



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

**FACTORS AFFECTING EMPLOYEES' MOTIVATION  
THE CASE OF LION INTERNATIONAL BANK S.C.**

**BY  
ADDISALEM ALGANEH**

**DECEMBER 2016  
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## **LIST OF ABBREVIATION/ACRONYMS**

CDG	CAREER DEVELOPMENT AND GROWTH
CWRS	CO-WORKER RELATION SHIP
FF	FINANCIAL FACTOR
GPA	GROUP PERSON &ACCIDENT INSURANCE
LIB	LION INTERNATIONAL BANK
NFF	NON FINANCIAL FACTORS
WC	WORKING CONDITION
Recog	RECOGNITION



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## **ABSTRACT**

*Motivation is the general desire or willingness to do something and it is the result of conscious and unconscious factors such as intensity of the desire or need, incentive or reward value of the goal and expectations of the individual. These factors play a vital role to promote the individual towards the specific goal. Companies design motivation systems to encourage employees to perform their best in the most efficient way but also the purpose of this study is to identify factors affecting employee's motivation amongst employees of Lion International Bank (LIB). A questionnaire survey was undertaken among 154 employees of the bank to analyze their perceptions regarding motivation and used open ended questions to reflect views of the employees with regard to motivation at LIB. Descriptive research design with 5 levels Liker scale was used to measure variables of study. Data was analyzed through descriptive statistics, correlation and regressions using SPSS V 20 software. LIB staffs motivation found out to be above average with major factor for motivation identified as financial factors. With regard to relationship with motivation all the identified financial and non-financial factors found out to have significant association with motivation of staffs. However, work condition and the overall financial factors (Competitive salary, bonus, mortgage loan, accident insurance, and medical insurance) were found out to be predictive for motivation. LIB should focus its attention in improving work condition of staffs, recognition of staffs and periodic revision of salary schemes based on marker assessment.*

*Key words: Motivation, Lion International Bank (LIB), Employees, Work condition, financial factors*

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 Background of the Study**

Employees are the key driving force of any organization who gives endless effort to put a company's decisions in to action with a view to achieve the goals of the organization. Employee, therefore are regarded as an unsurpassed vital resource of organization and the issue of employees' motivation has become an indispensable part of human resource strategy of an organization. As noted by (Lin, 2007) "Motivation is the force that makes a person chooses a particular job, stay with that job and work hard in that job".

Motivation is the inner driver to behave or act in a certain manner. These inner conditions are wishes, desires, goals, activate to move in a particular direction. Motivation is the important feature in any organization, to motivate employees towards the success of the organization.

Conventional theories of motivation suggest that people tend to be motivated with the intension of fulfilling their unsatisfied needs, that they exert effort hoping that their needs will be satisfied (Lin, 2007). However, contemporary theorists do not focus only on the need based concept but also they emphasize on long term goal, sense of fairness and employees' values (Simons and Enz, 2006).

The purpose of the study is to identify factors that affect LIB employees motivation, assess the level of their motivation, and to find out relationship between financial factor (competitive salary, bonus, insurance, emergency staff loan etc.) and non-financial factors, (career growth and development, working condition ,etc.) and employees' motivation.

## **1.2 Background of the Organization**

Lion International Bank S.C is a privately owned share company, established on October 2, 2006 in accordance with proclamation No: 84/94 and commercial code of Ethiopia .It was officially inaugurated for public services on January 6, 2007 with a vision of being the leading Bank in Ethiopia by 2034'' and with a mission of being committed to maximizing customer's satisfaction and stockholders' value through quality banking service delivery, technological leadership, diversified product service and motivated employees''.

Currently LIB has 130 branches throughout the country with 1,252 employees. Its paid up capital has surpassed Birr 800 million and has 6,782 shareholders. The number of customers is beyond 200,000.Lion International Bank is one of the private Banks that contribute to the socio-economic development of the country through creation of employment opportunity and fulfilling responsibilities of tax collections and payments. Currently the Bank has about 1,252 permanent employees in its head office, city and outlying branches in Addis Ababa and upcountry.

## **1.3 Statement of the Problem**

A motivated and committed workforce can help enterprises to expand their profits, diversify investments and pave the way for durable organizations, especially if owners create robust organizational structures for effective entrepreneurial and managerial succession and continuity. Personnel management, motivation and productivity are areas that have occupied the minds of management of profit making organizations. Managers and scholars alike have wondered at the poor attitude to work of employees in the work place. With the rise of new ideas of management and motivation, one expects to see that these ideas are applied and the employees motivated to maximum productivity.

Despite the fact that the organization is meeting the needs for which it is created the employees seem not to be happy and have not utilized their full potential and skills (Shahid, 2011). The investigator of this study has come to know the LIB management interest to learn more on the status of employees motivation and the factors contributing to employees motivation as the management has no clue on the motivation status and factors

and there was no any study conducted to examine or test the factors that motivates employees at LIB through LIB has many benefit schemes competitive salary and allowances, good work environment, supervision, recognition, promotion opportunity, training, loan facilities medical insurance , accident insurance and other stock options (employees allowed to purchase bank share using their provident fund). periodic reports and exit interviews of the bank employees, Hence, the purpose of this study is to examine to better understand the level of motivation and what factors (financial or non-financial) contribute to employees' motivation.

#### **1.4 Basic Research Questions**

This research examines the level of motivation and what factors contributed to employee motivation at Lion International Bank S.C. Subsequently, the research answers the following specific research questions.

1. What is the level of LIB staff motivation?
2. What major factors attribute to LIB's employees' motivation?
3. What is the relationship between motivation of staff's with financial factors (competitive salary, bonus, mortgage loan, medical Insurance, Emergency loan)?
4. What is the relationship between motivations of staff's and non-financial factors (career development and growth, Coworker relationship, recognition and working condition)?

#### **1.5 Objectives of the Study**

##### **1.5.1 General Objective of the Study**

The general objective of the study is to determine the factors that affect the motivation of employees, at Lion International Bank of Ethiopia.

### 1.5.2 Specific Objectives of the Study

The researcher draws out the specific objectives as follows.

- To assess the level of LIB staff motivation
- To identify major factors attributing to employees motivation
- To determine the relationship between financial factors (competitive salary, Bonus, mortgage loan, medical Insurance and emergency staff loan) and employees motivation.
- To determine the relationship between non-financial factors (career development and growth, co-worker relation, recognition and working condition) and employee motivation.

### 1.6 Research Hypothesis

The study tested the following hypotheses.

**H<sub>0</sub>:** There is no relationship between financial factors (competitive salary, bonus, mortgage loan, accident insurance, medical insurance and emergency staff loan) and employee motivation.

**H<sub>1</sub>:** There is relationship between financial factors (competitive salary, bonus, mortgage loan, accident insurance, medical insurance and emergency staff loan) and employee motivation.

**H<sub>0</sub>:** There is no relationship between Non-financial factors (career development and growth, co-worker relation, recognition and working condition) and employee motivation of staff.

**H<sub>1</sub>:** There is relationship between Non-financial factors (career development and growth, co-worker relation, recognition and working condition) and employee motivation of staff.

### **1.7 Significance of the Study**

It is believed that this study could contribute and have a material significance in terms of identification of motivational factors like financial rewards, competitive salary plan, bonus, mortgage loan, emergency loan, group personal accident insurance and non-financial factors career growth and development, work conditions, recognition of employees and its association with employees' motivation. The study will help to draw the attention of the company towards giving due consideration and attention to the factors which could influence the motivation of its employees and suggesting possible recommendations for the company in 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.

### **1.8 Scope of the Study**

This study is of paramount importance for Lion International Bank to understand and address factors affecting employees' motivation. It is delimited as indicated below.

#### **Geographic location:**

LIB has a head office and 130 Branches located all over the country. It would have been very insightful to include all participants from all branches. However, due to time, financial and access constraints, the scope of this study is limited to employees working only at head office and City Branches located in Addis Ababa excluding outlying branches.

#### **Number of respondents:**

The total population of the study is limited to 627 who are working in Addis Ababa city branches and staffs at head office as it is not feasible to study staffs at outlying branches due to financial and accessibility constraints; The study participants is calculated to be 154 based on the total population of 627. Management, Middle Management, Officer and General staff are included in the study. High level management (President, vice presidents, directors, and department heads) were excluded from the study due to their high level

engagement as policy makers and motivation scheme selection for the employees, the researcher believed that their engagement might influence the findings of the study.

### **Variables of study:**

This study has **dependent variable** (in our case LIB's employees' level of motivation) where as **Independent variables** that focus to identify relationship of motivation with financial factors and with non-financial factors, career growth and development, relationship with co-workers and supervisor, recognition, work condition that may affect the employees motivation.

### **1.9 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 have been defined as follows:

- **Motivation** – is concerned with the strength and direction of behavior and the Factors that influence people to behave in certain ways (Armstrong, 2010)
- **Financial Factors** –A monetary reward in terms of cash such as competitive salary, bonus, and mortgage loan, medical insurance and emergency staff loan.
- **Non-Financial Factors**-A non-cash award given in recognition to accomplishment or performance such as career development and growth opportunity, skill development, training, improved work condition, promotion.
- **Salary** - pay in terms of hourly wage, a rate of wage for each unit produced, known as piece work rate or rate of wage per month or year Bratton, J. and J. Gold (2007).
- **Bonus**- a type of group performance-related pay scheme where a part of the employee's remuneration is linked to the profits of the organization Bratton, J. and J. Gold (2007).
- **Working condition**-free from accident and hazard, necessary equipment and supplies, relationship with supervisor and colleagues, suitable channel and fairly distributed job (Armstrong, 2010).
- **Recognition**-acknowledging individuals for good work (Armstrong, 2007)



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

This research paper reorganized in five basic chapters. The first chapter is 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. The second chapter which deals with previous studies and literatures relevant to the study and it also includes theoretical and empirical evidences related to the study. The third chapter discuss about 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 will be described. The forth chapter deal with data analysis and presentation. It has summarizes the results or findings of the study and it also interprets and discuss the findings using literature review. The last chapter presents the summary of findings, conclusions, limitations of the study and possible recommendations.

## **CHAPTER TWO**

### **REVIEW OF RELATED LITERATURE**

#### **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 facilitate 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 employee of Lion International Bank S.C., and explores how the organization can convert those challenges into opportunities for growth.

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

Motivation can be defined as a driving force within a person which stimulates the individual to do something up to the target level in order to fulfill some need or expectation (Mullins, 2007) It is a complex issue of human behavior which varies from person to person; as a result people are motivated in different ways (Kressler, 2003). Everyone has motives inspired by certain factors that encourage the desire to enhance performance (Kressler, 2003). People's behavior is determined by what motivates them and their performance is the product of both ability level and motivation (Mullins, 2007).

Employees' Commitment to their organization is an important factor for organizational growth and development. Ukaegbu argued that an understanding of working conditions and employee commitment in organizations is very important. A motivated and committed workforce can help enterprises to expand their profits, diversify investments and pave the way for durable organizations, especially if owners create robust organizational structures for effective entrepreneurial and managerial succession and continuity (Mullins, 2007).

Hang and Finsterbusch (1987) as quoted in Ukaegbu, stated that building and sustaining effective and productive organizations is a prerequisite for achieving economic, social and political development. Attracting employees to an organization, retention of committed employees to their organization, and job satisfaction are outcomes of good human resource management. Employees join, and continue to work, for an organization as long as their needs are reasonably satisfied. Poor working condition results in abandonment of organizations by employees. In organizational literature, this is a sign of lack of employee commitment to the organization, with detrimental consequences to the organizations (Hang and Finsterbusch, 1987).

Several theories of motivation were developed to identify the factors of motivation that influence human behavior in different ways. In this review, literatures regarding motivational theories, equity theories and commitment will be discussed. Since the theoretical bases for this study are the theories of Herzberg and Maslow, more emphasis is given for a broad discussion of those motivational theories.

## **2.3 Motivation Concepts**

According to Lam and Tang, methods to motivate employees can be categorized into need-based, and process based. Maslow's Needs Hierarchy, Herzberg's Two-factor Theory, McGregor's Theory X and Theory Y, and Ouchi's Theory Z are typical need-based approaches focusing on the role of motivational dispositions in driving an employee to complete a job with the desirable productivity and quality. Vroom's Expectancy Theory and Reinforcement theory are process-based approach in through which motivation become aroused and translated into the desirable work behavior (Maslow, 1954).

## **2.4 Theories of Motivation**

### **2.4.1 Theory X and Theory Y of McGregor (1960)**

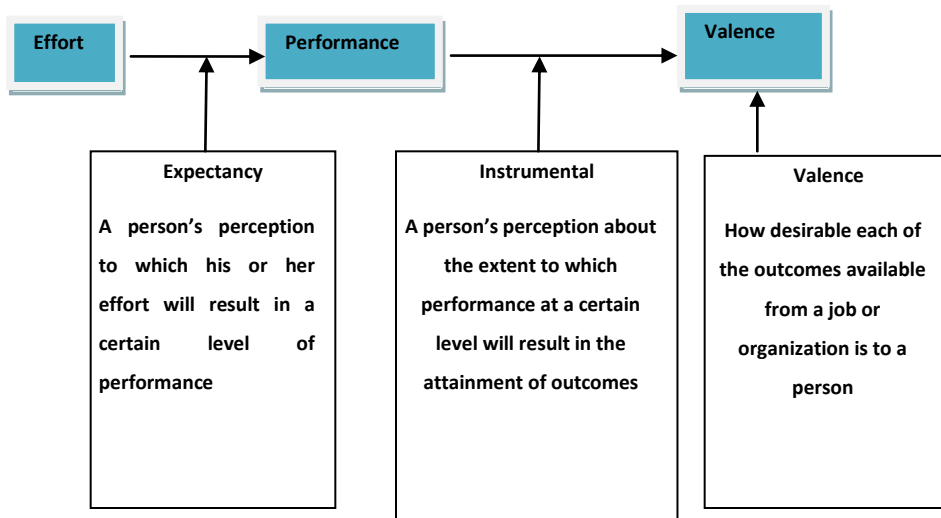
McGregor (1960) postulates Theory X and Theory Y based on extreme assumptions about people and work. Theory X assumes that average employees dislike work, and that the only way to maintain or increase productivity is to simplify the operational process, supervise the employees closely, and motivate them in short term through financial

incentive schemes. Theory Y assumes that average employees' desire self-direction and self-control, seek and accept responsibility, enjoy physical and mental effort, and have the potential to be self-motivating.

### 2.4.2 Expectancy theories of Vroom (1964) and Lawler (1973)

The expectancy theories of Vroom (1964) and Lawler (1973) are regarded by Maloney (1986) people chooses how to behave from among alternative courses of action, based on their expectation what there is to gain from each action. It is as the most useful approach to analyze the three important variables (performance outcome expectancy, Valence and Effort performance expectancy).

**Figure 1: Expectance, Instrumentality and Valence**



Source: Jones, Gareth R. Contemporary management Gareth R. Jones Jennifer M. George 5<sup>th</sup> Edition, © 2009.

### 2.4.3 Reinforcement Theory of B.F Skinner's

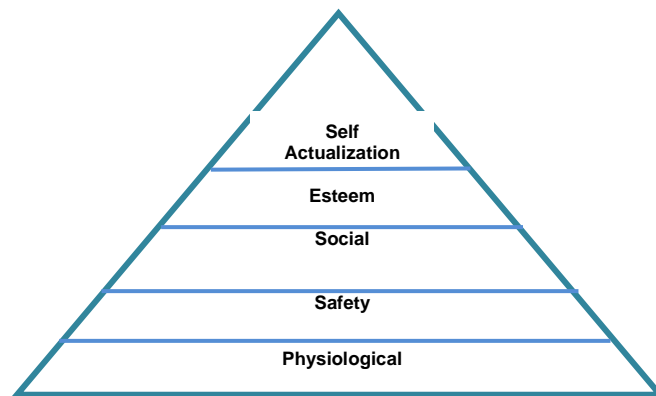
Reinforcement theory which is associated with the psychologist B.F Skinner, shows how the consequences of past behavior affects future actions in a cyclical learning process Stoner, Freeman & Gilbert, (2002).

#### 2.4.4 Maslow's Need Hierarchy Theory

In his theory of motivation, Maslow (1954) as quoted in Lam and Tang, classifies the desires or needs of human beings into physiological, safety, belongingness, esteem, and self-realization needs in ascending order of importance. Examples of physiological needs are salary, housing, food and clothing. Examples of safety needs are safe working environment, freedom from pain and threat, and job security. Belongingness needs include affection from friends and family, and the feeling of belonging to a group.

Esteem needs are the desire for respect and recognition that satisfy one's ego. Self-realization or self-actualization needs are individual's personal sense of achievement and feeling of self-fulfillment. Maslow asserts that the low-level need must be satisfied before attempting to reach the need of the next higher level; and that once a need is satisfied; it is no longer a motivator of behavior with the exception of esteem and self-realization needs Maslow (1954). Maslow (1943) broadly discussed the physiological, safety, belongingness, esteem, and self-realization needs and it is briefly revised as follows:

**FIGURE 2 MASLOW'S HIERARCHY OF NEEDS**



Source: Abraham H. Maslow, Robert D. Frager, Robert D., and James Fadiman, *Motivation and Personality*, 3<sup>rd</sup> Edition, © 1987.

#### 2.4.5 Herzberg's Two Factor Theory

In 1959 Herzberg and his co-workers had performed an in depth analysis of sources of satisfaction and dissatisfaction among 200 engineers and accountants in the Pittsburgh area. A conventional approach to the problem would call for the experimenter to measure

over-all job satisfaction on a scale, and then relate these scores to various factors making up or surrounding the individuals' jobs.

These factors were used as the basis of several analyses of the responses, the most important of which, for the development of Herzberg's theory, concerned the relative frequency with which they appeared in incidents leading to satisfaction and in those leading to dissatisfaction. Achievement, recognition, the work itself, responsibility, opportunity for growth, and advancement -all things intrinsic to the job itself -were mentioned in a large proportion of the satisfying incidents, but in only a few of the dissatisfying ones. Company policy and administration, quality of supervision, salary, interpersonal relations with the supervisor, and working conditions -factors extrinsic to the work itself - appeared mostly in dissatisfying incidents Behling, O., Labovitz, G., & Kosmo, R. (1968).

According to Herzberg (1967) as quoted in Ukaegbu (2000), intrinsic elements of the job are related to the actual content of work, such as recognition, achievement and responsibility. These were referred to as 'motivational' factors and are significant elements in job satisfaction. By contrast, Herzberg described extrinsic factors as elements associated with the work environment, such as working conditions, salary, class size, staff assessment and supervisory practices, and benefits. These were referred to as 'Extrinsic' or 'hygiene' factors which are related to job dissatisfaction. Herzberg concluded that satisfaction and dissatisfaction are not on the same continuum. As a result, he argued that motivational factors can cause satisfaction or no satisfaction, while hygiene factors cause dissatisfaction when absent, and no dissatisfaction when present. Such theories are, of course, somewhat tenuously founded in Maslow's theory of a hierarchy of needs as applied to work situations, with lower order needs requiring satisfaction before higher-level needs emerge and determine motivation.

According to Plunkett and Attner, (1986) hygiene factors are the primary causes of unhappiness on the job. They are extrinsic to the job- that is, they do not relate directly to a person's work, to its real nature. These are part of a job's environment – it's context, not its content. When an employer fails to provide these factors in sufficient quality to its

employees, job dissatisfaction will be the result. When they are provided in sufficient quality, they will not necessarily act as motivators-stimuli for growth and greater effort.

They will only lead to workers to experience no job dissatisfaction. The factors include:

- Salary- adequate wages, salaries and fringe benefits
- Job security- company grievance procedures and seniority privileges.
- Working conditions - adequate heat, light, ventilation, and hours of work.
- Status – privilege, job titles, and other symbols of rank and position.
- Company policies – the policy of the organization and the fairness in administering those policies.
- Quality of technical supervision – whether or not the employee is able to receive answers for job related questions.
- Quality of interpersonal relationships among peers, supervisors, and subordinates – social opportunities as well as the development of comfortable operating relationships.

Motivational (intrinsic) factors are the primary causes of job satisfaction. They are intrinsic to the job because they relate directly to the real nature (job content) of the work people perform. When an employer fails to provide these factors in sufficient quality to employees, they will experience no job satisfaction. When they are provided in sufficient quality, they affect and provide job satisfaction and high performance. People require different kinds and degree of motivation factors. What will be stimulating to one may not be to another. To individuals who desire them, motivation factors with the right amount of quality act as stimuli for psychological and personal growth Herzberg, (1975). These factors include:

- **Achievement** – opportunity for accomplishment and for contributing something of value when presented with a challenge.
- **Recognition** – Acknowledgement that contributions have been worth the effort and that the effort has been noted and appreciated
- **Responsibility** – actuation of new duties and responsibilities, either through the expansion of work or by delegation.

- **Advancement** – opportunity to improve one’s organizational position as a result of job performance.
- **The work itself** – opportunity for self-expression, personal satisfaction, and challenge.
- **Possibility of growth** – opportunity to increase knowledge and develop through job experience.

Herzberg theory’s implication for managers is that, they can use it to focus their efforts on insuring the presence of and quality in hygiene and motivation factors as a foundation on which to build motivation. In the absence of quality, employees may face an unclean environment, which can lead to dissatisfaction for the workforce (Plunkett & Attner 1986).

Stringer, (2011) determine the relationship between motivation, job satisfaction, and pay satisfaction for the front line employees. Variables are Pay satisfaction, intrinsic motivation; extrinsic motivation, job satisfaction. Survey and open ended questions from employees are used for collection of data. Correlation is used for analysis. Intrinsic motivation increases the job satisfaction whereas extrinsic motivation has negative relationship job satisfaction. Quantitative results indicate that extrinsic motivation has no direct impact on job satisfaction.

**FIGURE 3 HERZBERG’S TWO FACTOR THEORY**

Motivators		Hygiene Factors
Achievement		Supervision
Recognition		Company Policy
Work itself		Relationship with
Responsibility		Supervisor
Advancement		Working Conditions
Growths		Salary
		Relationship with Peers
		Personal Life
		Relationship with
		Subordinates
		Status
		Security
Extremely Satisfied	Neutral	Extremely Dissatisfied

Source: Based on F. Herzberg, B. Mausner, and B. B. Snyderman, *The Motivation to Work* (New York: John Wiley, 1959).



## 2.5 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), career 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 15 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) Career 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. Employees' bad feeling to their immediate authority impact on their job performance which leads to

dissatisfaction and lack of motivation. According to Tyilana (2005) unfavorable 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 employees' 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). 16 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 millstones, 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 employees' performance and productivity" (Lin, 2007).

To come to the objectives of the study and with the reviews relevant to the thematic areas brief discussion is stated as follows.

### **2.5.1 The Effect of Employee Performance Recognition on Motivation of Staff**

Generally, employees want their achievement recognized and rewarded. Recognition of good performance is an important aspect that raises job motivation and raises employee morale. Employees would always strive to do a good job as long as they are placed in positions that use their talents and where goals are not only clearly defined but achievable (Chuang, 2009). In this case the managers are required to provide necessary guidance, direction, and support on goal path and standards of performance. Defining standards of performance and timely feedback on performance is an effective way of providing adequate job challenge to individual workers on their jobs. Unclear targets blurred objectives and poor communication can contribute to low motivation and eventually lead to poor work performance.

A study on job intrinsic factor imparting on job motivation of casino hotel chefs found that the chefs are most motivated with work itself and least satisfied with growth and recognition they were accorded. Chefs were most satisfied with supervision and least satisfied with company policies (Okumbe, 2001). The study recommended need for increased recognition at work and creation of special incentive programs tailored to specific kitchen types (McNeese, 1997).

Similarly, nurses shows that their level of job motivation was most influenced when a manager gave recognition, praises, and thanks (Pedalino and Gamboa, 1974). Concise studies on workers in a manufacturing company, shows job motivation as a strategy leading to significant reduction of absenteeism (Chapman, 2003). The writers established rate of absenteeism immediately reducing by 18% and remained low as long as incentives are offered.

Organizational policies and laws that promote employee dignity, positive attitude, and morale could push job motivation, which changes perceptions about work. That way, employees are enabled to enjoy their responsibilities, on tasks that they do, and perform well in their assignments. Good organizational policies should be clear and describe in detail what is expected of employees and the situations under which each of the action taken would apply.

### **2.5.2 Working Conditions and Motivation of Staff**

Studies show that the environment in which people work has a tremendous effect on their level of pride both for them and for the work they are doing. Naturally, employees prefer working conditions that they view as safe and to develop more sense of motivation from their work. (Nzuve, 2007) found that overall doctors were dissatisfied with their work. Among the variables measured, the study cited that doctors are highly dissatisfied with practice environmental pressures and work setting. The study suggest that opportunities for enhancing doctors job motivation exist so long as management works in collaboration with doctors to provide the specific working conditions that health professional desire. Additionally, most employees prefer working relatively close to home, in clean and relatively modern facilities and with appropriate tools and equipment. Employees tend to prefer a job that gives them opportunities to use their skills and abilities and offer a variety of tasks, freedom, and feedback on how well they performed. Because of differential levels in degrees of motivation and individual needs fulfillment, employees perceive some jobs as dull, repetitive, or boring and yet others are seen as satisfying, rewarding and carry high status with them (James, and Lucky, 2015).

Employee values and job expectations significantly moderate job motivation (Purcell, and Kinnie, 2009) Job content for example is a critical determinant of whether employees believe that good performance on the job leads to feelings of accomplishment, growth, and self-esteem; this occurs when jobs are intrinsically motivating. A survey on job motivation and utilization of skills of enlisted white men in the continental US Army in 1943 revealed that proper M. E. Odukah job assignment as an important factor to morale and efficiency. The study also revealed that men like their Army jobs, if they get the job they asked for. Men who are given no choice of jobs and those who asked for a job but fail to get are usually much less satisfied. The study further revealed that the infantry had the smallest number of men serving in jobs they chose and highest number of men with low job motivation.

### **2.5.3 The contribution of training and personal development on motivation of staff.**

Training is the process that enable people to acquire new knowledge learn new skills and perform tasks differently and better than before (Purcell, Kinnie, 2009). The definition is quite relevant to the present study because trained employees perform duties confidently (Chapman, 2003). Training is the imparting of proficiencies and knowledge that are specifically related to a relatively narrow area of employment, whereas development implies individual growth and self-realization a broad area (Purcell, Kinnie, 2009)

Training then helps people to adapt to a role behavior that will be useful to the organization. Traditionally, training was the responsibility of schools but this has changes and now organizations have become in providing both specific job training and general training. Lack of training and induction on the job and limited access to career development are some of the main factors influencing motivation and job motivation of the staffing department at the Teachers Service commission. Lack of well-organized training program may think they are not progressing rapidly enough and that advancement is slow which culminates into low job motivation (Chapman, 2003) Other researches provide evidence that training has a positive effect on motivation of staff and organizational performance (Willis-Shattuck, Bidwell 2008). This relationship eventually leads to improvement in organizational performance. There is a direct relationship between training and organization and motivation with a correlation coefficient of 0.233 and a correlation of 0.297 between motivation and employee performance. We see here, for a firm to achieve higher performance it needs to have improved motivation of employees which is dependent on training of staff. We can be able to infer from these findings that it is not possible for an organization to achieve higher performance without motivated staff. Training can be used as an approach of knowledge needs of employees and then fill the gaps in competency gaps needed for them to perform better and achieve their individual goals and ultimately their organizational goals (Mugenda, 2008). A study on the effect of training on performance of staff in the telecommunication sector shows a coefficient of determination of 0.501 for the performance and employee training which implied that that 50.1% of variation in employee performance could be explained by employee training (Chapman, 2003). Further, he conducted a t test to establish the effect of training on

motivation of employees by grouping employees who were trained and those who were not trained and comparing their motivation. It yielded a T-value was 8.58 that meant that training had a significant effect on motivation. Staff development through training has an impact on staff motivation through their achievement of their job goals (Cao, Jiang, 2013). With staff that are knowledgeable through trainings they are able to achieve their personal goals which leads to staff being motivated.

Training is an approach of reducing the knowledge gap through interventions of training on particular skills and abilities (Springer, 2011). Additionally; he points out that trainings should facilitate an organization to know what staff is not performing well and what needs to be improved. In this case, improved employee performance may occur because of a quality training program that leads to employee motivation and jobs needs fulfillment. These findings support the view that employee competencies improve through training (Purcell, Kinnie, 2009).

## **2.6 Empirical studies on employee motivation using the original and adapted**

### **Maslow's model**

From the much amount of literature available on employee motivation, it is clearly evident that a lot of surveys regarding employees and what motivates them have been undertaken. These employee motivation surveys have been conducted in many different job situations, among different categories of employees using different research methods and applications. One of the very first surveys to be conducted was on industrial workers by (Hershey & Blanchard, 1969).

According to a research carried out by Kovach on industrial employees who were asked to rank ten "job rewards" factors based on personal preferences where the value 1 represented most preferred and 10 being the least preferred. The results were as follows (1) full appreciation of work done (2) feeling of being (3) sympathetic help with personal problems (4) job security (5) Good wages and salaries (6) interesting work (7) promotion & Growth (8) employees loyalty (9) Good working conditions (10) tactful discipline.

During the periods of (1946, 1981 & 1986) when employee surveys were carried out, supervisors were at the time asked to rank job rewards, as they thought employees would rank them. The rankings by the supervisors were relatively consistent for each of the years. These rankings were as follows: (1) Good wages (2) Job security (3) promotion and Growth (4) working conditions (5) interesting work (6) personal loyalty to employees (7) tactful discipline (8) full appreciation (9) sympathetic help with personal problems (10) recognition (Kovach 1987 p.49-54). The results from the supervisor survey indicated that their ranking had not changed over the study period with regards their collective perception of factors that motivate employees. This shows that they had a very inaccurate perception of what motivates employees but also that they did not realize the importance of the need theory.

In a survey by (Wiley, 1997). in which approximately 550 questionnaires were administered to person employed at different industries and divided into 5 subgroups, or categories namely: (occupation, gender, income levels, employment status and age) they were asked to rank 10 factors according to the level of importance each is in motivating them to perform best with the most important factor ranked 1 and the least important ranked 10th. The survey concluded with the following collective rank order by respondents: (1) Good wages (2) full appreciation of work done (3) job security (4) promotion (5) interesting work (6) company loyalty to employees (7) Good working conditions (8) tactful discipline (9) recognition (10) sympathetic help with personal problems.

The results from a representative sample of the labor force in seven different countries by Harpaz (1991). showed that the two most dominant work goals were “interesting work” and Good wages”; He further concluded that these two factors were consistent across different organizational levels, between genders and age groups. (Quinn, 1997). also cited in Harpaz (1991). concluded, “When the ratings of twenty three job related factors (including the need factors) were carried out, the conclusion reached was that no single factor was pre-eminently important”. He further pointed out that, “The most aspect of the worker job was that of sufficient resources to perform a task. From the above studies presented so far, the rankings by different subgroups have shown semantic differences in

the importance placed on different motivational factors. For example Kovach, (1987), Wiley, (1997), and Harpaz, (1990). The discrepancies in these research findings supports Nelsons (2001, p.2) positional view that “what motivates employees differs and may change for the same employee over time”.

It is appropriate at this level to give a brief summary of the previous researches in this thesis. Even though the original need hierarchy theory was presented some 50 years ago, some of its not all factors remain of significant importance to employees today. The large number of earlier and recent studies investigating employee motivation using sometimes the original or modified version of Maslow’s theory, may continue the appreciation of this theory and the issue of employee motivation. The literature also shows that where the original theory was lacking (short comings or criticized for), has been greatly taken into consideration. Researchers have taken issues such as differences in gender, age, income, culture and countries etc. and how these may affect or influence employee work motivation extensively. The commonality between these previous researches is the agreement that certain factors are more important as motivational factors than others and that these factors may change from one employee to another. These previous studies have also been taken using different methods, from surveys, questionnaires, face interviews, but their outcomes have not differed significantly. A possible explanation could be due to the fact that even though these studies were carried out using different methods and target population, the motivator’s factors remain same. The literature used in this thesis covers a wide range of time period, highly relevant and useful for addressing the purpose of this thesis.



## **CHAPTER THREE**

### **RESEARCH DESIGN AND METHODOLOGY**

This chapter discussed how the research is designed, the methodology, population and sampling technique, sources of data, data gathering tools, method of the data analysis and ethical considerations has been taken in the process. Assessment of reliability and validity of data collection tools used is also explained.

#### **3.1 Research Design**

The research approach applied for this study is descriptive research method. Descriptive studies are aimed at finding out "what is," so observational and survey methods are frequently used to collect descriptive data (Borg and Gall, 1989). This study is designed to use both the qualitative and quantitative data analysis methods. Qualitative and quantitative approaches are used to provide an in-depth look at context, processes, and interactions and make precise measurement. In this mixed method the presentation of the results can be convincing and powerful (Marguerit, Dean and Katherine, 2006). The researcher designed to investigate the existing level of employee motivation and factors affecting employee motivation at Lion International Bank S.C.

#### **3.2 Population of the Study and Sampling Technique**

Lion International Bank S.C has a total of 1,252 employees' all over the country. Population for this study were employees of LIB working at head office, and city branches located in Addis Ababa, which are 627 in number. Sampling to be used for the collection of data is probability sampling for better generalization of the study findings. The researcher used simple random sampling technique to select the participants (employees at head office and city branches located in Addis Ababa) of the study. Simple random samplings provide a known non-zero chance of the selection for each population element and considered a special case in which each population element has a known and equal chance of selection.

As cited by 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.

The investigator preferred the formula derived by Yamane, (1967) cited in Glenn, 2012, based on the information from the data, for the population of 627 at 7% margin of error and 93% confidence level as the formula provided appropriate sample size which address financial ,time and accessibility constraints.

Where N =population size,

n =sample size,

e =level of precision given that 93% Confidence level and P = ±7% are assumed.

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

$$n = \frac{627}{1 + 627(0.07)^2}$$

$$n = 154$$

### 3.3 Source of Data and Data Collection Tools

For the purpose of this study both primary and secondary data were collected. Accordingly primary data was collected using structured questionnaires which was adopted from similar studies. The questionnaires were in English and administered to subjects of the study .The questionnaire has two parts. The first part is related to demographic profile of respondents and the second part about the perception of respondents towards factors affecting motivation of employees in LIB. Secondary data were collected from LIB website, human resource records and reports.

### 3.4 Data Collection Procedure

A payroll list of LIB permanent staffs working in Addis Ababa head office and City branches located in Addis Ababa obtained from HR department record has been used as a sampling frame. The study subjects were selected using lottery method from the total population. A structured questionnaire sent via messenger to all participants and study

subjects were requested to complete and send back the questionnaire in a closed envelope. Orientation on completion of questionnaires were provided to head office and branch focal person for the study.

### **3.5 Data Analysis Method Employed**

A descriptive and inferential data analysis method was used to analyze the data collected through a structured questionnaire with SPSS V20. The descriptive statistics is presented using tables in the form of percentage, mean and standard deviation. The inferential statistics is used to examine the relationship between employees' motivation and factors affecting it. The Pearson's Correlation Coefficient used to determine the relationship between motivation and financial and non-financial factors. Moreover, multiple regression as used to identify the most important factors of motivation that contribute to employees motivation or to find out which variables have the greatest influence on employee motivation.

### **3.6 Ethical Considerations**

Confidentiality and privacy are the corner stone of field research activities in order to get relevant and appropriate data. The researcher assured the purpose of the study and confidentiality of information. Respondents were assured any information gathered through data collection instruments that will be used only for the academic purpose. The data and documents were secured during the research and kept safely, not being transferred to third parties. Back up of the research inputs and outputs were archived. Moreover, the study was conducted with consent of the organization and data collected from the respondents based on their consent. On the other hand, all sources and materials consulted have been duly acknowledged.

### **3.7 Validity and Reliability**

#### **3.7.1 Validity**

The validity of research instrument can be considered how accurate the instrument measures what is supposed to measure (Joubert and Ehrlich, 2005). The face validity of the instrument was assessed by the experts in the field and during pretest of the questionnaire.

#### **3.7.2 Reliability**

The reliability of instrument refers to a precision of the test even if the test is done again and again (Joubert and Ehrlich, 2005). The instruments of the study were adopted from previous work and used with some modification.

The data collection tool was pre-tested among non-participants of the study on 14 employees selected from head office and branches to see whether the questions are well understood, correctly interpreted, if there are any unclear enquiries.

Based on the feedback from participants improvement was made to the questionnaire. The research instrument was also tested by Cronbach's alpha and the value was 0.898 which indicates as "good" for a reliability coefficient.

##### **3.7.2.1 Reliability of the Instrument**

Reliability is the degree to which the measure of a construct is consistent or dependable Bhattacharjee (2012). 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 poor, 0.7 ranges to be acceptable and over 0.8 are good.

**Table 1: Reliability coefficients**

<b>Scale</b>	<b>No. of items</b>	<b>Cronbach's alpha coefficient</b>
Financial factors	6	.791
Career growth and development	2	.753
co-worker Relation and supervision	3	.843
Recognition	3	.821
Work condition	6	.842

Source Own survey, 2016

Table 1 shows that instrument used in this study was reliable with Cronbach's alpha value of all independent are within the range of .753 to .843 which is considered as good reliability coefficients. Consequently, all variables on of financial and non-financial are above 0.7 and the three of them are above 0.8 which shows the overall reliability of coefficients is considered as good.

## CHAPTER FOUR

### DATA PRESENTATION ANALYSIS AND INTERPRETATION

#### 4.1 Data Presentation and Analysis

The data for this specific research has been collected, processed and analyzed in accordance with the approved research proposal outline research plan. The data processing implies editing, coding, classification and tabulation of collected data to make it amenable for analysis.

The analysis is based on the data collected from 154 LIB employees through a structured questionnaire which was developed and distributed to employees of LIB working only in Addis Ababa which includes head office and 37 city branches. Out of these 154 questionnaires distributed to the respondents, 149 copies of a questionnaire were returned. The analysis is based on the valid 149 copies of a questionnaires completed by employees. The rest (2) were not returned and (3) were found to be incomplete. The following table shows the response rate.

**Table 2, Response rate of questionnaires administered**

	<b>Total questionnaire administered</b>	<b>Correctly filled and returned</b>	<b>Not correctly filled</b>	<b>Not returned</b>
Number	154	149	3	2
percentage		96.8%	1.9%	1.3%

Source: Own survey 2016.

As clearly presented on the above table, the response rate of respondents is (96.8%) 149. The rest not returned questionnaires which accounts (2)1.3% and not correctly filled accounts for (3)1.9%. Analysis was made based on the returned 149 valid questionnaire.

#### 4.2 Demographic profile of respondents

The first part of the questionnaire consists of the demographic information of the study participants related to personal and demographic characteristics of respondents. Accordingly, demographic variables were summarized in table 3 and 4, as indicated below.

**Table 3, Respondents characteristics by Gender, Age and Educational background.**

<b>Characteristics</b>	<b>Frequency</b>	<b>Percentage (%)</b>
<b>Gender</b>		
• Male	81	54.4
• Female	68	45.6
<b>Age</b>		
• 21-30	102	68.5
• 31-40	45	30.2
• 41-50	0	
• >50	2	1.3
<b>Educational background</b>		
• Certificate	0	0
• Diploma	15	10.1
• First Degree	124	83.2
• Second degree and Above	10	6.7

Source Own survey, 2016

As to the gender composition of respondents of the study the majority 2/3<sup>rd</sup> of the respondents were found to be male constituting 64.4% of respondents and the remaining 45.6% are female. Regarding the age of the respondents, the largest group (68.5%) is in the range of 21-30 years of age. The second largest group (29.1%) in the range age range of 31-40 years of age and only 6.1% in the age range of >50 ,and surprisingly no respondent were in the age group of 41-50 .

With regard to Educational background of respondents majority of the respondents were first degree holders (83.2%) followed by Diploma holders (10.1%), second degree and above (6.7%).

**Table 4, Respondents characteristics by work experience and Job grade.**

<b>Characteristics</b>	<b>Frequency</b>	<b>Percentage (%)</b>
<b>Job Grade</b>		
• Management (Grade 11, 12)	12	8.1
• Middle Management (Grade 8, 9 &10)	47	31.5
• Officers (Grade 7)	49	32.9
• General Staff(Grade 1-6)	41	27.5
<b>Service years at LIB</b>		
• Up to 2 years	61	40.9
• 2-4 years	37	24.8
• 4- 6 years	23	15.4
• > 6 years	28	18.8

Source Own survey, 2016

In terms of Job category equal number of respondents from Middle management, officers and general staff participated in the study with a proportion of 31.5, 32.9 and 27.5% respectively. Management accounted only to 8.1%.

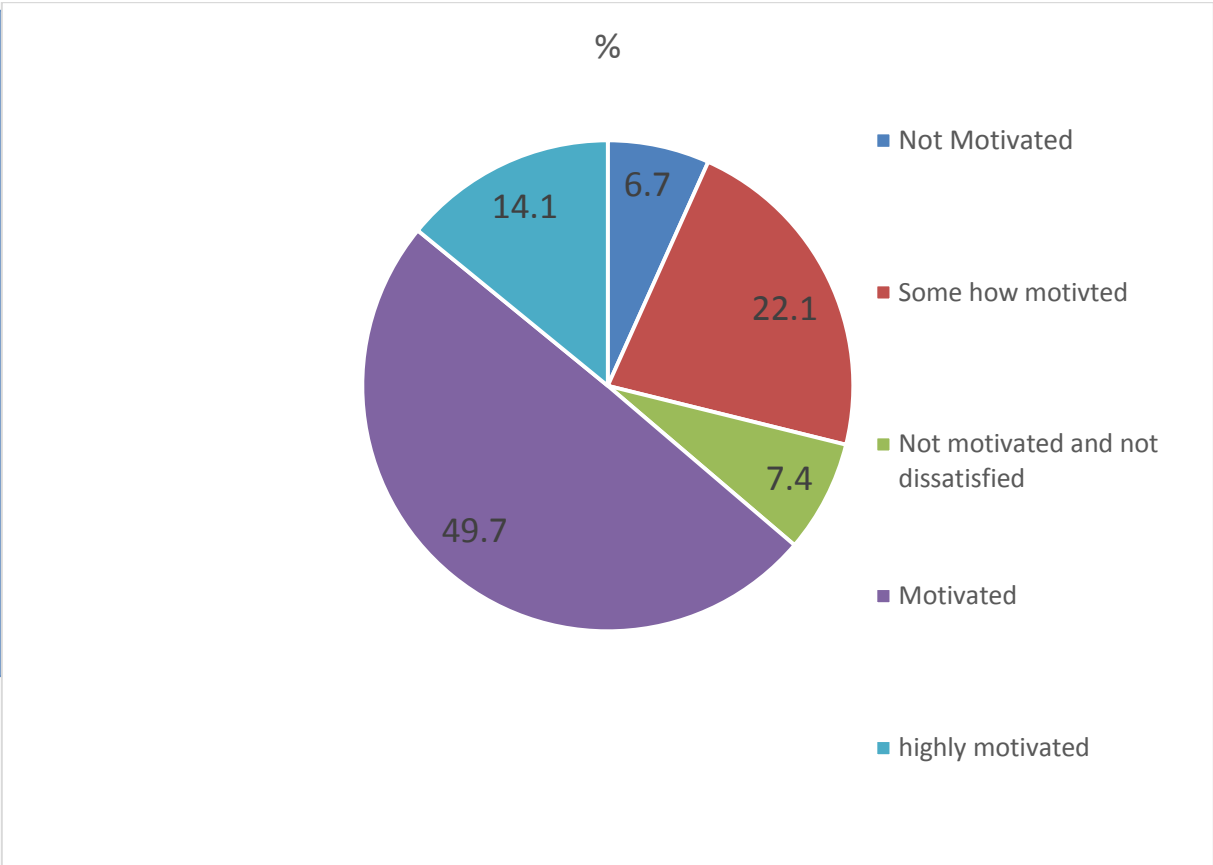


With regard to service years majority of the respondents were in the service year up to 2 years (40.9 %) followed by service years ( 2-4) which accounted to 24.8% and equal number of respondents in service years range of service years of 4-6 years and above 6 years with constituting 15.4 % and 18.8% respectively.

**4.3 Level of employees’ motivation**

Respondents were assessed to see their level of motivation towards LIB motivation schemes. Majority 2/3<sup>rd</sup>(64%)of the respondents indicated that they were motivated and highly motivated which accounts 49.7% and 14.1% respectively which indicates above average level of motivation with any of the motivation schemes of the bank. However few proportion (6.7%) of respondents indicated that they are not motivated and 7.4 % were neither motivated nor dissatisfied. In general LIB staff motivation level can be considered as satisfactory.

**FIGURE 4 LEVEL OF EMPLOYEES’ MOTIVATION**



Source Own survey, 2016

#### **4.3.1 Level of employees' motivation towards motivational factors**

Employees' perception towards motivational factors at Lion International Bank S.C. with the Motivational factors was assessed in this section .The motivational schemes is composed of financial factors ( Competitive salary ,Bonus ,Credit facility, Emergency loan ,medical insurance and accident insurance )and Non-financial factors (career growth and development, co-worker and supervisor relation, recognition and working conditions). The respondents were asked to rate each statement as per their perception of these factors.

A Likert scale was used to measure the Influence of motivational factors on employees' motivation. The researcher has explored employees' perception levels towards motivational factors at Lion International bank S.C. The degree of motivation towards motivational factors is set from 1 to 5 (5 is the highest and 1 is the lowest motivation). The translation of level ranking was analyzed based on 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)

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

In this section, the researcher applied descriptive statistics (mean and standard deviation) for better understanding and summarization of the 20 factors which are grouped into 5 basic factors based on which the questionnaire was constructed .The analysis was made individually and in grouped manner.

**Table 5, Motivational factors**

	<b>Motivational factors</b>	<b>N</b>	<b>Mean</b>	<b>Std.</b>	<b>Rank</b>
	<b>Financial factors</b>	149	<b>3.91</b>		
1	LIB's Competitive salary is highly motivating for employees	149	<b>3.68</b>	.862	7
2	LIB bonus payment is highly motivating to employees.	149	<b>4.161</b>	.863	2
3	LIB mortgage loan is highly motivating to employees	149	<b>3.74</b>	1.07	6
4	LIB Accident insurance is highly motivating to employees	149	<b>3.82</b>	.863	5
5	LIB medical insurance is highly motivating to employees	149	<b>3.89</b>	.916	3
6	LIB emergency staff loan is highly motivating	149	<b>4.16</b>	.878	1
	<b>Career growth and development</b>	149	<b>3.64</b>		
7	LIB provides opportunities for staff career growth & development	149	<b>3.65</b>	1.03	8
8	LIB provides training related to your jobs for development	149	<b>3.62</b>	1.07	9
	<b>Co-worker relation and supervision</b>	149	<b>3.66</b>		
9	LIB managers strong supervision highly motivates the staff	149	<b>3.54</b>	.911	12
10	LIB staffs team spirit and cooperation among co-workers highly motivating to the staff	149	<b>3.88</b>	.915	4
11	LIB supervisors team spirit is highly motivating to staffs	149	<b>3.55</b>	.940	11
	<b>Recognition</b>	149	<b>3.38</b>		
12	LIB gives high importance to appreciation, recognition to staffs	149	<b>3.12</b>	.912	20
13	LIB recognizes efforts of employees for the Success of the bank at all times	149	<b>3.48</b>	.915	11
14	LIB financial rewards for best performing branches is highly motivating to the staffs	149	<b>3.54</b>	.940	13

	<b>Working condition</b>	149	<b>3.40</b>		
15	The quantity of work is not overburdening and enough for a day that keeps me highly motivated.	149	<b>3.44</b>	1.02	16
16	There is sufficient variety of work to motivate me at work	149	<b>3.47</b>	.955	15
17	I have the opportunity to do what I do to my best which keeps me motivating.	149	<b>3.56</b>	.968	10
18	I have the opportunity to innovate and work on my initiative that keeps me motivating.	149	<b>3.40</b>	.972	17
19	I am free to choose my own method of working	149	<b>3.19</b>	1.06	19
20	I am consulted on important issues of the Bank and my opinions seems to count	149	<b>3.36</b>	.932	18

Source Own survey, 2016

### **4.3.3 Analysis of Factors attributing to Employees motivation**

To identify factors motivating employees in the workplace, 20 attributes have been selected which are shown in the above table (Table 5). 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 indicates 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 "emergency staff loan is highly motivating" and the lowest mean value was found for the variable "LIB gives high importance to appreciation, recognition to staffs". As shown on Table 5 above reveals that the mean value of 9 factors were above the average mean in terms of motivating the staff .Staff emergency loan, Bonus, Medical insurance ,team spirit and cooperation ,accident insurance, credit / mortgage loan and competitive salary were the high ranking motivation schemes of LIB with mean ranging 4.16-3.68. Most of the high ranking factors were found out to be financial 6 out of seven which indicates LIB need to work more on the non-financial factors to motivate the staff.

According to Maslow, Any changes in the working environment would make them worried about their work condition. Organizations have to ensure proper communication and set

workable team spirit and establish good relationship of staffs and supervisors to maintain good staff motivation.

According to Maslow, Any changes in the working environment would make them worried about their work condition. Organizations have to ensure proper communication and set workable team spirit and establish good relationship of staffs and supervisors to maintain good staff motivation.

Healthy workplace where employees have cooperative and harmonious relationship with their coworkers and supervisors will lead to higher performance. It is also appreciated by the respondents of this study (ranked 4<sup>th</sup> highly ranked of non-financial factors with mean value of 3.87. It is a social factor according to Maslow (1943). Introducing congenial social environment is quite convincing issue which causes employee motivation and work satisfaction. on the other hand findings of this study indicated *LIB managers strong supervision ranked 12<sup>th</sup> out of 20 with mean value 3.53 which may indicate employees' negative attitude toward their supervisors close follow-up which may have impact on their job performance which leads to dissatisfaction.*

Competitive salary is crucial factor for motivating employees. But, this study finding indicates lower rating with mean value of 3.68. however other financial factors has been rated higher 1-3 with mean value 4.16 to 3.89 being emergency loan, bonus and medical insurance respectively and has been spotted as very important motivational factor This result substantiates Herzberg's two factor theory which states that salary and benefits are the hygiene factor which can prevent employees' 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.

Herzberg's two factor theory (1959) described 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. 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. However, working condition factors ranked least 15 to 19 with mean of 3.46 to 3.19. This shows LIB become unable to provide better working environment with high dissatisfaction of employees (Herzberg 1959).

#### 4.4 Descriptive Statistics for Perceptions of Employees Regarding Motivation-

**Table 6, Financial factors**

	Motivational factor	SD		D		N		A		S	
		N <sup>o</sup>	%	N <sup>o</sup>	%	N <sup>o</sup>	%	N <sup>o</sup>	%	N <sup>o</sup>	%
1	Competitive salary	2	1.3%	13	8.7%	35	23.5%	79	53%	20	13.4%
2	Bonus	3	2 %	4	2.7%	15	10.1%	71	47.7%	56	37.6%
3	Mortgage loan	7	4.7%	14	9.4%	26	17.4%	66	44.3%	36	24.2%
4	Accident insurance	2	1.3%	6	4.0%	41	27.5%	68	45.6%	32	21.5%
5	Medical insurance	2	1.3%	10	6.7%	29	19.5%	69	46.3%	39	26.2%
6	Emergency staff loan	3	2%	2	1.3%	23	15.4%	61	40.9%	60	40.3%

Source Own survey, 2016

Regarding competitive salary for employees, the survey results revealed that the 2/3<sup>rd</sup> of respondents 99(63.4%) agreed and strongly agreed salary is motivating factor. While 35(23.5%) respondents are neutral with competitive salary as motivational factor. On the other hand, 2(1.3%) and 13(8.7%) respondents strongly disagree and disagreed with the statement.

More than 3 /4<sup>th</sup> (85%) of respondents have agreed and strongly agreed with the statement LIB bonus payment is highly motivating while very few disagreed or strongly disagreed with the Statement 2.0% and 2.7% respectively and 10% had neutral reaction to the

statement . The survey indicates that a LIB bonus payment system is one of the highly motivating financial factors to employees.

According to the agreement level with the mortgage loan, nearly 2/3<sup>rd</sup> of respondents agreed (44.3%) and strongly agreed(24.2%) with the statement that mortgage loan highly motivating ,whereas less than a quarter disagree (9.4%)and strongly disagree(4.7%) with the statement while 1/4<sup>th</sup> remained neutral

More than 2/3<sup>rd</sup> of respondents have agreed (45.6%) and strongly agreed (21.5%) with the statement LIB accident insurance schemes highly motivating to employees while few disagreed (4%) and strongly disagreed (1.3%) Moreover, more than a quarter of respondents still remain neutral to the statement.

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

**Table 7, Opportunities for Employees’ career growth and development**

	Motivational factor	SD		D		N		A		S	
		№	%	№	%	№	%	№	%	№	%
1	LIB provides opportunities for career growth & development.	6	4%	14	9.4%	35	23.5%	65	43.6%	29	19.5%
2	LIB provides appropriate training related to your jobs for development	8	5.4%	15	10.1%	31	20.8%	66	44.3%	29	19.5%

Source Own survey, 2016

For the statement that seeks the level of agreement about to what extent it is possible to get employees’ opportunities for career growth and development, majority 43.6% and 19.5% employees agreed and strongly agreed respectively. But a small proportion of respondents which accounts to 13.4 % disagreed agreed and strongly disagreed with this particular item. While 35 (23, 5%) employees have no idea about opportunities for career growth and development. In terms of the agreement level with regard to LIB appropriate training

program relating to the job, 15.5% of the employees disagreed and strongly disagreed, while a higher proportion of 63.8% of the respondents agreed and strongly agreed and 20.8% remain neutral. Representing the lower proportion of the employees have strongly disagree with this statement it is possible to conclude that LIB is able to provide appropriate training program to the employee relating to their jobs.

**Table 8, Coworker relation and supervision**

	Motivational factor	SD		D		N		A		SA	
		N <sup>o</sup>	%	N <sup>o</sup>	%	N <sup>o</sup>	%	N <sup>o</sup>	%	N <sup>o</sup>	%
1	LIB managers strong supervision	4	2.7%	15	10.1%	43	28.9%	71	47.7%	16	10.7%
2	LIB staffs team spirit and cooperation among co-workers	4	2.7%	6	4%	30	20.1%	73	49%	36	24.2%
3	LIB supervisors team spirit	6	4%	12	8.1%	42	28.2%	72	48.3%	17	11%

Source Own survey, 2016

The effect of strong supervision on employees' motivation is one of the area of interest of this survey , to this effect 58.4 % of respondents ,strongly agree(10.7%) and agree(47.7%) with the statement that supervisors strong supervision is highly motivating while 1/8<sup>th</sup> of respondents disagreed with the statement on the other hand 29% were neutral to the statement Having this in mind, it is then possible to conclude that strong supervision as a strategy may not be the major factor for employee motivation.

Team spirit and cooperation among staffs was one of the areas of interest to the investigator to understand and its relation to motivation .Only 6.7% disagree and strongly disagree with the statement while less than a quarter had neutral reaction. The great majority 73.2% agreed and strongly agreed with the statement team spirit and cooperation is highly motivating to the staff .To this end, the investigator has confirmed team spirit and cooperation is one of the highly motivating factors from the non-financial and need to maintain it.



With regard to feeling of team spirit and cooperation with supervisor a less proportion of respondents that team spirit among staffs agreed and strongly with the statement 59.7% Vs 73.2% which indicates team spirit is one of the areas that LIB need to work for improvement to maintain motivation of staffs.

**Table 9, Appreciation and recognition of staffs as motivating factors**

Motivational factor	SD		D		N		A		SD	
	N <sup>o</sup>	%	N <sup>o</sup>	%	N <sup>o</sup>	%	N <sup>o</sup>	%	N <sup>o</sup>	%
LIB gives high importance to appreciation, and recognition to staffs	9	6%	29	19.5%	54	36.2%	48	32.2%	9	6%
LIB recognizes efforts of employees for the Success of the bank at all times	7	4.7%	19	12.8%	37	24.8%	67	45%	19	12.8%
LIB financial rewards for best performing branches is highly motivating	12	8.1%	11	7.4%	41	27.5%	55	36.9%	30	20.1%

Source Own survey, 2016

Recognition of staffs and appreciation was found out to be one of the low ranking factors as per the perception of respondents. Almost a quarter of respondents disagreed or strongly disagreed with the statement that LIB gives importance to appreciation and recognition. only 38% of agreed or strongly agreed with the statement which is an indication that great majority of respondents are dissatisfied with the recognition and appreciation for the staffs .It will be one of the home take assignment to design and implement appropriate strategy for recognition and appreciation.

**Table 10, Working condition of LIB employees**

Motivational factor	SD		D		N		A		SA	
	N <sup>o</sup>	%	N <sup>o</sup>	%	N <sup>o</sup>	%	N <sup>o</sup>	%	N <sup>o</sup>	%
The quantity of work is not overloading	7	4.7%	22	14.8%	35	23.5%	69	46.3%	16	10.7%
There is sufficient variety of work	5	3.4%	20	13.4%	38	25.5%	72	48.3%	14	9.4%
I have opportunity to do my best	5	3.4%	15	10.1%	42	28.2%	66	44.3%	21	14.1%
I have opportunity to innovate	4	2.7%	25	16.8%	42	28.2%	63	42.3%	15	10.1%
I am free to choose my own method of working	9	6.0%	32	21.5%	42	28.2%	53	35.6%	13	8.7%
I am consulted and my opinion seems to count	5	3.4%	20	13.4%	51	34.2%	61	40.9%	12	8.1%

Source Own survey, 2016

Working condition is also a crucial non-financial factor for LIB. There were a number of statements forwarded to respondents of this survey. None of the 6 stated statements on work condition has found significant agreement with respondents. 44-57% of respondents agreed and strongly agreed and 13-27% disagree with the statements on the quantity and variety of work, opportunity for innovation, freedom to choose the method of working and opinions of employees to count. As compared to other non-financial factors working conditions received low proportion of respondents agreement in motivating employees which LIB should give due attention to work on improvement.

#### **4.6 The Relationship between financial factors to motivation of staffs**

The third objective of this study was to analyze the relationship between financial factor and motivation of staff at the Lion International Bank of Ethiopia. The study analyzed five major financial factors Competitive salary, Bonus, mortgage loan, accident insurance, medical insurance, emergency loan. The null hypothesis that was tested was that there is

no relationship between financial factors and motivation of staff. The correlation analysis results are presented in Table 11.

**Table 11, Correlation between financial factors and motivation of staff**

		Comp Salary	Bonus	Mortgage loan	Accident insurance	Medical insurance	Emergency staff loan	Financial Factor
Level of Motivation	Pearson cc	.432**	.219**	.297**	.256**	.187*	.110	.358**
	Sig. (2-tailed)	.000	.000	.000	.002	.023	.190	.000
	N	149	149	149	149	149	149	149
**. Correlation is significant at the 0.01 level (2-tailed).								

Source Own survey, 2016

Analysis of the sub financial factors in isolation salary with .432, bonus with .219, mortgage loan .297, accident insurance with .256, medical insurance with .187 correlation coefficients and P value of less than 0.05 showed significant level association with motivation. On the other hand emergency staff loan with .110 correlation coefficient and p value .190 which is > 0.05 has no association to motivation. The correlation analysis between financial factors and motivation was found to have correlation coefficient of 0.358 with a P value of 0.0000. The P value was less than 0.05, meaning that we reject the null hypothesis and conclude that there was a significant positive association between the overall financial factors and motivation of LIB staff.

#### 4.7 The Relationship between Non-financial factors to motivation of staffs

**Table 12, Correlation between Non- financial factors and motivation of staff**

		CG&D	CWRS	Recognition	Working condition	Overall non-financial factors
Level of Motivation	Pearson cc	.199**	.343**	.310**	.387**	.444**
	Sig. (2-tailed)	.015	.000	.000	.000	.000
	N	149	149	149	149	149
** . Correlation is significant at the 0.01 level (2-tailed).						

Source Own survey, 2016

Analysis of the sub non-financial factors in isolation career growth and development (CDG) with .199, coworker relations and supervisors ( CWRS) with .343, staff recognition with .310 ,working condition with .387 correlation coefficients and P value of less than 0.05 showed significant level association with motivation.

The correlation analysis between non-financial factors and motivation was found to have correlation coefficient of 0.444 and P value of .000. The P value was less than 0.05, meaning that we reject the null hypothesis and conclude that there was a significant positive association between the overall non -financial factors and motivation of LIB staff.

Both financial factors and non-financial factors was tested using the hypothesis the investigator set to test the relationship between factors and motivation .Analysis showed positive association with p value <0.05 and null hypothesis showing no relationship with financial and non-financial factor was rejected .Both financial and non-financial factor have significant positive association with motivation of LIB staffs.

#### **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 five independent variables, multiple regression models were used as a measure for their relationship.

**Table 13, Model summary**

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F	df1	df2	Sig. F Change
1	.481	.231	.204	1.04826	.231	8.596	5	143	.000

Source Own survey, 2016

Regression table measures the amount of total variation in dependent variable due to the independent variable. Table 13 above, shows the value of Adjusted R<sup>2</sup> is 0.204. This value indicates that there is almost 20.4% variation in dependent variable (level of employees' 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 8.59 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.

**A. Dependent Variable: Level of employee motivation**

**B. Predictors: (Constant),**

**Financial factors** (Competitive salary, Bonus, Emergency loan, Mortgage loan, medical insurance)

**Non-financial factors** (Career growth and development, coworker relations, Recognition, Work condition)

**Table 14, Regression analysis with Dependent variable-level of motivation**

Model	Un standardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-.158	.589		-.268	.789
1 MFF	.284	.163	.154	1.739	.084
MCDG	.130	.114	.097	1.140	.256
MCWRS	.216	.139	.148	1.552	.123
MRecog	.001	.130	.001	.010	.992
MWC	.354	.169	.222	2.089	.038

Source Own survey, 2016

### **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, working condition, have the highest standardized coefficient B (.222) and the level of significance (0.000) followed by financial factor .154 with .084 level of significance . Thus work condition was found out to be the best predictor. Work condition and financial factor have the highest beta coefficient which implies that work condition and financial factor have impact on employees' motivation.

### **Predictor of employee motivation**

Furthermore, the beta value indicates the amount of change in the dependent variable (level of employee motivation) due to changes in independent variables (financial factor, Career growth and development, co-worker and supervisor relation, recognition and work condition). This means if there is 1% change in the value of work condition then employee motivation increases by 22.2 % if other factors remain constant. If there is a 1% change in the value of financial factor then employee motivation increased by 15.4%. In this study, work condition and financial factor have significant impact on employee motivation.

### **Summary of qualitative findings general comments from respondents**

The investigator requested general comments and feedback from respondent's using open ended questions on the questionnaire. Accordingly the most frequent comments were summarized as follows.

Some respondents raised the issue of increase in emergency staff loan from the current six months of salary to twelve months of salary. It was also suggested to improve the salary scale of the bank based on the regular assessment of the marker value for bank employees. Mortgage loan is another area suggested for improvement and to encompass loan for vehicle purchase to staffs. Another issue raised to improve employee motivation is coverage of family in medical insurance.

## CHAPTER FIVE

### SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

This purpose of this study focuses on finding out the level of motivation ,identifying factors affecting employee motivation and find out the relationship of financial and non-financial factors to employees motivation at Lion International bank. Based on the findings of the study, the investigator tried to recommend some recommendations to LIB to improve staff motivation.

#### 5.1 SUMMARY OF FINDINGS

##### **Level of motivation**

- The study indicated 2/3rd of (64 %) of LIB staff are motivated by the motivation schemes designed by the bank and 7 % are found to be dissatisfied and similarly 7% are not sure about their satisfaction and 22 % didn't identify their satisfaction level which indicated above average level of motivation of staffs.
- Among the motivated with the motivation scheme the most motivating factor was identified as financial factor 64% and 36% as non-financial factor.

##### **Attributing factors**

- Comparison of the mean value of all motivational factors indicates that the mean score of perception for financial factors, Career growth and development, Co-worker relation and supervision are the highest among the others with mean values of 3.96, 3.66 and 3.64 respectively.
- The attributes of perceived level of motivation are distributed among the six motivational factor measurements. emergency staff loan stood- 1<sup>st</sup>,bonus payment-2<sup>nd</sup>, medical insurance- 3<sup>rd</sup>, team spirit and cooperation among staffs -4<sup>th</sup>, Accident insurance - 5<sup>th</sup> and mortgage loan - 6<sup>th</sup> with mean values of motivation level 4.162,4.161, 3.89, 3.88 , 3.82,3.74 respectively .



### **Association of motivation with financial and non-financial factors**

- All the assessed factors financial and non-financial found out to have significant association with the level of motivation of staffs.
- Financial factors, career growth and development, team spirit with coworkers, recognition and work condition have significant association with motivation at .000 which is less than 0.01.

### **Predictors of motivation**

- The relative importance of the significant predictors is determined by looking at the standardized coefficients. Only work condition has the highest standardized coefficient with .000 level of significance, which means work condition is the only best predictor for motivation.

## **5.2 CONCLUSION**

The main objective of this study was to investigate the factors that influence employee motivation working at Lion International Bank of Ethiopia. The proposed four specific objectives of the study were to identify level of motivation, major factors attributing to employees motivation, identifying the relationship between motivation and attitude of employee towards financial and non-financial factors.

The study identified the level of motivation of LIB staffs as above average and it indicates that though 68% of the staffs indicated they are motivated with the current motivation schemes, there are significant number of staffs indicated dissatisfaction. Among motivated with scheme financial motivation contributed 65% and only 35 to non-financial factor which indicated dissatisfaction with the non-financial factors.

The study identified and ranked key factors that attributes to motivation of employees working at LIB. Assessment of the data explores the top 5 ranking were found to be emergency staff loan , bonus , medical insurance, team spirit and cooperation among staffs Accident insurance our of which 4 belongs to financial factors and only one to non-financial factors.

Among the least ranking 16-20 factors 4 of them belongs to working condition on the quantity of work ,opportunity to innovate ,my opinions count to the bank ,free to choose own method of working and finally the last ranking was found to be recognition of staffs

From the results it can be said that the key factors that contribute to employee motivation are financial factor and work condition. Work condition is identified as the most important factor that enhances employee motivation at LIB.

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) 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. This implies that employees, who receive greater level of recognition, are more motivated than others. However, recognition has been found to be the least ranking factor in our case.

In our case additionally, only work condition was found to be with highest standardized coefficients and been identified as predictive of employee's motivation.

Financial factor play an important role in the employees' motivation. Working conditions has also proven to be a strong influence on employees' 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.

### **5.3 RECOMMENDATIONS**

Looking into the findings of the survey and based on the respondents recommendations, the investigator has developed recommendations to LIB which will help to improve employees' motivation.

- LIB management should maintain financial motivation scheme and need to look forward on the competitiveness of salary scale on regular bases looking into the market and make adjustment accordingly.

- LIB management need to consider the following approaches to improve the non-financial motivation schemes focusing on improving working conditions, supervisor employee's relations and team spirit.

### **Improving work conditions**

Managers play critical role in creating an environment that will bring out the best in employees and success of the company. (Shannon, G. 2017)

- Managers has to show that they are just as human as everyone else will improve the working environment as you will be more relatable to your workers, and they will be more likely to follow you as opposed to being threatened by you . Show that managers are humans.
- As a manager, take the time to discover certain aspects of your employees that may not be apparent on the surface, as you never know what amazing strengths you will find. Know the strengths of your employees and use them.
- Plan team-building exercises and/or group activities will help improve working environments as it first and foremost creates awareness among peers. This awareness can bring a sense of ease, appreciation and bonding for many employees, which may increase motivation to get up in the morning and go to work.
- Giving continuous feedback, but also tools on how to improve, will help guide your employees to a desired outcome and set a clearer path for success. This can improve working environments as managers will become more aware of the performances of their teams, their developmental and motivational needs and even help to prevent burnouts.

### **Improve appreciation and recognition of staffs**

Employee recognition is a communication tool that reinforces and rewards the most important outcomes that people create for your business when you recognize people effectively, you reinforce, with your chosen means of recognition, the actions and behaviors you most want to see people repeat (Susan M. 2017).

- LIB need to practice standard ways of recognition to the employees which considers all employees eligible for the recognition and establish criteria for what performance or contribution constitutes reward-able behavior or actions.
- The recognition has to be conducted on regular bases as close to the performance of action or period so the recognition reinforces the behavior the employer wants to encourage and can be conducted on biannual or annual bases on preference
- The recognition can be in a form of
  - Write out a recognition letter
  - Write a personal note to the employee.
  - Accompany the verbal recognition with a gift.
  - Cash or equivalent to cash reward
  - Present the recognition publicly at all staff meeting

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**4. Job Grade**

- |                                       |                                    |
|---------------------------------------|------------------------------------|
| 1) Management (Grade 11 & 12)         | 3) Officers (Grade 7)              |
| 2) Middle Management (Grade 8, 9 &10) | 4) General Staff (Grade 1 up to 6) |

**5. Service years at LIB**

- |                  |               |
|------------------|---------------|
| 1) Up to 2 years | 3) 4- 6 years |
| 2) 2-4 years     | 4)> 6 years   |

**Part II: Perceptions towards motivational factors**

Please show the extent to which you perceive the organization’s motivational scheme. There is no right or wrong answers. All I am interested is about your perceptions on the motivational factor which affect employee satisfaction at LIB. Please choose the most appropriate response which describes your opinion. *(Please circle your response)*

**1. Describe your current level of motivation at your work with LIB motivation schemes**

- |                      |                                     |                     |
|----------------------|-------------------------------------|---------------------|
| 1) Not motivated     | 3) Not motivated & not dissatisfied |                     |
| 2) Somehow motivated | 4) Motivated                        | 5) highly motivated |

**If “Somehow motivated, motivated or highly motivated” go to Q no.2 if not motivated go to Q no.3**

**2. If “Somehow motivated, motivated or highly motivated” with the scheme which factor motivated you most? Circle the most appropriate one response that fits to your perception.**

*Financial includes competitive salary, Bonus, Accident insurance, Medical Insurance ,Staff credit facility and Emergency loan)*

*Non-financial Includes Career growth & development, coworker relation, Recognition, working condition) choose only one response!*

- |                     |                         |
|---------------------|-------------------------|
| 1) <b>Financial</b> | 2) <b>Non-financial</b> |
|---------------------|-------------------------|

3. Please describe your opinion to the financial and non-financial motivation schemes of LIB with the following response categories.

Choose only one and Mark ✓ where applicable.

**1-Strongly Disagree    2-Disagree    3- Neutral    4- Agree    5- Strongly Agree**

<b>3. Financial Factor</b>		<b>SD(1)</b>	<b>D(2)</b>	<b>N(3)</b>	<b>A(4)</b>	<b>SA(5)</b>
3.1	LIB's Competitive salary is highly motivating to employees					
3.2	LIB bonus payment is highly motivating to employees.					
3.3	LIB mortgage loan is highly motivating to employees					
3.4	LIB Accident insurance is highly motivating to employees					
3.5	LIB medical Insurance is highly motivating to employees					
3.6	LIB emergency staff loan is highly motivating					
<b>4. Non- Financial factors</b>		<b>SD(1)</b>	<b>D(2)</b>	<b>N(3)</b>	<b>A(4)</b>	<b>SA(5)</b>
<b>4.1</b>	<b>Career Growth &amp; development</b>					
4.1.1	LIB provides opportunities for employees' career growth and development.					
4.1.2	LIB provides appropriate training related to your jobs for development					
<b>4.2</b>	<b>Co-worker relation and supervision</b>	<b>SD(1)</b>	<b>D(2)</b>	<b>N(3)</b>	<b>A(4)</b>	<b>SA(5)</b>
4.2.1	LIB managers strong supervision highly motivating to the staff					
4.2.2	LIB staffs team spirit and cooperation among co-workers highly motivating to the staff					

4.2.3	LIB supervisors team spirit is highly motivating to the staffs					
<b>4.3</b>	<b>Recognition</b>	<b>SD(1)</b>	<b>D(2)</b>	<b>N(3)</b>	<b>A(4)</b>	<b>SA(5)</b>
4.3.1	LIB gives high importance to appreciation, recognition to staffs					
4.3.2	LIB recognizes efforts of employees for the Success of the bank at all times					
4.3.3	LIB financial rewards for best performing branches is highly motivating to the staffs					
<b>4.4</b>	<b>Working condition</b>	<b>SD(1)</b>	<b>D(2)</b>	<b>N(3)</b>	<b>A(4)</b>	<b>SA(5)</b>
4.4.1	The quantity of work is not overburdening and enough for a day that keeps me highly motivated.					
4.4.2	There is sufficient variety of work to motivate me at work.					
4.4.3	I have the opportunity to do what I do to my best which keeps me motivating.					
4.4.4	I have the opportunity to innovate and work on my initiative that keeps me motivating.					
4.4.5	I am free to choose my own method of working.					
4.4.6	I am consulted on important issues of the Bank and my opinions seem to count.					

**5. General comments on Employee motivations of the bank**

5.1 What motivation schemes other than the bank offers that you recommend to motivate employees of the bank?

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

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**Thank you for completing this questionnaire!**

## STATEMENT OF DECLARATION

I, AddisalemAlganah, hereby declare that the work entitled “Factors Affecting Employees Motivation, A Case of Lion International Bank of Ethiopia” is the outcome of my own effort and study and that all sources of materials used for the study have been acknowledged. I have produced it independently except for the guidance and suggestion of my Research Advisor Goitom Abraham (Ass. Prof). This study has not been submitted for any degree in this University or any other University. It is offered for the partial fulfillment of the award of Master degree in Business Administration.

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AddisAlemAlganah

St. Mary’s University, Addis Ababa

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Signature

December, 2016

## **LETTER OF CERTIFICATION**

This is to certify that AddisAlemAlganeh has carried out this project work on the topic “Factors affecting Employees Motivation, A case of lion International Bank of Ethiopia” under my supervision. This work is original and suitable for the submission in partial fulfillment of the award of Master Degree in Business Administration.

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Goitom Abraham (Asst. Prof)

Research Advisor

St. Mary’s University, Addis Ababa

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Signature

December, 2016