need from the work itself. However, it must be re-emphasized that different people have different needs and wants. Some will be much more motivated by money than others. What cannot be assumed is that money motivates everyone in the same way and to the same extent.

According to JD Rucker's study (2012) posted on [www.businessinsider.com](http://www.businessinsider.com), for employees, the way to keep them satisfied isn't all about money. Despite common perceptions, money is only a component of the motivation to stay and enjoy a job. In those industries where talent is coveted, like the case of ethiotelecom, the proper motivational techniques often have very little to do with the size of the pay check.

Moreover, according to JD Rucker, in a recent study by Sales force's social performance management division, Rypple, some surprising disclosures came to light and recognition, for example, was one of the key factors that employees felt were lacking at their profession. Nearly 70% of employees said they would work harder if they were better recognized for their efforts. Consequently, the main purpose of this study is to

investigate whether this is the case at ethio-telecom and to have some inference on employees' motivating factors other than money and benefit packages at ethio-telecom.

### **1.3. Basic Research Questions**

In line with the above statement of the problem, this research paper is expected to address the following basic research questions.

1. What are the major factors that influence employees' motivation at ethiotelecom?
2. To what extent of ethio-telecom financial and non-financial rewards motivat the staffs?
3. What is the relationship between motivational factors and employee performance?
4. What are the dominant motivational factors that influence employee performance?
5. What is employee's attitude towards motivational factors?
6. What measures should be taken by the company (ethiotelecom) to identify and address those factors?

### **1.4. Objectives of the Study**

#### **1.4.1. General Objective**

Generally, the objective of this research paper is to investigate the factors affecting employee's motivation at ethiotelecom.

#### **1.4.2. Specific Objectives**

Under the overall framework of the above general objective, this research paper also has the following specific objectives.

- To examine the attitudes of staff towards financial and non-financial rewards.
- To identify the most dominant motivational factors on employees' performance.

- To discover the relationship between employee motivation and performance.
- To give possible suggestions and recommendations on the proper management of factors affecting employee motivation.
- Last but not least, the author believes that this paper may also serve as future reference material for similar research papers which are going to be studied on similar issues.

### **1.5. Significance of the Study**

Basically, research studies are important tools used for decision making. If different organizational level decisions could not be supported by appropriate studies and assessments, their practicability and application may not be realistic and effective or could lead to wrong decisions. Accordingly, it is highly believed that this research paper could contribute and have a material significance in terms of:

- Drawing the attention of the company towards giving due consideration and attention for the factors which could influence the motivation of its employees
- Creating awareness about the factors influencing the employees motivation
- Highlighting the importance of motivating employees for the achievement of organizational goals through customer satisfaction.
- Pointing out the consequences of not managing and addressing the factors influencing the motivation of the employees
- Suggesting possible recommendations for the company on the best practices in managing and addressing the factors influencing the employees motivation

Additionally, the study could also be used as a reference for further studies to be undertaken in the future on the same or related matters.

### **1.6. Delimitation/ Scope of the Study**

It would have been good to study the factors that influence motivation of the entire employee at ethiotelecom located all over the country, so that all the information could be full enough. However, there are constraints in terms of time, money and experience and consequently, the scope of this study is limited to employees working at head office and six other shops of the company located in Addis Ababa. After all, ethiotelecom is a



big and complex organization having a large number of branch offices all over the country. These offices are highly dispersed and distantly located geographically which could limit their accessibility. Another expected limitation was that the target respondents may not give the right answer due to fear of unnecessary consequences of their responses which may come from third parties, probably from the company, even though they were told that their response would be kept and handled confidentially . Accordingly, all possible remedial actions have been taken to hinder those limitations from being materialized.

### **1.7. Definition of Terms**

The main theme of this research paper is investigating the factors by which employees' motivation could be affected. Conceptually and operationally, the relevant terms of this study has been defined as follows:

- ❖ **Motivation** – is defined as a psychological feature that induces an organism to act towards a desired goal and causes, controls, and sustains certain goal-directed behaviours. It can be considered as a driving force; a psychological one that compels or reinforces an action toward a desired goal (*Wikipedia, the free encyclopedia*).
- ❖ **Factor** -could be defined as a reason or a cause for something to happen.
- ❖ **Influence** could also be defined as an impact for the action of someone.

### **1.8. Organization of the research report**

This research paper has been organized in different components or categories and contains five basic chapters as follows:

Chapter one – Introduction. This chapter contains background of the study, statement of the problem, basic research questions and objectives of the study, definition of terms, significance of the study and delimitation/scope of the study.

Chapter two – Review of related literature. This is a chapter dealing with previous studies and literatures relevant to the study and it also includes theoretical and empirical evidences related to the study.

Chapter three – Methods of the study. In this chapter the type and design of the research paper, the conceptual framework adapted from previous studies, analysis of participants of the study, the sources of the data, the data collection tools or instruments employed, the procedures of data collection and the methods of data analysis used have been described.

Chapter Four – Analysis and presentation. This is a chapter which summarizes the results or findings of the study and it also interprets and discusses the findings by extensive use of the literature review.

Chapter five –conclusion and recommendation. Under this chapter the summary of findings, conclusions, limitations of the study and possible recommendations have been described precisely.

## **CHAPTER TWO**

### **REVIEW OF RELATED LITERATURE**

This section gives an overview of the literature on the basics of Human Resources Management as well as an excerpt on Motivation, along with the various theories on motivation.

#### **2.1. Introduction**

There are lot of factors augmenting to the pressure on today's organizations such as globalization, frequent organizational changes and diversity. To overcome these challenges there arises a greater significance and responsibility for the Human Resource function in every organization. Human Resources Management plays a critical role in making organizations more efficient and also strategically facilitates the improvement of talent acquisition, training & development, remuneration, performance management and most important of all, motivation. A special emphasis is given to motivation since it is extremely necessary to procure quality work and better output from employees. This paper undertakes an in-depth study on the factors that affect motivation in employees of ethiotelecom, and explores how the organization can convert those challenges into opportunities for growth.

#### **2.2. The Meaning of Motivation**

Motivation is the driving force that makes people willingly want to put in their best in what they do. Many contemporary authors have defined the concept of motivation. Baron (1983) describes motivation as, “an accumulation of different processes which influence and direct our behaviour to achieve some specific goal”. Pinder (2008) referred that, “Work motivation is a set of energetic forces that originate both within as well as beyond an individual’s being, to initiate work related behaviour, and to determine its form, direction, intensity and duration.” According to L. Deckers (2010), Motivation is a person’s internal disposition to be concerned with and approach positive

incentives and avoid negative incentives. To further this, an incentive is the anticipated reward or aversive event available in the environment.

### **2.3. Work motivation**

Work motivation is a set of energetic forces that originate both within as beyond an individual's being, to initiate work-related behaviour and to determine its form, direction, intensity, and duration Kirmanen, (2010). Getting people to do their best at work is one of hardest challenges of managers. The importance of employees' satisfaction and motivation is being more and more important every day in the enterprises. Nohria, Groysberg, and Lee explain that the four drivers that underline motivation are: acquire, bond, comprehend and defend. They also point out that the organizational levels of motivation are: the reward system, the culture, the job design and performance-management, and resource-allocation processes Nohria, (2008). Motivated people make decisions to dedicate considerable effort to obtain something that they value. Researches show that indeed there is a relation between motivation and performance, Deci& Gagne, (2005).

### **2.4. Motivation of an Employee**

Motivation is an employee's intrinsic enthusiasm and drives the employee to accomplish the activities related to work (Chaudhary& Sharma, 2012). Salanova and Kirmanen explain that the process of motivation starts with the recognition of unsatisfied needs. Then a goal needs to be established to satisfy this need. Rewards and incentives may be established for employees to better accomplish the given goal. The social context also affects the motivation level. This context consists of organizational and cultural values, but also includes leaderships and management as well as the influence of the group or team (Salanova & Kirmanen, 2010). Motivation increases effectiveness beyond the organization by improving the willingness of the employees to work.

### **2.5. The Nature of Motivation**

According to Griffin (2008), Motivation is the set of forces that cause people to behave in certain ways. Employee may choose to work as hard as possible at a job, just hard

enough to avoid a reprimand, or do as little as possible. The goal for the manager is to maximize the likelihood behaviour and minimize the likelihood of the last. This goal becomes more important when we understand how important motivation is in the workplace. The importance of employee motivation in the workplace, the individual performance is generally determined by three things: Motivation (the desire to do the job), ability (the capability to do the job), and the work environment (the resources needed to do the job). If an employee lacks ability; the manager can provide training or replace the worker. If there is a resource problem, the manager can correct it but, if motivation is the problem, the task for the manager is more challenging. Individual behaviour is a complex phenomenon, and the manager may be hard pressed to figure out the precise nature of the problem and how to solve it. Thus motivation is important because of its significance as the determinant of performance and because of its intangible character.

## **2.5.1. Intrinsic versus extrinsic motivation**

### **I. Intrinsic motivation**

Intrinsic motivation is the self-desire to seek out new things and new challenges, to analyse one's capacity, to observe and to gain knowledge. It is driven by an interest or enjoyment in the task itself, and exists within the individual rather than relying on external pressures or a desire for reward. The phenomenon of intrinsic motivation was first acknowledged within experimental studies of animal behaviour. In these studies, it was evident that the organisms would engage in playful and curiosity driven behaviours in the absence of reward. Intrinsic motivation is a natural motivational tendency and is a critical element in cognitive, social, and physical development. Students who are intrinsically motivated are more likely to engage in the task willingly as well as work to improve their skills, which will increase their capabilities. Students are likely to be intrinsically motivated if they:

- attribute their educational results to factors under their own control, also known as autonomy or locus of control
- believe they have the skills to be effective agents in reaching their desired goals, also known as self-efficacy beliefs
- are interested in mastering a topic, not just in achieving good grades

## **II. Extrinsic motivation**

Extrinsic motivation refers to the performance of an activity in order to attain a desired outcome and it is the opposite of intrinsic motivation. Extrinsic motivation comes from influences outside of the individual. In extrinsic motivation, the harder question to answer is where do people get the motivation to carry out and continue to push with persistence. Usually extrinsic motivation is used to attain outcomes that a person wouldn't get from intrinsic motivation. Common extrinsic motivations are rewards (for example money or grades) for showing the desired behaviour, and the threat of punishment following misbehaviour. Competition is an extrinsic motivator because it encourages the performer to win and to beat others, not simply to enjoy the intrinsic rewards of the activity. A cheering crowd and the desire to win a trophy are also extrinsic incentives.

Social psychological research has indicated that extrinsic rewards can lead to over justification and a subsequent reduction in intrinsic motivation. In one study demonstrating this effect, children who expected to be (and were) rewarded with a ribbon and a gold star for drawing pictures spent less time playing with the drawing materials in subsequent observations than children who were assigned to an unexpected reward condition. However, another study showed that third graders who were rewarded with a book showed more reading behaviour in the future, implying that some rewards do not undermine intrinsic motivation. While the provision of extrinsic rewards might reduce the desirability of an activity, the use of extrinsic constraints, such as the threat of punishment, against performing an activity has actually been found to increase one's intrinsic interest in that activity. In one study, when children were given mild threats against playing with an attractive toy, it was found that the threat actually served to increase the child's interest in the toy, which was previously undesirable to the child in the absence of threat. (source:<http://en.wikipedia.org/wiki/Motivation>)

## **2.6. Theories of Motivation**

Several theories of motivation were developed to identify the factors of motivation that influence human behaviour in different ways. In 1970, Campbell et al classified motivation theories into two general categories of content and process theories (Campbell, 1976).

## **2.7. Content and process theory**

### **A). Content Theory**

Content theories attempt to explain what drives individuals to act in a certain manner based on a universal understanding that all human beings have needs, which pursue them to satisfy these needs lead to motivation.

Maslow (1943) identified five human needs categorized them based on the priority of needs fulfilment. According to Maslow's Hierarchy of needs theory, which consists of the physiological levels: safety and security, social, esteem or egoistic, self-fulfilment or self-actualization. Maslow's Hierarchy of needs can illustrate a theoretical explanation of why salary is important. In Maslow's Hierarchy of needs, when basic necessities of human being are fulfilled, the individual wants to use his capabilities at a full potential (Maslow, 1943). If the organization is not providing him opportunities to overcome his job assignments up to the level of his abilities, he will never be satisfied. It also increases the level of stress in the place of work.

Alderfer (1969), however, revised the hierarchy needs theory by revamping five human core needs into three broad groups, such as "existence", "relatedness", and "growth", which is known as ERG theory. The "existence need" is concerned with providing the basic materials similar to Maslow's physiological needs and security needs. The "relatedness need" refers to a personal relationship, which are similar to Maslow's belongingness and esteem needs and "growth needs" is about intrinsic desire for personal development, which is similar to Maslow's self-actualization need. ERG theory, however, contrast with hierarchy theory in few aspects. According to ERG theory, sometimes multiple needs might be acted as motivation drivers at the same time

where one need appears to be more dominant than others (Lai, 2009), and higher levels of needs might come forward before fulfilling the lower level of needs.

According to Herzberg's Motivation-Hygiene Theory, to create satisfaction it is needed to address the motivational factors that are associated with work (He calls it "Job Enrichment"). Every job should be examined to determine how it could be improved to satisfy more the employee. Herzberg's work categorized motivation into two factors: motivators and hygiene's (Herzberg, Mausner,&Snyderman, 1959). Motivator or intrinsic factors, such as achievement and recognition, produce job satisfaction. Hygiene or extrinsic factors, such as pay and job security, produce job dissatisfaction.

### **B). Process theories**

Process theories of motivation concentrate on how employee's needs influence their own behaviour. In this perspective, "need" accounts for one component of the process through which individuals decides how to behave.

According to Vroom (1964), people are motivated to do things to reach a goal if they believe in the worth of that goal. Kootz et al, (2007). This theory suggests that employee's motivation depends on "expectancy", "instrumentality" and "valence". Expectancy theory explains how reward can lead one's behaviour to achieve the company's goal. An employee is willing to perform with a high level of effort when he or she believes that this will lead to desired rewards the theory states that that motivation is present only when employees realize a positive correlation that effort leads to job performance and job performance leads to rewards Griffin, (2008).

Locke Edwin (1968) suggests the Goal-setting theory of motivation. The theory emerged from the idea of expectancy theory where a goal setting is a vital tool, which acts as an "immediate regulator of human action" Locke et al., (1981) that leads employees towards achieving the goal. "Goals affect performance by directing attention, mobilizing effort, increasing persistence, and motivating strategy development" (ibid). Setting a specific and challenging goal caused higher performance than no or not specific or did simple goal (ibid). Setting goal generally does not include motivational needs but enforce employees to be more productive to achieve the task they have given and as an obvious result it leads to some reward. In the case of complex



tasks, however, this theory is not effective and if the goal set for individuals is not align with the goals of the organization, conflict may crop up, which causes lack of motivation and ultimately impair individuals' performance.

The equity theory (1963) of motivation assumes that an individual is strongly motivated by a balanced result of input (such as effort, loyalty, hard work, commitment, skill, ability, adaptability, tolerance, determination, personal sacrifice, etc.) and

Output(such as pay, salary, other benefits, recognition, reputation, praise and thanks, promotion, etc.)i.e. what an employee contributes and receives against of it. The theory is used to explain how employees' judge the fairness of rewards received in proportion to resources invested for completing a task by assessing one's own investment-reward ratio, and comparing it against of another colleague holding a similar position, McShane et al., (2000)

## **2.8. Motivational Factors**

Human beings are motivated by satisfying their different kind of needs. Needs depend on many factors and vary by the person, situation, organization, nature of works, risk, educational background of employees, experiences and skills, position of work etc.

All employees, therefore, have their own motivational factors to motivate them to perform their bests (Lin., 2007).

Motivation is yield to many elements as financial factors (salary), carrier growth and development, job security, working condition, training and development, recognition, co-worker and Supervisor Relations, Workloads and promotion.

### **A) Financial rewards (Salary)**

Money has been pointed out as a motivational factor by a large number of researchers. It is often seen as a symbol of success and also associated with comfort and security, Engelberg and Sjöberg, (2006). It is considered as an advantage for the managers, because they can use money as a strategy since money can have a great impact on employees' performance. Some researchers have stated that motivation is the main instrument to be used. Knowing that it exists a direct correlation between salary and the

results obtained, Androniceanu, (2011). Some researchers suggest Murphy, (1981) that the employee should be motivated through a proportional salary according to the efforts done in the job. There are other important factors as well, but having a satisfactory salary is among the top factors.

### **B. Carrier growth and development**

Skills development, training growth opportunity and promotion are considered to be powerful motivation factors for employees to satisfy their need for esteem and self-actualization Lai, (2009). According to the Herzberg two factor theory, personal growth and development are known to be intrinsic factor, which make employee satisfied when these are met, and they, thereafter, become motivated. However, criteria must be set correctly for the purpose of promotion and growth, so that employees become motivated by fulfilling those, Brewster et al., (2003). Promotion and growth policy should be matched to the need of employees, Hoag and Cooper (2006).

### **C. Co-worker and Supervisor Relations**

Good relationship between supervisor and the worker is a convincing issue which causes work satisfaction. Employee's bad feeling to their immediate authority impact on their job performance which leads to dissatisfaction and lack of motivation. According to Tyilana (2005) unfavourable supervision, company policy and administration and interpersonal relationship with supervisor cause 60% job dissatisfaction. There is a variety of ways to develop the relationship such as, through task (giving feedback, taking ideas from employee, giving consultation etc.) and non-task (showing respect, caring employees as individual etc.)

### **D. Recognition**

Appreciation is one of the most top desires of employees which motivate and keep them productive, glanz, (2002) by enhancing the employee's morale, which "allows them to think better of themselves and their ability to contribute towards organization goals. Employees with high self-esteem are more intrinsically motivated, optimistic, willing to work harder, participating at work, work efficiently, and have lower absenteeism rate and are generally more satisfied with their jobs" Lai, (2009).

Herzberg two factor theory described the recognition as a motivating factor that makes employees satisfied. There are several ways to recognize employees including greeting for better jobs, attach thanks to their pay checks, acknowledge employee milestones, staff gathering outside the organization, highly appreciation for coming up with new ideas, holding celebration for success arranging frequent contests and other team building activities etc.

However, few important matters should be kept in mind when recognizing employees such as equal recognition for all recognize immediate after they deserve it, exaggeration is unexpected McConnell, (2006).

#### **E). Work condition**

Nature of work and its surrounding environment is the factor that affects the level of motivation of employee significantly. Tyilana, (2005) suggests that three motivational factors such as achievement, recognition and work itself cause 88% job satisfaction. According to Maslow's hierarchy of needs theory safety and security needs come after fulfilling biological and physiological needs. Appropriate job security assurance, challenging work, work that yields a sense of personal accomplishment, increased responsibility are factors cause motivation, Daschler and Ninemeier (1989),in Petcharak,(2002). However, "good working conditions cannot motivate the employees in themselves, but can determine the employee's performance and productivity". Lin, (2007)

#### **F). Job security**

Job security is one of the major concerns of employees in this sector now a day since huge retrenchment has been seen recently. It is a safety factor, according to Maslow. In the age of downsizing, employees are always in a fear about their job security. Any minor changes in the working environment would make them worried about their security. Organizations have to ensure proper communication if any crucial change occurs in the organization. On the other hand, job security is a hygiene factor according to Herzberg. If there is lack of job security, job dissatisfaction will occur. But if it is present in the workplace it will prevent job dissatisfaction but do not lead to satisfaction.

## **G) Workloads**

Workloads refer to the intensity of the job assignments. It has commonly been the amount of work assigned or the amount of work expected to be completed by a worker in a time period Dasgupta, (2013). It is a source of mental stress for employees. Stress is an active states of mind in which human face opportunity and constraint Robbins, (1996). Workload can negatively affect its overall performance. The main objectives of assessing and predicting workloads are to achieve an even distribute, manage workload and determine the resource s needed to carry out the work, Dasgupta, (2013). It is difficult to have a full control over all the workloads at all the time. But it is possible to recognize its effects and take in advance some actions. Finally, for using the workload analysis as a methodology, it is important to set time, efforts and resources with the idea of enforcing the department's activities and achieve their objectives.

## **H) Promotion**

Promotion is one of the most efficient ways to keep employees motivated by offering them opportunities along their careers, giving them more responsibilities or even more authority. It may be applied by giving the opportunity to increase the salary compensation. This commodity can also cover a part of security needs by increasing the buying power of the employee. Promotions help assigning workers to jobs that better suit their abilities and are a way to move up quickly the talented workers, Gibbons(1997). It can be used to reward the employee's past efforts, promote investments in specific human capital and have lower rates of job-turnover.

### **2.9. Factors Affecting Employee Motivation in the Workplace**

Motivated employees are needed in our rapidly changing workplaces. Motivated employees are needed for the survival of the organizations and it helps to increase productivity. Employee performance is directly related to motivational factors. To be effective, managers need to understand what motivates employees within the context of the roles they perform. Of all the functions a manager performs, motivating employees is arguably the most complex. This is due, in part, to the fact that what motivates employees changes constantly Bowen & Radhakrishna, (1991). Organizations can motivate the workforce most through introducing appropriate reward and recognition

programs and other benefits. Bishop (1987) suggested that, pay is directly related with productivity and reward system depends upon the size of an organization. Effective reward and recognition system can be a good motivator but inappropriate reward and recognition program increase de-motivation of the employees. Research undertaken by Kovach (1987) suggested that, as employees' income increases, money becomes less of a motivator. Also, as employees get older, interesting work becomes more of a motivator.

## **2.10. Empirical Studies**

According to some previous researches, it is seen that factors that affect the employees of different organizations in a negative way are- insufficient wage and job insecurity, limited training programs, lack of new opportunities etc. Moreover, with the pace of time several other factors have been revealed which negatively affect employee motivation and performance. That's why there are different researches made by researchers to determine the factors that motivate the employees in a positive way and as a result of these researches too many factors have been found Mak&Sökel, (2001); Velo& Mitta, (2006). A study of industrial employees, conducted by Kovach (1987), yielded the following ranked order of motivational factors: (a) interesting work, (b) full appreciation of work done, and (c) feeling of being in on things. Another study of employees, conducted by Harpaz (1990), yielded the following ranked order of motivational factors: (a) interesting work, (b) good wages, and (c) job security. Research conducted by Lindner (1998) by using a descriptive survey of twenty five (25) employees in research centre, rank-ordered the motivational factors affecting employee performance as: (a) interesting work, (b) good wages, (c) full appreciation of work done, (d) job security, (e) good working conditions, (f) promotions and growth in the organization, (g) feeling of being in on things, (h) personal loyalty to employees, (i) tactful discipline, and (j) sympathetic help with personal problems. When comes to 2000s years, factors that motivate employees are seen to be changed as there are technological developments, rapid increase of competitive factors among businesses and changes in employee needs as well as noticeable increase of female counterparts into the workforce are seen to be effective. For example, in the research of Ölçer (2005) to determine what are the ranked factors that affect working staff motivations are job security, good relations with superiors, wage and appreciation based on fair

performance, trustful and cooperative relations with workmates, appropriate working environment, ensuring opportunities for social development, doing group work, giving important and appropriate works in accordance with employee's skills and work rotation. Ölçer stressed that there is a meaningful relation in a positive way between motivation level and performance level. A study on fast food industry conducted by Hossain and Hossain (2011) found several different factors according to the order of importance- Good wages, overall job security, training and development, benefits, evaluating performance fairly, accepts mistakes positively, availability of logistics supports, opportunities for career growth and development, flexible working hour, recognition, challenging work, reasonableness in work. Based on a researches and extensive literature review the following conceptual frame work has been adapted.

## 2.11. Conceptual Framework

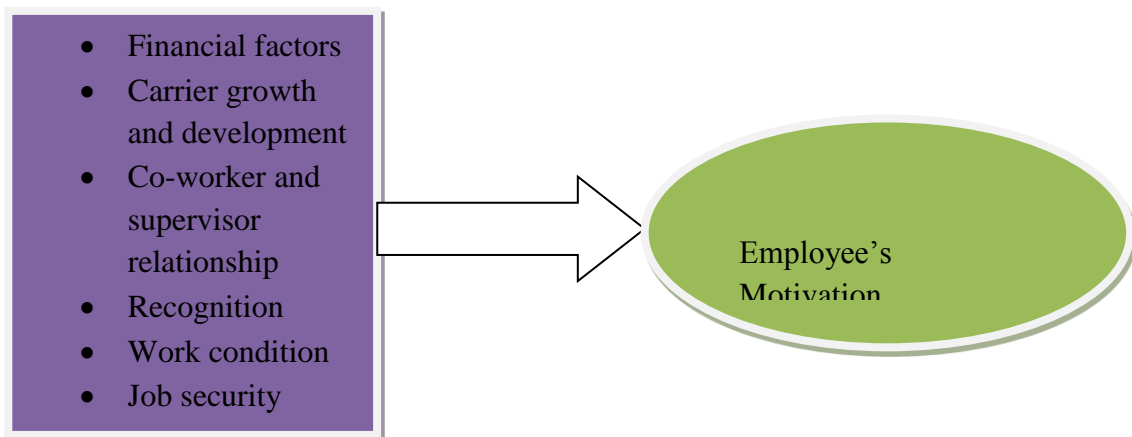


Fig 1. Research Model

*Source: adapted from: Rashid Saeed, (2013).*

Figure 1; show that the independent variables including financial factors, carrier growth and development, relationship with co-workers and supervisor, recognition, work condition and job security may affect the dependent variable (overall employees' motivation) in ethio-telecom.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1. Research Approach and Method**

There are two well-known research design methods (qualitative and quantitative). In a qualitative research design, the researcher relies on qualitative data in nature and often depends on key informants, opinions and suggestions. Common qualitative research designs include: case study, ethnography, phenomenological study, grounded theory study and content analysis. Each design has its own particular setting and its choice depends on the researcher's problem statement or research question to be answered.

On the other hand, quantitative research design involves quantitative information that can be summarized through statistical analyses. Quantitative research design encompasses: observation studies, correlation research, developmental studies and survey research. Data collection instrument in a quantitative research design often makes the use of checklists and defined point rating scales (Leedy and Ormrod, 2010).

Based on this, the researcher has used mixed approach used to know employees perception towards motivational factors.

##### **3.1.1. Target population, Sample size and sampling techniques**

As of March, 2015 ethiotelecom has 11,748 employees all over the country. It has fourteen high level regional and zonal shops throughout the country which have a total of 216 sub-shops under these high level shops. Out of these high level shops eight shops found in the regions and the remaining six shops found in Addis Ababa. Due to geographical and resource constraints to study the overall employees of the company the researcher has chosen employees of six zonal shops found in Addis Ababa and Head quarter as a target population which have total of 7,191 employees included in the study by using simple random sampling technique (lottery sampling). The rationale of administering this technique is according to Geoffrey, (2005), simple random

sampling method involving selecting randomly from a list of the population (a sampling frame) which is the required number of subjects for the sample.

As cited in Glenn, 2012, there are several approaches to determine the sample size, this includes using a census for small populations, imitating a sample size of similar studies using published tables and applying formula to calculate a sample size. Among all these alternatives, this study prefers the formula derived by Yamane, (1967) cited in Glenn, 2012, rule of thumb, based on the information from the data, for the population of 7,191 at 7% margin of error and 93% confidence level the sample size is 204.

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

Where n =sample size, N =population size, e =level of precision given that 93% confidence level and P = ±7% are assumed.

$$n = \frac{7191}{1 + 7191(0.07)^2}$$

$$n= 204$$

The researcher used 204 respondents as a sample. In addition selection of respondents was made by convenience sampling (non - probability sampling). And to determine the sample size of the selected branch, the researcher used one of the non- probability sampling technique i.e. proportional sampling. According to Catherine (2007), proportional sampling is a non-probability version of stratified sampling. The distinguishing feature of a proportional sampling is that guidelines are set to ensure that the sample represents certain characteristics in proportion to their prevalence in the population.



## Sample size

Office	HQ	CA AZ	NAA Z	SAA Z	EAAZ	SWAAZ	WAAZ	TOTAL
No.of employees	911	700	1200	800	1380	1160	1040	7191
percentage	0.127	.097	0.167	0.111	0.192	0.161	.0144	100%
Sample size	26	20	34	23	39	33	29	204

Accordingly the sample for HQ, CAAZ, NAAZ, SAAZ, EAAZ, SWAAZ and WAAZ was 26, 20, 34, 23, 39, 33 and 29 respectively. The method of calculation is as follows;

$$\text{HQ } \frac{911}{7191} = 0.127 \text{ (Percentage out of the total population)}$$

$$0.127 * 204 = 26 \text{ (No. of respondents out of the total sample size)}$$

$$\text{CAAZ } \frac{700}{7191} = 0.097 \text{ (Percentage out of the total population)}$$

$$0.097 * 204 = 20 \text{ (No. of respondents out of the total sample size)}$$

$$\text{NAAZ } \frac{1200}{7191} = 0.167 \text{ (Percentage out of the total population)}$$

$$0.167 * 204 = 34 \text{ (No. of respondents out of the total sample size)}$$

$$\text{SAAZ } \frac{800}{7191} = 0.111 \text{ (Percentage out of the total population)}$$

$$0.111 * 204 = 23 \text{ (No. of respondents out of the total sample size)}$$

$$\text{EAAZ } \frac{1380}{7191} = 0.192 \text{ (Percentage out of the total population)}$$

$$0.192 * 204 = 39 \text{ (No. of respondents out of the total sample size)}$$

$$SWAAZ \frac{1160}{7191} = 0.161 \text{ (Percentage out of the total population)}$$

$$0.167 * 204 = 33 \text{ (No. of respondents out of the total sample size)}$$

$$WAAZ \frac{1040}{7191} = 0.144 \text{ (Percentage out of the total population)}$$

$$0.167 * 204 = 29 \text{ (No. of respondents out of the total sample size)}$$

### **3.1.2. Method of Data Collection**

Both primary and secondary data have been collected and used for the study. The primary data has been gathered by using structured questionnaires which has been developed and disseminated to be filled by the target sample group. The questionnaire was developed in English and had two parts, the first part was relating to demographic profile of respondents and the second part was about the perception of respondents towards factors affecting motivation of employees in ethiotelecom. Secondary data has also been collected from ethiotelecom websites, books, reports, magazines and journals.

### **3.1.3. Source of data**

The study has used both primary and secondary data sources. Primary sources of data have been gathered from respondents. A questionnaire has been prepared to get idea about perception towards employee's motivation in ethio telecom. Secondary sources of data have also been collected from different books, journals, websites and documents related with, employee motivation.

### **3.1.4. Validity and Reliability**

Validity defined as the extent to which data collection method or methods accurately measure what they intended to measure. To ensure the validity of the study: Data has been collected from the reliable sources, i.e. respondents who have experiences in ethiotelecom. Furthermore the study has been examined by the advisor and other colleagues to determine its clarity. The reliability of the research instrument (structured questionnaire) was also measured by the cronbache's alpha.

### **3.1.5. Methods of data analysis**

The researcher has employed descriptive data analysis method to analyse the collected data and data collected through questionnaires has been analysed by SPSS. The collected data has been clearly presented by using tables which are expressed in the form of frequency, percentage, mean and standard deviation. To examine the relationship between employees' motivation and factors affecting it, the Pearson's Correlation has been used. Moreover, multiple regressions has also been used to identify the most important factors of motivation that contribute to employee's motivation or to find out which variables have the greatest influence on employee motivation. The researcher described and analysed clearly each findings of the study.

### **3.1.6. Ethical Considerations**

Research, as a scientific process and activity, has got its own basic ethical conducts that shouldn't be compromised at all levels. For instance, any source that is quoted and used as essential part of the study should be cited. That means, acknowledging the authors of books and articles is necessary. Moreover, the data were gathered from the appropriate and relevant sources. Therefore, with respect to the current study, the researcher has respected and complied with existing ethical principles to make the research credible and acceptable by the academic communities and users of the result.

The confidentiality of participants' (managers, union leaders and employees) were maintained in that their names, addresses, signature and their roles in company were not appeared and filled in the questionnaire. In addition, respondents were fully volunteers to participate in the study and their rights/privacy was respected. The researcher has presented the findings of the study without any distortion of the reality.

## CHAPTER FOUR

### DATA PRESENTATION ANALYSIS AND INTERPRETATION

#### 4.1. DATA PRESENTATION AND ANALYSIS

The data after collection has been processed and analysed in accordance with the outline and down for the purpose at the time of developing research plan. Technically speaking, processing implies editing, coding, classification and tabulation of collected data so that they are amenable to analysis.

The analysis is based on the information obtained from 204 employees. In order to get a representative data, 204 questionnaires were developed and distributed to employees of ethiotelecom in Addis Ababa. Out of these 204 questionnaires distributed to the respondents, 179 questionnaires were collected. Thus, the analysis is based on the valid 179 questionnaires responded by employees. The rest are not correctly filled (14) and not returned (11). The following table shows the response rate.

Table 4.1: Response rate of questionnaires administered

Item	Employees of ethiotelecom		
	Correctly filled and returned	Not correctly filled	Not returned
Number	179	14	11
Percentage	87.7	6.9	5.4

Source: own survey, (2015)

As clearly presented on the above table, the response rate of respondents is 179(87.7%). This implies the response rate is large enough to analyse the data. The rest uncollected questioners which accounts 6.9% (14) not correctly filled and 11(5.4%) were not returned.

## 4.2. Reliability of the Instrument

As proclaimed by Bhattacharjee (2012), reliability is the degree to which the measure of a construct is consistent or dependable. This research has administered the most commonly used internal consistency reliability measure of Cronbach's alpha which was originally designed by Lee Cronbach in 1951. According to Sekaran (2003), reliabilities less than 0.6 are considered to be poor, those in the 0.7 range to be acceptable and those over 0.8 are good. The reliability coefficient closer to 1 is better.

Table 4.2: Reliability coefficients

Scale	No_of items	Cronbachalpha coefficient
Financial factors	4	0.735
Carrier growth and development	2	0.796
Relationship with co-worker and supervisor	3	0.704
Recognition	2	0.715
Work condition	4	0.826
job security	2	0.891

Source: own survey, (2015)

Table 2 shows that instrument used in this study was reliable with cronbach's alpha value of 1<sup>st</sup> independent variable (financial factors) 0.735, with cronbach's alpha value of 2<sup>nd</sup> independent variable (Carrier growth and development) 0.796, with cronbach's alpha value of 3<sup>rd</sup> independent variable (relationship with co-worker and supervisor) 0.704, with cronbach's alpha value of 4<sup>th</sup> independent variable (Recognition) 0.715, with cronbach's alpha value of 5<sup>th</sup> independent variable (Work condition) 0.826 and with cronbach's alpha value of 6<sup>th</sup> independent variable (job security) 0.891. Consequently, as all the coefficients are above 0.6 and the two are above to 0.8, the overall reliability of coefficients is considered as better.

## 4.3. Demographic profile of respondents

The first part of the questionnaire consists of the demographic information of the participants. This part of the questionnaire requested a limited amount of information

related to personal and demographic characteristics of respondents. Accordingly, the following variables about the respondents were summarized and described in the subsequent table. These variables include: Gender, Age, Educational background, category/group and number of years the worker worked with the organization or experience.

Table: 3 Characteristics of respondents by Gender, Age and Educational background.

<b>Characteristics</b>	<b>Frequency</b>	<b>Percentage(%)</b>
<b>Gender</b>		
Male	108	60.3
Female	71	39.7
<b>Age</b>		
20-30	48	26.8
31-40	79	44.1
41-50	52	29.1
>50 and above	-	-
<b>Educational background</b>		
Certificate	2	1.1
Diploma	22	12.3
Undergraduate	123	68.7
Graduate and above	32	17.9

Source: Own survey, (2015)

As indicated in table 3, about 60.3% of respondents are male and the remaining 39.7% of the respondents are female. Regarding the age of the participants, the largest group (44.1%) is in the range of 31-40 years age group. The second largest group (29.1%) indicated in the range of 41-50 years of age group and finally 26.8% of the respondents are in the 20-30 years age group. The demographic Characteristics also show educational background division of respondents and undergraduate or degree holder is dominant (68.7%) followed by post graduate or Masters Holders (17.9%) and Diploma (12.3%), respectively.

Table: 4. Number and percentage of respondents by work experience and category/group.

<b>Number of years of experience on the job</b>	<b>Frequency</b>	<b>Percentage(%)</b>
2 years of experience	-	-
3 years of experience	19	10.6
4 years of experience	60	33.5
5 and above years of experience	100	55.9
<b>Category or Group</b>		
Top level Management	25	14
Middle level management	15	8.4
Supervisor	64	35.8
Staff	74	41.3

Source: Own survey, (2015)

The number of years of experience of an individual can contribute a lot towards the way he/she thinks, the method he/she performs his/her duty and the like. To this end, it is believed that the more an individual stays on administrative and staff level, the more he/she can acquire an experience of which factor affects his/her motivation and how to deal with these factors in an organization which intern leads to minimization of conflict of interests. With this regard the data collected from the respondents, as we can observe from table 3, the largest groups of respondents 100 (55.9%) have a working experience of 5 years and above on the current job whereas 60 (35.5%) have 4 years of working experience, and the rest 19 (10.6%) have a working experience of 3 years. Regarding the category or group of employees the major groups of respondents are staffs 74(41.3%) followed by supervisors 64(35.8%), management 25(14%) and middle management 15(8.4%) respectively.

#### **4.4. Level of employees' perception towards motivational factors**

This section presents the employees' perception towards motivational factors in ethiotelecom. Motivational factors are composed of financial rewards, carrier growth and development, co-worker and supervisor relation, recognition and job security. The respondents were asked to rate each statement concerning their perception of these factors.

As stated in the research methodology, Likert scale was used to measure the

Influence of motivational factors for building employee's motivation. The researcher has explored employee's perception levels towards motivational factors in ethiotelecom. The degree of motivation towards motivational factors is set from 1 to 5 (5 is the highest motivation whereas, 1 is the lowest motivation).

The translation of level ranking is analysed based on the following criteria of employees' satisfaction designed by Best (1977: 174).

The score between 1.00-1.80 mean lowest motivation/satisfaction level(Lowest)

The score between 1.81-2.61 mean low motivation /satisfaction level (Low)

The score between 2.62-3.41 mean average motivation /satisfaction level (Average)

The score between 3.42-4.21 mean good motivation /satisfaction level (High)

The score between 4.22-5.00 mean very good motivation /satisfaction level (Highest)

The average perceptions (on the scale from 1 to5) of the proposed 16motivational factors were rated by the respondents. Table 5 presents the item statistics, which is sorted by occurrences in the questionnaire.

#### **4.4.1. Assessment of the factors that determine employees' attitude towards motivation**

In this section, the researcher by applying descriptive statistics (specially mean and standard deviation) for the sake of better understanding and summarization, 16 items are grouped into 6 basic factors based on which construct every questionnaire item is measuring. And the analysis is made individually as well as in a grouped manner.

Table 5: Motivational factors

<b>Motivational factors</b>	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>	<b>Rank</b>
Fair payments is very crucial for employees	179	3.66	1.092	2
The company's bonus payment system based on	179	3.30	1.188	11



performance is highly motivating the employees.				
Financial rewards motivate employees at a higher level.	179	3.32	1.046	10
An attractive incentive plan (like, commission, overtime work. etc.) motivated employees.	179	3.41	1.203	9
The company provides opportunities for employee's carrier growth and development.	179	2.74	1.186	16
Ethiotelecom provide you appropriate training program relating to your jobs.	179	3.26	1.260	1
Tight supervision affects motivation	179	3.18	1.209	15
Team work adds more on motivation	179	3.65	.956	3
Feeling of team spirit and cooperation among co-workers and supervisor affects motivation positively	179	3.78	1.035	1
Employees give importance to moral incentives (appreciation, respect, etc.) as well as physical incentives.	179	3.60	1.093	5
Success of the employees should be appreciate at all times	179	3.62	.954	4
Ethiotelecm's working time is flexible and favourable for the employee. (flex-time)	179	3.41	1.150	8
The company provides challenging and interesting task.	179	3.51	1.129	6
Working is natural like games or entertainment for people	179	3.23	1.327	13
The company has good working environment	179	3.48	1.224	7
Increased job security has a positive impact on motivation	179	3.27	.988	12
overall employee motivation	179	<b>3.85</b>	<b>1.012</b>	

Source: Own survey,(2015)

#### 4.4.2 Relative importance of motivational factors

To identify factors motivating employees in the workplace, 16 attributes have been selected which are shown in the above table (Table 4). The importance of various attributes has been ranked by measuring mean and standard deviation. High mean score stands for high level of agreement; whereas low mean score dictates high level of disagreement. The standard deviation on the other hand presents the degree of dispersion of responses from the mean score. Accordingly, the highest mean value is found for the variable "feeling of team spirit and cooperation among co-workers and supervisor" and the lowest mean value are found for the variable "opportunities for employee's carrier growth and development". The analysis of the factors is discussed below and the means and the standard deviations of these variables are depicted in Table 5 above.

Table 5 shown above reveals that the mean value of feeling of team spirit and cooperation among co-workers and supervisor, fair payments for employees, team work adds more on the motivation, appreciation successful employees in challenging and interesting tasks and good working environment found to be above average mean of 3.78, 3.66, 3.65, 3.62, 3.60, 3.51, 3.48 and SD = 1.035, 1.092, .956, .954, 1.093, 1.129, 1.224 respectively which proves feeling of team spirit and cooperation among co-workers and supervisor is one of the major concerns of employees now a days since huge retrenchment has been seen recently. This is a social factor, according to Maslow. Any minor changes in the working environment would make them worried about their social and security. Organizations have to ensure proper communication if any crucial change occurs in the organization. On the other hand, job security is a hygiene factor according to Herzberg. If there is lack of job security, job dissatisfaction will occur. But if it is present in the workplace it will prevent job dissatisfaction but do not lead to satisfaction.

Healthy workplace where employees have cooperative and harmonious relationship with their co-workers and supervisors will lead to higher performance. If they have team spirit it will lead them toward synergistic solution. It is also appreciated by the respondents of the current study (ranked 1<sup>st</sup> according to the mean value if 3.78 and SD=1.012). It is a social factor according to Maslow (1943). Introducing congenial

social environment is quite convincing issue which causes employee motivation and work satisfaction. Employee's bad feeling toward their authority and co-workers has impact on their job performance which leads to dissatisfaction.

Fair payments are crucial factor for motivating employees. But, this study contradicts with this statement. Fair payments and other incentives, has been spotted as slightest important motivational factor (ranked 2<sup>nd</sup> according to the mean value 3.66 and SD=1.092) in this study. It is, however, not a most powerful factor like others that do have higher effect on employee motivation. This result substantiates Herzberg's two factor theory which states that salary and benefits are the hygiene factor which can prevent employee's dissatisfaction only but do not necessarily motivate them. However, fair payments and good incentives should be provided with the aim of attracting and retaining qualified people and organizations should not rely solely on salary, bonus and other monetary and non-monetary incentives to motivate the diverse work force. Likewise, team works, appreciation of successful employees at all times and employees give importance to moral incentives, respect, as well as physical incentive is one of the most desires of employees which motivate and keep them productive by enhancing their morale. This allows them to enhance positive self-evaluation and ability to contribute for organization. According to the mean value of the responses, this factor has been ranked 3<sup>rd</sup>, 4<sup>th</sup> and 5<sup>th</sup> with their respective mean and standard deviation of 3.65, 3.62, 3.60 and SD= .956, .954, 1.093, respectively. It is an esteem factor according to Maslow (1943). Herzberg's two factor theory (1959) described it as motivator that makes employees more satisfied.

Moreover, providing challenging and interesting task and good working environments are other crucial factors that affects the level of motivation of employee significantly. Challenging and interesting task and good working environments are ranked 6<sup>th</sup> and 7<sup>th</sup> according to the mean value 3.51 and 3.48 with a standard deviation of 1.129 and 1.224 respectively. This implies that, if companies wish to enhance their employees' need for self-actualization, they must have to provide interesting and challenging work that will propel employee innovation, creativity, sense of accomplishment and increased responsibility. According to Herzberg (1959), this factor is a motivator. Assuring presence in the workplace will enhance high motivation and satisfaction. Besides, this study found good working environments as 8<sup>th</sup> important

motivational factor (mean value 3.48). This prove that if an organizations become unable to provide better working environment high dissatisfaction will arise from the part of employees (Herzberg 1959).But ensuring better working condition may not be a high satisfier. Furthermore, this study found flex-time, financial rewards and attractive incentives, bonus payments, appropriate training program and tight supervision has a slightly affect employees motivation.

#### 4.5. Descriptive Statistics for Perceptions of Employees Regarding Motivation

Table 6 Fair payments

Fair payments is very crucial for employees		Frequency	Percent
Valid	Strongly Disagree	2	1.1
	Disagree	14	7.8
	Strongly Agree	93	52.0
	Neutral	4	2.2
	Total	179	10

*Source: Own survey,(2015)*

Regarding fair payment for employees, the survey results reveal that the majority of respondents 93(52%) and 66(36.9%) are strongly agreed and agreed respectively. While 4(2.2%) respondents are neutral with fair payments. on the other hand, 2(1.1%) and 14(7.8%) respondents strongly disagree and disagreed that fair payment is not crucial for employee motivation. From this one can conclude that fair payment is motivated.

Table 7 The company's bonus payment system

The company's bonus payment system based on performance is highly motivating the employees		Frequency	Percent
valid	Strongly Disagree	8	4.5
	Disagree	42	23.5
	Strongly Agree	59	33.0
	Neutral	29	16.2
	Agree	41	22.9
	total	179	100

Source: Own survey

As it can be seen from Table 7, 33 % of the respondents have strongly agreed with the company's bonus payment system which is based on performance, while 4.5 % of them are Strongly Disagreed. However the employees who are agreed represent 22, 9 %, and 16.2% are neutral. Finally, the employees who are disagreed constitute 23.5 %.As result; it is possible to conclude that ethio telecom should improve its bonus payment systems on the base of performance in order to overcome the perception of employees who disagreed.

Table 8. Financial rewards

Financial rewards motivate employees at a higher level.		Frequency	Percent
Valid	Strongly Disagree	4	2.2
	Disagree	33	18.4
	Strongly Agree	77	43.0
	Neutral	32	17.9
	Agree	33	18.4
	Total	179	100.0

Source: Own survey

According to the agreement level with the financial reward system, 77employees (43%) are Strongly Agreed, 33 (18.4%) of employees are disagreed with the financial reward

system, and the same figure 33 employees are agreed (18.4%), while 32 employees are remain neutral (17.9%) and only 4 employees strongly disagreed (2.2%)

Table 9 an attractive incentive plan

An attractive incentive plan (like, commission, overtime work. etc.) motivated employees.		Frequency	Percent
Valid	Strongly Disagree	9	5.0
	Disagree	32	17.9
	Strongly Agree	62	34.6
	Neutral	28	15.6
	Agree	48	26.8
	Total	179	100.0

Source: Own survey,(2015)

The majority of the employees (34%) are strongly agreed with the attractive incentive plan (like, commission, overtime work. etc.), which they have. The number of respondents who agreed is 48 (26.8%) employees. Nevertheless, only 9 employees (5%) strongly disagreed with the attractive incentive plan (like, commission, overtime work. etc.) programs while there are more people who disagreed 32(17.9%) with the incentive plan. Moreover, a small portion of 28 (15.6%) respondents remain neutral

Table 10 Opportunities for employee's carrier growth and development

The company provides opportunities for employee's carrier growth and development.		Frequency	Percent
Valid	Strongly Disagree	28	15.6
	Disagree	53	29.6
	Strongly Agree	52	29.1
	Neutral	29	16.2
	Agree	17	9.5
	Total	179	100.0

Source: Own survey,(2015)

For the statement that seeks the level of agreement about to what extent it is possible to get employees opportunities for carrier growth and development, 29.1% and 9.5% employees strongly agreed and agreed, respectively. But the majority of respondents (53 employees) which accounts 29.6% disagreed with this particular item. While 29 (16.2%) employees have no idea about opportunities for carrier growth and development and the remaining 28(15.6%) reply strongly disagree.

Table 11 Offering training program relating to the job

ethiotelecom provides you appropriate training program relating to your jobs.		Frequency	Percent
Valid	Strongly Disagree	13	7.3
	Disagree	46	25.7
	Strongly Agree	40	22.3
	Neutral	41	22.9
	Agree	39	21.8
	Total	179	100.0

Source: Own survey,(2015)

In terms of the agreement level with regard to whether the company provides appropriate training program relating to the job, 25.7% of the employees disagreed, 22.3% of the respondents strongly agreed and 22.9% remain neutral. Representing the smallest percentage, 7.3% of the employees are strongly disagreeing. The employees who agreed with the training program count 21.8%. From this it is possible to judge that ethio telecom is able to provide appropriate training program to the employee relating to their jobs.

Table 10. effect of tight supervision on motivation

Tight supervision affects motivation		Frequency	Percent
Valid	Strongly Disagree	18	10.1
	Disagree	30	16.8
	Strongly Agree	66	36.9
	Neutral	32	17.9
	Agree	33	18.4

	Total	179	100.0
--	-------	-----	-------

*Source: Own survey,(2015)*

To get evidence whether tight supervision affects employee motivation, a question is forwarded to respondents. With this survey, 36.9 % and 18.4% of targets believed that tight supervision dose an effect on employees' motivation respectively. On the other way, 16.8% and 10.1%of the respondents disagreed and strongly disagreed. Apart from this, 17.9% of respondents replied to be neutral from both sides. Having this in mind, it is then possible to conclude that tight supervision as a strategy dose not workable for employee motivation.

Table 11: Contribution of team work adds more on motivation

Team work adds more on motivation		Frequency	Prevent
Valid	Strongly Disagree	4	2.2
	Disagree	8	4.5
	Strongly Agree	76	42.5
	Neutral	50	27.9
	Agree	41	22.9
	Total	179	100.0

*Source: Own survey, (2015)*

On the question that the researcher is interested to acquire the reaction of targets that working a job by team adds more on employee motivation, only 2.2% and 4.5% strongly disagreed and disagreed, respectively, unlike the majority (42.5%) that believed on the point. In the middle 27.9% of the respondents preferred to take indifferent position. At the end, the researcher has got an evidence to conclude that ethio telecom needs to allow and expose employees to form a team.



Table 12: Feeling of team spirit and cooperation among co-workers and supervisors

Feeling of team spirit and cooperation among		Frequency	Percent
Valid	Strongly Disagree	3	1.7
	Disagree	9	5.0
	Strongly Agree	74	41.3
	Neutral	31	17.3
	Agree	62	34.6
	Total	179	100.0

Source: Own survey

With regard to whether feeling of team spirit and cooperation among co-workers and supervisor affects motivation positively, 41.3% and 34.6% of the respondents are strongly agreed and agreed, respectively, that the strategy does affect motivation positively, however, 1.7% and 5% of employees have replied that feeling of team spirit and cooperation among co-workers and supervisors does not have any effect on employee motivation. The remaining 17.3% have reservations on the point. Therefore, it can be generalized from the response that ethiotelecom can work on building team spirit by permitting employee to work with group and co-workers and supervisors.

Table13: Giving employees moral incentives,

Employees give importance to moral incentives (Appreciation, respect, etc.) as well as physical incentives.		Frequency	Percent
Valid	Strongly Disagree	4	2.2
	Disagree	18	10.1
	Strongly Agree	78	43.6
	Neutral	24	13.4
	Agree	55	30.7
	Total	179	100.0

Source: Own survey,(2025)

The 13 depicts that the majority, 43.6% of respondents, have positive reactions to the point that ethio telecom could give employee moral incentives as well as physical incentives. Moreover, 30.7% have agreed on the point. Some (13.4%) are indifferent to decide. On the contrary, 2.2% and 10.1% strongly disagree and disagree with the idea, respectively. From this one can draw a judgment and assure that the companies have a clear strategy for employees' appreciation.

Table 14: Appreciates success of employees

Success of employees should be appreciated at all times		Frequency	Percent
Valid	Strongly Disagree	2	1.1
	Disagree	16	8.9
	Strongly Agree	68	38.0
	Neutral	55	30.7
	Agree	38	21.2
	Total	179	100.0

Source: Own survey,(2015)

As can be seen from table 14 above, 38 % of the respondents strongly agreed with the point raised by the researcher; only 1.1 % of them strongly disagreed. However the employees who agreed represent 21, 2 %, while 30.7% are neutral. Finally, the employees who disagreed constitute 8.9%. As a result, it is possible to conclude that ethiotelecom appreciates its employees when they become successful.

Table 15: providing challenging and interesting task

The company provides challenging and interesting task.		Frequency	Percent
Valid	Strongly Disagree	5	2.8
	Disagree	37	20.7
	Strongly Agree	37	20.7
	Neutral	61	34.1
	Agree	39	21.8
	Total	179	100.0

*Source: Own survey,(2015)*

To know the perception of employees in providing challenging and interesting tasks, the researcher has posed a question and 20.7% of the respondents argued that the company doesnot provide challenging tasks to employees. On the other hand, the same percentage (20.7%) of the respondents believed that ethiotelecom gives challenging and interesting tasks for employees. The rest, 34.1% of them, had no reaction on the issue. To this end, ethio telecom should provide challenging and interesting task in order to build employees' confidence level.

Table 16 Availability of Good working environment

The company has good working environment		Frequency	Percent
Valid	Strongly Disagree	10	5.6
	Disagree	31	17.3
	Strongly Agree	51	28.5
	Neutral	37	20.7
	Agree	50	27.9
	Total	179	100.0

*Source: Own survey,(2015)*

Table 16 above, clearly depicts that the majority, 28.5% of respondents strongly agreed and have positive reaction with the company's working environment and 27.9% have agreed on the point. Some (20.7%) were indifferent to decide. On the other side, 5.6% and 17.3% strongly disagreed and disagreed, respectively, with the idea. From this one can draw a conclusion assuring that the company has a conducive work environment for employees.

Table 17 Overall satisfaction employee on job security

Employee overall satisfaction depend on job security.		Frequency	Percent
Valid	Strongly Disagree	2	1.1
	Disagree	12	6.7
	Strongly Agree	58	32.4
	Neutral	45	25.1
	Agree	62	34.6
	Total	179	100.0

Source: Own survey,(2015)

According to the overall satisfaction on the base of job security, 58 employees (32.4%) are strongly agreed with job security, 12 employees (6.7%)are disagree with the point and only 2 employee (1.1%) are strongly disagreed and the highest percentage (34.6%), employees are agreed/satisfied with their job security. Finally (25.1%), 45 employees are indifferent with the idea.

### Summary of all factors for comparison

Table 18 Summarized statistics of all factors

All factors of employee attitude	N	Mean	Std. Deviation
Financial factors	179	3.42	.641
Carrier growth and development	179	3.00	.852
Co-worker and supervision	179	3.54	.679
Recognition	179	3.61	.810
Work condition	179	3.41	.708
Job security	179	3.56	.764
Overall employee motivation	179	3.8547	1.01179
Valid N (list wise)179			

Source: Own survey,(2015)

From the above summarizing table, it can be clearly understood that ethio telecom is working with its employees relatively in better ways in the areas of recognition (average

mean of 3.61 with SD=.810) followed by job security (average mean of 3.56 with SD=.764), relation with co-worker and supervision (average mean of 3.54 with SD=.679) and financial factors (average mean of 3.42 with SD=.641 respectively).

In the areas of carrier growth and development and working condition however, little attention is given (average mean scores of 3.41, 3.00 and SD=.708, .852 respectively).

#### 4.6. Correlation analysis

As proclaimed by Marczyk, DeMatteo and Festinger (2005), correlations are perhaps the most basic and most useful measure of association between two or more variables expressed in a single number called a correlation coefficient (r). Correlations provide information about the direction of the relationship (either positive or negative) and the intensity of the relationship (-1.0 to +1.0). In general, correlations of .01 to .30 are considered small, correlations of .30 to .70 are considered moderate, correlations of .70 to .90 is considered large, and correlations of .90 to 1.00 are considered very large. Correlation coefficients greater than 0.3 and significance level below 0.05 are considered acceptable in the study.

The following correlation tests are made to assure whether there exist a relationship between independent and dependent variable.

#### Testing for model fit

Table 22 tasting the model  
ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	108.566	6	18.094	42.253	.000 <sup>b</sup>
	Residual	73.657	172	.428		
	Total	182.223	178			

Source Owen survey,(2015)

a. Dependent Variable: overall employee motivation

b. Predictors: (Constant), Job security, Carrier growth and development Work condition Financial factors, Recognition, Co-worker and supervision

To test how well the regression model fits the data, ANOVA (analysis of variance) provides F value where F equals to mean square of explained data divided by mean square of residual data (Sekaran, 2003). Table 20 revealed an F value of model 1 to be 42.253. Thus, one can decide that regression model best fits the data at a significance level of .000.

#### 4.6.1. Inter component correlation

Table 19 correlation between the six independent variables

	Financial factors	Carrier growth and development	Co-worker and supervision	Recognition	Work condition	Job security	Employee motivation
Financial factor	1						
Carrier growth and development	.303** .000	1					
Co-worker and supervision	.455** .000	.352** .000	1				
Recognition	.358** .000	.356** .000	.331** .000	1			
Work condition	.285** .000	.141 .059	.284** .000	.233** .002	1		
Job security	.329** .000	.235** .002	.366** .000	.394** .000	.264** .000	1	
overall employee motivation	.253 .001	.202 .007	.291 .000	.328 .000	.203 .006	.771 .000	1

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

*Source: Own survey, (2015)*

Table 19 shows that association between all variables are positive as presented above. Significant relationship is also found among many variables. Job security has significant relationship with employee overall motivation at the value .000 which is less than 0.05. Recognition has significant and positive relationship with employee motivation at the value .000 which is less than 0.05.

Co-worker and supervision has significant relationship with employee overall motivation at the value .000 which is less than 0.05. Financial factor has significant relationship with employee overall motivation at the value .001 which is less than 0.05. Work condition has significant and positive relationship with employee overall motivation at the value .006 which is less than 0.05. Career growth and development has significant and positive relationship with employee overall motivation at the value .007 which is less than 0.05.

This analysis is basically done for the sake of testing whether multicollinearity is the problem of this research or not before proceeding to regression analysis. According to Ho (2006), when the predictor variables are correlated among themselves, the unique contribution of each predictor variable is difficult to assess. As per statisticians' suggestion cited by Negi (2009), if a correlation coefficient matrix demonstrates the degree of association between variables about 0.75 or higher, there may be multicollinearity and should be rectified before using such variables as predictors in regression analysis. Hence specific to this study, as long as all the six correlation coefficients are below 0.75, there is no problem of multicollinearity being assumed thus, allow using the data in regression analysis.

Regression is a method of estimating or predicting a value on some dependent variable given the values of one or more independent variables. Like correlations, statistical regression examines the association or relationship between variables. Unlike with correlations, however, the primary purpose of regression is prediction (Marczyk, DeMatteo and Festinger, 2005). Since we have six independent variables, multiple regression models were used as a measure for their relationship. Eventually,

the prediction equation then is calculated as:  $Y = A + B_1X_1 + B_2X_2 + B_3X_3 + B_4X_4 + B_5X_5 + B_6X_6$ ; where Y is the predicted dependent variable, A is the constant term, B is the beta coefficient of the each independent variables and X is the value of each independent variables.

Coefficients <sup>a</sup>

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Adjusted R <sup>2</sup>	F Value with sig. .000
	B	Std. Error	Beta				
1	(Constant)	.149	.360		.414	.679	.582 42.253
	Financial factors	.045	.040	.327	5.389	.000	
	Carrier growth and development	.021	.064	.017	.320	.750	
	Co-worker and supervision	.007	.087	.005	.082	.935	
	Recognition	.033	.071	.026	.461	.645	
	Work condition	.046	.042	.041	2.810	.008	
	Job security	1.006	.074	.760	13.642	.000	

Source: Own survey,(2015)

b. Dependent Variable: Employee overall motivation

Y = overall employee motivation (dependent variable)

A = Constant

X1 = financial factor

X2 = carrier growth and development



X3 = co-worker and supervision

X4 = Recognition

X5 = work condition

X6 = Job security

For this case: overall employee motivation =  $0.149 + (0.760 * \text{job security}) + (0.327 * \text{financial factor}) + (0.041 * \text{work condition}) + (0.026 * \text{recognition}) + (0.017 * \text{carrier growth and development}) + (0.005 * \text{Co-worker and supervision})$

From this result, one can deduce that, job security and financial factors are the major predictor of overall employee motivation, followed by work condition, recognition, carrier growth and development and co-worker and supervision respectively.

Table 20 Multiple-regression of independent variables on employee motivation

Regression table measures the amount of total variation in dependent variable due to the independent variable. Table 20 above, shows the value of Adjusted R<sup>2</sup> is 0.582. This value indicates that there is almost 58.2% variation in dependent variable (overall employee's motivation) due to a one unit change in independent variables. The value of F must be greater than 5. In this study, the value of F is 42.25 at 0.000 significant level which is greater than 5, this shows that the model is good as its value is less than 0.05.

#### **i. Predicting the level of motivation from the six independent components**

The relative importance of the significant predictors is determined by looking at the standardized coefficients. In this study, job security, financial have the highest standardize coefficient (.760 and .327 respectively) and the lowest significance (0.000) which is the best predictor. Analysing the whole table results, the order of significance for predictors of overall employee motivation is work condition, recognition, carrier growth and development, and co-worker and supervision. Job security, financial factor and work condition have the highest beta coefficient which implies that job security, financial factor and work condition have significant impact on employee's motivation.

ii. **Evaluating the strength of prediction**

In regression analysis, apart from prediction, strength or magnitude of the relationship requires further attention. According to Ho, (2006), a measure of the strength of the computed prediction equation is R-square, sometimes called the coefficient of determination. In the regression model, R-square is the square of the correlation coefficient between the observed and predicted value of dependent variable. If R-square is 1, there exists a perfect linear relationship between the predictors and dependent variable. An R-square of 0 indicates no linear relationship. In this research, since adjusted R square of all the three components is 0.582 from table 19 above, we can say that the strength of relationship between job security, recognition, carrier growth and co-worker and supervision components as predictors and overall employee motivation as dependent variable is significant, except financial factor and work condition which is not significant.

Table 21 Predictor of employee motivation

Rank	variables	beta	t	Significance
1 <sup>st</sup>	Job security	.760	13.642	.000
2 <sup>nd</sup>	Financial factor	.327	5.389	.000
3 <sup>rd</sup>	Work condition	0.041	2.810	.008
4 <sup>th</sup>	Recognition	.026	.461	.645
5 <sup>th</sup>	Carrier growth and development	0.017	.320	.750
6 <sup>th</sup>	Co-worker and supervision	.005	.082	.935

Source: Own survey,(2015)

Furthermore, the beta value indicates the amount of change in the dependent variable (overall employee motivation) due to changes in independent variables (financial factor, Carrier growth and development, co-worker and supervisor, recognition, work condition and job security). This means if there is 1% change in the value of job security then

employee motivation increases by 76% if other factors remain constant. If there is a 1% change in the value of financial factor then employee motivation increased by 32.7%. If there is a 1% change in the value of work condition then employee motivation increased by 4.1%. If there is 1% change in the value of recognition then employee motivation increased by 2.6% if other factors remain constant. If there is 1% change in the value of carrier growth and development then employee motivation increased by 1.7% if other factors remain constant. If there is 1% change in the value of co-worker and supervision then employee motivation increased by 0.5% if other factors remain constant.

In this study, job security, financial factor and work condition have significant impact on employee motivation.

## CHAPTER FIVE

### SUMMERY, CONCLUSION AND RECOMMENDATION

This section highlights the results and the findings based on the analysis done on the data collected from respondents. This research focuses on the factors affecting employee motivation in ethiotelecom. The discussion then will try to accomplish all the objectives of the study. As a result, recommendations are given for the target company to tackle problem at hand. Limitation of the study is also one of the emphases of this chapter from which future research insights are conceived.

#### 5.1. SUMMEREY

- Comparison of the mean value of all motivational factors indicates that the mean score of perception towards feeling of team spirit and cooperation among co-workers and supervisors ( $m=3.78$ ) is the highest among others.
- The attributes perceived overall motivation are scattered between the six motivational factor measurements. The highest mean of motivational factor is recognition ( $m=3.61$ ), followed by job security ( $m=3.56$ ), co-worker and supervision ( $m=3.54$ ) and financial factors ( $m=3.42$ ). However, work condition and carrier growth and development are less mean value compared to the other factors 3.41 and 3.00, respectively.
- Job security shows the highest positive correlation ( $r=.771^{**}$ ,  $p<0.01$ ) with overall employee's motivation and recognition demonstrating the second highest positive correlation ( $r=.328^{**}$ ,  $P<0.01$ ) with overall employee's motivation followed by co-worker and supervision ( $r=.291^{**}$ ,  $p<0.01$ ).
- The relative importance of the significant predictors is determined by looking at the standardized coefficients. Job security and financial factors have the highest standardized coefficient and the lowest significance, which means job security and financial factor, are the best predictor. Job security and employee's motivation had a high correlation of .771 and the value of  $R^2=59.4$ . This indicates that variability in employee's motivation can be explained by job security aspect which accounts

59.4%, the remaining (40.6%) of variability could be explained by the other factors.

- The impacts of job security, financial factor, work condition, recognition, carrier growth and development, co-worker and supervision, on employee's motivation are .760, .327,.041,.026,.017 and .005 respectively, in their descending order indicating that job security and financial factor have the highest impact on employee motivation. Moreover, carrier growth and development and co-worker and supervision have lower values this implies that these factors have less impact on employee's motivation.

## **5.2. CONCLUSION**

The main objective of this study was to investigate the factors that influence employee motivation working in ethiotelecom. For this the first three specific objectives of the study was to identify dominant motivational factors, identifying the relationship between motivation and performance and examine the attitude of employee towards financial and non-financial factors.

To this end, the study attempts to identify ranked key factors that affect motivation of employees working at ethiotelecom and assess their motivational level. Assessment of the data explores several factors and the highest ranked factor is feeling of team spirit and cooperation among co-workers and supervisors and the least important factor is opportunities for employee's carrier growth and development.

From the results that were obtained it can be said that the key factors that contribute to employee motivation are job security, financial factor and work condition. Job security is identified as the most important factor that enhances employee motivation in ethiotelecom. The importance of money in this case should not be underestimated. Everybody needs money. So, financial factor play an important role in the employee's motivation. Working conditions has also proven to be a strong influence on employee's motivation. In telecom sector, work greatly depends on the relationship between

employees and the environment; hence they consider part of the working conditions that affect motivation.

On the components of employees' attitude towards motivational factors, six major factors namely: (financial factors, carrier growth and development, co-worker and supervisor relation, recognition, work condition and job security) were identified from many sources of literature. And the empirical study showed that non-financial factors such as recognition, job security and co-worker and supervisor relation have found to be a strong and positive effect on employee motivation since the mean score are above average (3.61, 3.56 and 3.54) respectively. This implies that employees, who receive greater level of recognition, are more motivated than others. The results further suggest that the relationship between work condition and carrier growth and development is insignificant to overall employee motivation.

This is also supported by research undertaken by Kovach (1987) suggested that, as employees' income increases, money becomes less of a motivator. Also, as employees get older, interesting work becomes more of a motivator. Another study of employees, conducted by Harpaz (1990), yielded the following ranked order of motivational factors: (a) interesting work, (b) good wages, and (c) job security. The comparison of overall mean value and standard deviation of motivation level of employees is 3.85 and 1.01 respectively; which indicates that the motivation level of employee working at ethio telecom lies between moderate and high level.

The effect of independent variable namely, (financial factors, carrier growth and development, co-worker and supervisor relation, recognition, and work condition and job security) on overall employee motivation is tested using correlation and regression analysis.

Accordingly, job security, financial factor and work condition has positive and strong impact on overall employee motivation followed by recognition and carrier growth and development whereas co-worker and supervision has less impact on motivation compared to the others.

Therefore the most influencing factor of employee motivations is job security, financial factor work condition and recognition. Carrier growth and development and co-worker and supervision have less impact on employees' motivation. With the help of significant results of regression it was shown that there is a relationship between all variables.

### **5.3. RECOMMEDATIONS**

After analysing the outcome of the survey analysis, the study has recommended some of the strategies which might be effective in building positive employees' attitudes towards motivational factors.

- Ethio-telecom should focus on other motivational factors, apart from money oriented factors, such as job security, recognition, creating conducive work environment and smooth relationship with co-workers and managers to enhance its employees' motivation.
- In order to maintain experienced employees the company should establish job security to bring scene of loyalty
- The company should recognize best performers by providing prizes and Certificate and it also establish system based employees' carrier growth.
- Ethio-telecom should conduct periodical assessments on factors affecting motivation of its employees to address the need of employees so that their productivity could be improved.
- The company should also give due emphasis for carrier growth and development of its employees in order to motivate them.

### **5.4. IMPLICATIONS FOR FURTHER RESEARCH**

As the present research is an attempt to examine the factor that affect employee motivation in a single firm, at Addis Ababa, therefore additional studies needed to be under taken to examine employee motivation patterns in other regions and with larger samples. Nevertheless, the researcher would argue that these findings provide additional insight into employees' perceived motivation within the telecom domain. Results of this study should encourage strategy development for management particularly in the areas of financial factor and work condition.

## References

- Alderfer, Clayton P., (1969). *An Empirical Test of a New Theory of human Needs; organizational behaviour and Human performance*, vol.4, No-2
- ANDRONICEANU, A. (2011) *Motivation of the Human Resources for a Sustainable Organizational Development*.
- Ayesha BinteSafiullah, (2015): *Employee Motivation and its Most Influential Factors: A study on the Telecommunication Industry*.
- Baron. RA, (1983), *Behavior in organizations*, Allyn & Bacon Inc., New York.
- Brewster, L. Carey, P. Dowling, P. Grobler, P. Holland and S. Warnich (2003). *Contemporary issues in human resource management: Gaining a Competitive Advantage*. 2nd edition .Cape Town: Oxford University press.
- Bowen, BE & Radhakrishna, RB 1991, „Job satisfaction of agricultural education faculty: A constant phenomena“, *Journal of Agricultural Education*, vol. 32, No. 2, PP. 16-22.
- Campbell, J.P. & R.D. Pritchard, 1976. *Motivation Theory in Industrial and Organizational Psychology*. Chicago, Rend
- Dasgupta, P. R. (2013). *Volatility of Workload on Employee Performance and Significance of Motivation: IT sector*. *International Journal of Applied Research and Studies (iJARS)-Volume 2, Issue 4 (April-2013)* , 2
- Deckers, L (2010), *Motivation: Biological, Psychological and Environmental*, 3rd edn, MA: Pearson, Boston.
- Engelberg, E., & Sjöberg, L. (2006). *Money attitudes and emotional intelligence*. *Journal of Applied Social Psychology*, 36(8), 2027-2047.
- Gagné, M., & Deci, E. L. (2005). *Self-determination theory and work motivation*. *Journal of Organizational behavior*, 26(4), 331- 362.
- Gibbons, R. (1997). *In Advances in Economics and Econometrics: Theory and Applications (vol II)*,. Cambridge University Press.
- Griffin. R (2008) *Management*, Boston: Houghton Mifflin company.



- Herzberg, F, Mausner, B & Snyderman, BB (1959), The motivation to work, John Wiley & Sons, New York.*
- Hoag, B., & Cooper, C.L. (2006). Managing value based organization: it's not what you think. (New horizons in management). Cheltenham: Edward Elgar.*
- Hossain, M, Kamal & Hossain, Anowar, (2012), „Factors Affecting Employee's Motivation In Fast Food Industry: The Case of KFC UK LTD.” Research Journals of Economics, Business and ITC, Vol. 5, pp. 22-29, viewed 2 November 2012, .*
- Kirmanen, S. & Salanova, A., (2010). Employee Satisfaction and Work Motivation: Research in Prisma Mikkeli*
- Koontz, H., and Weihrich, H. (2007). Essentials of Management. New Delhi: Tata McgrawHil*
- Kovach, KA 1987, „What motivates employees? Workers and supervisors give different answers”, Business Horizons, Vol. 30, PP. 58-65.*
- Linder, R, James 1998, „Understanding Employee Motivation”, Journal of Extension, Vol. 36, No. 3, PP. 2*
- Lai, C. (2009), motivating employees though incentive programmes, Dissertation Thesis of Bachelor degree, Jyväskylä University of Applied sciences, retrieved from:*
- Lin P Y (2007), The Correlation Between Management and Employee Motivation in SASOL polypropylene in business, South Africa Dissertation Thesis of Master Degree, University of Pretoria, South Africa,*
- Locke, Edwin A. (1968). Toward a Theory of Task Motivation and Incentives organizational behavior and human performance.*
- Locke, Edwin A.; Shaw, Karyll N.; Saari, Lise M.; Latham, Gary P. (1981), Goal setting and task performance: 1969-1980, Psychological bulletin (American Psychological Association)*
- MARCZYK G., DEMATTEO D. and FESTINGER D. (2005) Essentials of research design and methodology New Jersey, John Wiley & Sons Inc*

- Maslow, AH 1943, „A theory of human motivation“, *Psychological Review*, July 1943, PP. 370-396
- Mak, BL & Sockel, H 2001, „A confirmatory factor analysis of IS employee motivation and retention“, *Information & Management*, Vol. 38, No. 5, PP. 265-276
- McConnell, C, (2006). *Employee Recognition: What, Why and How*, retrieve from: <http://www.nfib.com>
- Nesan, L. J., & Holt, G. D. (2002). *Assessment of organizational involvement in implementing empowerment. Integrated Manufacturing Systems*, 13(4), 201-211.
- Nohria, N., Groysberg, B., & Lee, L. (2008). *Employee motivation: A powerful new model. Harvard Business Review*, 86(7/8), 78
- Ölçer, F 2005, „Departmanlumağazalardamotivasyonüzerinebiraraştırma“, *Erciyes ÜniversitesiİktisadiveİdariBilimlerFakültesiDergisi*, Vol. 25, PP. 1-26.
- Petcharak, P.(2002), *the assessment of motivation in the saint paul Hotel employees, thesis paper of masters Degree, Univesity of Wisconism Stout*, retrived from: <http://www2.uwstout.edu/content/lib/thesis>.
- Pinder, CC 2008, *Work motivation in organizational behavior*, 2 ndedn, Psychology Press, New York.
- RAKSHIT N. (2009) *User's perceived service quality of mobile communications: experience from Ethiopia International Journal of Quality & Reliability Management* vol. 26(7) p.699-711
- Robbins, T. W. (1997). *Arousal systems and attentional processes. Biological psychology*, 45(1), 57-71.
- ROBERT H. (2006) *Handbook of Univariate and multivariate data analysis and Interpretation with SPSS*, Central Queensland University Rockhampton, Australia, Chapman & Hall/CR
- SEKARAN U. (2003) *Research methods for business: a skill building approach 4th edition*, New York, John Wiley & Sons Inc.

*Tabassi, A. A., & Bakar, A. H. (2009). Training, motivation, and performance: The case of human resource management in construction projects in Mashhad, Iran. International Journal of Project Management, 27(5), 471-480.*

*Tyilana X (2005) the impact of motivation on job satisfaction among Employees of a National Broadcaster, Dissertation thesis of Master Degree, University of Johannesburg, South Africa, retrived from; <http://elmurobbie.files.wordpress.com>*

[www.Businessinsider.com](http://www.Businessinsider.com)

# APPENDIX

## Questionnaire to be filled by the employees of ethiotelecom.

Dear respondents:

This questionnaire is designed for academic purpose to collect primary data for conducting a study on the topic of “**Factors affecting motivation of employees in ethiotelecom**” for the partial fulfillment of the Masters of Business Administration (MBA) Program at St. Marry University.

I kindly request you to provide reliable information.

Your responses will be kept confidential.

Thank you in advance for your cooperation.

- N.B. No need to write your name
- Put (√) inside the box or table for an alternative you think is right.

### ▪ **Part I. Personal information**

1. Gender :    male     female
2. Age:        20-30     31-40   
                  41-50     Above 50
3. Educational background:  
                  Certificate          
                  Diploma              
                  Under graduate      
                  Graduate and above
4. Category: Management   
                  Middle management   
                  Supervisor         Staff
5. Number of years in the company (experience)  
                  2 years              
                  3years              
                  4years              
                  5years and above

**Part II: Survey of your perceptions towards motivational factors that affect employee's satisfaction.**

This survey deals with your opinion about ethiotelecom's inspiration System. Please show the extent to which you perceive the organization's motivational scheme. There is no right or wrong answers all I am interested in is a number that best show your perceptions about the motivational factor which affect employee satisfaction in the organization. Based on this please put a tick (√) in the boxes which mostly explain your attitudes or perception towards motivational factors.

**The score levels are described as:**

**1-Strongly Disagree**

**3- Neutral**

**2- Disagree**

**4- Agree**

**5- Strongly Agree**

**Note that :( SD=Strongly Disagree, D= disagree, SA= Strongly Agree, N=Neutral & A=Agree)**

NO	Motivational Factors	Scales				
		SD	D	SA	N	A
	<b>Financial factors</b>					
1	Fair payments is very crucial for employee motivation					
2	The company's bonus payment system based on performance is highly motivating the employees.					
3	Financial rewards motivate employees at a higher level.					
	An attractive incentive plan(like, commission, overtime work. etc.) motivated employees.					
	<b>Non- Financial factors</b>					
5	<b>Carrier Growth and development</b>					
6	The company provides opportunities for employee's carrier growth and development.					
7	ethiotelecom provide you appropriate training program relating to your jobs.					
	<b>Co-worker and supervision</b>					
8	Tight supervision affects motivation					
9	Team work adds more the motivation					
10	Feeling of team spirit and cooperation among co-workers and supervisor affects motivation positively					
	<b>Recognition</b>					

<b>11</b>	Employees give importance to moral incentives (appreciation, respect, etc.) as well as physical incentives.					
<b>12</b>	Success of the employees should be appreciate at all times					
	<b>Work condition</b>					
<b>13</b>	ethiotelecm's working time is flexible and favourable for the employee. (flex-time)					
<b>14</b>	The company provides challenging and interesting task.					
<b>15</b>	Working is natural like games or entertainment for people					
<b>16</b>	The company has good working environment					
	<b>Job security</b>					
<b>17</b>	Increased job security has a positive impact on motivation					
<b>18</b>	Employee overall motivation					

If you have any comment regarding employee motivation, please mention it.

---



---

**Thank you for the time you have spent in completing this questionnaire!**