



ST. MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES

**Effect of Motivation on Medical Representatives Selling
Performance in Addis Ababa**

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**Effect of Motivation on Medical Representatives Selling
Performance in Addis Ababa, Ethiopia In 2017**

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**EFFECT OF MOTIVATION ON MEDICAL
REPRESENTATIVES SELLING PERFORMANCE IN ADDIS
ABABA**

Board of Examiners

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DECLARATION

I, the undersigned, declare that this thesis is my original work, prepared under the Guidance of (PHD) Mesfin Workineh. All sources of materials used for the thesis have been accordingly acknowledged, I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institution for the purpose of earning any degree".

Name

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ENDORSEMENT

This thesis has been submitted to St. Mary's university college, school of
Graduate Studies for examination with my approval as a university advisor.

Advisor Signature

MAY 2018

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List of Abbreviations

MR	Medical Representatives
GMP	Good manufacturing practices
HIV	Human Immunodeficiency Virus
IMS	Information management system
UN	United Nations
FDA	food and drug administration
DACA	Drug Administration and Control Authority
PR	Public relation
AMA	American marketing association
IPR	Institute for Public Relations
FMHACA	Food medicine and health care administration and control

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Abstract

This study examined the effect of financial and non-financial compensation on the satisfaction of community pharmacies. Debates regarding influencing motivation of medical representatives' to increase their sales performance are going on in most nations and worldwide. In its turn increasing sales performance means increasing customer satisfaction of community pharmacy units. The aim of the thesis is to explore motivational factors of medical representatives and satisfaction of community pharmacy unit. Furthermore, to assess the financial and non-financial motivation of medical representatives and customer satisfaction of pharmacy units located around the governmental general hospitals of Addis Ababa.

Data was collected by quantitative research method through distribution of questions for selected medical representatives and selected community pharmacies in two month duration. The sample size of 50 for both the medical representative and community pharmacies was selected using systematic random sampling method. The collected data was analyzed using quantitative content analyzed by SPSS software. Financial and non-financial compensation are factors that determine medical representatives' motivation level and sales performance.

In conclusion financial incentive has a significant dimension to satisfaction community pharmacies around the governmental general referral hospital in Addis Ababa.

Key words: *motivation, medical representatives, satisfaction community pharmacies*

CHAPTER ONE

INTRODUCTION

1.1. Background of the study

Pharmaceutical products mean any substance or mixture of substances or medical equipment or supplies, used for human and animal health care and treatment. (i.e. diagnosis, treatment, mitigation or prevention of diseases or symptoms) including poisons, narcotics and psychotropic substances, chemicals, blood and blood products, vaccines, sera, radioactive pharmaceuticals, medicated cosmetics and sanitary products, household and industrial pesticides, medicated food stuffs, and Animal feed additives (Helmet , Tsegaye , Dawit , Kefalo and Solomon, 1989).

Medical representatives have a combination of promotional mix instruments at their disposal – advertising, personal selling, sales promotion, direct marketing and public relations. These activities are aimed at accomplishing communication objective. Sales promotion is defined as ‘...a range of marketing techniques designed within a strategic marketing framework to add extra value to a product or service over and above the “normal” offering in order to achieve specific sales and marketing objectives (Jeremy and Aaron, .2010)

Motivation has many different definitions, but it is important to focus on those that are related to the workplace. Understanding exactly what motivation is, will help managers decide what actions to take to encourage their employees. The motivation process starts with a physiological or psychological deficiency or need that activates behavior, or a drive that is aimed at a goal (Bhattacharyya, 2009).A needs-related model of the process of motivation is initiated by the conscious or unconscious recognition of unsatisfied needs(Arnold, Robertson and Cooper 1991). When we see conscious recognition of unsatisfied needs at the work environment we can broadly classify them as being financial compensation and non financial compensation or motivators (Obikeze, 2012).Goals are established which is believed will satisfy the needs and wants, and a behavior pathway is selected which is expected to achieve the goal (Armstrong, 2010).The medical representative’s motivation to promote or sale is best understood when the respective attitude of that employee is understood. That is, the internal concept of attitude which originates from a state of mind, when probed, should reveal the most pragmatic information for managers with regard to the motivation of workers. Understanding factors of motivation, the financial and

non financial compensation and the attitude of medical representatives towards these factors is essential. (Muhammed and Basharat, 2009). Rewards can serve the purpose of attracting prospective job applicants, achieving human resource objectives and obtaining competitive advantage (Bratton & Gold, 2007).

Companies spend enormous funds to ascertain their customer faithfulness but most of the times ignore a very important factor of enhancing the motivation level of their employees, both financial and nonfinancial objectives, which will lead to the achievement of the company goal (Abdul, Jahanzeb. and perevaiz, 2014).

The research will be focusing on factors of motivation (financial and non-financial compensation) and the satisfaction of community pharmacies toward the motivation level of MRs. As studies shows that motivation at work is related to job performance. This is probably because people who are motivated actually set higher goals for themselves. They are more committed to their goals, whereas people who are less motivated tend to procrastinate. The reward systems most especially are considered as forerunners of employee motivation. Since employees' knowledge, skills and abilities are the most important driving force to the success of any organization, continuing commitment and to them could be realized through looking for effective ways to reward their contributions, loyalty, dedication and efforts. This is particularly important in competitive pharmaceutical companies in order to improve the quality of work and high market share (Caruth and Handlogten2002). Motivation of employees in the work place still remains one of the sensitive subjects that determine the level of input that employees will put in the organization to commit to good performance. This means that motivation either, intrinsic or extrinsic, contributes to employee satisfaction and thus enhances performance and productivity (Bhattacharyya, 2007). The way a company manages its workforce determines its ability to establish and maintain a competitive advantage over other companies (Dreher and Dougherty 2002). A large number of companies neglects to evaluate employee's motivation level while conducting customer satisfaction surveys however many studies have confirmed that employees are internal customers and their satisfaction contributes to the overall customer's satisfaction and organizational performance (Mohammed, Ejaz. & Saif, 2009)

1.2. Statement of the problem

The main strategy and sales performance of medical representative can be seen in different aspects. In Addis Ababa there are many medical representatives, who are yet to know what really drives pharmacy unit to choose a particular pharmaceutical company. Pharmaceutical companies have followed different motivating factors to motivate their medical representatives. To satisfy the pharmacy units they provide their product to, so that, they can maximize their profit. There is a contextual gap here because motivation is an issue that has been researched in many aspects of industries but the pharmaceutical industry.

One role of medical representatives is to provide information about their medicines to pharmacists or customers. This interaction between pharmaceutical representatives and health care professionals is often referred to as “marketing and promotion.” Without it, health care professionals would be less likely to have the latest, non-accurate information available regarding prescription medicines, which play a decreasing role in effective health care. So, these great contributions to increasing quality of health provision can also be considered as justification of practical gap.

Motivation is at the heart of how innovative and productive employees are, and management has to get it right to enable employees of the organization to perform effectively. This is tricky, as not everyone is motivated by the same rewards, and sales managers need to work towards adapting the motivational environment to the individual (Wise and Coetzee, 2013). Organizations keep sourcing for brilliant and intelligent employees to improve their productivity, by offering them better conditions than their existing employment conditions. There is a general notion that if only management can identify other things that can motivate the workforce apart from money, perhaps there will be a dramatic reduction in the demand by workers for pay rise (David, 2016). People who produce good results clearly tend to feel satisfied and self-fulfilled. The motivation of their sales force is a controversial topic among sales managers. These managers – once identified as individuals who ‘move’ their employees – can seek to direct their sales teams’ behavior in the pursuit of their organization’s objectives. However, these efforts run up against the complexity of human nature. Each individual is a single universe, conditioned by a multitude of variables;

this reality leaves a vast space for further researching because motivation is a complex concept. While managers find it challenging to identify what motivates each employee of their organization, they also have to deal with increased difficulties in achieving their objectives since motivation is not something that can be given to sales people (Tourism & Management Studies, 13, 2017).

Many pharmaceutical companies have embraced variable pay as a way to motivate their field force and align behavior with corporate strategies and many of these companies, however, are discovering that their current compensation management systems are inadequate and not providing the results they expected. So their sales force wastes valuable time in scrutinizing & disputing their paychecks realizing their compensation payments as slow & inaccurate. To know about employees' preferences of what motivates them could help improving productivity and building success story for the organizations (Report of IBM Healthcare and Life Sciences April 2005),

When we see the health care system, the gap between necessary care and the care patients actually obtain indicates that new medicines cannot be expected to enter into appropriate use based solely on the clinical evidence supporting them. In the absence of active dissemination of information about medicines to both physicians and consumers, the gap would likely be even larger (Aaron, 2010).

The Performance of employees is mostly determined by their abilities, motivation and positive job environment. The issues of deficiencies in the abilities of employees and secondly an undesirable job environment can be effectively addressed by appropriate training and the provision of favorable work conditions. However, if motivation is the underlying cause of the performance problem, then its solution becomes more complex and challenging (Griffin, 1990). Furthermore, the improvement in job satisfaction for sales staff at pharmaceutical companies requires urgent attention due to the competitive nature of the industry.

1.3. Research Questions

- 1.3.1. Does financial compensation motivate medical representatives?
- 1.3.2. Does non-financial compensation motivate sales representatives?
- 1.3.3. How does the level of sales representatives' motivation affect customer satisfaction?

1.4. Objective

To assess effect of motivation on medical representatives

1.4.1. General objective

The main aim of the study is to assess the motivation of medical representatives and its effect on customer satisfaction (pharmacy unit).

1.4.2. Specific objective of the study

1. To assess the effect of financial compensation on the motivation of medical representatives.
2. To assess the effect of non- financial compensation on the motivation of medical representatives.
3. To examine the level of sales representatives' motivation effect on customer satisfaction (pharmacy unit).

1.5. Significance of the Study

Elevated level of motivation, gives the medical representative higher sales performance which in its turn will contribute to high market share and acceptance in pharmacists. These will help the industry to come up with the best choose for their customers along with this, it reduce and minimize side effect and increased quality? These will create a huge force of innovation for creating new and improved form of medications. Other significance of the study is to identify cause of motivation in the sale process of medical representatives.

This Research on medical representatives is to show option to improve the motivation level and satisfaction of pharmacy units.

1.6. Scope of the Study

The scope of this study is to assess effect of motivation on medical representatives and also how to achieve the best way of Pharmaceutical product sellers targets. The conceptual scope is the financial and non-financial factors of motivation and its effects on medical representatives in the promotional market and selling. This study will be focused on medical representatives selling portion with motivation because motivation is the most applicable way of success and the satisfaction of pharmacy units towards the service they get from medical representatives. The chosen pharmacy units are located around the government general hospital in Addis Ababa. And also target of scope of this study focus on medical representatives of any pharmaceutical company who are registered in the Ethiopian food, medicine and health care administration and control, it can also focus on importers of pharmaceutical drugs or pharmaceutical manufacturing company and how they represent to show themselves for the customers to get the maximum amount of relationship with their customers by their products. The study has been conducted 2017-2018.

1.7. Definition of Terms

Medical representatives

A medical representative's job is to promote and sell their company's products, whether that's pharmaceutical drugs or medical equipment. Customers can include doctors, nurses and pharmacists. They are the key link between medical representatives, pharmaceutical companies and healthcare professionals.

Motivation:

Motivation is the reason for people's actions, desires, and needs. Motivation is also one's direction to behavior, or what causes a person to want to repeat a behavior. A motive is what prompts the person to act in a certain way, or at least develop an inclination for specific behavior.

Non- financial compensation

Non-financial compensation do not involve direct payment of cash to employees. It may be tangible or intangible. Some examples of non-financial compensation includes; involvement of employees in decision making, recognition of employees on desirable performance, assigning tough but attainable assignments, appreciating work through small gifts like plagues, ticket to restaurant etc.

Customer Satisfaction

Customer satisfaction is as emotional response to the experience provided by, (or associated with) particular products or services purchased, retail outlets, or even molar patterns of behavior, as well as the overall marketplace.

Pharmaceutical

Pharmaceutical is the medical scientific discipline concerned with the discovery, development, evaluation, registration, monitoring and medical aspects of marketing of medicines for the benefit of patients and the health of the community.

1.8. Limitations of the study

Although the study has been completed successfully, there were practical difficulties. In its best, this research work should have been extended to cover all medical representatives (pharmaceutical)in Addis Ababa, but the FMHACA has a limited no of registered MRs.

This case made it difficult to generalize for the non- registered medical representatives.

One of the limitations of the study is measuring the sales performance of the medical representatives; it was not possible to measure it using sale volume or profit because the companies were not willing to give this information because of different reasons. These reasons have led to the measurement of satisfaction of community pharmacies.

The motivation level only, may not be the factor for choosing a particular pharmaceutical company and medical representative, the availability of the medication is also the main factor in ordering a medication. In developing country, like ours, the availability of a medication is the major effect which makes our conclusion in satisfaction of the pharmacy units depending only on

the motivation factors vague. Because of these fact generalizing the satisfaction of pharmacy units, coming from only the motivation factors might be narrow.

1.9. Ethical considerations of the study

The study activities were carried out within Addis Ababa city. The study was conducted to measure the effect of motivation on medical representatives selling performance by measuring satisfaction of pharmacy units. The following approach used in all medical representatives: first, the University of St. Mary write official letter to get permission to distribute questioners for medical representatives. All participants were informed about the aim of the study. How to answer the questions, voluntary participation filled the questioner. And also participants were informed on consent sheet about the study. The participants answered the questionnaire after signing another informed consent sheet.

Chapter Two

Review of Related Literature

2.1. Theoretical Review

The formation of pharmaceutical industry began in the second half of 19th century marked the beginning of standardization of pharmaceutical products and regulation of the industry, and subsequently the sale and application of medicines. 150 years later, the industry is one of the most vital global industries, functioning on a specific market. The pharmaceutical market will grow by 5-8 % annually to 2014 and sale of pharmaceutical products will grow around 4 % to 6 % annually. Broadly we can classify drugs in to two; the first group includes prescription drugs. They are available only in pharmacies with the consent of a doctor. The second group is known as OTC (over the counter). Customers can purchase these medicaments without a prescription. Term OTC is for freely available medicaments, dietary supplements, medical tools, nutritional supplements, special nutrition, tests, hygiene and toiletries and drinks (Vale ková, 2012).

The pharmaceutical sector in Ethiopia is regulated by Food, Medicine and Healthcare Administration and Control proclamation No. 661/2009(FDRE, 2010).Accordingly ,the Ethiopian Food, Medicines and Health Care Administration and Control Authority(EFMHACA)under the Ministry of Health (MOH)and its Regional Regulatory Counterparts are in charge of enforcement of the major regulatory functions including marketing authorization, regulatory inspection, licensing of premises, marketing surveillance and control, pharmaco-vigilance, clinical trial oversight, etc..The Authority is aiming at ensuring that medicines marketed in Ethiopia are efficacious, safe and of high quality (pharmaceutical sector assessment in Ethiopia 2017).

In 2015, the annual pharmaceutical market in Ethiopia was estimated at US\$400 to US\$ 500 Million and expected to reach at around US\$ 1 billion by 2018. The number of pharmaceutical importers and wholesalers was 329 and 287, respectively and in 2007 E.C. There were 5136 medicine retail outlets including 780 pharmacies, 1030 medicines hops and 3266 rural medicine vendors. Most of the local pharmaceutical manufacturing companies operate below at lower capacity and could only cover about 20% of the local demand. In 2015, the Government of Ethiopia in collaboration with WHO has developed a national strategy and plan of action for

pharmaceutical manufacturing development in Ethiopia that facilitates the development of the sub-sector and thereby increasing people's access to quality proven affordable medicines((pharmaceutical sector assessment in Ethiopia 2017).

The local industry comprises 22 pharmaceutical and medical suppliers and manufacturers, with 9 involved directly in the manufacture of pharmaceutical products. Most of the manufacturers operate below their capacities and supply only about 20% of the local market. In 2014, local pharmaceutical companies supplied products to the value of US\$ 44.2 million. Local manufacturers have limited product portfolios and are thought to be able to supply only 90 of the more than 380 products on the national essential medicines list. Around 35–40% of their total output is supplied to the private sector at a price premium of 10%. The annual private pharmaceutical market in Ethiopia is estimated to be worth US\$ 100 million (National strategy and plan of action for pharmaceutical manufacturing development in Ethiopia 2015–2025).Now a days Ethiopia, with approximately 100 million populations, is one of the fastest growing economies in the world, with an average growth of around 10.9% for the past decade. There is a national aspiration to graduate to middle-income country status by 2020– 2025 and to completely eradicate poverty. The annual pharmaceutical market in Ethiopia is estimated to be worth US\$ 400 to US\$ 500 million and growing at an impressive rate of 25% per annum. A 2012 estimate by Frost & Sullivan suggests the Ethiopian pharmaceutical market could witness growth rates of “slightly over 14%”³ to reach an approximate value of just under US\$ 1 billion by 2018.

These developments are encouraging international pharmaceutical companies to invest in Ethiopia, as evidenced by activities of Cadila, Julphar, GlaxoSmithKline, Sandoz and Hikma pharmaceuticals. Medicines can play a crucial role in the attainment or maintenance of health but it is vital that they are used rationally. If a patient needs treatment, he or she must have access to the right medication, in the right dosage and for the appropriate course of treatment. Health-care professionals, such as doctors and pharmacists, play a key role in ensuring that medicines are used appropriately. As gatekeepers to care, they need to assess different treatment options, including pharmacotherapy, and consider each for potential benefit and harm.In1994; the World Health Organization (WHO) published the Guide to Good Prescribing. This publication was developed and field tested extensively before its release. After publication, it was translated into multiple languages and was widely used. This guide highlighted the need for students to learn to

focus in a very practical way on treatment goals when making prescribing decisions (World Health Organization/Health Action International Collaborative Project, A Practical Guide).

The medical representatives contact the physicians and pharmacy units in regular basis to inform about their products and pursue them to prescribe their products for the former and hold their product for the later. Further they have to sell the products to the retailers (drug stores). Patients have to collect their required medicine from these drug stores or pharmacies. The medical representatives are the persons who make a bridge between manufacturers and users through doctors and drug stores (Sergio & Dawn, 2009). The MRs must have attractive personalities, general knowledge of science, intelligence, strength of mind, patience and honesty. The working area of a medical representative is known as territory. They must have the database of doctors and drug stores. The doctors' chambers, rural market, hospitals, specialists' market, clinics are included in their database (Sergio & Dawn, 2009).

There are many factors effecting sales performance of the salesperson. These factors can be classified as internal and external, factors like motivation, skill set, aptitude, knowledge, job satisfaction, role perception, personal factors like age, sex, height etc, ego drive, and empathy towards the customers are inherent in the individual sales person. Among these factors, skill set have been broadened into competencies, which include knowledge, skills and abilities of the sales person. Research on competencies have shown that there are three to four broad categories which influence their performance; these are selling skills, general management skills, technical skills, interpersonal skills and emotional intelligence of the person. Interpersonal skills reflect the contribution of sales person's ability to form and develop relationship with their clients to create profitable and productive relation among both the parties. Emotional intelligence is another factor which influences their performance, persons high on emotional intelligence display self-awareness, self-regulation, motivation, empathy and social skills. Self-awareness improves the impression they create on their clients, the level of motivation also contributes their performance. The external factors include environmental and organizational aspects of the job and other different functions of sales management (Personality and Sales Performance, Central Test 2011)

Analysis methodologies were based on descriptive statistics, reliability analysis, correlation analysis, and the analytical hierarchy process (AHP). The statistical package for social sciences

(SPSS-21), Microsoft Excel, and Microsoft Visio were employed for data analysis. Descriptive statistics were applied to describe the data and obtain the demographic information of the respondents. Correlation analysis was used to measure the relationship between the independent variables (IVs) and the dependent variables (DVs), adopted from previous studies (e.g., Pendharkar & Pandey, 2011; Salleh & Amaruddin, 2011). Likewise, the analytical hierarchy process was employed to measure the intensity of each attribution of personality adopted from the study by Jadhav and Sonar (2009). Analytical hierarchy processes enrich the researcher's decision by evaluating the effect of each personality trait independently and in a more open fashion. Furthermore, the analytical hierarchy process empowers the researcher's decision with cleared and flexible outcomes (Alonso & Lamata, 2006; Awan, 2010; Jadhav & Sonar, 2009; Saaty & Vargas, 2001).

2.2. Theoretical Review on motivation

There has been a lot of research on motivation by many scholars. The following are only a few. Ways to encourage employee motivation, measures of motivation, principles of motivation, ways of making your firm more exciting, how to motivate your people problem, the missing link in Strategic Performance, Salary is not a motivator anymore, how to effectively reward employees, turning motivation theory into practice, measures of motivation, self-theories and employee motivation, how do you motivate employees, and worker motivation, unsolved problem or untapped resource? There is however no definite conclusion from these studies.

Research done in both psychology and business literature over the past three decades has recorded that motivation varies as a function of different factors in the work environment, including evaluation expectation, actual performance feedback, reward, autonomy, and the nature of the work itself. Moreover, both theory and empirical research have suggested that human motivation towards work can be categorized into two types, that is Intrinsic motivation, which comes from the intrinsic value of the work itself for the individual, and Extrinsic motivation, which comes from the desire to obtain some outcomes that are separate from the work itself.

The fields of employee motivation and employee performance are solidly grounded in the researches of Maslow,(1954) Taylor,(1917) and Herzberg,(1966) to name just a few. The concepts of motivation and performance are constructs within the larger organizational behavior model. While each of these constructs can be reviewed on their own, employee motivation is

linked closely to employee performance. By conducting the search in this manner the resultant articles were specific case studies of employee motivation in various organizations. The resultant case studies looked at a range of topics on both employee motivation and employee performance and how these constructs can be connected. One particular study looked specifically at “the followers” of an organization and the key factors a leader needs to know about the various types of followers.

2.2.1. The principles of scientific management

Frederick Winslow Taylor (1856 –1917) put forward the idea that workers are motivated mainly by pay. In his theory of scientific management he argued the following: Workers do not naturally enjoy work and so need close supervision and control. Therefore managers should break down production into a series of small tasks Workers should then be given appropriate training and tools so they can work as efficiently as possible on one set task. Workers are then paid according to the number of items they produce in a set period of time-piece-rate pay. As a result workers are encouraged to work hard and maximize their productivity. Frederick W. Taylor’s methods were widely adopted as businesses saw the benefits of increased productivity levels and lower unit costs. The most notably advocate was Henry Ford who used them to design the first ever production line, making Ford cars. This was the start of the era of mass production. Taylor’s approach has close links with the concept of an autocratic management style where managers take all the decisions and simply give orders to those below them. However workers soon came to dislike Taylor’s approach as they were only given boring, repetitive tasks to carry out and were being treated little better than human machines. Firms could also afford to lay off workers as productivity levels increased. This led to an increase in strikes and other forms of industrial action by less satisfied workers.

2.2.2. The Five Levels of Maslow's Hierarchy of Needs

Abraham Maslow's Hierarchy of Needs theory explains the role motivation plays in actualizing a goal. He weaved the Hierarchy of Needs around the major concept of the responsibility of employers to provide a workplace environment that encourages and enables employees to attain their own unique potential (self-actualization). Employees' high motivation is therefore, very important in the workplace (Emmanuel U.B, 2014).

Abraham Maslow, 1954 attempted to synthesize a large body of research related to human motivation, prior to Maslow, researcher's generally focused separately on such factors as biology, achievement, or power to explain what energizes, directs, and sustains human behavior. Maslow posted a hierarchy of human needs based on two groupings: deficiency needs and growth needs. Within the deficiency needs, each lower need must be met before moving to the next higher level. Once each of these needs has been satisfied, if at some future time a deficiency is detected, the individual will act to remove the deficiency. Maslow's needs hierarchy theory is one of the most popular theories of work motivation.

A needs-related model of the process of motivation is initiated by the conscious or unconscious recognition of unsatisfied needs. The needs create wants, which are desires to achieve or obtain something. Goals are established which is believed will satisfy the needs and wants, and a behavior pathway is selected which is expected to achieve the goal (Elizabeth and Kwesi, 2016)

Though the theories were introduced in the mid-1940s and until 1950s, it remained primarily in the realm of clinical psychology where Maslow did most of his development work. However, as more attention began to be focused on the role of motivation at work, Maslow's need matching theory emerged in the early 1960s as an appealing model of Human Behavior in organizations. As a result of its popularization by Douglas McGregor (1960, 1967), the model became widely discussed and used not only by organizational psychologists but also by managers. As early as 1954, Maslow had discussed two additional needs in his work, namely, cognitive and aesthetic. Cognitive needs are the needs to know and understand and these examples include the need to satisfy one's curiosity, and the desire to learn.

Aesthetic needs include the desire to move toward beauty and away from ugliness. These two needs were not however included in Maslow's hierarchical arrangement and have therefore been

generally omitted from discussions of his concepts as they relate to organization settings. According to Maslow deprivation motives he says are arranged in a developmental hierarchy. They are five in number and structured:

Physiological needs: These include homeostasis (the body's automatic efforts to retain normal functioning) such as satisfaction of hunger and thirst, the need for oxygen and to maintain temperature regulation. Also sleep, sensory pleasures, activity, maternal behavior, and arguably sexual desire.

Safety needs: These include safety and security, freedom from pain or threat of physical attack, protection from danger or deprivation, the need for predictability and orderliness.

Love needs (often referred to as social): These include affection, sense of belonging, social activities, friendships and both the giving and receiving of love.

Esteem needs (sometimes referred to as ego needs): These include both self-respect and the esteem of others. Self respect involves the desire for confidence, strength, independence and freedom, and achievement. Esteem of others involves reputation or prestige, status, recognition, attention and appreciation.

Self-actualization needs: This is the development and realization of one's full potential.

Maslow sees this as: 'what humans can be, they must be', or 'becoming everything that one is capable of becoming. Self-actualization needs are not necessarily a creative urge, and may take many forms, which vary, widely from one individual to another.

The normal person is characterized by spontaneity, creativeness and appreciation of others. People who fail to achieve self-actualization, he says, tend to be hostile and disastrous. Maslow conceived 'The survival needs are present at birth'. During childhood, one becomes aware of each of the higher groups of needs. A man takes all five needs to work. The manager who wishes to motivate his management and subordinates is faced with the fact that his subordinates are attempting to satisfy all five levels of needs. If a man experiences nagging insecurity, because redundancies are being anticipated or because he feels there is an absence of order and equity in the organization (which would be caused by an irrational wage or salary structure), he will not be interested in the organization's policies and plans designed to assist him in fulfilling higher needs. If he cannot see an easy, straightforward way to satisfy these needs, he is liable to behave irrationally, obstructing or sabotaging the work of the firm or organization, breaking work agreements and going on strike.

Maslow's hierarchy of needs is widely accepted as a convenient simple analysis of human motivation and which can assist us, therefore, to understand why men behave the way they do in a given situation and to anticipate how they will behave in future situations. Based on Maslow's theory, once lower level needs have been satisfied (say at the physiological and safety levels) giving more of the same does not provide motivation. Individuals advance up the hierarchy as each lower-level need becomes satisfied. Therefore, to provide motivation for a change in behavior, the manager must direct attention to the next higher level of needs (in this case, love or special needs) that seek satisfaction.

However, there are a number of problems in relating Maslow's theory to the work situation. These include the following: People do not necessarily satisfy their needs, especially higher-level needs, just through the work situation.

They satisfy them through other areas of their life as well. Therefore the manager would need to have a complete understanding of people's private and social life, not just their behavior at work. There is doubt about the time, which elapses between the satisfaction of a lower-level need and the emergence of higher-level needs. Individual differences mean that people place different values on the same need. For example, some people prefer what they might see as the comparative safety of working in a bureaucratic organization to a more highly paid and higher status position, but with less job security, in a different organization. Some rewards or outcomes at work satisfy more than one need.

Higher salary or promotion, for example, can be applied to several levels of the hierarchy. Even for people within the same level of the hierarchy, the motivating factors will not be the same. There are many different ways in which people may seek satisfaction of, for example, their esteem needs. Maslow viewed satisfaction as the main motivational outcome of behavior. But job satisfaction does not necessarily lead to improved work performance.

2.2.3. Hygiene Theory

Herzberg 1966 believed that businesses should motivate employees by adopting a democratic approach to management and by improving the nature and content of the actual job through certain methods. Some of the methods managers could use to achieve this are:

I. Job enlargement

Workers being given a greater variety of tasks to perform (not necessarily more challenging), makes the work more interesting.

ii. Job enrichment

It involves workers being given a wider range of more complex, interesting and challenging tasks surrounding a complete unit of work. This should give a greater sense of achievement.

iii. Empowerment

It means delegating more power to employees to make their own decisions over areas of their working life. When employees have high autonomy, receive feedback about their performance, and have an important, identifiable piece of work to do which requires skill variety, they may experience feelings of happiness and therefore intrinsic motivation to keep performing well. (Hackman & Oldham, 1980).

Frederick Herzberg, distinguished Professor of management at the University of Utah and behavioral theorist conducted studies on worker motivation in the 1950's. He developed the motivation-hygiene theory of worker satisfaction and dissatisfaction. The researcher concluded that hygiene factors such as salary, fringe benefits, and working conditions can prevent dissatisfaction, but they do not in themselves motivate the worker. He found that motivators such as achievement, recognition, responsibility, and advancement increase satisfaction from work rather motivate people toward a greater effort and performance. Herzberg and other behavioral theorists were influenced by the writings of Abraham Maslow, a theoretical psychologist who analyzed what human beings seek in their lives and developed the Needs-Hierarchy concept. Of the many theories of work motivation, Herzberg's (1966) motivator hygiene theory has been one of the most influential in recent times. Basically, the theory divides motivating factors into two categories, namely motivator factors, which have something to do with the work itself, and the hygiene factors, which have something to do with the surrounding context or work environment. Motivator factors include such things as responsible work independence in doing the work, and satisfaction arising from the completion of challenging tasks. Hygiene factors include pay, security, and general working conditions. According to Frederick Herzberg, hygiene factor, operate primarily as de-motivators if they are not sufficient. He suggests that workers are most satisfied and most productive when their jobs are rich in content and diversified. When the

work is interesting, which he suggests can be accomplished by the job enrichment; workers are motivated to work harder.

These five components of motivation take one in an independent manner toward a desired goal. The first three components add meanings to the work, the fourth adds to ownership of results, and the last one gives feedback about the results of what is done. There are also five ways in which jobs may be redesigned or enriched to enhance employees' performance or satisfaction:

1. Combining tasks: Influences skill variety and task identity.
2. Forming natural work units: Enhances task identity and task significance.
3. Establishing client relationships: Increases skill variety, autonomy, and feedback.
4. Vertical loading: Worker has more authority, responsibility, and control over the work.
5. Opening feedback channels: Increases feedback.

In the Harvard Business Review Frederick Herzberg said that a brief review of his motivation hygiene theory of job attitudes is required before theoretical and practical suggestions can be offered. According to him, the theory was first with drawn from an examination of events in the lives of engineers and accountants. At least 16 other investigations, using a wide variety of populations including some in the communist countries, have since been completed, making the original research one of the most replicated studies in the field of job attitudes.

2.2.4. Effects of Motivation on Productivity and Performance

Professor Denise M. Rousseau who is a professor of Organizational behavior at Carnegie Mellon University wrote an article on the Academy of Management Executive about her current research on motivation. She believes that modern organizations cannot succeed if the people they employ do not agree to contribute to their mission and survival. This is called a psychological contract in which beliefs are based upon expressed promises. Psychological contracts motivates employees to fulfill commitments made to employers when employees are certain that employers will give in return and carry out their end of the bargain. Professor Rousseau said, "Agreement between worker and employer on what each owes the other is critical to the employment relationship's success. Managers who feel poorly treated by the employer are less likely to make extensive commitments to their workers or to signal that the employer is trustworthy." Professor Rousseau

said recent studies show that scholars have identified six key features of the psychological contract, but with this study we will look at four, she describes these features as follow:

Voluntary choice: Psychological contracts motivate people to fulfill their commitments because they are based on the exchange of promises in which the individuals has freely participated. Commitments made voluntarily tend to be kept. An employee who agrees to work for a firm for at least a year is likely to be internally conflicted if offered a job elsewhere a few months after being hired. That particular employee is more likely to decline the offer than a co-worker who had made no such commitment to the employer. Explicit voluntary commitments for example "I agree to stay a minimum of a year" have more powerful effects on behavior than implicit ones like "to stay for a while".

Belief in mutual agreement: An individual's psychological contract reflects his or her own understanding of the commitments made with one another. Individuals act on that subjective understanding as if it is mutual, regardless of whether that is the case in reality. For example, consider a new employee who is told that her job requires two or three days of travel a week. The employee might interpret that to mean that she will be traveling not more than three days a week, although the manager who hired her really meant that there would be two or three days of travel per week on an average. More experienced recruits are better at probing for mutual understanding than inexperienced ones.

2.3. Empirical Review

2.3.1 Empirical review of demographic characters

Age, gender, experience and education are common variables that are used to determine personal performance. Evidence from various research findings on the relationship between personal characteristics and job performance has produced mixed results, with some positive relationships being identified and in some instances negative ones for the same variables.

2.3.1.1 Age

There is positive and linear function between age and job performance until the preretirement period during which job satisfaction significantly declines. Older workers have lower

expectations than younger workers, and they tend to be better adjusted to the work situation. Older workers are more satisfied with their work because they move into better work or more desirable positions across their career. It is a common observation that the old people fail to function as effectively as the younger persons at certain tasks. This is mainly attributed to the age factor. There are some notable differences between the older and younger people psychologically as well. At certain tasks the older people can perform better than the younger employees due to the experience factor, for example the older people can give better advices against the younger ones. The modern studies indicate that the age too is a determinant of the performance of the individuals i.e., the performance of the individuals will gradually deteriorate or improve with age depending upon their work (Bhargara and.Anbabzhagan, 2014)

2.3.1.2. Gender

Gender is another factor that could affect the performance of the certain employees as it has been commonly observed and this is due to the differences in their physical and psychological differences. But, some modern studies indicate that the difference in gender is not valid today as it was before 1990s (Bhargara and.Anbabzhagan, 2014).

Gender seems to play a significant role in employees' job motivation and job performance. The gender of employees tends to significantly affect their job motivation and job performance in the workplace. The relationship between gender and job performance covered three possibilities. First, females are more satisfied than males. Second, males are more satisfied than females. Third, no difference exists between males and females with respect to job satisfaction (Emmanuel, 2014).

2.3.1.3.Education and experience

A review of literature regarding the relationship between job performance and education suggests that the relationship could be either negative or positive. Educated people can do certain tasks easily and efficiently compared to the uneducated or those who are educated lesser. This is in accordance with the dictum "knowledge is power". It implies that a person who is knowledgeable can perform better at tasks that require that knowledge. Let aside the tasks that require the specialized knowledge but even the common tasks educated people can handle better.

In fact lack of education and knowledge make a person crippled and inefficient. It has been proved that the human capital to be the most important component of intellectual capital in influencing organizational performance of pharmaceutical companies (Bhargava and. Anbazhagan, 2014)

Education has emerged as the single most investigated feature of human capital, with hundreds of studies dedicated to exploring the impact of educational attainment on both entrepreneurial selection and performance (Whitney and Maria, 2009). Education and experience are the primary determinants of individual earnings for employees. The empirical results related to experience and performance, however, have been varied. In addition to positive impacts, a large number of insignificant effects (Whitney and Maria, 2009).

Education is a priceless asset of fundamental value to the individual and the society. It provides a sound basis for individuals' to develop their potentialities. It is a powerful instrument for effecting national development. It is a dynamic instrument of change. The wealth of nation is determined to a large extent by the quality as well as the quantity of its human resources that ultimately set the pace for the social, economic or political development of a nation (Ajibola, Samuel and Funmi. 2018)

(H1): There are significant dimensions of demographic part (Age, Gender, Education and Experience) on medical representatives' motivation level

(H0): There is no significant dimension of demographic part (Age, Gender, Education and Experience) on medical representatives' motivation level

2.3.2. Empirical review of Motivation on Customer satisfaction

To achieve a certain goal of target there should be personal devotion and great interest for such a way mechanism, Motivation is mentioned as main engine. For this statement the following quotation show without motivation, individuals can rarely achieve good results in their performance. The secret of success can be said to be largely related to motivation. It activates and directs behavior. Currently, the main objective of management is to identify the ideal

'formula' to guarantee a high and sustainable level of motivation, as they seek to harmonies and optimize the interaction between the organizational and personal objectives of their employees (Tourism & Management Studies, 13, 2017).

Motivation is an engine that takes place in any part of our life or in a certain field of activities. Motivation in the sales function refers to the amount of effort a salesperson is willing to expend in the selling job. While some salespersons are self-motivated, there are others who need to be motivated to perform. Sales managers can motivate their team by following any of the theories of motivation, namely, Maslow's hierarchy of needs theory, Herzberg's two-factor theory, goal-setting theory, expectancy theory, and job design theories. Maslow's hierarchy of needs theory classifies the needs of an individual into five categories - physiological, safety or security, social, self-esteem and self-actualization needs. Physiological needs are the lowest order needs while self-actualization needs are the highest order needs (Anca, 2013)

Regarding spending for drug marketing and promotion, the pharmaceutical industry spent \$13.2 billion in 2000 promoting their products directly to healthcare provider. The main reason for the spending with healthcare provider is these people are responsible for prescribing a specific drug for customer as well as making decision regarding insurance limitation. Because of that, the pharmaceutical industry spent \$13.2 billion in 2000 promoting their products on healthcare provider with the largest ratio belonging to form of free samples of new medications given to physicians. Concerning to activities of medical representatives, its budget accounted for a half of spending for drug marketing (Huyen, 2012).

A motivation plays a crucial role in influencing performance and thereby productivity. Salespersons having a high level of motivation tend to perform well in the selling job and have high productivity. On the other hand, salespersons that lack motivation tend to be poor performers and fail to achieve their sales targets. Such salespersons hence tend to have low productivity. Creating desire is part skill and technique, and part behavior and style. In modern selling and business, trust and relationship (the 'you' factor) are increasingly significant, as natural competitive development inexorably squeezes and reduces the opportunities for clear product advantage and uniqueness (Dartey, 2010).

Sales managers can take various measures to motivate the sales force and boost its productivity. These measures can be in the form of sales quotas, sales contests, well- designed compensation plans and reward systems, etc. The sales compensation plan has a greater impact on the company's results than any other single document. It impacts the behavior of the sales organization in a direct fashion. Salespeople are generally paid differently than all other functions within the company. Their performance is easily quantified and measured. As a result, their compensation is generally comprised of a base salary, and a quota or commission.

2.3.2.1. Financial incentive and its effect on satisfaction of community pharmacies

It is well recognized that financial compensation, serves as a powerful motivation strategy for salespeople. Most companies, whether they be selling consumer or industrial goods, pay commission or bonus to their salespeople. The most usual form of payment is the salary plus commission system since this provides a level of job security plus the compensation of higher earnings are entirely dependent upon achievement. A commission system may thus comprise a given percentage, for example 11/2 percent of total sales revenue generated per salesperson or a percentage of sales in excess of a sales quota. Some firms may be paid on higher profit items. Thus the commission systems whereby different products have varying commission rates. Higher rates may be paid on higher profit items thus the commission system can be used not only to stimulate greater effort in general but also to direct salespeople towards expending greater energy on those products the company particularly wants to sell (Amue, Asiegbu and, Chukwu, 2012). Thus:

(H2) There is significant dimension of financial incentive on satisfaction of community pharmacies.

(H0) There is significant dimension of financial incentive on satisfaction of community pharmacies.

2.3.2.2. Non-financial compensation and its effect satisfaction of community pharmacies.

Meeting between managers and salespeople are also a motivation strategy. These were highly regarded by sales managers in the motivation of their sales teams. Managers have the opportunity to meet their salespeople in the field, at head office and at sales meetings, workshop or conventions. They provide a number of opportunities for improving sale force performance. When salespeople meet with their sales managers, it allows the manager to understand the personality, needs and problems of each salesperson. The manager can then better understand the causes of a motivation and demonization in individual salespeople and respond in a manner that takes into account the needs, problems and personality of the salesperson. These may motivate the salesperson by restoring in his belief that performance will improve through extra efforts. Again, group meetings can serve as a motivation strategy, when the sales manager encourages an 'open' style of meeting. Salespeople are encouraged to discuss their sales problems and opportunities so that the entire sales team benefits from the experiences of each salesperson. This leads to a greater sense of group loyalty and improved performance (Amue, Asiegbu and Chukwu, 2012). Non-financial compensation are also required to give a long-term motivational effect instead of the short-term effects of financial compensation at these premises. Non-financial compensation are listed as enabling authority, participating in the management, job enrichment, promotion, holidays, better working atmosphere enhancing a sense of belonging (Ali, Tugay, 2012).

Thus:

(H3) There is significant dimension of non- financial incentive on satisfaction of community pharmacies.

(H0) There is no significant dimension of non- financial incentive on satisfaction of community pharmacies.

2.3.3. Customer satisfaction

Customer satisfaction is a process of consumer's response to the evaluation of the perceived discrepancy between prior expectations and the actual performance of the product as perceived after its consumption (Tse and Wilton, 1988). Satisfaction is the customer's fulfillment response. It is a judgmental that a product or service feature, or the product or service itself, provides a pleasurable level of consumption-related fulfillment (Oliver, 1977).

This definition approaches two sides where the first approach defines satisfaction as a final situation or as end-state resulting from the consumption experience and the second approach emphasizes the perceptual, evaluative and psychological process that contributes to satisfaction. (Evangelos and Yannis, 2010)

(H4) There is significant aspect of motivation for satisfaction of community pharmacies.

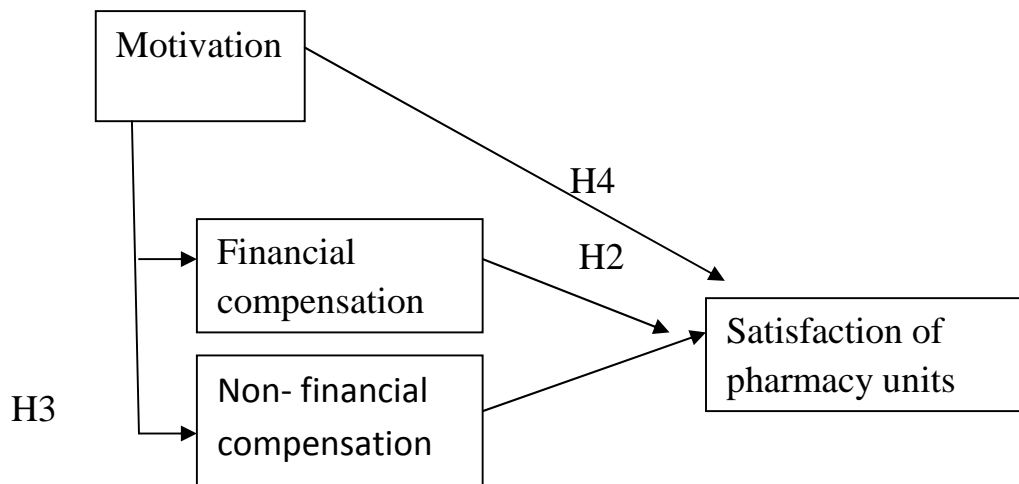
(H0) There is no significant aspect of motivation for satisfaction of community pharmacies.

2.4. Conceptual Framework

As empirical review suggested the dependent variables, financial and non- financial variables has significant effect on the motivation level of medical representatives. The motivation level of a medical representative will in its turn will affect the satisfaction level of pharmacy units towards the service they get from the medical representatives. Based on the literature review the following conceptual framework was developed, the independent variables being financial and non-financial compensation and the dependent variable is the motivation level measured by the satisfaction level of community pharmacies located around the governmental general hospitals in Addis Ababa.

(H4) There is a significance dimension of motivation on satisfaction of community pharmacy unit

(H0) There is no significance dimension of motivation on satisfaction of community pharmacy unit



CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

The preceding chapter discusses the overall research design and methodology of the research. It defines the variables, including their measurement. Besides, the model specification, estimation techniques and type and sources of data used were presented and briefly discussed.

3.1. Research approach

This refers to the overall strategy to integrate the different components of the study in a coherent and logical way, thereby, ensuring effectively address the research problem; it constitutes the blueprint for the collection, measurement, and analysis of data.

Descriptive form of study was followed on this study because we are trying to figure out the main factors, being financial or non-financial, in motivating medical representative. Quantitative way of data analysis was conducted.

3.2. Research methods

3.2.1. Population and sampling techniques

Addis Ababa is the capital city of Ethiopia and also one of the oldest cities. Addis Ababa has city government administration according to Ethiopian government system of Ethiopia. Addis Ababa comprised 10 sub cities. It has a population of 3,384,569 according to the 2007 population census, with annual growth rate of 3.8%. This number has been increased from the originally published 2,738,248 figure and appears to be still largely underestimated.

Total Population of the study includes all medical representatives in Addis Ababa, Ethiopia. Sampling techniques of study was lottery method (randomly selected method). So all of medical representative are not participated for data gathering but randomly selected medical representative participate for data gathering. There are 250 registered medical representatives in Addis Ababa in the year of 2017. From the 250 of registered medical representatives 50 were chosen and selected in random systematic sampling from the list given by FMHACA. The sample was collected over 3 month of period. The medical representatives have been assigned in different sector of Addis Ababa by their respective company they are employed by. There are approximately 189 community pharmacies around Addis Ababa in according to FMOH 2013.

The pharmacy units have been chosen because of their proximity to the governmental referral hospital that the medical representatives has been assigned to, to assess the direct effect motivation on the satisfaction of pharmacy units. The community pharmacies in Addis Ababa are the general population of this study to assess the satisfaction of pharmacy units.

3.2.2. Sampling techniques

From the total population being 250 medical representatives, 50 participants were selected using systematic random sampling. The general referral governmental hospitals' Tekur-Anbesa, St. Pawl's, St Peter, and Alert were chosen because the majority of the medical representatives were assigned there and it was convenient. The community pharmacy units that are close to these hospitals were chosen in a stratified sampling technique. First we chose them because of the proximity to the hospitals then 10 community pharmacies from the less populated relatively from the other hospitals in the number of community pharmacies and 15 from the more populated ones like around Tekur-Anbes and St.Pawl's general referral hospitals.

The questionnaire and consent form were self-administered. Participation in the survey was voluntary and sales representatives who participated were required to complete the consent form and the questionnaire. This was important to maintain the integrity of the data that was collected.

To increase the response rate, reliability, and validity of the data collected the design of the:

Questionnaire incorporated the following factors (Saunders et al., 2000:279):

- Careful design of individual questions,
- Clear layout of the questionnaire form,
- Clear explanation of the purpose of the questionnaire, and others.

Sample Techniques of the study

For sample size determination of the following formula has been applied

$$N = \frac{Z^2 \cdot P(1-P)}{d^2}$$

$$d^2$$

N =sample size for cross-sectional study

Z=percentile of the standard normal distribution correspondence

P= level of awareness

D=Margin of error which is taken to be 5%

$$N = \frac{1.96 * 0.85(1 - 0.968)}{0.0025} = 50$$

3.2.3. Types of Data and Instrument of Data collection

The data collection devices associated with the survey method includes the use of questionnaires, structures interviews. For the purpose of this study a questionnaire was used. Formal set of questions were designed to gather the information from the respondents that will accomplish the goals of the research. The study data gathered through questionnaire for data analysis and to forward about conclusion, recommendation and limitation of the study.

The measuring instrument of the study is Questionnaire through random systematic sampling by descriptive study design.

The questionnaire was prepared and sent to my advisor for evaluation. It was adapted from literature review to assess the effect motivation of medical representatives' and satisfaction of community pharmacies towards the service of medical representatives. There were two questionnaires one was for measuring the motivation level and was distributed for the selected medical representatives; these questionnaires has two part one containing the demographic part and the second part measuring the motivation level. The questionnaires measuring the motivation level were formulated to measure the financial incentive and the non-financial compensation effect on the motivation of MRs'. The second one is prepared for measuring satisfaction of pharmacy units and has one part that only measure the satisfaction of pharmacy units.

Questioner one

Part1: In this section, respondents are asked to give information regarding

Gender, age, academic qualification, length of service

Part2: This section asks the respondents to assess motivation of medical representatives.

Questioner two

Part1: This section asks to assess effect of motivation of medical representatives on the satisfaction of pharmacy units.

The objective concerned on assessing effect of motivation factors contribute or do not contribute to pharmaceutical sales representatives in their sales performance. It also tested the overall level of customer satisfaction currently being experienced by medical(pharmaceutical) representatives in their selling.

The questionnaire used a five-point Liker scale that ranged from strongly agree (1), Agree (2), Neutral(3), Disagree(4) to Strongly disagree(5). A Liker scale is a psychometric scale commonly used in questionnaires, and is the most widely used scale in survey research. When responding to a Liker questionnaire item, respondents specify their level of agreement to a statement.

3.3. Data Analysis Techniques

This section discussed statistical techniques used to analyze data and obtain the research results. There are two basic types of statistical analysis, namely descriptive and inferential statistics. Descriptive static technique shows factors and level of motivation of medical representatives in mean, media, frequency, and mod explanation for generalization and conclusion.

3.3.1. Validity

Validity is the degree to which the measuring instrument actually measures what it is supposed to measure (Uys, 2003: 123). Validity can firstly be divided into internal and external validity.

a. Internal Validity: In a quantitative study, the test for internal validity is how confident the researcher is that the independent variable is at least partly responsible for the variation found in the dependent variable (Quinton &Smallbone, 2004:154).

b. External validity: External validity concerns whether the results can be applied to other contexts or situations and to what extent this might be possible. In quantitative studies the representativeness of the sample is key issue in generalizing about the larger population (Quinton &Smallbone, 2004).

Very often a process called factor analysis is used to determine construct validity (Uys, 2003). For the purpose of this study, validity was established by using content and criterion validity. The questionnaire was adopted from established questionnaires which have been used in other research. Questionnaires were given to lecturers and senior researchers in the field who found the questionnaire was aptly designed to receive the intended results of the study.

The research strategy was explained, after which the process of survey research was discussed in detail by referring to the objectives of the study. The population was demarcated and the procedures for administering the questionnaires and the collection of data were discussed. The last part of the chapter entailed a description of the statistical methods to be used, namely descriptive statistics. This chapter provided a logical basis and framework which will be used in the empirical analysis to be completed in the next Chapter.

This study conducted for fulfillment master degree graduation requirements. All of the study process and procedure follow rule and regulation of research requirements regulation through evaluation committee of St Merry University and my Advisor.

3.3.2. Reliability of results of the study

Based on the distribution of the descriptive statistics obtained from the study, the following techniques were used to perform the inferential analysis: frequency distribution, t-test, Cronbach Alpha, and Pearson's Correlation Coefficient. In this study to show reliability Cronbach Alpha value selected.

Reliability statistics	Cornbrash's Alpha	N of items
demographic	.705	4
motivation	.709	13
Financial incentive	.897	6
Non-financial incentive	.701	6
satisfaction	.796	9

Table 4.11 reliability statistics demographic part, motivation and satisfaction of pharmacy units

The Cronbach's alpha result in above table show that, it is above .700 for almost all variables. From these result we can conclude that our result is statistically reliable. So the above items indicate that there is a high degree of internal consistency and correlation amongst the items.

CHAPTER FOUR

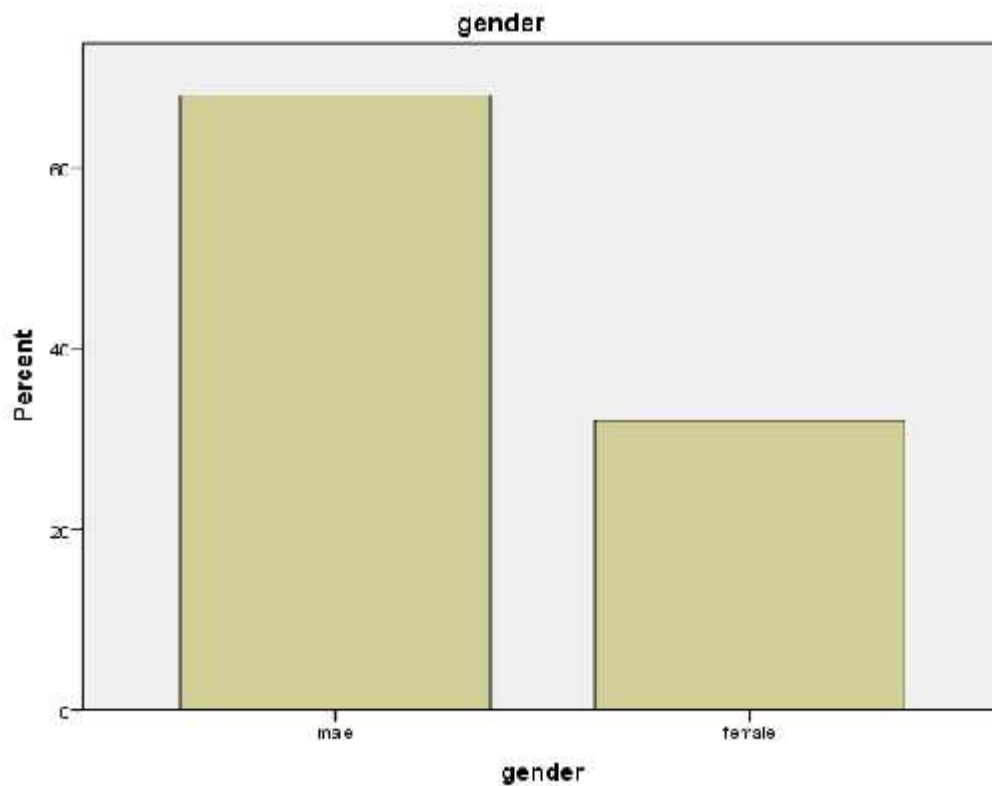
Presentation and Discussion of Results

In this chapter, the statistical tests mentioned in the previous chapter were applied and the results obtained are included here. Also the meaning of the results as well as the reference to literature is discussed. The chapter concludes with a summary of the results and leads to the next chapter which discusses the results obtained.

4.1. Background characteristics of the respondents

4.1.1. Sample profile

Figure 4.1 percentages of gender Group



As figure 4.1 shows males are predominant by 68% and females are less with 32%.

In recent times, embracing and supporting gender diversity, has been implemented by practitioners and academics as a core value that represents the “right” way to do business, implying that gender heterogeneity may lead to increased organizational effectiveness. In presence set up the predominance of males in the pharmaceutical industry can be further researched. It is found that almost all the respondents belong to male group (only 3 are female) in a study conducted in India (Saroj , Padmalita & Ashok, 2014). In another study conducted in India 98.8% are male (Mishra, Sahoo and Sahoo, 2012)

Table 4.1 frequency and percent of age group, level of education and experience.

	Frequency	Percent	Valid Percent	Cumulative Percent
Age group				
Less than 30	26	52.0	52.0	52.0
30 to 40	24	48.0	48.0	100
Level of education				
Diploma	4	8.0	8.0	8.0
Bachelor	37	74.0	74.0	82.0
Master	9	18.0	18.0	100.0
Experience				
1to5years	25	50.0	50.0	50.0
5to10years	24	48.0	48.0	98.0
10to15years	1	2.0	2.0	100.0
Total	50	100.0	100.0	

The data in Table 4.1 represents the age groups that participated in the study and indicates that 52% of respondents were less than 30 years of age, 48% were between 30-40 years of age; and 0% were in the group greater than 50 years of age. Other research has similar result regarding the predominance of the age group less than 30(56%) in Pakistan (Muhammed and Basharat , 2008), around 87 percent are young respondents whose ages are all below 35 years(Saroj , Padmalita & Ashok, 2014).Another study in India shows 87 per cent are young respondents whose ages are all below 35 years (Mishra, Sahoo and Sahoo, 2012).

The data in Table 4.1 also represents the qualification of the respondents that are employed as Medical representatives. Only 4% had Diploma, 74% had a bachelor degree; 18% were in possession of Mater degree and 0% of the respondents had a post graduate Degree/PH.D. About 84 percent sales force hold graduation degree but only 16 percent possess master degree in a study conducted in Pakistan (Muhammed and Basharat, 2008). It is observed from the study conducted in India that most of the respondents (58 %) are bachelor graduates and 27 % are post-graduates (Mishra, Sahoo and Sahoo, 2012).

The data in table 4.1 shows the frequency and distribution of experience as medical representative.50% of the respondent have experience of 1 to 5 years, and 48% of the respondents have between 5 to 10 years of experience and the experience group between 10 to 15 years is only 2%. In the study conducted in Pakistan, of the total respondent, 17 percent have less than 2 years job experience, 40 percent have 2 to 5 years experience, 32 percent have 6 to 10 years experience and only 11 percent worked more than 10 years in the present job (Muhammed and Basharat, 2008). The majority of sales representatives (42%) have between 5-10 years serviced followed by those with five years and less (30%) and those with 11–15 years service (28%) in a study conducted in Johannesburg (Devika, 2012).

The demographic result on frequency and percentage of this research has been in accordance with the studies conducted in other developing counties.

Table 4.2 Motivation Of medical representatives in descriptive analysis using mean, max, min, St. Deviation to measure central tendency, frequency and percentage

	Minimum	Maximum	Mean	Std. Deviation	Frequency	Percent
Bonus and wages have a positive effect on sales performance	4.00	5.00	4.7200	.45356		
Agree					14	27.5%
Strongly agree					36	70.6%
Profit share	3.00	5.00	4.7200	.53605		
Neutral					2	4%
Agree					10	20%
Strongly agree					38	76%
Salary increase	2.00	5.00	4.5600	.61146		
Neutral					1	2%
Agree					19	38%
Strongly agree					30	60%
Monetary rewards	2.00	5.00	4.0800	.77828		
Disagree					1	2%
Neutral					10	20%
Agree					23	46%
Strongly agree					16	32%
Commission based)	2.00	5.00	4.2800	.94847		
Disagree					5	10%
Neutral					2	4%
Agree					17	34%
Strongly agree					26	52%

Monetary is base	2.00	5.00	4.3000	.83910		
Disagree					2	4%
Neutral					6	12%
Agree					17	34%
Strongly agree					25	50%
Staff participation in decision making	3.00	5.00	4.5800	.53795		
Neutral					1	2%
Agree					19	38%
Strongly agree					30	60%
Annual recognition	2.00	5.00	4.3000	.81441		
Disagree					1	2%
Neutral					8	17%
Agree					16	32%
Strongly agree					25	50%
Opportunity to learn	3.00	5.00	4.4600	.64555		
Neutral					4	8%
Agree					19	38%
Strongly agree					27	54%
Promotion	2.00	5.00	4.0600	.86685		
Disagree					3	6%
Neutral					8	16%
Agree					22	44%
Strongly agree					17	34%

Training	4.00	5.00	4.6600	.47852		
Agree					17	34%
Strongly agree					33	66%
Setting quota	3.00	5.00	4.3000	.70711		
Neutral					7	14%
Agree					21	42%
Strongly agree					22	44%
Motivation on satisfaction	3.00	5.00	4.5800	.57463		
Neutral					2	4
Agree					17	34
Strongly agree					31	62

The mean scores indicate that the subjects expressed motivation dimensions. The mean ranges from 4.0600 (I strive to meet target because of promotion) to 4.7200(bonus and wages have positive effect) and (profit share significant increase on sale performance).

From a study conducted in Kenya suggested that 85% of the respondents indicated that the sales commission, 70% indicated salary, 61% indicated gifts and travel voucher were the rewards that motivated sale team in the company. From the findings 59% and 50% indicated that completion prize and bonus rewards motivated sale team in the company. The study found that financial rewards were the primary means of motivating workers; the organizations also employed employee's participation and recognition as well as secured their jobs, 60% of the respondents indicated that alary motivated sale teams in selling pharmaceutical products in the company to a great extent, 32% of the respondents said to a great extent while 8% of the respondents indicated that salary motivated sales team in selling pharmaceutical products in the company to a moderately extent. The study found that use of salary gave the sales manager added control over

the salesperson's activities and provided the salesperson with greater motivation to sell. This implied that management at AstraZeneca East Africa in Kenya utilized a salary as compensation approaches to sales team (Jacqueline & Joyce, 2016)

Pharmaceutical sales force rate “pay and fringe benefits” as the most important motivator while “good working conditions” as the least important factor in their motivation. However, “good supervision” and “recognition for job done well” are placed in the middle of the list (Muhammed and Basharat, 2008). These results are different in a way, to this study because profit share is said to be the higher motivation 76% but the monetary reward is the lowest with 32%.

In a study conducted in Johannesburg on motivation of medical representatives based on Herzberg’s motivation- hygiene theory, In this study subjects, expressed the highest satisfaction for working conditions ($m = 4.18$) followed by work itself ($m = 4.16$), recognition and interpersonal relationships ($m = 3.96$). According to Herzberg(1966), work itself and recognition are motivators and working conditions and interpersonal relationships are hygiene factors. One can extrapolate from this that although the subjects felt satisfied with these dimensions the dimensions may not necessarily increase their motivation (Devika, 2012). This can be the cause is this study too, the non-financial compensation are not as motivators as the financial compensation.

The majority of the respondents (45%) were of the view that non -financial compensation are very important in influencing willingness to exert more effort in the jobs. Also 37.5% of the respondents consider non- financial compensation as having a positive influence on their motivation towards their job. This information illustrates that along with financial compensation non financial compensation also play significant role in nurturing willpower of employees (Muhammed and Azhar, 2013). Which is the cause in this study too, even though the high percentage agrees with the financial compensation, comparable amount also agrees with non-financial compensation also have significant effect on motivation.

4.2. Motivation and Performance

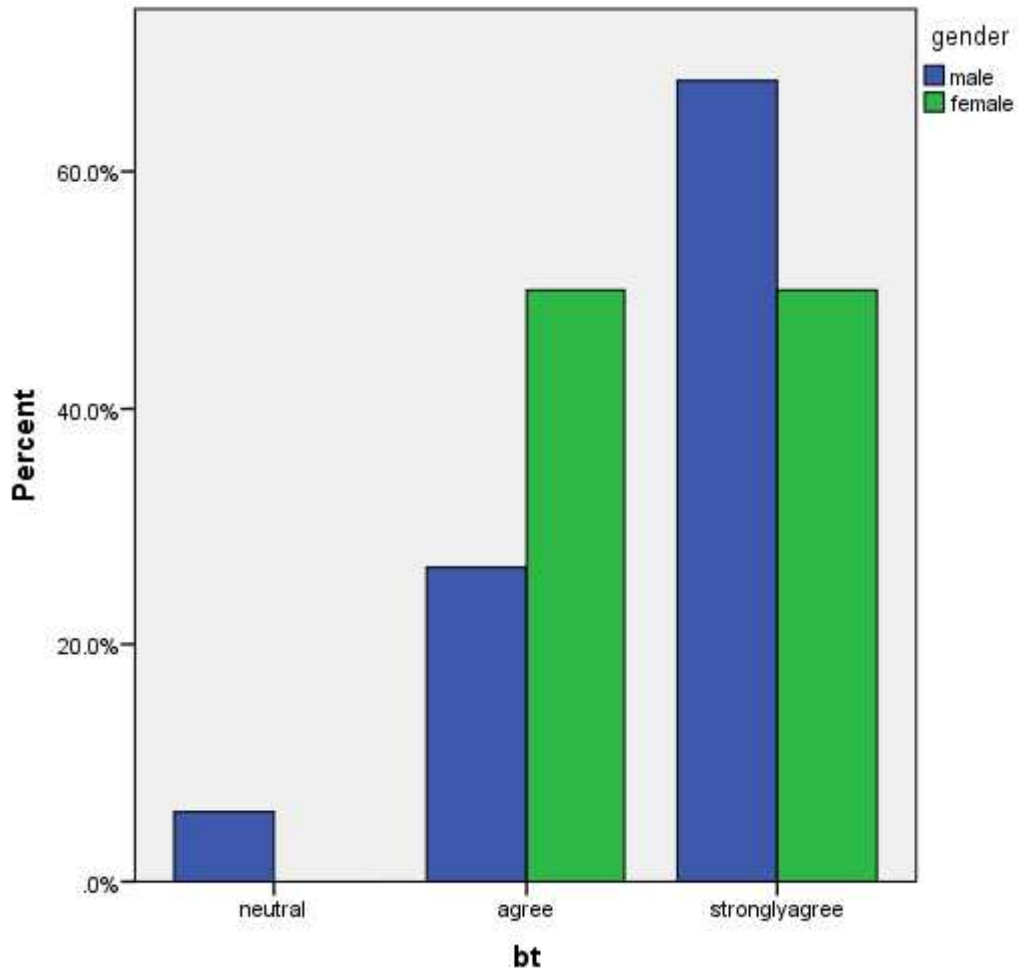


Figure 4.2 X axisbt(level of motivation influence satisfaction of service receivers’) percentage with gender distribution

When an employee is rewarded and recognized on personal level it increases the level of success. Similarly, motivation is directly proportional to the satisfaction of the sales force, the key to ensuring motivational programs are effective is to make sure that the employees are satisfied their ‘hygiene factors’ are met and the administration, compensation and processes are directly linked to the motivation factors of achievement, recognition, advancement, and growth.(Navjot, Navneet and Upendra, 2014)

Figure 4.2 indicates that more than 60% of male strongly agree that motivation has significant effect on satisfaction of community pharmacy and 50% of females agree and strongly agree and about 10% are neutral with the fact that motivation has a significant level on satisfaction of community. This might be

because the main factor of satisfaction of community pharmacies, other factors like availability of the medication.

Table 4.3 financial compensation motivation factors in descriptive analysis using mean, max, min, St. Deviation to measure central tendency

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Bonus and wages have a positive effect on my performance	50	4.00	5.00	4.7200	.45356
Profit share significantly increase my performance	50	3.00	5.00	4.7200	.53605
Salary increase influence sales performance	50	2.00	5.00	4.5600	.61146
My performance is influenced by monetary rewards	50	2.00	5.00	4.0800	.77828
I prefer commission based pay	50	2.00	5.00	4.2800	.94847
Reward in monetary form is basis for motivation	50	2.00	5.00	4.3000	.83910
Valid N	50				

From the financial incentive FI1 (Bonus and wages have a positive effect on sales performance) and FI2 (Profit share significant increase sales performance) have the high mean the value of 4.7200. and FI4 (My performance is influenced by monetary rewards) has the lowest mean value 4.0800.

In a study conducted in Nigeria it is suggested that 38.00% of the respondents disagree that they meet their sales target because of rewards. 32.00% strongly disagree that they meet their sales target because of rewards. 16.00% of the respondents partially agree that they meet their sales target because of rewards. 2.00% and 12.00% strongly agree and agree respectively that they

meet their sales targets because of reward (Gunu, 2010).When compared to the result of monetary reward of this study it is in contradictory. The financial incentive 1 in our case being (bonus and wages have a positive effect on sales performance) strongly agree 70.6% and agree 28%. And financial incentive 2 being (Profit share significant increase sales performance) strongly agree 76% and agree 20%.

Employees are offered a financial reward for their services called pay which is a foremost stipulation in human resource management. Pay must be closely linked to the performance according to high achievers. Employees who do their best want reasonable pay that satisfies their needs. An equitable pay makes them feel appreciated so they expect to pay according to their efforts because they don't want to be unacknowledged for their services. Money is ranked at the top for creating motivation because people require money to fulfill the basic necessities of life so it motivates the employees more than any other incentive (Saira, Madiha, Sumaira and Anam, 2014). Respondents rated "good wages" to be the top motivator while "sympathetic help" was perceived to have least importance in their motivation (Muhammed and Basharat, 2008)

Table 4.4 non- financial compensation motivation factors in descriptive analysis using mean, max, min, St. Deviation to measure central tendency

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Staff participation on decision making has positive effect on sales performance	50	3.00	5.00	4.5800	.53795
Annual recognition increases performance	50	2.00	5.00	4.3000	.81441
Opportunities to learn new things	50	3.00	5.00	4.4600	.64555
I Strive to meet target because of promotion	50	2.00	5.00	4.0600	.86685
My performance can be influenced if given opportunity for further Training	50	4.00	5.00	4.6600	.47852
Setting quota helps me with my sale performance	50	3.00	5.00	4.3000	.70711
Valid N	50				

The importance of non financial compensation like training, opportunities to learn, promotion and other factors are evident according to human resource development. According to the training and development process, the employee performance gaps are determined by the supervisor annually in order to improve the performance and overcome the shortcomings. The training process starts after the conducting the training need analysis. Employee’s self esteem and self respect can be enhanced by providing training (Saira, Madiha, Sumaira and Anam, 2014).

In a study in Kenya, group training and briefing sessions (mean 4.13 and 0.5 standard deviation), Training of the sale teams (mean 4.71 & standard deviation 0.53), Encouragement from the top management in the company (mean 4.85 & standard deviation 0.95) (Jacqueline & Joyce, 2016). These results are in parallel to the result of similar characters of this study.

Females placed more value on “appreciation for work done” and “good working conditions” whereas males placed more emphasis on “interesting work”. “Good pay” was found to be the good motivator regardless of the age (Muhammed and Basharat, 2008)

4.3. Inferential Statistics

The hypotheses stipulated in Chapter one is presented again to be tested.

4.3.1. Hypothesis 1

(H0): There is no significant effect of demographic part (Age, Gender, Education and Experience) on the satisfaction of community pharmacies.

(H1): There is a significant effect of (Age, Gender, Education and Experience) on the satisfaction of community pharmacies.

Table 4.5 below reflects the results for the dimensions of demographic part do not have significance dimension with significant level .000 which is less than significant level of .05. The null hypothesis is true in this case.

Table 4.5 T test result about Demographic part of medical representatives

One-Sample Test						
	Test Value = 0					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
gender	19.808	49	.000	1.32000	1.1861	1.4539
age	20.737	49	.000	1.48000	1.3366	1.6234
experience	19.772	49	.000	1.52000	1.3655	1.6745
Level of education	29.400	49	.000	2.10000	1.9565	2.2435

4.3.2. Hypothesis 2

(H0): There is no significant positive effect of financial incentive on satisfaction of community pharmacy

(H2): There is a significant positive effect of financial incentive on satisfaction of community pharmacy

The independent sample test below shows that for financial the significant level is .023 which shows there is a significant dimension of financial incentive on satisfaction of community pharmacies. Inversely there is no significant dimension of nonfinancial incentive on the satisfaction level of pharmacies.

4.3.3. Hypothesis 3

(H0): There is no significant positive effect of non-financial incentive on satisfaction of community pharmacy

(H3): There is a significant positive effect of non-financial incentive on satisfaction of community pharmacy

As the table below shows the null hypothesis here is true because there is no significant dimension of nonfinancial incentive on satisfaction of community pharmacies. The significant level of nonfinancial incentive here is above .05 being .382. So there is no significant positive effect for nonfinancial incentive but for the financial incentive the reverse is true.

Table 4.6 Independent sample test of dependent variables

		Independent Samples Test								
		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Financial incentive	Equal variances assumed	5.536	.023	2.298	48	.026	1.42949	.62194	.17898	2.67999
	Equal variances not assumed			2.248	34.762	.031	1.42949	.63601	.13799	2.72098
Nonfinancial incentive	Equal variances assumed	.777	.382	.081	48	.936	.05128	.63229	-1.22001	1.32258
	Equal variances not assumed			.082	47.887	.935	.05128	.62895	-1.21338	1.31594

4.4. Correlation test of the variables

		Correlations		
		Satisfaction cat	Nonfinancial incentive	Financial incentive
Satisfaction cat	Pearson Correlation	1	.012	.315*
	Sig. (2-tailed)		.936	.026
	N	50	50	50
Nonfinancial incentive	Pearson Correlation	.012	1	.367**
	Sig. (2-tailed)	.936		.009
	N	50	50	50
Financial incentive	Pearson Correlation	.315*	.367**	1
	Sig. (2-tailed)	.026	.009	
	N	50	50	50

*. Correlation is significant at the 0.05 level (2-tailed).

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

Table 4.6 correlation test of the dependent and independent variable

As the table above shows the correlation test shows the correlation of financial incentive with the satisfaction of community pharmacies is evident with significant level of .026. The correlation of the dependent variables, financial and non-financial incentive is also apparent with the significant level of .009.

4.5. Regression of the variables

Classification Table

	Observed	Predicted			
		Satisfactioncat		Percentage Correct	
		poor	good		
Step 1	Satisfactioncat	poor	13	11	54.2
		good	8	18	69.2
	Overall Percentage				62.0

a. The cut value is .500

From the table above we can generalize that

	B	S.E.	Wald	df	Sig.	Exp(B)
Step 1 ^a Financialincentive	.405	.187	4.667	1	.031	1.499
Nonfinancialincentive	-.139	.153	.822	1	.365	.870
Constant	-7.095	4.913	2.086	1	.149	.001

around 70% of the participants from the community pharmacy units have good satisfaction rate from the service they get from the medical representative. Among the compensation the medical representatives receive the financial incentive has a significant influence on the motivation of the medical representatives. The financial incentive has 1.499 times more effect than the non financial incentive. From the financial incentive profit share has the highest level (70%) of preference and the lowest preference of non financial motivation factor is promotion (34%)

CHAPTER FIVE

SUMMERY, RECOMMENDATION AND CONCLUSION

5.1. Summery

The purpose of the study was to assess the factors of motivation of medical representatives in pharmaceutical companies that are in Addis Ababa. To measure the effect of the motivation level, on the satisfaction of community pharmacy units was also measured. The factors of these study being financial and non financial compensation because majority or all pharmaceutical companies in Addis Ababa motivate their sales force using the main factors in this study. The findings of the study, based on the objectives guided the research, can be summarized as follows. The first objective in order to fully address the other objectives of the study, was to carry out an in depth review of literature on motivation of MRs' and satisfaction of community pharmacies towards the service they get from the MRs'.

The second part objective is to assess motivation factors, financial and non financial objective.

The third part has assessed the satisfaction of pharmacy units towards medical representatives.

This chapter will also look at the implications of this study summarize the findings of the research and goes on to make recommendations for future research.

5.2. Summary of findings

Key findings: the research on the effect of motivation of medical representative and satisfaction of medical representative in Addis Ababa.

- Demographic characters don't have a significant effect on motivation level.
- Demographically, the pharmaceutical industry is male dominated
- Females have a less approval of motivations' effect on satisfaction level than males.
- Financial compensations have more percentage of approval than the non-financial compensation.
- From the financial incentive bonus and wages and profit sharing have the highest level of appreciation.

- Motivation level of medical representatives has a significant effect on satisfaction of community pharmacy units.
- There is high level of satisfaction level of community pharmacy units towards the service they get from the medical representatives.

5.3. Conclusion

In conclusion motivation can be deemed the most important aspect of the overall business success. It ultimately has influence over production, failure and success. The working environment should encompass the promotion of all aspects of life, the financial and non-financial compensation, in this research. Medical representatives have important role on the company growth and they are working in a hyper competitive market in Addis Ababa with intense sales pressure, very little holiday, huge job insecurity and very little time to be with family.

So the motivated medical representative is an asset for the organization growth. From the findings financial incentive have higher preference level when compared to the non-financial compensation. Pharmaceutical companies have to give emphasis about the financial incentive and also consider the non-financial incentive to contribute to the motivation level of the MRs. Motivated employees feel less stress, enjoy their work, and as a result have better physical and mental health. Furthermore, motivated employees are more committed to their organizations and show less insubordination and grievance. They are also more creative, innovative, and responsive to customers, thus indirectly contributing to the long-term success of the organization. These contribute to the satisfaction of community pharmacies.

In conclusion considering the main motivation factor, financial incentive is, according to this study has a significant influence on the motivation level of the medical representatives. The non-financial compensation has also a significant effect but to a lesser amount than the financial compensation. The majority of the community pharmacies are satisfied with the service they are getting.

5.3. Recommendations

The current study determines the amount of variability in pharmaceutical sales representatives' overall effect of motivation explained by financial and non- financial compensation. Additionally, it seeks to explore if demographic subgroups are significantly different regarding their current level of education level. Demographically, the pharmaceutical industry is male dominated, whereas the study indicates that 32 % of the respondents in this study are female. Whereas studies suggests heterogeneity in gender has a positive effect on the overall performance of the organization. Human resource managers should appear to place more efforts to balance gender diversity among sales representatives.

The management of pharmaceutical companies should evaluate their employees' motivation level. To meet the growth expectations of the sales staff, empowerment and involvement are the best strategies to promote perceptions of control on their career, reinforcement of competence and internalization of objectives on their part.

Supervisors or managers should develop such a climate in which sales representatives recognize and admire one another on successful selling strategies and tactics and avoid highlighting mistakes and weaknesses of one another. Management should meet the expectations regarding promotion opportunities by promoting the people from within the company. It is advisable to introduce more new job titles for sales representatives with more empowerment and responsibilities as sales representative while enjoying the benefits like a manager. Management should evaluate the rewards and recognition systems in light of the many contemporary changes taking place in selling to determine whether present reward and recognition systems are meeting the expectations of pharmaceutical sales representatives.

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Annexes

Annex 1: motivation level for medical representatives

St. Mary University, graduate School of Business.
Master of Business Program

Effect of motivation on medical representatives selling performance in Addis
Ababa, Ethiopia in 2017

This Study is conducted to investigate the effect of motivation of pharmaceutical sellers or medical representatives in what way motivation affect pharmaceutical sellers. The research is carried out as a minimum requirement for fulfillments of Masters of Business Administration (MBA) Degree at the University of St.Mary's University. Please be honest in filling these Questioners as a result of this study can be used as a basis of furthers study reference and supporting document. While you answer these Questioners your confidentiality will be protected both your name and other important information will not be recorded on study form. Put a mark in a space provided.

The Questioners Include following parts

I. Demographic part

1. Sex

Male Female

2. Age

<30years

30-40Years

40-50 years

>50years

3. Your level of Education

Diploma Master

Bachelor Ph.D.

4. Year of experience

1-5 Years

5-10years

>10years

I. Motivation measurment Questioners

No	Item	Srongly agree	Agree	Neutral	Disagree	Strogly disagree
FI1	Bonus and wages have a positive effect on sales performance					
NFI1	Staff participation on decision making has positive effect on sales performance					
FI2	Profit share significant increase sales performance					
FI3	Salary increase influence sales performance					
NFI2	Annual recognition increases performance					
NFI3	Opportunities to learn new things					
FI4	My performance is influenced by monetary rewards					
NFI	I Strive to meet target because of promotion					
FI6	Reward in monetary form is basis for motivation					
NFI4	My performance can be influenced if given opportunity for further training					
FI5	I prefer commission based pay					
NFI5	Setting quota helps me with my sale performance					
Mcs	My level of motivation influence satisfaction of service receivers' (pharmacy units).					

Annex 2: satisfaction level for community pharmacy units

St. Merry University, graduate School of Business.

Master of Business Program

Assessment of satisfaction towards medical representatives from pharmacy units

This Study is conducted to investigate the effect of motivation of pharmaceutical sellers or medical representatives in what way personality and motivation affect pharmaceutical sellers.

The research is carried out as a minimum requirement for fulfillments of Masters of Business Administration (MBA) Degree at the University of St.Mary's University. Please be honest in filling these Questioners as a result of this study can be used as a basis of furthers study reference and supporting document. While you answer these Questioners your confidentiality will be protected both your name and other important information will not be recorded on study form.

		Strongly Agree	Agree	Neutral	Disagree	Strongle disagree
1	The medical representative is knowledgeable					
2	The medical representative takes time to listen to myquestions					
3	The medical representative is efficient.					
4	medications are delivered in good condition					
5	It is easy to contact the medical representative					
6	I would recommend to other college's or friends due to their good service					
7	I receive medications or drug in a timely manner					
8	The medical representative gives me priority for my orders.					
9	Overall, I am satisfied with the medical representative					

