



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

**ASSESSEMENT OF EMPLOYEE MOTIVATION PRACTICES AT COMMERCIAL
BANK OF ETHIOPIA**

**BY
KEBEDE HAILEGIORGIS WELDEKIDAN**

**MAY, 2018
ADDIS ABABA, ETHIOPIA**

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***A THESIS SUBMITTED TO THE SCHOOL OF GRADUATE STUDIES
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Approved By Board of Examiners

Name _____ Dean, School of Business	Signature _____	Date _____
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_____	_____	_____
Advisor's Name	Signature	Date

_____	_____	_____
External Examiner	Signature	Date

_____	_____	_____
Internal Examiner	Signature	Date

DECLARATION

I, the undersigned, declare that this thesis is my original work; prepared under the guidance of Shoa Jemal (Asst. Prof). All sources of material used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institutions for the purpose of earning any degree.

Kebede Hailegiorgis

Name

Signature

St. Mary's University, Addis Ababa

May, 2018

ENDORSEMENT

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

Shoa Jemal (Asst.Prof.)

Advisor

Signature

St.Mary's University, Addis Ababa

MAY, 2018

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Acronyms

CBE	Commercial Bank of Ethiopia
WAAD	West Addis Ababa District
HRM	Human Resource Management
HRD	Human Resource Development
CSO	Customer Service Officer
SCSO	Senior Customer Service Officer

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Abstract

The study was about Commercial bank of Ethiopia the major problems were the issue of employee motivation and retention, that why so many voluntary resignations among the employees of the bank. The main objective of this study was to assess employee's motivation practice of CBE while the specific objectives were: to assess the existing motivational packages of CBE, to determine which motivational packages attract employees, to assess the managements perception of what motivate employees and to identify and suggest other effective motivation strategies to the management of CBE. The study was based mainly on Primary data in form of questionnaires, interviews for these purpose 80 respondents selected from different branches using simple random sampling method. The population of the study was 792 employees under WAAD. The study used descriptive statistics (frequencies, and percentages) to answer the research questions posed for the study. The result obtained from the analysis showed that the existed motivation strategies of CBE are not strong enough to motivate and retain employees within the bank. The study reveals that: financial motivational tools given to employees in the bank had no importance to motivate employees, motivation strategies were not in keeping with employee's expectation and CBE employees prefer financial motivation strategies like salary and bonus than other financial motivation strategies of the bank. The researcher recommends the bank should adopt extrinsic rewards to attract and retain their employees. On the bases of these findings, employers are continually challenged to develop pay policies and procedures that will enable them to attract, motivate, retain and satisfy their employees. The researcher therefore suggests that more research should be conducted on the motivational strategies of employees to provide solutions to individual disagreement that has resulted from poor motivation system.

KEY WORDS: - Motivation, Extrinsic motivation, Motivational Strategy, Intrinsic motivation

CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

One of the most important factors that move every human being to achieve his or her goal is motivation. Indeed, motivation is that guiding principle that enables people to stay focused on the path of success regardless of the challenges that may be encountered. This includes personal as well as professional goals and targets (Baumeister&Voh, 2004). Kovach (1987) supports this suggestions by saying different factors motivate individuals and teams differently. Some people are motivated by money, others by the opportunity for professional development, understanding what factor or factors motivate your employee is key to gaining the human resource advantage that leads to success in our challenging work place. Discovering what motivates your staff is one of the most challenging aspects of management. Everyone is motivated, but for their own reasons, not necessarily yours.

Regarding organizational rewards, two studies have shown that employees in public organizations perceive a weaker relationship between extrinsic rewards such as: pay and job security than do employees in private sector organizations (Porter and Lawler 1989; Rainey 1983). But a better understanding of job motivation is essential to any efforts to describe, defend, or improve the efficiency and effectiveness of public organizations. Commercial bank, therefore, must think about it and work hard strategically to meet its accessibility and the economic development of the country. The study was identified the set of motivation packages that the CBE is implemented. It is proposed that high motivation practices are not only beneficial for the employee but also for the banks service excellence. The study aim to identify and evaluate different motivation packages, which are: Salary, supervision of others, working conditions, company policy, job security, status and personal life etc. The main focus of this thesis was to assess motivation practice of CBE and practical guidance for the management to reduce the knowing-doing gap when improving and implementing employee motivation.

This study would also offer significant insight to the employees' attitudes and satisfaction towards the motivation in use and the level of motivation employees feel to have.

1.2 Background of the organization

The Commercial Bank of Ethiopia is a state owned bank that has been playing significant roles in the economic progress and development of the country since its establishment 1942. It is the leading African bank with assets of 384.6 billion Birr as on June 30th 2016. It has more than 1140 branches stretched across the country with more than 13.3 million account holders and more than 1,352,000 Mobile and Internet Banking users as of September 30th 2016. (www.cbe.combank.net.et).The bank is pioneer to introduce modern banking to Ethiopia and play great role in economic development of the country. It is also the first bank to introduce ATM and western union money transfer service for local users. CBE Currently working with more than 20 money transfer agents like, bole Atlantic, money gram, xpress money etc. It has strong correspondent relationship with more than 50 renowned foreign banks like Commerz Bank A.G., Royal Bank of Canada, City Bank, HSBC Bank and a SWIFT bilateral arrangement with more than 700 others banks across the world (www.cbe.combank.net.et).

The Commercial Bank of Ethiopia has a vision to become a world class commercial bank by2025 with a mission to best realize stakeholders' needs through enhanced financial intermediation globally and supporting national development priorities with state-of-the-art technology. It combines a wide capital base with more than 29,000 talented employees committed to the organization's mission (www.cbe.combank.net.et).

1.3 Statement of the Problem

Employee motivation has long been one of management most difficult and important duties. Success in this endeavor is becoming more challenging in light of organizational trends to downsize and in relation to the demands associated with managing a diverse workforce (Kreitner and Kinicki 1992). Employee motivation is a complex process as individuals are complex, diverse and often difficult to predict. Managers may lack knowledge in implementing successful motivational programs that increase motivation level, create a positive work environment and to attract and retain employees. Although there are many types of motivation, management must

identify with their associates (employees) on an individual level for successful programs. Providing a positive motivational work environment is a challenging managerial activity. Concerning CBE one of the major problem is the issue of inefficient motivation strategies it has, that is why so many voluntary resignations among the employees of CBE. Total numbers of employees resigned from the district are 41, 76, 203 and 124 in the year 2014, 2015, 2016 and 2017 respectively (HRM annual report of WAAD 2014-2017) and the rate was escalated to 22.6.4% during 2016. In general; there is no well-designed motivation system execution practice in the study district. Therefore, this study aims at defining these gaps and providing possible solution for reducing it in order to get closer to achieving effective motivation practice in the bank in general and in the study district in particular. (District HRM office visit 2017) If the organization wants these individual to succeed and stay with the bank, it must provide a motivational packages that motivates them to attract and retain employees. Therefore, as research question to answer what the bank use to motivate employees; the effectiveness' of the motivational systems and what actually motivate employee the researcher asses the motivational practice in the case of commercial bank of Ethiopia.

1.4 Research Questions

The research was addressed the following specific questions:

- i) What types of motivation CBE use to attract and retain qualified employees?
- ii) Which type of motivational packages preferred by staff of CBE?
- iii) Are employees satisfied with the existing motivational system of the bank?
- vi) How the management perceive the essentiality of employee motivation methods?

1.5 Objectives of the Study

1.5.1. General Objective

The general objective for this thesis was to assess employee motivation practice at Commercial Bank of Ethiopia.

1.5.2. Specific Objective

The specific objectives were:

- i) To assess the existing motivational system of CBE.
- ii) To determine which motivational packages attract employees at CBE WAAD?
- iii) To assess the managements perception of what motivate employees?
- vi) To identify the problems of motivation in CBE

1.6. Definition of Terms

Motivation: in the work context is defined as,, an individual’s degree of willingness to “exert high level of effort to reach organizational goals” (Robin and Decenzo, 1995).

Motivational Strategy: This is a method or technique or art developing inner urge to put effort on successful performance (Armstrong 2007).

Extrinsic motivation: - Extrinsic motivation is the amount of effort other people give to the person to motivate them (Herzberg, 1959).

Intrinsic motivation; is self- generated and it is thought that people seek for a job they think will most satisfy their need (Amabile, 1993).

1.7 Significance of the Study

The study would help the organization to manage the human resources, to increase employee motivation CBE. It suggests and recommends methods that improve and motivate employee at CBE. It would also add to the existing body of knowledge on the issue of employee motivation technique in CBE. The study’s findings may help the Bank improve on their human resource policy and decision making with regard to management of their human resources so as to optimize the value of the shareholders and maintain a favorable trade-off between employee motivation and retention. It may benefit other scholars and students of human resource management who may use the findings for academic purposes.

1. 8 Scope of the study

There are two types of Motivation intrinsic and extrinsic however scope of study was bordered in extrinsic motivation only. The scope of the study was limited to commercial bank of Ethiopia. The study area is challenging if it is in all CBE branches so because of time and financial resource constraints. This study was targeted employees of Commercial Bank of Ethiopia under West Addis Ababa District selected branches. This research also focused on customer service officer’s checker/maker (CSO) and who does have non managerial positions.

1.9. Limitations of the study

While under taking this study there might not be complete in giving full information about employee motivation because the study might depend on subjective opinion of employees. Only few secondary data are available because the bank has no written document that provides enough information about employee’s motivation practice.

1.10. Organization of the Study

This thesis was broken down into five general parts. The first Chapter is an introduction, background of the study, statement of the study basic research questions, objective of the study, and definition of terms and significance of the study. The second part is a theoretical background of the thesis. It is based on findings from the literature and previous research on employee motivation. The third part of this thesis was on research design and methodology. It starts with describing the type and design of the research; the sampling technique used to determine the sample size; the population study, and the instrument. The fourth chapter contains information about the way that the data was gathered and discussed the findings. The final part of the paper presents the summary of findings, recommendations of the study.

CHAPTER TWO

LITERATURE REVIEW

2.1 Motivation Defined

Many contemporary authors have also defined the concept of motivation. According to Greenberg and Baron (2000 p190) this definition could be divided into three main parts. The first part looks at arousal that deals with the drive, or energy behind individual (s) action. People turn to be guided by their interest in making a good impression on others, doing interesting work and being successful in what they do. The second part referring to the choice people make and the direction their behavior takes. The last part deals with maintaining behavior clearly defining how long people have to persist at attempting to meet their goals. Kreitner (1995), Buford, Bedeian&Linder (1995), Higgins (1994) all cited in Linder (1998,p3) defined motivation as “the psychological process that gives behavior purpose and direction, a predisposition to behave in a purposive manner to achieve specific unmet needs, an unsatisfied need, and the will to achieve, respectively. Young (2000, p1) suggest that motivation can be defined in a variety of ways, depending on who you ask .Ask someone on the street, you may get a response like “it’s what drives us” or “it’s what make us do the things we do.” Therefore motivation is the force within an individual that account for the level, direction, and persistence of effort expended at work.”

Halepota (2005, p16) defines motivation as “a person’s active participation and commitment to achieve the prescribed results. Halepota further presents that the concept of motivation is abstract because different strategies produce different results at different times and there is no single strategy that can produce guaranteed favorable results all the times.” Motivational strategies are methods that encourage the individual’s goal-related behavior (Dornyei, 2001, p. 28). This is because human behavior is very difficult to understand and there are many different ways in promoting it (p. 28).

According to Antomioni (1999, p29), “the amount of effort people are willing to put in their work depends on the degree to which they feel their motivational needs will be satisfied. On the other hand, individuals become de-motivated if they feel something in the organization prevents them from attaining good outcomes. It can be observed from the above definitions that, motivation in general, is more or less basically concern with factors or events that moves, leads, and drives certain human action or inaction over a given period of time given the prevailing conditions. Furthermore the definitions suggest that there need to be an” invisible force” to push

people to do something in return. It could also be deduced from the definition that having a motivated work force or creating an environment in which high levels of motivation are maintained remains a challenge for today's management. . This challenge may emanate from the simple fact that motivation is not a fixed trait –as it could change with changes in personal, psychological, financial or social factors.

For this thesis, the definition of motivation by Greenberg & Baron (2003) defines motivation as:

03) Is adopted, as it is more realistic and simple as it considers the individual and his performance. Greenberg&Baron defines motivation as:

“The set of processes: Those arouse, direct, and maintain human behavior towards attaining some goal”. (Greenberg &Baron, 2003, p190)

Why do we need motivated employees? The answer is survival (Smith, 1994). Motivated Why do we need motivated employees? The answer is survival (Smith, 1994). Motivated organizations survive. Motivated employees are more productive. To be effective, managers need to understand what motivates employees within the context of the roles they perform. Of all the functions a manager performs, motivating employees is arguably the most complex. This is due, in part, to the fact that what motivates employees changes constantly (Bowen &Radhakrishna, 1991). For example, research suggests that as employees' income increases, money becomes less of a motivator (Kovach, 1987). Also, as employees get older, interesting work becomes more of a motivator.

2.2 Sources of Motivation

Motivation can be intrinsic or extrinsic.

Intrinsic motivation: - It can be described as the process of motivation by work itself in so far as it satisfies the personal needs of the employee. Intrinsic motivation is self-generated and it is thought that people seek for a job they think will most satisfy their needs. The factors affecting intrinsic motivation include for example responsibility, freedom to act, courage to use and develop persons own skills, interesting tasks and opportunities for advancement.

Extrinsic motivation: - Extrinsic motivation is the amount of effort other people give to the person to motivate them. Extrinsic motivation is for example the rewards management provide such as pay rise, praise or promotion.

Intrinsic and Extrinsic motivation: - Extrinsic motivators are efficient but the influence doesn't

last long Intrinsic motivators tend to have a longer effect as they are inherent and not imposed from outside. (Armstrong 2007, 60) As the needs of individuals differ a lot, it is important to concentrate carefully on the attachment of goals and incentives given when goals are accomplished. Motivation theories help to understand different motivators. Motivation theories have been examined for decades. These theories can be implemented to the company's human resource policies to get the best out of the employees.

To get the best from their people, managers should emphasize anticipated reward value, whether extrinsic or intrinsic. So managers' job is to strengthen effort-performance- reward expectancies. For employees who have difficulty attributing outcomes to their performance, managers must make sure they realize performance-reward connections and provide performance feedback.

2.3 Factors Influencing Motivation

Motivational strategies are methods that encourage the individual's goal-related behavior (Dornyei, 2001, p. 28). This is because human behavior is very difficult to understand and there are many different ways in promoting it (p. 28). In sum, almost every stimulus a person is open to may possibly affect his/her behavior. Motivational strategies refer to those motivational stimuli that are consciously used to achieve some systematic and lasting positive effect (Dornyei, 2001, p. 28).

There are many factors that will motivate people to work, but they can be broadly divided in two major types or call influential factors of motivation (Anyim et al., 2012, p.34). These include factors in the external environment – also known as extrinsic motivation, and factors within the individual concern also known as intrinsic motivation (Ryan & Deci, 2000, p. 54). Reeve (2001, p. 95) supported this view that, there are two types of motivation, namely, the extrinsic and the intrinsic motivation. To him, people may be motivated by factors in the external environment such as pay, supervision, benefits, and job perks. He sees this type as extrinsic and that in which people are motivated by the love they have for job or task as intrinsic motivation (Reeve, p. 95).

In explaining the two types of motivation, Deci (1993, p. 147) ads that individual's behavior in any organization working for externally determined rewards falls in the extrinsic category while those who are trying to satisfy their curiosity and competent falls in the intrinsic category. According to Arif (2003, p. 165), both intrinsic and extrinsic motivations are very important in learning. Teachers need to ensure a balance in intrinsic and extrinsic motivation strategies

especially when immediate satisfaction is inadequate or little in the learning situation.

2.4 Characteristics of Motivation

Mitchell (1982) quartered by Mullins (2005) identified four characteristics, which underline the definition of motivation namely: – Motivation is typified as an individual phenomenon: Every person is unique and all the major theories of motivation allow for this uniqueness to be demonstrated in one way or the other motivation is usually intentional: Motivation is assumed to be under the control of the worker, and behaviors that are influenced by motivation such as effort expended, are seen as choices of action.

Motivation is multifaceted: The two factors of greatest importance.

- i. What get people activated?
- ii. The force of an individual to engage in desired behavior.

The purpose of motivational theories is to predict behavior motivation is not behavior itself and it is not performance. Motivation concerns actions and internal and external forces, which influence a person's choice of action.

2.5 The importance of motivation to employees

Why do organizations try to motivate employees? Rutherford (1990) stated that all managers realize that motivation is important and if employees are enthusiastic about task accomplishments, try to do their jobs the best, the organization will benefit. Rutherford also noted that organizational goals cannot be effectively attained unless employees work together, so it is obvious that the need for teamwork in the energy sector is essential. One thing that managers should realize is their job is not just to “motivate an employee”. All employees come to a work situation motivated to attain personal goals which they have established. One goal for the service manager is to develop motivated employees and increase their morale about their work. Employee morale towards work, such as supervisors and peers, organization, work environment, can be defined as the feelings an employee has about all aspects of the turnover, and absenteeism. However, research indicates that high employee morale levels job. There are many benefits to be gained from building good morale. Besides, there are proven relationships between morale levels, do not always yield high productivity levels (Daschler and Ninemeier, 1989).

2.6 Historical Roots of Modern Motivation Theories

According to Wren (1987) historically, efforts to motivate people fell into three categories and upon close inspection, appear to have changed only in application but not in theory, up to the present day. The offering („the carrot“), negative sanctions and efforts to build a new “factory

ethos” became the methods for providing motivation and discipline. The “carrot” was the opportunity to earn more money through wage incentives; thus the employee’s pay was based on output or performance. This notion of wage incentives represented a major break with tradition. Economists of the seventeenth and eighteenth centuries of the “mercantilist”, school of Economics believed that income and the supply of were negatively related, that is, as wage rose, less labor would be forthcoming. This pre-industrial revolution’s point of view justified keeping wages low to ensure an abundant and motivated workforce.

On the contrary, however, the classical economist such as Adam Smith disagreed with the tradition that the worker must be kept at the subsistence level and that the best worker was the hungriest one. Rather he thought that monetary incentives brought out the best in people and that they would work harder to get more (Steers and porter, 1997). Often called the “economic man” assumption, this smithian break with mercantilization theory brought the opportunity for individual rewards based on initiative and efforts. The “stick”, negative sanctions became a practice for which the early industrial system was frequently criticized. Graduated fines were common methods of discipline to get workers to do the right thing.

The third method of motivation had a general conception and was oriented toward creating a new factory philosophy. According to Kreitner and Kinicki (1992), most contemporary theories of motivation are rooted partially in the principle of hedonism, which states that “people are motivated to consciously seek pleasure and avoid pain”.

2.7 Motivation Theories

There are many theories explaining how motivation is created and how managers could take the best advantage of the literature they have about motivation. Still one of the hardest issues managers are facing is how to keep the employees motivated. Motivation theories are said to be complementary and the theories can support each other’s and if one theory is found to be valid it does not mean that the other would not be valid. (Robbins 2003, 176). Due to the amplitude of the motivation theories the presentation of all the motivation theories existing would have been irrelevant for this thesis. The selection of motivation theories is restricted to the most relevant ones to this thesis and the selection criteria is explained in the following sub chapters reviewing motivation theories. Four major approaches that have led to our understanding of motivation are Need theory, Cognitive theory, Reinforcement theory, Hack man and Oldham’s theory. Ones and summarized them here. I looked up several resources for each and created a short description, as

well as practical implications on the work floor.

2.8. Two Factors Theory

The two –factor model of satisfiers and dissatisfies was developed by Herzberg (1957) following investigation into the sources of job satisfaction and dissatisfaction of some accountants and engineers. The research sought to elicit responses from interviewees as to what made them feel exceptionally bad about their jobs and how long these feelings persisted.

Herzberg blended the two premises into the dual factor explanation of motivation and referred to them as Hygiene factors: These are the basic factors surrounding the job and can trigger dissatisfaction when not adequate. The factors include, **job security, working condition, quality of supervision, interpersonal relationships, adequacy of pay and fringe benefits.** These factors are extrinsic or external and when present produces a neutral feeling with realization that the basic maintenance needs are taken care of and trigger dissatisfaction when lacking.

2.8.1 Herzberg's motivation theory

Herzberg's motivation theory emerged from a collection of data gathered by the interview of 203 accountants and engineers within the Pittsburgh area. The interview process consisted of asking the respondents to describe a work situation where they felt very happy as well as very unhappy. These descriptions were to include as many details as possible, including their feelings, the interpretation of the situation as well as the events that are suggestive of a change.

The analysis of the responses confirmed the proposed hypothesis, where some factors were contributors to job satisfaction, while others were not. In addition, some factors were noted to be a source of dissatisfaction when absent. These were categorized as "Motivators" and "Hygiene" factors, the latter also being referred to as Maintenance Factors. **Motivators:** They actually motivate an individual. They find their root within the job itself. **Hygiene Factors:** They don't have any motivational value when present, but do have a de-motivational value if not present. These factors are extrinsic to the work itself.

Table 2.1 Examples of Hygiene Factors and Motivators affecting Job Satisfaction

Hygiene Factors	Motivators
Company Policy and Administration	Achievement
Supervision	Recognition
Interpersonal Relations	Growth Possibilities
Salary	Career Advancement
Status	Level of Responsibility
Job Security	The Job Itself
Working conditions	

Source: - Benjamin Ball

2.8.2 Intrinsic and extrinsic motivation

As described earlier, motivation can be separated in intrinsic and extrinsic motivation. Amabile (1993) explains this as follows:

- Individuals are intrinsically motivated when they seek enjoyment, interest, satisfaction of curiosity, self-expression, or personal challenge in the work.
- Individuals are extrinsically motivated when they engage in the work in order to obtain some goal that is apart from the work itself. Deci (1972) describes extrinsic motivation as, money and verbal reinforcement, mediated outside of the person, whereas intrinsic motivation is mediated within the person. And a person is intrinsically motivated to perform an activity if there is no obvious reward except the activity itself or the feelings which result from the activity. Amabile (1993) argues that employees can be either intrinsically or extrinsically motivated or even both.

It seems that intrinsic and extrinsic motivators apply differently to persons. Vroom (1964) argues that some employees focus on intrinsic outcomes whereas others are focused on extrinsic outcomes.

According to Story et al. (2009), individuals high in intrinsic motivation seem to prefer challenging cognitive tasks and can self-regulate their behaviors, so offering rewards, setting external goals, or deadlines, will do little for them, unless they are also high in extrinsic motivation. For employees high in intrinsic motivation, emphasis could be placed on the

engaging nature of the task and encouragement of self-set goals and deadlines (Story et al., 2009). Hackman and Oldham (1976) even argue that people have individual differences in response to the same work; they differentiate between employees high and low in growth need strength. People high in growth need strength are most likely to be motivated by jobs with high skill variety, task identity, task significance, autonomy and feedback. And people low in strength is relatively insensitive for these factors according to them. This statement is supported by Furnham et al. (1998); they argue that introverts are more extrinsically motivated and extraverts more intrinsically motivated. However, it not only seems that persons are differently motivated but intrinsic and extrinsic motivation also has effect on each other.

2.8.3 The relationship between intrinsic and extrinsic motivation

Researchers argue that intrinsic and extrinsic motivations also have an effect on each other. Deci (1972) claims that in some cases extrinsic motivators can decrease intrinsic motivation. He argues that if money is administered contingently, it decreases intrinsic motivation. But this event will not occur if the money is non-contingently distributed. Amabile (1993) reacts to this discussion by stating that although extrinsic motivation can work in opposition to intrinsic motivation, it can also have a reinforcing effect: “once the scaffolding of extrinsic motivation is taken care of, intrinsic motivation can lead to high levels of satisfaction and performance”. She also states in her research that both intrinsic and extrinsic values can motivate employees to do their work, however intrinsic and extrinsic motivation can have very different effects on employees.

In conclusion can be stated that employees can be intrinsically and/or extrinsically motivated, to perform a certain task (Amabile, 1993). And that extrinsic and intrinsic motivation can reinforce each other, but in some cases extrinsic motivators can also decrease intrinsic motivation (Deci, 1972). Furthermore, researchers argue that not all people are equally motivated; some employees are more intrinsically and others more extrinsically motivated (Furnham et al., 1998).

2.8.4 Motivating employees extrinsically

It is argued by Amabile (1993) that there exist numerous jobs which are purely extrinsic motivated. However, when taking Herzberg’s (1959) Two-Factor theory into account, it is argued that extrinsic factors (or hygiene factors) cannot cause motivation or satisfaction, so it is likely that those factors are not causing high performances (Brass, 1981). Hackman and Oldham (1976) argue that an exclusively increase in extrinsic factors will not lead to an increase in performance.

Extrinsic motivators are not a logically inherent part of the work, as Amabile (1993) describes. She states that they are intended to control the performance of the work. Examples are: promised rewards, praises, critical feedback, deadlines, surveillance and specifications on how the work needs to be done. An example of a purely extrinsic task is doing formal performance reviews of employees; that's a task which is barely intrinsically motivated. In Seligman's (2002) theory, a person who is extrinsically motivated can be described as an employee who perceives his work orientation as "a job"; this kind of worker performs his job for the paycheck at the end of the month.

Salary is an extensively researched extrinsic motivator. Since it is labeled as an extrinsic factor, it is not perceived as causing motivation in the workplace (Herzberg, 1959). However recent research of Ansar, Cantor & Sparks (1997) resulted in considerable evidence that higher wages directly affect job performance. They also argue that in the case that labor turnover is costly for an organization (because of severance, training and hiring costs), firms could pay higher wages to decrease quit rates and save on turnover costs. These statements are confirmed by Rynes et al. (2004); they argue that pay is probably the most important motivational factor. And Jurgensen (1978) concluded that job applicants seemed to believe that pay is the most important attribute to everyone except themselves. Ansar et al. (1997) also argue that that lowering wage levels to market parity can even reduce worker productivity. However, Deci (1972) argues that pay can decrease intrinsic motivation. Deci (1972) proved in his research that if payments are not contingently presented it decreases intrinsic motivation and it does not if payments are contingently presented.

2.8.5 How to Motivate People Using Equity Theory

Equity Theory reminds us that people see themselves and crucially the way they are treated in terms of their surrounding environment, team, system, etc not in isolation and so they must be managed and treated accordingly. Equity theory has several implications for business managers:

- People measure the totals of their inputs and outcomes. This means a working mother may accept lower monetary compensation in return for more flexible working hours.
- Different employees ascribe personal values to inputs and outcomes. That means that two employees of equal experience and qualification performing the same work for the same pay, may still have quite different perceptions of the fairness of the deal.

– Employees are able to adjust according to purchasing power and local market conditions.

A teacher from Alberta may accept lower compensation than his colleague in Toronto if his cost of living is different.

– Although it may be acceptable for more senior staff to receive higher compensation, there are limits to the balance of the scales of equity and employees can find excessive executive pay demotivating.

– Staff perceptions of inputs and outcomes of themselves and others may be incorrect, and perceptions need to be managed effectively. For example, an employee who believes he is over compensated may increase his effort.

However he may also adjust the values that he ascribes to his own personal inputs. It may be that he or she internalizes a sense of superiority and actually decrease his efforts.

The comparative aspect of Equity Theory provides a far more fluid and dynamic appreciation of motivation than typically arises in motivational theories and models based on individual circumstance alone. There are similarities with Maslow and Herzberg in that the theory acknowledges that subtle and variable factors affect each individual's assessment and perception of their relationship with their work, and thereby their employer.

However, awareness and cognizance of the wider situation and crucially comparison feature more strongly in Equity Theory than in other earlier motivational models.

2.8.6 Reinforcement Theory: a non cognitive theory of motivation

This theory is rooted in behaviorism, which attempts to explain behavior without referring to unobservable internal forces such as needs or thoughts (Werner and Desimone,2006). Behaviorism seek to explain behavior by forcing only on things that can be directly observed, the behavior itself and environmental events that precede and follow the behavior.

Reinforcement theory argues that behavior is a function of its consequences. This is based on the law of effect, which states that behavior that is followed by a pleasurable consequence will occur more frequently (a process called reinforcement) and behavior that is followed by an aversive consequence will occur less frequently. According to reinforcement theory, a manager can control an employee's behavior by controlling the consequence that follows the employee's behavior. Reinforcement theory can be applied using a set of techniques known as behavior modification.

2.8.7 Behavior modification suggests four choices for controlling an employee's behavior.

1. Positive reinforcement refers to increasing the frequency on a behavior by following the behavior with a pleasurable consequence.
2. Negative reinforcement increases the frequency of a behavior by removing something aversive after the behavior is performed.
3. Extinction seeks to decrease the frequency of a behavior by removing the consequence that is reinforcing it.
4. Punishment seeks to decrease the frequency of a behavior by introducing the frequency of a behavior by introducing an aversive consequence immediately after the behaviorism.

2.9 Motivation Strategy

Motivation strategy should aim to increase the effective contribution of members of the organization in achieving its objective. Motivation strategy will refer to the performance of management and reward systems and in particular to the type and scale of financial incentives which are to be provided. But it will also be concerned with other process which should yield favorable attitudes including job design participation, joint objective setting career development and any other processes relating to the individual need to achieve and maintain a sense of personal wealth and importance. Motivation is also affected by the quality of leadership in an organization therefore the selection, training and development of effective leaders should be part of the strategy. (Armstrong,1997).

2.9.1. Material Incentives

Comparative studies have consistently demonstrated that public employees have different motives from private ones. In particular, they are more inclined to disregard extrinsic elements such as pay and monetary rewards and to value intrinsic job characteristics.

Furthermore, empirical studies indicate that an increase in extrinsic motivators may even reduce the positive impacts of intrinsic factors on work motivation (Marsden an Richardson 1992)

2.10. Equity Theory

Equity theory helps explain why pay and conditions alone do not determine motivation. It also explains why giving one person a promotion or pay raise can have a de motivating effect on others.

When people feel fairly or advantageously treated they are more likely to be motivated; when they feel unfairly treated they are highly prone to feelings of disaffection and de-motivation. Equity theory argues that satisfaction is related to perceptions about the ratio between what one receives from the job(outcome in the form of pay) to what one puts into it(inputs in the form of efforts and skill) compared with ratios obtained by others.(Armstrong and Helen Murrllis,2004). Therefore employees seek to maintain equity between the inputs that they bring to a job and the outcomes that they receive from it against the perceived inputs and outputs of others. The belief is that people value fair treatment which causes them to be motivated to keep the fairness maintained within the relationships of their co-workers and the organization.

Words like efforts and rewards, or work and pay, are an over-simplification hence the use of the terms inputs and outputs. Inputs are logically what we give or put into our work. Outputs are everything we take out in return.

Outputs are defined as the positive and negative consequences that an individual perceives a Participant has incurred as a consequence of his/her relationship with another.

2.11. Empirical Research

2.11.1 Financial compensation

Garlick (2009) carried out an online study of 1913 full-time employees and asked people to rank order 14 potential performance incentives in order of preference. These performance incentives included common extrinsic rewards such as cash bonuses, gift cards, award points, and travel awards, as well as intrinsic rewards such as having more freedom and autonomy at work, being able to choose interesting projects, and being assigned to mentor other employees. Not surprisingly, cash bonuses were listed as the most preferred incentive by three-out-of-four people (74%) surveyed. Nine-out-of-ten (89%) listed cash bonuses within their top three preferences. However, the primary issue the study investigated was whether offering cash bonuses really influenced employee attitudes, as well as other business outcomes. The results showed that offering a cash bonus exclusively does not seem to make much of an impact motivation, despite the fact cash bonuses are nearly everyone's preferred reward.

While cash bonuses are the most preferred reward for three-out-of-four, and among the top three rewards for nine-out-of-ten, those who only receive a cash bonus are just slightly more satisfied than those who get no reward at all. Furthermore, offering exclusively cash bonuses only seems to have very little impact on company performance, either in terms of increased customer service, or in increased profitability.

The above studies have dealt with reward in organizations and its relationship with factors such as employee motivation, employee performance, employee satisfaction and effect on quality of work done. Overall the studies show reward to have a positive effect. However, different rewards seem to have a different impact on employee attitude, satisfaction and performance. There are mixed findings when it comes to individual rewards and their effect on performance.

2.11.2 Non-financial compensation

Non-financial compensation concentrates on the needs people have. These needs could be the need for achievement, responsibility, influence and personal growth.

Most of the non-financial compensation possibilities are intrinsic motivators. Intrinsic motivation arises from the work itself. (Thomas 2002, 6) Workers feel satisfied and they get feeling of success from work and that way are more motivated at work. Nonfinancial compensation could also be for example flexible work hours, long lunch time, interesting projects, support, appreciation, and time off, extra vacation days or simply movie tickets, paid lunch or dinner. It is important for the employers to think carefully about the non-financial options they provide. Non-financial compensation is seen as the best way to motivate workers and increase job satisfaction.

2.11.3 Employees' Value

According to Antomioni (1999, p29), "the amount of effort people are willing to put in their work depends on the degree to which they feel their motivational needs will be satisfied. On the other hand, individuals become de-motivated if they feel something in the organization prevents them from attaining good outcomes.

2.11.4 Public Service Employees Motivation

According to a Public Service Motivation perspective, the motivation of public employees is oriented toward the realization of the values and goals of public service through an identification process. Values and goals of public service are part of the self definition of certain public employees and determine the justification of their behavior

Public Service Motivation is just one specific factor explaining work motivation and several other motivational factors do have an effect on work behavior of public employees (Vandenabeele and Ban 2009).

Both material incentives and team relations may play a very important role in the motivational process of public servants. Comparative studies of the motivational patterns of public and private sector employees " motives (Solomon 1986; Jurkiewicz, Massey, and Brown 1998) clearly

suggest the appropriateness of an approach into these motivational patterns.

2.11.4.1. Material Incentives

Comparative studies have consistently demonstrated that public employees have different motives from private ones. In particular, they are more inclined to disregard extrinsic elements such as pay and monetary rewards and to value intrinsic job characteristics.

Furthermore, empirical studies indicate that an increase in extrinsic motivators may even reduce the positive impacts of intrinsic factors on work motivation (Marsden and Richardson 1992)

2.11.4.2. Team Relations and Support

One of the most critical factors in the direct environment of a public employee is colleagues and superiors (Perry and Porter 1982). In the same vein, recognition from colleagues and superiors has very strong motivational potential in the public sector (Khojasteh 1993; Rainey 1982). Research suggests that management of public sector should concentrate on promoting affective commitment of their employees to the organization. The second key factor of which must be considered, when motivating public sector employee relates to feedback. “Feedback, or telling employees how well they are performing, is an essential element for effective organizational functioning.

Feedback affects both employee motivation and performance” (Yeager, Rabin, and Vocino, 1985) Yeager et al. (1985) found that adequate feedback has positive impacts on motivation in general, effort, goal setting, performance adjustment and improvement, and goal attainment.. If public sectors make better effort to provide feedback, particularly emphasizing the positive, they may begin to notice a higher level of motivation among their staff members.

The third factor research also supports the claim that employees are more highly motivated when they have a clear understanding of their work goals and feel they are attainable. Wright (2007) conducted a study designed to analyze employee work motivation and performance in the public sector. Public servants are more highly motivated by intrinsic rewards such as the simple pleasure received from performing a job or the sense of satisfaction rather than receiving extrinsic rewards such as salary.

Further, research shows that public servants prefer the supporting work environment often found in public service settings as well as stable duties and hours, which allow them to achieve a satisfactory work-family balance for themselves. CBE is one of public stakeholder therefore in order to maintain a high level of motivation among employees; the researcher will consider this

public service motivation theory.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1 Research Design & Approach

The researcher was used descriptive research design. Descriptive research are those study concerned with describing a group or phenomena (Solomon, 2005). Since, the main objective of this research is to assess the employee motivation practice at CBE and the researcher deployed qualitative and quantitative research design. Quantitative design was used to measure the frequency of various views to achieve the objective of the study. The researcher also used qualitative method of research design to gather variety of data and reveal the current employee motivation practice of CBE.

3.2. Population of the Study, Sampling Method and Sample size

3.2.1. Population of the Study

Under WAAD there are different branches and have their own grade depending on their performance, grade four, grade three, grade two and grade one. The researcher concentrated on the first three grades purposefully. The researcher shall select Eight branches namely ,Mehal Gebeya, Abnet, Kolfe, Torhayloch, Keranyo, Bethel, Weyra ,Alem bank the total population was 791 non managerial position employees.

3.2.2. Sampling Method

For the purpose of this study both simple random and purposive sampling methods had been deployed to give equal chance to the targeted respondents. The researcher selected branches purposefully based on their grade level, and each employee at each branch was select randomly. Simple random sampling was preferred as it gives equal chance for the representatives of the population since they are in same position. Furthermore, the respondents are similar in characteristics and there is homogeneity among the respondents. Because they are in the same job grade and positions.

3.2.3. Sample size

The size of sample should neither be excessively large nor too small; it should be optimum (kotari, 2004). Among the different methods of the sample size determination, the one which developed by Carvalh (1984) shall be used by the researcher to determine the number respondents to be include in the study for employees. Accordingly, to have a good representative, the researcher used medium sample size.

Table 3.1. Carvalo sample size determination

Population	Low	Medium	High
51-90	5	13	20
91-150	8	20	32
151-280	13	32	50
281-500	20	50	80
501-1200	32	80	125
1201-3200	50	125	200
3201-10000	80	200	315
10001-35000	125	315	500
35001-45000	200	500	800

Source: Carvalo 1984

3.3. Data Collection Instrument

For this study, the researcher collected data using a structured close ended pre coded questionnaire. A structured question format allows for the use of closed questions that require the respondent to choose from a predetermined set of responses or scale points. Questionnaires are data collection instruments that enable the researcher to pose questions to subjects in his/her search for answers to the research questions. The questionnaire structured in a 5 point Likert scale (the traditional business research agreement scale) format. The 5 point Likert scale was chosen because it facilitates strong statistical analysis.

3.4. Data Collection Procedure

As it was outlined in the first chapter, data for this study have been collected through the use of self-administered questionnaire, and in-depth interview of key HR personnel and reviewing of secondary sources in the district understudy and HR department. In order to obtain the relevant information, 80 copies of the questionnaire were distributed to individual employees of the bank Out of this, 80 copies were completed and returned.

3.5. Analysis of data

Once the data has been collected and organized, the data analysis was done using current and available SPSS version 20 software package. First summary of demographic factors was presented in tables. Then the analyses of the responses related to employee motivation strategy practice were presented. The results are presented in the form of tables. Descriptive statistics

frequency and percentage was used to analyze data.

3.6 Validity and reliability

3.6.1 Validity

Validity is the most important attribute of assessment system. It is concerned with the extent to which the evaluation measures the performance it is intended to measure. Validity is the extent to which the research findings accurately represent what is really happening in the situation (Hughey and Mussnug, 1997). To ensure content validity, the researcher was distributed and collected questionnaires by the researcher in person. And also, interview has been conducted with concerned senior personnel's from human resource department.

3.6.2 Reliability

Reliability is the degree to which an assessment tool produces stable and consistent result. To assure this, questions regarding the methods, process, standards, problems and responsible organs have been asked both in the questionnaire and the interview has been presented to employees as well as a senior human resource personnel.

Table 3.2 Cronbach's alpha reliability statistics of the questionnaire

Measures	Cronbach's Alpha value	No. of items
Salary	.142	3
Organization's Policy	.119	4
Relationship with peers	.121	3
Job security	.117	3
Relationship with Supervisor	.112	3
Working conditions	.100	4
Status	.110	2

As the above table reliability statistics of the questionnaire show that the assessment tool produces 82.1% stable and consistent results.

3.7 Ethical considerations

Ethical considerations identified in connection with this study include the need to provide information about the purpose and confidentiality of the data collected, the protection of the anonymity of the respondent and their free participation, including the right to withdraw their consent to participate. The completed questionnaire was never share by me anybody within or outside the bank. Confidentiality and anonymity is reinforcing by the fact that the results are always presented whether in these thesis or when discussing them with anybody in a collective manner. All sources and references are duly acknowledged.

CHAPTER FOUR

DATA DESCRIPTION AND PRESENTATION

INTERODCTION

So as to increase the validity of the information obtained, interview was made with the branch managers of the selected branches and District HR Business Managers & District HR Business Officers. The rationale behind this was to have clear information about the implementation of employee motivation in the district and to triangulate the data gathered through questionnaire. The output was processed using SPSS (Statistical package for social science) version 20 to get frequencies and other descriptive statistics and presented using frequency tables.

In order to obtain the relevant information the researcher consumed one week to collect 80 copies of the questionnaire distributed to individual employees of the bank Out of this, 80 copies were completed and returned. In distributing the questionnaire, the researcher has taken grade level of the branch in to account and accordingly, a total number of 36, 27, and 17 questionnaire were distributed to grade 4, 3, and 2 respectively

Table 4.1 The total number of questionnaires distributed to different branches,

No.	Name of participating Branches	Grade	Number of questionnaire distributed
1	Alem Bank	4	12
2	Mehal Gebeya	4	12
3	Kolfe	4	12
4	Torhayloch	3	9
5	Keranyo	3	9
6	Bethel	3	9
7	Abnet	2	9
8	Woyra	2	8
Total			80

To increase the comprehensiveness and reliability of the data, questionnaire was distributed to all grade categories, and also collected from each group of respondent's

sex, age, work experience, educational status and current position. Accordingly, employees from these categories were participated in filling out the questionnaire.

Table 4.2. Background of respondents'

		Frequency	Percent	Valid Percent	Cumulative Percent	
AGE	<25	24	30.0	30.0	30.0	
	25-35	46	57.5	57.5	87.5	
	36-45	10	12.5	12.5	100.0	
	Total	80	100.0	100.0		
		Frequency	Percent	Valid Percent	Cumulative Percent	
	Diploma	0	0	0	0	
EDUCATION	Degree	44	55.0	55.0	55.0	
	Masters and Above	36	45.0	45.0	100.0	
	Total	80	100.0	100.0		
			Frequency	Percent	Valid Percent	Cumulative Percent
CURRENT POSITION	CSO-MAKER		34	42.5	42.5	42.5
	CSO-CHEKER		1	1.3	1.3	43.8
	SCSO-ACCOUNTS		15	18.8	18.8	62.5
	SCSO-CASHIER		15	18.8	18.8	81.3
	SCSO-CONTROLLER		15	18.8	18.8	100.0
	Total		80	100.0	100.0	
		Frequency	Percent	Valid Percent	Cumulative Percent	
EXPERIENCE	1-5 YEARS	52	65.0	65.0	65.0	
	6-10 YEARS	28	35.0	35.0	100.0	
	Total	80	100.0	100.0		

Sources: - own survey 2018

As indicated in table 4.2 above, the bank is dominated by male employees 50 respondents

(62.5%) are male and the remaining (37.5%) constitutes female respondents. The age of (30%) of employees respondents are in the age below 25, (57.5%) between 25 and 35, and (12.5%) between 36 and 45, respectively. The majority of the respondents (57.5) percent are between 25 and 35 age group. It implies that majority of employees are younger and energetic. So the bank has the chance to motivate with the appropriate motivation method and retain them. Majority of the respondents' were young and first degree holder this is encouraging to determine type of motivation factors in the Bank. However, the research is not based on education but it has been generalized to give a more specific interpretation on motivation practice of the bank.

The above table make known that almost half of the respondents are customer service officer (CSO) maker (42.5%) ,the remaining are CSO-checker, SCSO-accounts, SCSO-casher, and SCSO-controller(1.3%),(18.8%), (18.8%) and(18.8%) respectively. This implies that majority employees have direct contact with the stakeholders and need to focus on those makers /checkers to bring service excellence in the bank. As it is shown in the above table (65%) of the respondents have less than five years work experience in CBE and the rest (35%) have six to ten years experience in their bank. this is encouraging in determining type of motivation package in the bank to attract and retain qualified employees.

4.2: Employees view on Extrinsic Motivation

Table 4.3: Respondents' Level of Agreement on Salary

Statements	Response Rate	Level of Agreement					
		SD	D	A	N	SA	Total
The salary given to employees is fair and equity	Frequency	26	46	4	3	1	80
	Percentage	32.5	57.5	5.0	3.8	1.3	100
	Valid Percent	32.5	57.5	5.0	3.8	1.3	100
	Cumulative Per.	32.5	90	95	98.8	100	
I am encouraged to work harder because of my salary is equivalent to other private banks with similar position.	Frequency	15	45	10	7	3	80
	Percentage	18.8	56.3	12.5	8.8	3.8	100
	Valid Percent	18.8	56.3	12.5	8.8	3.8	100
	Cumulative Per.	18.8	75	87.5	96.3	100	
My salary satisfy my basic need	Frequency	28	33	13	4	2	80
	Percentage	35	41.3	16.3	5	2.5	100
	Valid Percent	35	41.3	16.3	5	2.5	100

	Cumulative Per.	35	76.3	92.5	97.5	100	
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Source: - own survey 2018

In table 4.3 above the study shows that majority of the Respondents (57.5%) disagreed, (32.5%) strongly disagree (5%) are neutral, (3.8%) agree and the remaining (1.3%) strongly agree on financial motivation strategy salary given to employees. This is evident from the results which indicates that majority of the respondents staff of the bank were in disagreement with their organizations salary .Ticking disagree to the salary paid at current implies that the salary was not enough to perform better and to stay in the bank.

As indicated in table 4.3statement 2 (56.3%) the respondent disagree, (18.8%) strongly disagree, (12.5%) indifferent and the remaining (8.8%) agree. This implies that employees of the bank not encouraged to work hard because of their salary is not equivalent to other private banks with similar position and service year.

In statement 3 above (35%) of the respondents strongly disagree,(41.3%),(16.3%) ,(5%),and (2.5%),disagree, neutral, agree and strongly agree respectively. Data obtained indicates almost all employees of the organization are not obtaining the salary even that satisfy their basic need. which may contribute for resignation of employees who feel demotivated .

Table 4.4: The Banks Policy towards Employee Motivation

Statements	Response Rate	Level of Agreement					
		SD	D	A	N	SA	Total
The attitude of the administration is very accommodative in my bank	Frequency	13	49	6	10	2	80
	Percentage	16.3	61.3	7.5	12.5	2.5	100
	Valid Percent	16.3	61.3	7.5	12.5	2.5	100
	Cumulative Per.	16.3	77.5	85	97.5	100	
The bank policy is favorable for its employees.	Frequency	25	37	4	11	3	80
	Percentage	31.3	46.3	5	13.8	3.8	100
	Valid Percent	31.3	46.3	5	13.8	3.8	100
	Cumulative Per.	31.3	77.5	82.5	96.3	100	
Staff resignation increased due to absence of motivation strategies	Frequency	7	6	3	20	44	80
	Percentage	8.8	7.5	3.8	25	55	100
	Valid Percent	8.8	7.5	3.8	25	55	100
	Cumulative Per.	8.8	16.3	20	45	100	

The bank has clear working procedure for its employees	Frequency	16	38	14	10	2	80
	Percentage	20	47.5	17.5	12.5	2.5	100
	Valid Percent	20	47.5	17.5	12.5	2.5	100
	Cumulative Per.	20	67.5	85	97.5	100	

Source: - own survey 2018

As the above table show (77.5%) of the respondents' disagree that the attitude of the administration is not accommodative in their bank this may cause employees to feel de-motivated by the bank's Policy and the bank need to improve it.

In the same manner the above table also tell that majority of respondents' (77.5%) disagree about their job because the bank policy is not favorable for its employees. It implies the bank policy is not direct towards employee motivation.

As statement 3 show majority of the respondents' (55%) strongly agree and (25%) agree about the Staff resignation increased due to weak of motivation practice of the bank which indicate the organizations ineffective policy to motivate employee and minimize voluntary terminations. From this it can be generalized the bank's policy does not meet employees expectations. From the above table respondents 'were asked about "The bank has clear working procedure for its employees" and their level of agreement and (67.5%) disagreed that the bank has no clear working procedure and employees .this implies the bank has poor working procedure its staff might cause de-motivated on their job.

Table 4.5. Employee's Relationship with peers

Statements	Response Rate	Level of Agreement					Total
		SD	D	A	N	SA	
It is easy to get along with my colleagues.	Frequency	4	21	9	40	6	80
	Percentage	5	26.3	11.3	50	7.5	100
	Valid Percent	5	26.3	11.3	50	7.5	100
	Cumulative Per.	5	31.3	42.5	92.5	100	
My colleagues are helpful and friendly.	Frequency	2	3	7	22	46	80
	Percentage	2.5	3.8	8.8	27.5	57.5	100
	Valid Percent	2.5	3.8	8.8	27.5	57.5	100
	Cumulative Per.	2.5	6.3	15	42.6	100	

Colleagues are important to me	Frequency	4	1	3	22	50	80
	Percentage	5	1.3	3.8	27.5	62.5	100
	Valid Percent	5	1.3	3.8	27.5	62.5	100
	Cumulative Per.	5	6.3	10.1	37.5	100	

Source: - own survey 2018

As the above table indicate majority of the respondents' (50%) agree that it is easy to get along with their colleagues and (26.3%) disagree relationship with their peers. From this it can be concluded that relationship with peers reasonably motivate employees of CBE.

As table 4.5 statement 2 demonstrate majority of the respondents' (85%) agree that their colleagues are helpful and friendly in the bank. This indicates that employees of CBE are motivated by colleagues that can build smooth working condition to the staff.

The above table shows that employee's relationship with their peers and 90% of the respondents' believe that they are important to each other. This is encouraging to the management to develop other effective motivation strategies' to have them.

Table 4.6. The Bank's Job Security

Statements	Response Rate	Level of Agreement					Total
		SD	D	A	N	SA	
I believe that there is safe working at my bank.	Frequency	1	22	4	48	5	80
	Percentage	1.3	27.5	5	60	6.3	100
	Valid Percent	1.3	27.5	5	60	6.3	100
	Cumulative Per.	1.3	28.8	33.8	93.8	100	
I believe my job is secure	Frequency	20	4	3	19	34	80
	Percentage	25	5	3.8	23.8	6.3	100
	Valid Percent	25	5	3.8	23.8	6.3	100
	Cumulative Per.	25	30	33.8	57.5	100	
workplace is located in an area where I feel comfortable	Frequency	13	42	1	19	5	80
	Percentage	16.3	52.5	1.3	23.8	6.3	100
	Valid Percent	16.3	52.5	1.3	23.8	6.3	100
	Cumulative Per.	16.3	68.8	70	93.8	100	

Source: - own survey 2018

Majority of the respondents' (60%) agree that there is safe working at Commercial bank of

Ethiopia and the remaining (27.5%) disagree there is no safe working at the bank. From this it can be concluded that work security of the CBE does not motivate its employees.

From the above finding, Majority of respondent strongly agree on job security this indicate job security has significant role on employee motivation and it might help the management to attract and retain qualified employees in the organization.

As the above table tell 68.8% of the respondents' disagree that their workplace is not located in an area where they feel comfortable. From this it can be concluded that the bank does not consider employees preference when they are haired in order to make them satisfied.

Table 4.7:- Employee's Relationship with Supervisor

Statements	Response Rate	Level of Agreement					Total
		SD	D	A	N	SA	
I feel my performance has improved because of the support from my supervisor.	Frequency	3	50	11	13	3	80
	Percentage	3.8	62.5	13.8	16.3	3.8	100
	Valid Percent	3.8	62.5	13.8	16.3	3.8	100
	Cumulative Per.	3.8	66.3	80	96.3	100	
I feel satisfied at job because of my relationship with my supervisor.	Frequency	6	19	4	38	13	80
	Percentage	7.5	23.8	5	47.5	16.3	100
	Valid Percent	7.5	23.5	5	47.5	16.3	100
	Cumulative Per.	7.5	31.3	36.3	83.8	100	
My supervisors are strong and trustworthy leaders	Frequency	8	17	4	48	3	80
	Percentage	10	21.3	5	60	3.8	100
	Valid Percent	10	21.3	5	60	3.8	100
	Cumulative Per.	10	31.3	36.3	96.3	100	

Source: - own survey 2018

As the above table reveal out of 80 respondents 50(62.5%) reply that their supervisors have contribution to employee's performance improvement. This indicates, most employees of the bank disagreed for need of supervisions for commitment of employees. So employees of CBE are not motivated by their relationships with their supervisors.

In the above table (47.5%) of the respondents' feels that there is smooth relationship with their supervisors and (23.8%) of the respondents are not satisfied at their job because of weak relationship with supervisors. This implies that employees of CBE feel motivated at their job

moderately because of their smooth relationship with supervisor.

Statement 3 shows (60%) of respondents' agree that their supervisors are strong and trustworthy leaders this may encourage employees to be more motivated by the respective supervisors and to stay with the bank. this indicate that having strong relationship with supervisors is important in motivating employees.

Table 4.8: The Bank's Working Conditions

Statements	Response Rate	Level of Agreement					
		SD	D	A	N	SA	Total
I feel satisfied because of the comfort I am provided at work	Frequency	3	20	1	52	4	80
	Percentage	3.8	25	1.3	65	5	100
	Valid Percent	3.8	25	1.3	65	5	100
	Cumulative Per.	3.8	28.8	30	95	100	
I am proud to work for my bank because of the pleasant working conditions	Frequency	4	18	5	51	2	80
	Percentage	5	22.5	6.3	63.8	2.5	100
	Valid Percent	5	22.5	6.3	63.8	2.5	100
	Cumulative Per.	5	27.5	33.8	97.5	100	
The bank has specifications on how the work needs to be done	Frequency	7	19	12	30	12	80
	Percentage	8.8	23.8	15	37.5	15	100
	Valid Percent	8.8	23.8	15	37.5	15	100
	Cumulative Per.	8.8	32.5	47.5	85	100	
The bank does a formal performance reviews of employees	Frequency	12	49	10	8	1	80
	Percentage	15	61.3	12.5	10	1.3	100
	Valid Percent	15	61.3	12.5	10	1.3	100
	Cumulative Per.	15	76.3	88.8	98.8	100	

Source: - own survey 2018

As the above table reveal, majority of the employees significantly respond that they are motivated for the banks working condition. This implies that the bank has comfortable working conditions for employees. As table Statement 2 show majority of the respondents' (63.8%) agree with the banks pleasant working conditions. This indicates that employees of CBE are motivated by the working conditions of the bank. Pleasant working conditions have a great role as an effective employee motivation practice.

The above table reveal that majority of the respondents' level of agreement on the specifications of their work to be done (37.5%) of them agreed and (15%) strongly agree and this implies the bank has clear job pacification on the individuals work to be done. This might motivate employees to stay motivated within the bank and attract qualified employees.

The above table show that out of the 80 respondents who answered questions on performance review of the bank, 49 (61.3%) and 12 (15%) respondents answered that the bank have no formal performance review of employees. This shows that CBE did not use performance appraisal or contingent motivation strategies to motivate employees and might cause to de-motivation employees. These indicate that organization motivation practice compare with what employees' values were not strong enough to motivate employees.

Table 4.9:- Employee's level of agreement on their Status

Statements	Response Rate	Level of Agreement					
		SD	D	A	N	SA	Total
Employee's status within the bank is familiar and retained	Frequency	2	11	3	45	19	80
	Percentage	2.5	13.8	3.8	56.3	23.8	100
	Valid Percent	2.5	13.8	3.8	56.3	23.8	100
	Cumulative Per.	2.5	16.3	20	76.2	100	
The bank builds job status by providing meaningful work for all positions	Frequency	3	28	5	38	6	80
	Percentage	3.8	35	6.3	47.5	7.5	100
	Valid Percent	3.8	35	6.3	47.5	7.5	100
	Cumulative Per.	3.8	38.8	45	92.5	100	

Source: - own survey 2018

The above table contains information about employees job status (56.3%)agree,(23.8%)strongly agreed and the remaining(3.8%),(13.8%), and (2.5%),neutral, disagree and strongly disagree respectively. This implies employee's status within the bank is familiar and retained and status can have meaning in motivating of employees.

As the above table statement 2 show that (35%) of the respondents disagree and majority of the respondents (47.5%) agree on their job status. From this it can be concluded that the bank builds job status by providing meaningful work for all positions and status can serve as an effective motivation tool for employees of commercial bank of Ethiopia.

4.3. Management Staff Interview

4.3.1. Issues Identified during Interview

The bank is currently using employee motivation tools such as Salary, Bonus, Transport allowance, free medical service, free education, Job security, Promotions, feeling of being on things to motivate its employees. The researcher understand from the interviews that motivational factors determine employees were by early reporting to work, staying on the job, be effective on performance, respect amongst colleague and loyal to the bank. The management believes both financial and non-financial strategies contribute to high levels of motivation.

4.3.2. Interview conducted with the management officials,

A few problems were also identified about the motivation practices of the bank such as:

The human resource management of CBE did not see employees' motivation as crucial improving employees' motivation. The bank has formal motivational technique but the tools were not effective to motivate and retain employee's delay of salary increment, bonus and poor working conditions contribute to low level of motivation. The bank motivational packages were not related to employee motivation. The view of employees efficiently did not incorporate in the motivational method development process. In general motivation factors were not adequate enough to motivate employees of CBE to stay with bank.

4.4. Discussion

According to the results presented considering extrinsic motivation in a previous part of this research salary and bonus are the two most important motivation tools for CBE employees. Garlic (2009) cash bonus was listed as the most preferred incentive by three-out-of-four people. The same factors were found the most important according to Decenzo and Robins (1995), the primary reason why most individuals work is to get money. Money provides the carrot that most people want. Harpaz (1990) and Linder's (1999) researches salary and bonus are seen as very important by the management of interview and not by employees of CBE. It can be assumed that there was something special in commercial bank of Ethiopia that dominant ages under 40 years find monetary rewards a crucial motivation factor. The Bank was currently using employee motivation strategies in inadequate level such as salary, bonus, , good working conditions, Job security, Promotions, supervisor relationship, to motivate its employees.

The possible explanations of these findings were when the management concerned about employees more than their interest; the employee had a positive attitude towards their job that should eventually lead to be more motivated and to create a sense of belongingness in their bank.

These findings were consistent with previous researches such as (Brown and Shepherd, 1997) who reported that effective motivation improve motivation level and job satisfaction. Results suggest that employees feel motivated by job security, good working condition, a good work environment with colleagues, and status.

In a much publicized study, Gupta and her colleagues analyzed thirty-nine studies conducted over four decades and found that cold-hard cash motivates employees whether their jobs are exciting or mundane in labs and real world. This is an indication to management that monetary rewards would deliver better motivational results from the extrinsic motivation which might be the case in CBE. Therefore, the bank should consider balancing the extrinsic motivation's among employees.

CHAPTER FIVE

FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

5.1. Summary of major findings

The primary objective of this thesis was to assess the” employee motivation practice at CBE. Given the difficult nature of identifying how and what really motivates these employees it is paramount that bank find all means and ways possible to understand the motivation factors and to implement them overtime for their employee motivation. Such an understanding might cause to low level of employee voluntary terminations. In order for them to gain an understanding of what really motivates their employees an employee survey such as this one may be used to gain insight to employees job motivation preferences.

The bank is currently using employee motivation ways such as salary, good working conditions, Job security, Promotions, Full appreciation of work done, fringe benefit, to motivate its employees. The motivating tools being used were said to be not effective because their use had not improved the attitude of employee’s motivation. Also, the bank is currently experiencing a very high voluntary resignation hence the result of a few proportion of staff working within the bank for many years. It has decreased the sense of a belongingness of staff hence high turnover. The annual salary increment was not balance with expectation of employees which not helps retained staff since they were not assured their salaries would be renewed at the end of every year. Employees did not give out their best since they were rewarded salary and bonus of the bank without effective performance appraisal systems.

5.2. Conclusions

Human resource is considered to be the most important resource of an organization to remain competitive in today's competitive business world. Acquiring the right workforce and then retaining that force is one of the challenges faced by organizations and their management. The results from this study reveal that extrinsic motivation are important in motivating employees but it has been observed that CBE is not offering right amount of salary (extrinsic rewards) to their employees. Pay is essential in motivating employee but the results moderately support inefficient pay packages of the bank. Extrinsic rewards have a strong weight to employee motivation. The assigned salary for the job does not motivate employees of CBE, due to the lack of equity pay when they compare with others similar position. Since employees of the bank were not satisfied with their pay packages. So in the absence of enough salary which is the basic source of motivation for employee extrinsic motivation like job security, good working condition, relation with employees, status, relationships with supervisor has little importance in motivating employees. Salary is potentially powerful tool to employee motivation so the employees can only be extrinsically motivated to perform an activity when they are fully satisfied with the pay they are getting. Employees of CBE feel motivated at their job moderately because of their smooth relationship with supervisor

Employees of the bank not encouraged to work hard because of their salary is not equivalent to other private banks with similar position and service year, which may contribute for resignation of employees who feel demotivated. The bank policy is not direct towards employee motivation. The bank has poor working procedure its staff might cause de-motivated on their job. It can be concluded that relationship with peers reasonably motivate employees of CBE. Employees of CBE are motivated by colleagues that can build smooth working condition to the staff. Job security can bring employee motivation and it might help the management to attract and retain qualified employees in the bank. The bank does not consider employees preference place of assignment in order to make them satisfied. Employees of the bank disagreed for need of supervisions for commitment of employees. So employees of CBE are not motivated by their relationships with their supervisors. Supervisors are strong and trustworthy leaders this may encourage employees to be more motivated by their respective supervisors and to stay with the bank and having strong relationship with supervisors is essential in motivating employees.

5.3. Recommendations

Despite the fact that majority of the respondents attested to the fact that employee motivation with the CBE was not effective, few problems were identified and need to be tackled or addressed to create a sense of belongingness in the bank and minimize voluntary terminations of the staff.

The management needs to pay attention to motivation systems to implement based on their commitment because the result of this study show that job security has firstly rated and salary increment the second best extrinsic motivator for employee of CBE.

To provide the right motivational package to employees in the bank the management should evaluate the needs of employees annually.

The whole motivational system should be made more transparent to all employees and the appraisal system should be implemented to get the expected motivation from employees. Another issue is that, motivation programs should include continuous appraisals method to give employees immediate feedback as well as communicate to employers the challenges they face and deal with the problems.

Since more people will be motivated by different incentives, management should look at the various incentives that will help to motivate employees. Management should incorporate the view of employees in the motivation strategy development.

Supervisors also have to recognize the job performed and give back feed back to employees.

Conditions should be facilitated to create team sprit between employees. In general the over-all view of management should advocate to the effectiveness of employee motivation tools. It is important that employees are made to see their part and the receipt of their desired rewards. It is now ahead management to be able to identify effective motivation tools. This would lead to greater effort towards effective employee motivation to attract and retain qualified employees in their bank.

Suggestions for further research

There are certain limitations of the study which can be taken into account for further studies in the future, like sample size was too small and only CBE WAAD employees were considered. These limitations can be avoided in the future studies carried out in this field, and, clear picture can be obtained regarding extrinsic motivation.

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APPENDICES

Appendix A

ST.MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

QUESTIONNAIRE FOR EMPLOYEES

Dear Respondent,

The purpose of this research is to investigate the views of employees about employee motivation strategy practice at CBE WAAD. Your genuine responses to the questions are critical to the success of the research. Your responses will be used purely for academic purpose only and will be kept anonymous.

Thank you for your cooperation!!

Section "A" Demographic background

Please tick () or provide the appropriate response to each question

Q.1. Gender: Male Female

Q.2. Age: Below 25 25-35 36-45

Q.3. what is your level of education?

Diploma First Degree Masters Degree and above

Q.4. How long have you been working with the organization?

0-5 years 6-10 years

Q.5. what is your position.

SCSO SCSSO-CHEKER SCSSO-CONTROLLER

SCSSO-ACCOUNT

Section” B”

Employee’s view on Extrinsic Motivation

Instructions

Please indicate your agreement on the statements given below. Rate the statements offer 1-5 rating scale, with answers ranging from strongly agree to strongly disagree you will circle the number in the box that is given in each of the cells.

A) Strongly agree =1 B) Agree =2 C) Neutral =3 D) Disagree =4

E) Strongly disagree = 5

2.1. Salary

No	Statements	Ratings				
		SA	A	N	D	SD
	Salary					
1	The salary given to employees is fair and equity	1	2	3	4	5
2	I am encouraged to work harder because of my salary is equivalent to other private banks with similar position and service year.	1	2	3	4	5
3	My salary satisfy my basic need	1	2	3	4	5

2.2. Organization’s Policy

NO.	Statements	Ratings				
		SA	A	N	D	SD
1.	The attitude of the administration is very accommodative in my organization.	1	2	3	4	5
2.	I am proud to work for this bank because the bank policy is favorable for its employees.	1	2	3	4	5
3.	Staff resignation increased due to Absence of motivation strategies	1	2	3	4	5
4	The bank has clear working procedure for its employees	1	2	3	4	5

2.3. Relationship with peers

NO.	Statements	Ratings				
		SA	A	N	D	SD
1.	It is easy to get along with my colleagues.	1	2	3	4	5
2.	My colleagues are helpful and friendly.	1	2	3	4	5
3.	Colleagues are important to me.	1	2	3	4	5

2.4. Job Security

NO.	Statements	Ratings				
		SA	A	N	D	SD
1.	I believe that there is safe working at my bank.	1	2	3	4	5
2.	I believe my job is secure.	1	2	3	4	5
3.	My workplace is located in an area where I feel comfortable.	1	2	3	4	5

2.5. Relationship with Supervisor

NO.	Statements	Ratings				
		SA	A	N	D	SD
1.	I feel my performance has improved because of the support from my supervisor	1	2	3	4	5
2.	I feel satisfied at work because of my relationship with my supervisor.	1	2	3	4	5
3.	My supervisors are strong and trustworthy leaders.	1	2	3	4	5

2.6. Working Conditions

No.	Statements	Ratings				
		SA	A	N	D	SD
1.	I feel satisfied because of the comfort I am provided at work.	1	2	3	4	5
2.	I am proud to work for my bank because of the pleasant working conditions.	1	2	3	4	5
3	The bank has specifications on how the work needs to be done	1	2	3	4	5
4	The bank does a formal performance reviews of employees					

2.7. Status

No.	Statements	Ratings				
		SA	A	N	D	S D
1	Employee's status within the bank is familiar and retained.	1	2	3	4	5
2	The bank builds job status by providing meaningful work for all positions.	1	2	3	4	5

Thank you for your co-operation!

APPENDIX B

INTERVIEW ST. MARY'S UNIVERSITY SCHOOL OF GRADUATE STUDIES

ASSESSMENT OF MOTIVATION STRATEGY PRACTICE AT CBE WAAD

Concerning Motivation

Q.1. How do you motivate your employees to retain them with bank?

Q.2. Does your bank have formal motivation ways to improving the motivational levels for employees?

If yes, please mention them

Q.3. How do you rate the general level of employee motivation in your bank?

Q.4. what factors do you consider to contribute to high levels employee of motivation?

Q.5. what factors do you believe contribute to low levels of motivation in your organization?

Q.6. Are the views of employees incorporated in the motivation factors development of the bank?

Q.7. Do you think these packages are adequate enough to motivate employees of CBE?

If no please suggest alternatives adequacy levels of motivation.

Q.8. Is the office environment conducive to deliver the service?

Q.9. what kind of motivation do the bank use to attract and retain employees?

Thank you for your co-operation!!