



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

**THE EFFECT OF EMPLOYEE MOTIVATION ON
ORGANIZATIONAL PERFORMANCE:
A CASE OF
FEDERAL CIVIL SERVICE COMMISSION, ETHIOPIA**

**By
MICHAEL ASSEFA**

**JUNE, 2019
ADDIS ABABA, ETHIOPIA**

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DECLARATION

I, the undersigned, declare that this study entitled “The effect of employee motivation on organizational performance in the case of Federal Civil Service Commission” is my original work and has not been presented for a degree in any other university, and that all sources of material used for the study have been duly acknowledged.

Name

St. Mary’s University College, Addis Ababa

Signature

June, 2019

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

St. Mary's University College, Addis Ababa

Signature

June, 2019

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TABLE OF CONTENTS

DECLARATION	iv
ENDORSMENT.....	v
COPYRIGHT	vi
LIST OF TABLES	ix
LIST OF FIGURES	x
ACKNOWLEDGEMENTS	xi
ABSTRACT	xii
CHAPTER ONE: INTRODUCTION.....	1
1.1. Background of the study	1
1.2. Statement of the Problem.....	2
1.3. Research Questions.....	3
1.4. Objective of the study.....	3
1.5. Significance of the Study.....	3
1.6. Scope and limitation of the Study.....	4
1.7. Organization of the Study.....	4
CHAPTER TWO: LITERATURE REVIEW.....	5
2.1. Theoretical Literature Review.....	5
2.1.1. Employee.....	5
2.1.2. Motivation.....	5
2.1.3. Employee Motivation.....	7
2.1.4. Motivational Theories.....	7
2.1.5. Factors affecting employee motivation.....	14
2.1.5.1. Intrinsic Motivation.....	14
2.1.5.2. Extrinsic Motivation.....	15
2.1.5.3. Impact of extrinsic on intrinsic motivation.....	23
2.1.6. Organizational Performance.....	23
2.1.7. Employee Motivation & Organizational Performance.....	24
2.2. Empirical Literature Review.....	26
2.2.1. General Empirical Literature Review.....	26
2.2.2. Studies in African Countries.....	29
2.3. Conceptual Framework.....	32
2.4. Gaps in Literature.....	33
2.5. Summary of the chapter.....	33
CHAPTER THREE: RESEARCH METHODOLOGY.....	34
3.1. Introduction.....	34

3.2. Research Design.....	34
3.3. Area of the Study.....	34
3.4. Population of the Study.....	35
3.5. Sampling Procedures and Sample Size.....	35
3.5.1. Sample Size.....	35
3.5.2. Sampling Technique.....	35
3.6. Data Collection Tools.....	37
3.6.1. Questionnaire.....	37
3.6.2. Interview.....	37
3.6.3. Documentary.....	37
3.7. Reliability and Validity of the Data.....	37
3.8. Data Presentation and Analysis.....	40
3.9. Ethical considerations.....	40
CHAPTER FOUR: DATA ANALYSIS AND INTERPRETATION.....	41
4.1. Introduction.....	41
4.2. General Response rate.....	41
4.3. Demographic Analysis of Respondents.....	41
4.4. Analysis and Interpretation of Data.....	43
CHAPTER FIVE: SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS.....	54
5.1. Summary of findings.....	54
5.2. Conclusion.....	55
5.3. Recommendations.....	56
5.4. Suggestions for further studies.....	56
REFERENCES.....	57
APPENDICES.....	67

LIST OF TABLES

Table 3.1: Sampling design and size.....	40
Table 3.2: Reliability Statistics.....	42
Table 3.3: Coefficients.....	42
Table 3.4: KMO and Bartlett’s Test.....	43
Table 3.5: Component Transformation Matrix.....	44
Table 4.1: Demographic distribution of respondents.....	45
Table 4.2: Employee Engagement.....	47
Table 4.3: Leadership Style.....	47
Table 4.4: Work environment.....	48
Table 4.5: Compensation.....	49
Table 4.6: Career Development.....	49
Table 4.7: Organizational Performance.....	50
Table 4.8: Correlations.....	52
Table 4.9: Variables Entered/Removed.....	52
Table 4.10: Multiple Correlation of independent variables.....	53
Table 4.11: Significance of Independent variables.....	54
Table 4.12: regression coefficients and significance of independent variables.....	54
Table 4.13: Excluded Variables.....	55
Table 4.14: Collinearity Diagnostics.....	55
Table 4.15: Residuals Statistics.....	56

LIST OF FIGURES

Figure 2.1: Diagram of Motivational Theories.....	17
Figure 2.2: Diagram of Maslow’s Hierarchy of Needs.....	18
Figure 2.3: Diagram of Maslow’s Hierarchy of Needs.....	19
Figure 2.4: Diagram of Expectancy Theory.....	19
Figure 2.5 Diagram of Herzberg’s two factor theory.....	20
Figure 2.6: Diagram of conceptual framework.....	32
Figure 4.1: Normal P-P of regression standardized residual for dependent variables.....	51
Figure 4.2: The scatter plot of residuals for observed value and predicted value.....	52

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ABSTRACT

Motivation, nowadays, is getting crucial for organizations to function. The situation is even more serious in developing countries where working conditions are unattractive. Employee motivation is the key factor to boost up the function of an organization. Without motivation, employees will not put up their best efforts, and the organization's performance would be less efficient and effective. Highly motivated employees are considered as a core element in running a successful organization. The primary purpose of this study is to identify employee motivation factors and their effect on organization performance. This study adopted both descriptive and casual research methods. A well-structured self-administered questionnaire was used as the main tool for data collection and was administered to 201 respondents, out of which 185 were retrieved and appropriately filled. Reliability of the research instrument was calculated and the Cronbach's alpha coefficient was 0.94. The data were analyzed using both descriptive and inferential statistical tools. Moreover, the result was described using mean, frequency and standard deviation, and the researcher was also applied parametric statistical test (correlations, and multiple regression analysis to interpret and analyze the data, using Statistical Package for Social Science version 25. The results also revealed that extrinsic factors were considered to have more significant effects on organizational performance than intrinsic factors. From the hypotheses tested, the result indicated that employee motivation has a significant effect on organizational performance. Furthermore, this study also recommended that organizations should figure out factors that motivate their employees and seek ways of ensuring their performance level. The more employees are motivated the better the organizational performance will be. Finally, the study also suggested that future studies should focus on public sectors' employee motivation and improving organizational performance.

KEYWORDS: Motivation, Employee motivation, Organization, Organizational performance, Intrinsic Motivation, Extrinsic Motivation.

CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

In any organization, whether it is a public sector or any other business sector, its core is its employees; their presence and contribution are very important in such a way that they determine if the organization is going to be successful or not. An organization may have a good manager, a good vision and a good goal. However, if it neglects its employees, that company is practically in turmoil. Employee motivation is a key to the overall effectiveness of organizational performance. Motivation acts as a predictor of individuals' behaviours and performance, all of which in turn contribute to organizational performance (Ritz et al., 2016).

The issue of employees' motivation, especially in the public sector, has continually posed a big challenge where high levels of a performance play a major role in determining growth, development, stability and future success of an organization. Few studies (Shega, 2018; Brewer et al., 2014; Brewer et al., 2016; Anderfuhren-Biget, 2012; Andersen et al., 2013; Bellé and Cantarelli, 2012; Muogbo, 2013) have been conducted and published on the contribution of employee's motivation on organizational performance in the public sector.

Employee Performance fundamentally depends on many factors like high salary and fringe benefits, provision of allowances, leadership style, empowerment, recognition and award, autonomy and freedom of performing a job, training and career development, good working condition, and so on. However, there are two types of motivated behaviour in the organization which is intrinsically and extrinsically motivated behaviour (Kat, 2009). A lack of employee motivation leads to lower productivity, an inability to overcome challenges, apathy and poor customer service (Leonard, 2019). It also leads to absenteeism, late-coming, uncommitted employees' lower levels of engagement and higher employee turnover (Rutachururwa, 2013; Andritotis, 2017).

Motivating employees is a valuable asset which delivers huge value to the organization in maintaining and strengthening its performance growth. The more employees are motivated to tasks accomplishment, higher will be the organization performance and success (Suresh, 2013). Organizations, in desiring to improve their performance, need a system in place that consistently

motivates employees. This study intends to shade more light on the effect of employee motivation on organizational performance, the case of the Federal Civil Service Commission.

1.2. Statement of the Problem

The challenge at work is to create an environment in which people are motivated about work priorities. The lack of a general theory of motivation also seems to create a handicap for managers, not only in gaining an understanding of employee motivation but in finding an avenue to approach the problem of motivating employees. Too often organizations fail to pay attention to the employee relations, communication, recognition and involvement issues that are most important to people (Frank, 2013). According to Etefa (2006:4), the major challenges that face the civil service: inefficiency of the workforce, long and time-consuming organizational structures, shortage of resources, lack of capacity to give sufficient attention to service delivery improvement, the inconsistency of regulations and guidelines governing public institutions. Civil servants were demoralized by their income which was very low in comparison to those in the private sector. Diversity at the workplace has also provided managers with a substantial magnitude of problems, the big difference between employees in every organization means that there is no best way to deal with such a problem.

Limited studies have been carried out to establish the effect of employee motivation on organizational performance with interest to the country (Mesfin, 2013; Shewangizaw, 2017). Besides, the researcher has a rich experience in working in public service organizations for eight years with different responsibilities that assisted him to understand the challenges of organizational performance due to lack of employee' motivation occurred in public services. The researcher also believes that the notion of employee motivation is subjective, that is to say, that what motivates some employee to perform very well may be discouraging to another employee. Human needs are insatiable for this reason they always struggle for new things in life so that they can live a comfortable livelihood. If someone receives huge salaries, allowances in terms of rent and, transportation fee, these may not guarantee one's motivation. Each person has his or her own likes, dislikes, passions, interests, and desires. Therefore, it poses a big challenge to present day managers (Nduka, 2016).

According to the World Bank's Civil Service Reform Review (2017), federal level sectors have given less attention to employee motivation system and have less understanding of its impact on organizational performance.

The above-stated facts call for the researcher to conduct the study and contribute some solutions to indicate how employee's motivation affects organization performance in the case of the Federal Civil Service Commission. In order to reach the highest organizational performance employees must be highly motivated. With this understanding, the researcher investigates the effect of employee motivation on organizational performance.

1.3. Research Questions

Given the above-stated problem, the entire effect of the paper revolves around seeking answers to the following specific research questions:

1. What is an employee's performance status at the Federal Civil Service Commission?
2. How motivated are employees in their jobs?
3. How intrinsic and extrinsic motivation factors affect organizational performance?

1.4. Objective of the Study

The general objective of this study was to examine the effects of employee's motivation on organizational performance in the Federal Civil service commission. The specific objectives are:

1. To determine employee performance status at the Federal Civil Service Commission
2. To determine the major factors that influence employee motivation
3. To examine the effect of employee motivation on organizational performance.

1.5. Significance of the Study

This study is significant in various directions. The result of this study will:

- encourage the concerned researchers to understand the practice of public organizations in the country regarding employee motivation
- enhance the stock of information we have about the employee motivation trends

- be used as a reference for scholars and researchers in other higher learning Institutions inside and outside Ethiopia who may have the basis for further research in this area
- Enable managers of public organizations to use the result of the study to review their decision in line with the findings of the study and to fill the gaps.

Furthermore, the study is useful to St. Mary's University of Ethiopia students, to generate knowledge about the employee motivation, factors influencing employees' motivation, the role of employees' motivation and essential ways to improve employees' motivation on organization performance.

1.6. Scope and Limitation of the Study

This study focuses on the public sector. The researcher took a representative sample from the Federal Civil service commission. Because the organization is a federal sector that monitors and evaluates reform, human and good governance of all public service giving government sectors and more exposed to the issue. So, it makes a good representative sample for the study.

The major limitation that faced to accomplish this work includes limited time and high preparation cost. Retrieving copies of the questionnaire in a timely fashion was also very challenging. The study was also delimited to examine possible employee motivational factors affecting organizational performance.

1.7. Organization of the Study

The study is divided into five chapters. Chapter one consists of the background of the study, statement of the problem, research objectives, questions, significance of the study, the scope of the study and organization of the study. Chapter two covers theoretical literature review, empirical literature review, conceptual framework, and research gap. Chapter three focused on the research methodology while chapter four contains data analysis and interpretation. Chapter five comprised of summary, conclusions, and recommendations.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

This chapter gives an overview of related literature regarding many aspects of the subject matter (employee motivation), organizational performance and other related terms.

2.1. Theoretical Literature Review

The theoretical framework aims at reviewing various topics of employee motivation so as to end up with the best idea which will carry the study.

2.1.1. Employee

An employee is a person who is hired to provide services to a company on a regular basis in exchange for compensation and who does not provide these services as part of an independent business (Paul, 2013). An employee is an individual who works part time or full time under a contract of employment whether oral or written and has recognized rights and duties (Geary, 2010). Employees have different competing needs that are driven by various motivators. Therefore, to maximize organizational performance, organization and its managers should understand what really motivates the employees (Lee and Raschke, 2016).

2.1.2. Motivation

According to Robert L. (2012), ‘a motive is something a need or desire that causes a person to act’. ‘Motivate, in turn, means to provide with a motive,’ and ‘motivation is defined as ‘the act or process of motivating’. Motivation refers to the forces within or beyond a person that arouse and sustain their commitment to a course of action (Boddy, 2008: 486). The performance that employers look for in individuals rests on ability, motivation and the support individuals receive. However, motivation is often the missing variable. Motivation is the desire within a person causing that person to act. People usually act for one reason to reach a goal. Thus motivation is a goal-directed drive and it seldom occurs in a void. The words need, want, desire and drive are similar to motive from which the word motivation is important because performance reaction to compensation and other human resource concerns are related to motivation. Motivation is important in almost every aspect of human behaviour. Despite its obvious importance, empirical research on motivation has been segregated in different areas of long years, making it difficult to

establish an integrative view on motivation. Its definition has evolved from the days of Taylor et al. (1911) to Maslow (1943) to Nevid (2013); however, what is common in all the definitions is that all the authors believe that there are stimuli, push, and drive among others that propel human beings to act in a particular way.

Motivations are internal and external factors that stimulate desire and energy in people to be continually interested in and committed to a job role or subject and to exert persistent effort in attaining a goal (Robert, 2012). Motivation is the process of boosting the morale of employees to encourage them to willingly give their best in accomplishing assigned tasks and achieving extraordinary results (Valencia, 2011).

Motivation is an important phenomenon because it helps to throw more light into why human beings behave and act in a certain way. Thus, it explains what drove Thomas Edison to invent the first light bulb, Maya Angelou to write poetry and Nelson Mandela to become the president of South Africa (Grant & Shin, 2011). To Guay (2010) motivation is the reason underlying behaviour. Also, motivation can be defined as the purpose or psychological cause of action (Schater, 2011). Slocum et al. (2011), motivation represents the forces acting on or within a person that cause the person to behave in a specific goal-directed manner.

With relation to the workplace, Ray Williams, who writes for Psychology Today, defines motivation as, “predisposition to behave in a purposeful manner to achieve specific, unmet needs and the will to achieve, and the inner force that drives individuals to accomplish personal organizational goals”. A person becomes motivated in order to achieve their own personal goals as well as the organizational goals. The more motivated an employee is, the more likely they are to have an organizational commitment and identify themselves with the organization. Pinder (2008) referred that “Work motivation is a set of energetic forces that originate both within as well as beyond an individual’s being, to initiate work-related behaviour, and to determine its form, direction, intensity, and duration.”

From the above many definitions cited by the researcher, the study adapted this as the operational definition to be used throughout the report; thus, motivation is the combination of certain forces perhaps an employee’s desire, capacity, and energy directed at achieving an organizational goal or cause of action.

2.1.3. Employee Motivation

Employee motivation has always been a central problem (a mystery) for many leaders and managers. It is a reflection of the level of energy, commitment, and creativity that a company's workers bring to their jobs (Wilks, 2012). It is concerned with the factors that cause workers to engage in behaviour that cumulatively promote the productive good of the organizations in which they work (Puplampu, 2013). Employee motivation increases effectual job management amongst employees in organizations (Shadare et al., 2009).

One of the ways to get people to like working hard is to motivate them. Today, people must understand why they are working hard. Every individual in an organization is motivated by something different (Pitino, 2013). Employers need to get to know their employees' very well and use different tactics to motivate each of them based on their personal wants and needs (Valencia, 2011). Every employee has different ways to become motivated. The idea of employee motivation worked well since it allowed for creative input from a number of employees without restricting the thought of any single person or alienating any one employee in particular (Swanson, 2011).

Unmotivated employees are likely to spend little or no time effort in their jobs. They avoid the workplace as much as possible and they exit from the organization if given the less opportunity and produce low quality work. See how that works when people are not motivated they become less productive, less creative, less of an asset to your company. On the other hand, employees who feel motivated to work are likely to be persistent, creative, productive and turning out high quality work that they willingly undertake. Making sure each employee, workplace goals and value are aligned with the organization's mission and vision is important for creating and maintaining a high level of motivation that can lead to higher productivity, improved work quality and financial gain across all departments. Because a motivated employee is a productive employee and a productive employee is a more profitable one. The more employees are motivated the more they are stimulated and interested in accepting the goal. Now more than ever we need motivated employees (Jones, 2011).

2.1.4. Motivational Theories

With the establishment of human organizations, people tried to find out the answer to, what motivates an employee in the organization the most. Finding out what motivates employees is no

easy feat. In fact, it can be a huge hurdle. This gave birth to several theories that provide an understanding of employee motivation: Hierarchy of needs (Maslow, 1954), Expectancy theory (Vroom, 1964), Equity theory (Adams, 1963), Two Factor Motivation Theory (Herzberg, 1959), Goal Setting (Locke & Latham, 1990), Cognitive Evaluation Theory (Deci, 1971), Work Design (Hackman & Oldman, 1976), Theory X & Y (McGregor, 1960), Reinforcement Theory (Skinner, 1953), Hawthorne Experiments (Elton Mayo), and ERG theory (Clayton Alderfer). These are categorized into Content theories and process theories.

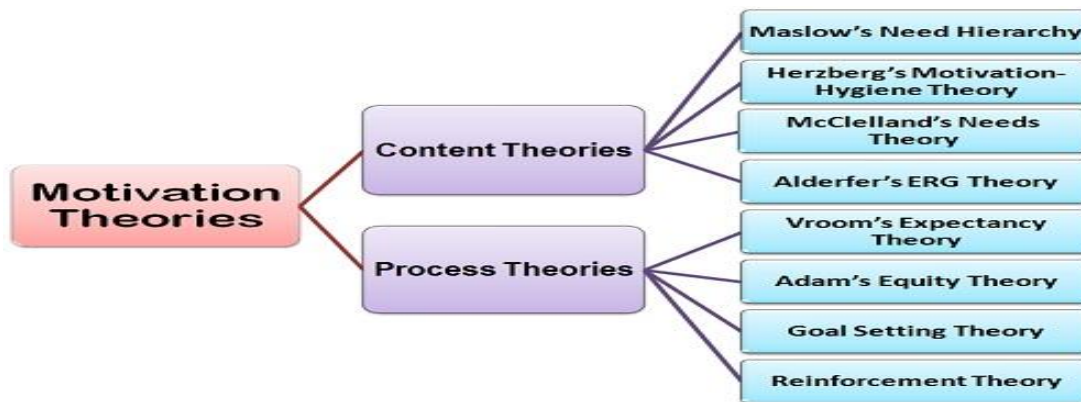


Figure 2.1 Diagram of Motivational Theories (Source: www.businessjargons.com)

Content theories deal with ‘what motivates people’ and concerned with individual needs and want. Whereas, process theories deal with ‘how motivation occurs’.

2.1.4.1. Maslow Hierarchy of Need Theory

Maslow hierarchy of needs is developed by Abraham Maslow in 1940. These needs have been categorized in an order of importance with the most basic needs at the foundation of hierarchy. The basic concepts of Maslow hierarchy of need theory are physiological needs these needs refer to the desire to fulfill physical satisfactions such as Water, Sleep, Food, Air and Sex. These needs are considered the most important needs because without them human beings cannot survive. Safety needs states that human beings strive to meet these needs are satisfied. A person who wishes to be a highly valued individual in society always desires for high self-esteem. This self-esteem need derive from self-respect which turn comes from being accepted and respected by the society self-actualization needs this means realizing our full potential and becoming all that we can be. The theory has some problems there is a lack of hierarchical structure of needs as suggested by Maslow. Some people may be deprived of their lower needs but may try for self-

actualization needs. There is a problem in applying the theory to practice. The reasonable level of satisfaction of someone need is a question of a subjective matter. Therefore the level of satisfaction for particular need may differ from one person to another (James, 2012).



Figure 2.2 Diagram of Maslow's Hierarchy of Needs (Source: Anderson, 2014)

According to Maslow, the needs are divided into two categories: **deficiency needs** (physiological and safety) and **growth needs** (belonging, self-esteem, and self-actualization). If the deficiency needs aren't satisfied, the person will feel the deficit and this will stifle his or her development. Maslow's hierarchy of needs applied to work situations implies that managers have the responsibility, firstly, to make sure their people's deficiency needs are met. This means, in broad terms, a safe environment and proper wages. Secondly, it implies creating a proper climate in which employees can develop their fullest potential. Failures to do so would theoretically increase employee's frustration and could result in poorer performance, lower job satisfaction, and increased withdrawal from the organization. For example, in this theory job insecurity and the threat of layoffs will block the person from their higher growth needs. They might work harder to get security, but without fulfilling their other needs. If security doesn't return they will fulfill their needs elsewhere or burn out.

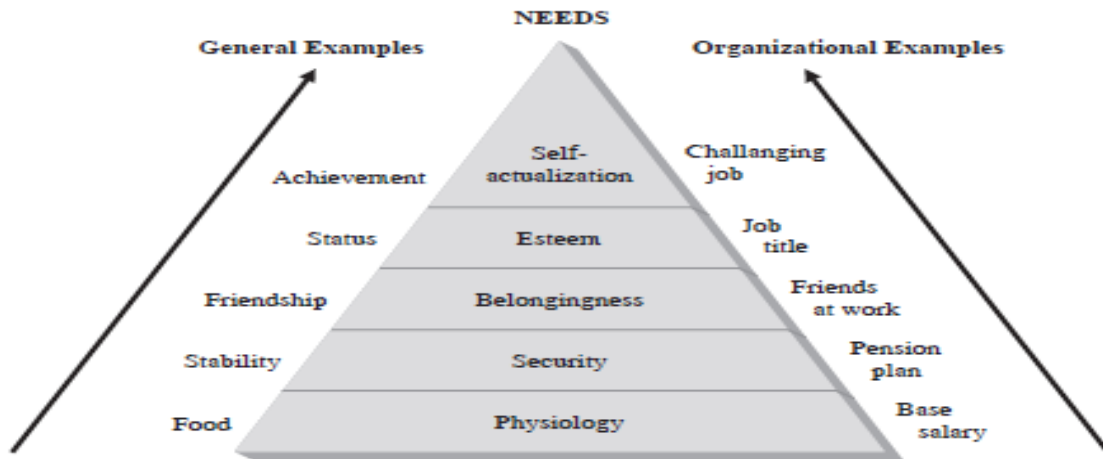


Figure 2.3: Maslow's hierarchy theory Source: Robins (2009)

2.1.4.2. Vroom's Expectancy Theory

Developed by Victor Vroom in 1964, the expectancy theory refers to the individual's perception of how probable it is that exerting a given amount of effort will lead to good performance. The expectancy theory proposes that employees' behaviour depends on the outcome of the action. It suggests the aspects that when employees want a hike in their salary increment they start working in longer hours. In this theory, there have three main factors that are expectancy, instrumentality, and valence. From a practical perspective, expectancy theory says that an employee will be motivated to exert a high level of effort when he or she believes that the effort exerted will lead to good performance; good performance will lead to organizational rewards, such as a bonus, a salary increase, or a promotion; the rewards will satisfy his or her personal goals. Expectancy suggested that the effort of work will result in a performance goal. The next factor is called instrumentality the employees should also believe that the better performance achieved will lead to a reward for the associated outcome. Finally, the last key is called valence which is the value of this reward to the employee. There is a criticism that the theory is hard to apply in a practical way.



Figure 2.4 Diagram of Expectancy Theory (Source: Purvis et al., 2015)

In his study, (Lunenborg, 2011) notes that Expectancy is a person's estimate of the probability that job-related effort will result in a given level of performance, the probability ranges from 0–1. If an employee sees no chance that effort will lead to the desired performance level, the expectancy is 0. On the other hand, if the employee is completely certain that the task will be completed, the expectancy has a value of 1. Generally, employee estimates of expectancy lie somewhere between these two extremes. Instrumentality is an individual's estimate of the probability that a given level of achieved task performance will lead to various work outcomes. As with expectancy, instrumentality ranges from 0 to 1. For example, if an employee sees that a good performance rating will always result in a salary increase, the instrumentality has a value of 1. Valence is the strength of an employee's preference for a particular reward. Thus, salary increases, promotion, peer acceptance, recognition by supervisors, or any other reward might have more or less value to individual employees. Unlike expectancy and instrumentality, valences can be either positive or negative. If an employee has a strong preference for attaining a reward, valence is positive. At the other extreme, valence is negative. And if an employee is indifferent to a reward, valence is 0.

2.1.4.3. Herzberg's Theory

Herzberg studies that there are many factors such as work hours and condition motivates workers other than money. He also found that some factors such as responsibility, achievement, a challenging work environment, and personal growth can make people happier at work. Even if these factors do not motivate them Magloff (2012). Herzberg felt that productivity can be increased through workers satisfaction. The criticism of this theory is that workers satisfaction does not necessarily lead to higher productivity. His theories are used by many modern companies who want to increase worker satisfaction and retention rates. **Herzberg two factor theory** focuses on **Motivator factors** (i.e. salary increment, good working environment motivate workers) and **Hygiene factors** (i.e. company policies, salary deduction, unhealthy relationship with managers and co-workers).



Figure 2.5 Diagram of Herzberg's two-factor theory (Source: Alshmemri et al, 2017)

Finally, the theory does not clearly identify the relationship between satisfaction and motivation. The theory is good and can be used to guide our study.

2.1.4.4. **McGregor Theory**

McGregor examined theories on the behaviour of individuals at work and he has formulated two models which he calls theory X and theory Y. Theory X assumptions are that the average human prefers to be directed; dislikes responsibility is unambiguous and desires security above everything. Theory Y assumptions according to McGregor control and punishment are not the only ways to make people work, Man will direct himself if he is committed to the aims of the organization. If a job is satisfying then the result will be a commitment to the organization. The criticism of this theory is that McGregor sees these two theories are two quite separate attitudes. Theory Y is difficult to put into practice on the shop floor in large mass production operations but it can be used initially in the managing of managers and professionals also is conducive to participative problems solving (Likert, 2012).

2.1.4.5. **Goal Theory**

A goal is defined simply as what the individual is consciously trying to do. Goal theory was developed by Latham and Locke (1979). In their research, Locke & Latham (2006) and Ordóez et al. (2009), they do agree that as long as an individual remains committed to the set goal (s), and that the individual has the ability to attain the set goals, whereby there are no other, otherwise conflicting goals set, then graphically, this would be a linear relationship. The linear relationship is set between task performance and the goal difficulty (Locke & Latham, 2006, Ordóez et al. 2009). They found that as long as they agreed, demanding goals lead to better performance than

an easy one. Specific goals produce a higher level of output than the does the generalized goal of your best. This is because specific goals seem to act as an internal stimulus. We think the theory is good and can be used to guide our study since it addresses the issue of specific and difficult goals which motivate employees. Erez and Zidon (1984) emphasized the need for acceptance and commitment of goals. Furthermore, challenging goals mobilize energy, lead to higher effort, and increase persistent effort.

2.1.4.6. Equity Theory

Equity theory focuses on an employee work compensation relationship or exchange relationship as well as that employees attempt to minimize any sense of unfairness that might result because equity theory deals with social relationships and fairness or unfairness. Motivation can be affected through an individual perception of fair treatment in social exchanges. When compared to other people individuals want to be compensated fairly for their contributions (the outcomes they experience to match their inputs).

A person believes in regards to what is fair and what is not fair can affect their input, a person believes in regards to what is fair and what is not fair can affect their motivation attitudes and behaviours. The individual chooses who to compare themselves to experience, time, effort, skills and education are just a few anything contributed to work or work relationships are considered an input. Money, benefits, time off, flexibility, autonomy, responsibility, and acceptance are name a few any perceived reward for performance can be an outcome. The weakness of the theory lacks details into certain factors, for example, offers a variety of strategies for restoring equity but does not predict in details which option an individual will select (Brian, 2013).

2.1.4.7. Alderfer's ERG Model

Alderfer's model condenses Maslow's five human needs into three categories: Existence (material and physiological), Relatedness (social and external esteem) and Growth (internal Esteem and self-actualization).

The discussion on the above motivational theories explains the fact that the concept of employee's motivation has been a critical factor addressed by previous authors as what determines the core competence of every organization in achieving organizational performance.

2.1.5. Factors Affecting Employee Motivation

Human beings are motivated by satisfying their different kind of needs. Needs depend on many factors and vary by the person, situation, organization, nature of works, risk, educational background of employees, experiences and skills, the position of work, etc. All employees, therefore, have their own motivational factors to motivate them to perform their bests (Lin P.Y., 2007).

According to Manzoor (2012), factors that enhance employee motivation are fair pay, incentives, special allowances, fringe benefits, leadership, encouragement, trust, respect, joint decision making, quality of supervision, adequate working relationships, appreciation, chances for growth, loyalty of organization, identification and fulfilment of their needs, recognition, empowerment, inspiration, importance attached to their job, safe working conditions, training and information availability and communication to perform actions. Chung (2013) revealed that a good incentive system, good environmental condition, good welfare schemes, and job enlargement are the factors influencing employee motivation.

In seeking to understand the motivational factors at large, it is perhaps necessary to distinguish the two types of motivation namely: intrinsic and extrinsic motivations (Armstrong, 2007 and Armstrong and Murlis, 2004).

2.1.5.1. Intrinsic Motivation

Intrinsic motivation is the self-desire to seek out new things and new challenges, to analyze one's capacity, to observe and to gain knowledge. Intrinsic motivation is related to 'psychological' rewards such as the opportunity to use one's ability, a sense of challenge and achievement, receiving appreciation, positive recognition, and being treated in a caring and considerate manner. Psychological rewards are those that can usually be determined by the actions and behaviour of the individual managers (Mullins, 2005). Intrinsic motivators are concerned with the quality of work life, are likely to have a deeper and longer-term effect because they are inherent in individuals and not imposed from outside (Armstrong, 2006). It is driven by an interest or enjoyment in the task itself, and exists within the individual rather than relying on external pressures or a desire for reward. The psychological rewards are those that can usually be determined by the actions and behaviour of individual managers. Intrinsic motivation is a natural motivational tendency and is a critical element in cognitive, social, and physical development.

Among all intrinsic motivational factors, the researcher used employee engagement to look on responsibility, freedom of act, challenging work and scope to develop skills.

A) Employee Engagement

The concept of employee's engagement or well-being in most organizations has become a thing of great interest in recent years. Employee Engagement is about passion, commitment, and the willingness to invest oneself and expand one's discretionary effort to help the employer succeed. Engagement is defined by scholars as high level of commitment and involvement an employee has towards the organization (Saks, 2006), emotional and intellectual commitment to the organization (Truss, Soane, Edwards, Wisdom, Croll and Burnett, 2006), discretionary effort exhibited by employees on their job (Frank, Finnegan and Taylor, 2004), positive attitude held by the employee towards the organization and its values (Robinson, Perryman and Hayday, 2004), positive fulfilling, work-related state of mind that is characterized by vigour, dedication and absorption (Schaufeli, Salanova, Gonzalez-Roma and Bakker, 2002). Most organizations even allow staff to take several days off due to illness without being deprived of their pay. Some even compensate members of their workforce for not taking sick leave by giving them additional pay (Mathis, 2003). Shellengarger (2001) also agreed that managers give their workers paid time off, free lunch and relaxation times, vacations, leave, etc. Evidence abound to the effect that a suitable workplace environment boosts employees' engagement to the job and the organization (Hammeed and Amjad, 2009; Carnevale, 1992). A number of studies have focused on how a variety of job aspects affect employee engagement (Shirom, Schaufeli, and Salanova, 2007; Bakker and Demerouti, 2008; Schaufeli and Bakker, 2004). Similarly, satisfaction, productivity, performance, motivation, and the work environment have all been shown to play a major role in the arousal of employee engagement (Chandrasekhar, 2011; Hakanen, Bakker and Schaufeli, 2006).

2.1.5.2. Extrinsic Motivation

Extrinsic motivation is a motivation 'derived from outside the person or from those things that are external to the work or activity itself, positively influences behaviour, performance, and productivity (Ryan & Deci, 2000). It is related to tangible rewards such as salary and fringe benefits, security, promotion, contract of service, the work environment and conditions of service. These are what need to be done to or for people to motivate them. They are often

determined at the organizational level and may be largely outside the control of the individual managers. Extrinsic motivators can have an immediate and powerful effect but will not necessarily last long (Mullins, 2005; Armstrong, 2006). Essentially, those who are extrinsically motivated do things primarily to receive a reward. According to this logic, employees don't perform well because they enjoy a certain sense of satisfaction or they want to help the business thrive. Rather, they perform well in order to earn material compensation for their efforts. Common extrinsic motivations are rewards for showing the desired behaviour and the threat of punishment following misbehaviour. Competition is an extrinsic motivator because it encourages the performer to win and to beat others, not simply to enjoy the intrinsic rewards of the activity. A cheering crowd and the desire to win a trophy are also extrinsic incentives. Among various forms of extrinsic motivation, this study focuses on leadership style, work environment, compensation as well as career development as factors that may influence an employee's performance levels in an organization. The above-mentioned factors are discussed below:

A) Leadership Style

Leadership is one of the key determinants associated with the success and failure of any organization. Leadership style is the manner in which people are directed and motivated by a leader to achieve organizational goals. Leadership style is viewed as a combination of different characteristics, traits, and behaviours that are used by leaders for interacting with their subordinates. Mitonga-Monga, Coetzee, and Cilliers (2012) consider leadership as the pattern associated with managerial behaviour, which is designed to integrate the organizational or personal interest and effects for achieving particular objectives. Harris et al. (2007) also postulated that leadership style can be defined as the kind of relationship that is used by an individual so as to make people work together for a common goal or objective. According to modern leadership styles, leadership styles can be categorized as follows: (1) transformational leadership style, (2) transactional leadership style, (3) culture based leadership, (4) charismatic leadership, and (5) visionary leadership (Harris et al. 2007). There is a considerable impact on the leadership styles on organizational performance. The leadership style influences the culture of the organization which, in turn, influences the organizational performance. Klien et al. (2013) proved this fact by using the four-factor theory of leadership along with the data collected from 2,662 employees working in 311 organizations. The organizational culture and performance are related to the type of leadership style (Klein et al. 2013). As per the previous studies were done

by the renowned researchers and scholars, the employees are generally motivated by the democratic style of leadership, where their voices also are empowered in the decision making policy for a company (Goleman, 2017).

B) Work Environment

Most organizations limit the rate at which they enhance the performance levels of their workforce to skill acquisition. The kind of workplace or surroundings where a worker operates also affects the level at which such an organization may flourish. Akinyele (2010) suggested that about 80% of productivity concerns are as a result of the nature of a worker's environment in most organizations. Nature of work and its surrounding environment is the factor that affects the level of motivation of employee significantly. A favourable work setting guarantees the well-being of workers which invariably will encourage them to apply themselves to their responsibilities with a high level of morale which may transform into higher productivity (Akinyele, 2007). Tyilana, (2005) suggests that three motivational factors such as achievement, recognition and work itself cause 88% job satisfaction. Job security is one of the major concerns of employees in this sector now a day since huge retrenchment has been seen recently. It is a safety factor, according to Maslow. In the age of downsizing, employees are always in fear about their job security. Any minor changes in the working environment would make them worried about their security. Organizations have to ensure proper communication if any crucial change occurs in the organization. Appropriate job security assurance, challenging work, work that yields a sense of personal accomplishment, increased responsibility are factors cause motivation, Daschler, and Ninemeier (1989), in Petcharak, (2002). However, "good working conditions cannot motivate the employees in themselves, but can determine the employee's performance and productivity". Lin, (2007)

Brenner (2004) affirmed that the capability of an organization's workforce to share information throughout the system is subject to the state of their work environment. Workers are likely to be more productive in a well-structured work environment. Furthermore, the quality of the comfort which varies in terms of the work environment also predicts the degree of contentment as well as the productivity level of workforces. This is because the productivity levels of the workforce would not be optimal if the state of their work environments is not conducive. A better work environment augments the worker's productivity. Kohun (1992) described an organization's

work environment as an entirety. That is, it encompasses all forces, activities including other significant elements that are presently or potentially challenging the worker's productivity and performance levels. It is the summation of the interrelationship existing between workers and the surroundings in which they operate. However, in toxic environments, responsible and talented workers can be transformed into irrational and unreliable workers as a coping strategy (Kyko, 2005). He cited several elements that constitute a toxic work environment, therefore, causing a decrease in productivity of employees and the organization as a whole. These elements are a lack of transparency in management, biased managers, administrative policies, work conditions, interpersonal affiliations, and compensation. Yesufu (2000) claimed that the kind of conditions workers are subjected to physically in the workplace is significant to output. Managing and sustaining a work environment effectively demands to make sure the surroundings are conducive, attractive, acceptable, resourceful, and motivating to the workforce thereby giving workers a sense of pride and purpose in the jobs they perform (Brenner, 2004).

C) Compensation and Benefit Packages

Compensation refers to the amount of money and benefits that an employee receives from his organization in return for his or her contributions to the organization (Hamidi, Saberi & Safari, 2014). This practically satisfies material, social and psychological needs of the individual (Altinoz, Cakiroglu & Cop, 2012). Compensation or pay is linked with general satisfaction and more closely linked with pay satisfaction (Lumley et al., 2011).

No one works for free, nor should they. Employees want to earn a reasonable salary and payment, and employers desire their workers to feel that is what they are getting. Money is the fundamental inducement; no other incentive or motivational technique comes even close to it with respect to its influential value (Sara et al. 2004). It has the supremacy to magnetize, maintain and motivate individuals towards higher performance. Frederick Taylor and his scientific management associate described money as the most fundamental factor in motivating individual workers to attain greater productivity (Adeyinka et al., 2007). Money has been pointed out as a motivational factor by a large number of researchers. It is often seen as a symbol of success and also associated with comfort and security, Engelberg and Sjöberg, (2006). It is considered as an advantage for the managers because they can use money as a strategy since money can have a great impact on employees' performance. Some researchers have stated that

motivation is the main instrument to be used. Knowing that it exists, a direct correlation between salary and the results obtained, Androniceanu, (2011). Some researchers like Murphy (1981) suggest that the employee should be motivated through a proportional salary according to the efforts done in the job. There are other important factors as well, but having a satisfactory salary is among the top factors.

Employees receive different kinds of benefits in the form of wages, salaries and pay. Mostly individuals with good education, relevant skills, and experience are unsatisfied with their job and salary packages resulting in high rates of turnover and low productivity. As such organizations make compensation plans for them in a bid to minimize the turnover and to motivate them. In other words, you can say that compensation motivates employee for better performance and higher productivity levels. Compensation may also come in the form of Fringe benefits which focuses on maintaining the quality in terms of lifestyle as workers, provide them with a certain level of safety and financial security taking into consideration their family relations. Some common examples are; retirement or pension plans, medical insurance, education reimbursement and time off. Fringe benefits are forms of indirect compensation provided for a worker or group of workers as a result of their status as members of the organization (Matthias and Jackson, 2003).

Also, overtime is the payment over and above the normal salary and wage rates where the workers are paid extra for working additional hours (Tyson, 1999). Furthermore, Company housing or house rent allowances is offered by organizations who feel obliged to help an individual meet one of the basic needs a roof over one's head in order to enable them to have access to reasonable accommodation while on official duty. Senior employees are provided with accommodation which may be owned by the organization while other organizations reimburse rent payments (Andrews, 2009). In order to avoid a decline in employee productivity levels, workers also require health and safety packages, job security and adequate working conditions (Hamidi et al., 2014).

According to Allis and Ryan (2008), the cost of compensating workers that is in form of payments, wages, and other benefits - is a huge and increasing part of operational expenditures; yet, productivity may decrease amongst employees if such payments and benefits are not made

available to them. Simply put employees are more industrious and productive when reasonable pay is attached to performance.

Although compensating workers may have an effect on productivity, other factors can also increase output with little or no costs to the organization. While pay can be seen as an example, workers also appreciate being validated if they are to be productive in the workplace. The need to feel that their jobs are of value and contributes significantly to the success of the organization is important to the workers. While adequately compensating them may help, validation does not necessarily have to be financial. This is because simply thanking them can also make an employee feel appreciated. As regards validation, workers may also be extremely productive when they can envision where they fit in the big picture. Workers want to be seen as an integral part of the organization as such strives to be indispensable. They want to have a grip on every aspect of operations, which could also be favourable to their hopes and aspirations as this may present them with the opportunity to showcase their capabilities and skills in other areas excluding their areas of specialization. They also need to know that they have a voice and that their managers are willing to give listening ears to their opinions as well as involve them in decision-making processes (Lake, 2000).

D) Career Development

In the aspect of management, career development is the area responsible for structural activities intended at enhancing the performance as well as productivity levels of members of the workforce in an organization. It can also be viewed as the act of acquiring knowledge including the relevant skills and qualifications by members of a workforce necessary for organizational growth and success (Bassanini, 2004). Mathis (2003) implied clearly that for a worker or group of workers to effectively carry out their responsibilities, there is a need to constantly train and develop workers. Skills development, training growth opportunity and promotion are considered to be powerful motivating factors for employees to satisfy their need for esteem and self-actualization Lai, C. (2009). According to the Herzberg two factor theory, personal growth and development are known to be an intrinsic factor, which makes employee satisfied when these are met, and they, thereafter, become motivated. However, criteria must be set correctly for the purpose of promotion and growth, so that employees become motivated by fulfilling those, Brewster et al., (2003). Promotion and growth policy should be matched to the need of

employees, Hoag, and Cooper (2006). The value of workers and the continuous upgrade of their skills and qualifications through training is now widely accepted and viewed as a requirement in gaining employment opportunities and guaranteeing the growth and future success of most organizations while promoting the right kind of workplace culture that sustains constant learning. (Bartram& Gibson, 2000) suggested that training and career development aids businesses in attracting a pool of competent potential replacements for workers who may wish to leave or retire from active duty or be asked to assume a position with greater responsibilities. It also aids an organization in ensuring that it has the human capital required to sustain growth and expansion. In addition, training can facilitate the utilization of progressive technologies even in smaller businesses thereby making it readily adaptable to a rapidly changing and constantly evolving competitive global environment. Training can also aid in boosting morale, effectiveness, efficiency, as well as improve the level of a worker's productivity on the job (Bassanini, 2004).

An organization can also minimize the rate of unwanted worker turnover cut costs associated with staffing and training by utilizing the funds planned for the development of fresh inexperienced workers in retaining skilled and more experienced workers. Workers can be motivated to increase their level of productivity when opportunities are provided for career advancement whether through formal education or skill acquisition programs. This creates an avenue to improve the skills and talents of the workforce while showing appreciation for their ambitions and the quality they bring to the firm. Therefore, it is important to note that sometimes a well-tailored training program can mean as much to a worker as an increase in pay. Such benefits are considered to be practical since it gratifies the workers and leads to an increase in productivity and is probably not expensive when compared to a possible increase in pay (Harris, 2001). Finally, via adequate training workers are able to assess and benefit from those opportunities available for advancement in the hierarchy of the organization. This dimension is one that satisfies the psychological needs of the employee. These are opportunities for individual growth, greater and advanced roles, and responsibilities as well as higher societal status. Promotion opportunities, when perceived as fair is more likely to result in job satisfaction (Altinoz et al., 2012; Hamidi et al., 2014; Lumley et al., 2011; Spector, 1997).

E) Co-worker and Supervisor Relations

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

F) Recognition:

Appreciation is one of the most top desires of employees which motivate and keep them productive, by enhancing the employee's morale, which "allows them to think better of themselves and their ability to contribute towards organizational goals. Employees with high self-esteem are more intrinsically motivated, optimistic, willing to work harder, participating at work, work efficiently, and have lower absenteeism rate and are generally more satisfied with their jobs" Lai, (2009). Herzberg two factor theory described the recognition as a motivating factor that makes employees satisfied. There are several ways to recognize employees including greeting for better jobs, attach thanks to their paychecks, acknowledge employee millstones, staff gathering outside the organization, highly appreciation for coming up with new ideas, holding a celebration for success arranging frequent contests and other team building activities, etc. However, few important matters should be kept in mind when recognizing employees such as equal recognition for all recognize immediate after they deserve it, exaggeration is unexpected McConnell, (2006).

G) Promotion:

Promotion is one of the most efficient ways to keep employees motivated by offering them opportunities along with their careers, giving them more responsibilities or even more authority. It may be applied by giving the opportunity to increase salary compensation. This commodity can also cover a part of security needs by increasing the buying power of the employee. Promotions help to assign workers to jobs that better suit their abilities and are a way to move up quickly the talented workers, Gibbons (1997).

2.1.5.3. Impact of Extrinsic Motivation on Intrinsic Motivation

Through the exploration of motivational characteristics, it is shown that people are either intrinsically or extrinsically motivated. Upon further research, two theories explain how intrinsic motivation can be increased or decreased by extrinsic or external motivation techniques. In Theory I, external motivators (incentives, praise, rewards, or punishment) increase intrinsic motivation, while In Theory II, extrinsic motivators decrease intrinsic motivation. Intrinsic motivation inspires individuals to participate in an activity because of the internal enjoyment that activity brings. People who are intrinsically motivated have a need for achievement and aspire to be self-determined and competent, without any perceived external motivator (Akin-Little et al., 2004). Extrinsic motivation encourages individuals, who do not necessarily enjoy an activity, to perform well in order to receive some kind of reward or to avoid negative consequences, Aamodt M.G. (2007). Autonomy, or self-determination, is experienced when an individual feels they have a choice in performing the activity and feels personally responsible for the outcome, Edward L. et al. (2001).

2.1.6. Organizational Performance

An organization is a group of individuals, large or small, that is cooperating under the direction of executive leadership in accomplishment of a certain common object (Davis, 2010). McFarland (2012) added that an organization is an identifiable group of people contributing their efforts towards their attainment of goals. The performance was based on work, people and organizational structure. The organization is a part of an economic system.

Organization performance has been defined as the ability of an organization to fulfil its mission through sound management, strong governance and persistent rededication to achieving results (Mahapatro, 2011). Effective non-profits are mission-driven, adaptable, customer-focused entrepreneurial, outcomes-oriented and sustainable (Bhusan, 2011). It is defined as the extent to which an organization, by the use of certain resources, fulfills its objectives without depleting its resources and without placing undue strain on its members and/or society (Mary et al., 1996). It is the maximum combined utility of the primary constituents (Matthew et al., 2005).

Organizational performance is a notion of how effectual an organization is in accomplishing the results the organization aims to generate (Muhammad, et al.,2011). It plays an important role in accelerating organizational development (Bulent et al., 2009). It is the net satisfaction of all

constituents in the process of gathering and transforming inputs into output in an efficient manner (Matthew *et al.*, 2005). It involves the recurring activities to establish organizational goals, monitor progress towards the goals and make adjustments to achieve those goals more effectively and efficiently (Namara, 2010).

Performance of an organization is a major concern of every manager and is of great interest by the shareholders of any given company and other stakeholders. It is undoubtedly important that organizational performance can visibly be evaluated if it is able to achieve its objectives by accomplishing the set goals. (Irum *et al.*, 2014) Organization performance depends on the contribution of employees' motivation. Motivated employees' are dedicated, loyal, fruitfully provide good services and take pride in their work. Highly motivated employees' are a contributing factor in providing excellent organizational performance. However, low employee's motivation affects employees' performance, productivity and organization's performance in general. Interesting work and good pay are keys factors to higher employees' motivation. The Employer would exercise employees' motivation through a series of rewards for a job well done and effective organization performance (Swanson, 2011).

As Hashem (2015) clarified, the three general elements of Organizational Performance (i.e. "efficiency," "effectiveness," and "relevancy") have been taken into consideration. Conversely, the performance of an organization is believed to be able to cover broader areas including the connection between performance and organizational goals (effectiveness); organizational resources (efficiency); and, the satisfaction of the stakeholders (relevancy).

2.1.7. Employee Motivation and Organizational Performance

The relationship between public service motivation and performance is a matter of great interest to scholars and practitioners alike" (Brewer, 2008: 136). Previous researchers showed a positive relationship between human resource management and firm performance (e.g. Kaman *et al.*, (2001), Savrou and Brewster (2005) and Khan *et al.* (2011) revealed that training design has a positive effect on organizational performance. Employee satisfaction and motivation towards work refers to prospects of the employee about the organization and his approaches towards his service (Ali *et al.*, 2011).

Wiley (1997) suggests that ensuring the success of a company, employers must understand what motivates their employees, and such understanding is essential to improving productivity.

Similarly, a motivated employee is more likely to output more to the benefit of the organization (Shadare and Hammed, 2000). When the employees are motivated, it leads to an increase in the quantity and quality of output produced. This is because the motivation results in greater personal effort and devotion on the part of the employees (Onukwufor and Ugwu, 2013). The reverse is true, as seen in Crawford et al. (2010) who stated that the absence of employee motivation is frustrating as it will slow the schedule down and even terminate the project, which would have a big burden of cost for the company.

Organizational effectiveness refers to locating targets and attaining them proficiently in spirited and energetic surroundings (Constant, 2001). Employee motivation cannot be examined in isolation from its organizational context since it is the activities undertaken within an organization that is being considered; and in particular, it is the human motivation that encourages the individual to remain with the organization (Schepers et. al., 2005). Lawler (2003) argued that the prosperity and survival of the organizations are determined through and how they treat their human resource. A study was done to examine the relationship of organizational effectiveness and employee performance and motivation in the telecommunication and banking sector of Pakistan. A sample of 103 respondents was taken and Pearson correlation was applied. The results show that there exists a significant positive correlation (0.287) between employee motivation and organizational performance (Muhammad *et al.*, 2011).

Employee absenteeism has long been recognized as a major problem for organizations of all types (Markowich and Eckberg, 1996) and empirically has been shown to reduce organizational efficiency and productivity (Moch and Fitzgibbons, 1985) as cited in (Libet et al., 2001). Hirschfield (2002) asserted that employees who perceive limited or few performance reward expectancies were more likely to be absent from work very often. Also, Crawford et al. (2010) contend that while employers expect workers to miss a certain number of work days each year, excessive absence can equate to decreased productivity and can have a major effect on company finances, morale, and other factors. These result in employees' turnover. As Garino and Martin (2008) analyzed, the impact of labour turnover on profit using the efficiency wage model of Salop (1979) by separating incumbent and newly hired workers in the production function. They showed that an exogenous increase in turnover rate can affect an increase in profit, but only where organizations do not choose the wage. Kemal et al. (2002) also expressed similar thoughts that the cost of turnover affects the profitability of the organization, customer service, and

satisfaction. In a nutshell, a satisfied employee is one who is well motivated personally and by their organizations and have no desire to seek greener pastures anywhere.

The autocratic leadership styles, mechanistic design of the organization and authoritarian rules as practiced in African organizations, are all where decision making is concerned only to top management and employees are just given orders to accomplish different tasks. In these types of organizational environment, the employees may suppress innovativeness and their motivation hinders which has a direct negative effect on organizational performance, growth and effectiveness (Constant, et al., 2001).

2.2. Empirical Literature Review

It refers to practical studies already been done by other scholars on this nature of employee motivation on organization performance.

2.2.1. General Empirical Literature Review

This paper provides the effect of employee motivation on organizational performance and the relationship between employee motivation and organizational performance.

Gregory (2008) conducted a study on how does an employee motivation impact organizational performance. The study found that a motivated workforce has more productive employees and this translates into bottom line cost savings. Happy motivated employees are indeed better workers and will help to generate a positive work environment that both customers and employees will better appreciate. The motivated worker is more committed to the job and to the customer. The end result is effective organization performance and organization revenue increased.

Another study on an analysis of the employee motivation factors focuses on age and gender-specific factors. This study results provide more similarities than differences. The employees from both genders and all age subgroups are mostly motivated by challenging job positions, advancement opportunities, good compensation packages for example money and well managed or good work environment. At the same time, benefits, job security, and location of the workplace are less of a motivator for all demographic subgroups. Still, this research study suggests that some statistically significant differences do exist. The two genders give significantly different importance to benefits as a motivator while the age of subgroups gives

significantly different importance to security, work environment, and challenge. Based on the findings, recommendations were given to managers in terms of improvement of motivation policies and practices (Karaskakovavska, 2012).

Waheed (2013) conducted a study, which explains the effect of commitment and motivation on individual and how that contributes towards organizational performance. Found that if employees perceive that their efforts are recognized by the organization they feel motivated and level of commitment will rise. This study intends to explore how motivation contributes to the level of employee commitment.

In a study of the impact of employees' motivation on organizational effectiveness in European, it was identifying the factors that affected employee motivation and examining the relationship between organizational effectiveness and employee motivation. Findings of the literature and various studies concluded that Empowerment and recognition have a positive effect on employee motivation. More the empowerment and recognition of employees in an organization is increased, more will their motivation to work will enhance. Also, there exists a positive relationship between employee motivation and organizational effectiveness. The more the employees are motive to tasks accomplishment higher will the organizational performance and success (Ruge, 2012).

Another study sought to describe the ranked importance of the ten motivating factors, job security, and sympathetic help with personal problems, and personal loyalty to employees interesting work, good working condition, tactful discipline, good wages, promotions and growth in the organization, feeling of being in on things, and full appreciation of work done (Linder, 2010). This study shows the employee motivating factors was a help to guide this study.

Farhanabanana (2013) conducted a study on the impact of employee motivation on work performance. Found that motivational factors play an important role in increasing employee job satisfaction. This will result in improving organizational performance. A motivated employee is a valuable asset who creates value for an organization in strengthening business and revenue growth. Motivation is going to work if the right person with suitable skills is made responsible for the job.

In a study on the similarities and differences in employee motivation management between Korean and Japanese executives of Japanese affiliated companies in Korea. Based on

questionnaire surveys the respondent's views of employee motivation factors were analyzed by contrast with motivational factors and hygiene factors (maintenance factors) developed by Herzberg. The survey results reveal that both Korean and Japanese executives realize the importance of employee motivation management and that Japanese executives have a strong awareness of it than Korean executives. Both recognize it for the sake of high corporate performance, employee job satisfaction and customer satisfaction seeing motivation factors. The majority of Korean and Japanese executives regard wages and bonus increases as a strong motivational factor. Employment stability is recognized as a motivational factor by Korean executives and clarifying company policy and job objectives are the most important motivational factor to Japanese executives (Usungami, 2006).

Raghava (2009) conducted a study on the motivating hospitality industry employees. The findings of this study show that job security and opportunity are not relevant because of the seasonality of employment. The study confirmed good wages as an important motivating factor followed by interesting work and appreciation. Differences were observed in the subgroups of the age and occupation. Respondents also considered trust, responsibility, feedback appraisal, the flexibility of working hours to be motivating factors.

Another study was conducted by Manzoor (2012) on the impact of employee motivation on organization effectiveness. The study found that two central factors empowerment and employee recognition for enhancing employee motivation which leads to organizational effectiveness. The organization should design their rules, policies and organizations structures that give space to the employee to work well and appreciate them on the fulfillment and achievements of their tasks. This will surely lead to organizational growth.

Additionally, in 2014, the employee engagement firm TINYpulse carried out a survey “The seven key Trends Impacting Today’s Workplace” which involved over 200,000 employees in more than 500 organizations (Lipman 2014). The aim of the survey was to discover the factors that motivate employees to excel and go for an extra mile in the organization.

The results came out were surprising. Money, which often seems to be the major contributor to motivation, was the seventh on the list. On the contrary, peer motivation/camaraderie was ranked first (20%), followed by the intrinsic desire to a good job (17%) and feeling encouraged and recognized (13%). This result had pointed out the paramount importance and huge influence of

intrinsic motivation towards a person's viewpoint and accordingly made concrete the perspective of intrinsic motivator has surpassed extrinsic motivator. Remi et al (2011)

In the developed industrialized countries where majority of these researches are conducted, satisfaction of the basic needs of life such as food, shelter, etc, are taken for granted by a large majority, hence emphasis has shifted from the extrinsic factors such as pay, incentives, promotion and so on, to intrinsic factors such as interesting work, achievement, recognition, challenge, and self-actualization. The same, however, cannot be said for the less developed and developing the world, such as Nigeria. As Croxton (2009) has studied *An Analysis of Employee Motivation within the Public Sector*, for some, increased salary or incentives may be the highest motivator. Others may find that simply being part of an organization that promotes social good is their greatest motivator. Motivation, as it relates to employees working in the public sector, is analyzed below. Further, the implications of this motivational research as it relates to the library setting will be considered. In attempting to understand motivational factors influencing public sector employees, one must first review research regarding those who are currently working in the public arena. Overall, research findings suggest that public service employees are more greatly influenced by intrinsic rewards than extrinsic rewards such as salary. They found that public sector workers were more strongly motivated by the desire to work in a supportive working environment than their private sector counterparts. Further, they concluded that public sector employees make fundamental choices and prefer to lead a more balanced life.

2.2.2. Studies in African Countries

In Africa, employees' motivation has two meaning, expanding effort toward the accomplishment of an organizational goal and the managerial process of getting workers to accomplice organizational goal. The employee is one of the most important contributors to performance and productivity. The most basic way to employees' is to give them a chance to satisfy needs. People tend to strive for the satisfaction of need at one level only after satisfaction has been achieved at the previous level. The way a person behaves in a work situation is largely a function of motivation, that is, his desire to fulfill certain needs. Employee's motivation is one of the most important factors for increasing performance and productivity. Performance result from the interaction of physical, financial and human resources (Gutsy, 2012).

Matsie (2008) conducted a study on the impact of motivation on employee performance at level one district hospitals. Found that for any company to survive and stay competitive it is very important their employees are motivated because motivated employees in a motivating environment will easily be driven to believe that if they put more effort in performance. When employee feel their personal needs are met at their workplace. They find fulfillment through the performance of their duties they become productive and the company can achieve it is production needs and reach it is the desired level of service delivery.

In a study on the health worker motivation in Africa, The study design entailed semi-structured qualitative interviews with doctors and nurses from the public, private and NGOs facilities in rural areas. The findings confirm the starting hypothesis that non-financial incentives and human resources management tools play an important role with respect to increasing motivation of health professionals. This entails acknowledging their professional goals such as recognition, career development, and further qualification. It must be the aim of human resources management to develop the work environment so that health workers are enabled to meet their personal and organizational goals (Mathauer, 2006).

In a study of the contribution of employee motivation to organizational effectiveness of private enterprises in Uganda, the study involved 48 respondents of whom 19 were from the operation and production department, 18 from sales and marketing department, 6 were from human resources and accounts each department contributing 3 respondents and 5 were from the general administration. Data were collected mainly through the use of self-administered questionnaires and interviews. The study found those employees are vital in the running of an organization efficiently and effectively. Also concluded that there is a relationship between motivation and organization effectiveness, the efficiency and effectiveness of multiple industries limited was low because the motivation of employees was low (Seguya, 2009). This study intends to explore the contribution of an employee on organization performance.

Nduro (2012) presented that human resources are very essential for the organization because they are the key to performance and productivity. The purpose of his study is to find out the effect of motivation on the performance of Guaranty trust workers. The study adopted the mixed approach research design, thus both quantitative and qualitative. Data is collected by the survey and questionnaire. The data were analyzed using SPSS. The sample size is 150 workers of

guaranty trust bank from the population. The findings show that indeed there is a relationship between motivation and performance at the workplace. The way employees were treated by management has an impact over their output. The research recommends that management should give importance to the employee motivation to survive amongst its competitors.

Muogbo (2013) presented the problem that how employee motivation has an impact on organizational performance of selected manufacturing firms in an embryo state. The study used descriptive statistics to answer three research questions posed in the study. The Correlation Coefficient was used to test the three hypotheses. The study reveals that there is a significant relationship between employee motivation and workers' performance. Extrinsic motivation has a major influence on the employee's performance. The researcher recommends that every organization should implement extrinsic rewards to increase productivity. The company should continually develop pay policies to motivate retain their employees.

Dobre, O.I (2013) presented the problem that examines the drivers of employee motivation to get to attain a high level of organizational performance. The two factors that are empowerment and recognition is increased the employee will be motivated and they will work with a dedication which leads to organizational accomplishments and performance. It depends on the employee that how they will be motivated either by recognition or empowerment. Organizations should provide a better environment for their employees, value their employees. And fulfills their needs through which they can be motivated.

In Ethiopia, an employee's motivation is the key to success. To do this the Manager should be able to motivate employees'. Employee's Motivation practice and theory is a difficult subject, touching on several disciplines. To understanding employees' motivation, one must understand human nature itself and there lies the problem. Strategies for employees' motivation is treating people fairly, satisfying employee's needs, setting work-related goals, restricting jobs and base rewards on job performance. When employees' feel successful they naturally motivated to accomplish more. Proper employees' motivation can save a company time, money and resources (MLA, 2010).

2.3. Conceptual Framework

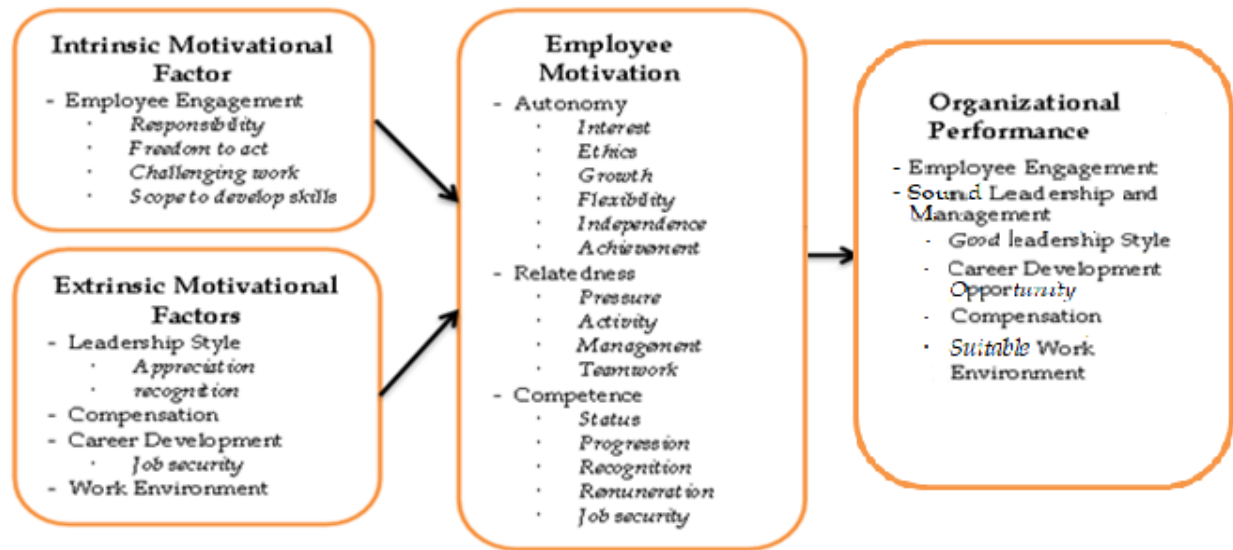


Figure 2.6 Conceptual framework own framework (2019)

The above conceptual framework inferred that organizational performance is affected by the intrinsic and extrinsic motivations which are one of the ways to motivate employees. An Exploratory Factor Analysis (EFA), which is also known as 3 Factor Model, of motivation scale was used to determine employee motivation scales. Therefore, this study consists of two basic variables, employee motivation, and organizational performance, being the independent and dependent variables respectively. The relationship between the two variables can be mathematically represented as follows:

$$Y = f(X)$$

Dependent variable = f (independent variable)

Where: Y= Organizational Performance; f = Function and X = Employee Motivation (Intrinsic and Extrinsic)

Intrinsic (X1= Employee Engagement) and **extrinsic** (X2 = Leadership style; X3 = Compensation; X4= Career Development; X5 = Work Environment)

2.3.1. Development of Hypothesis

Based on the literature and conceptual framework, it is designed to test the following hypothesis:

H1. Employee motivation has a significant effect on organizational performance

2.4. Gaps in Literature

The existing studies in this relation (Akerele 2001; Assam 2002; Baase 2009; Centres & Bugental 2007; Jibowo 2007; Lin 2007, Nwachukwu 2004) among others have taken a general focus on motivation creating a gap on issues related to performance. This is because while a lot has been documented about the concept of motivation in advanced nations, most works related to motivation in areas concerning productivity in less industrialized nations are hardly found. In addition, it was observed that very little information was provided on intrinsic motivational factors such as the relationship with co-workers and managers as it relates to performance while excess information was provided with regards to extrinsic motivational factors. There is still limited literature on the effect of employee motivation on organizational performance, in developing countries like Ethiopia.

2.5. Summary of the Chapter

Even if the concept of motivation is extensively recognized as an important tool in attaining high employee and organizational performance levels, it is however very complex, relative and unique to members of a workforce. This is to say that what motivates or appeals to one individual may in no way appeal to another because people differ in terms of wants and needs. Therefore, it is imperative for organizations, employers and their managers to display positive disposition in applying the concept of motivation in order to elicit reciprocal positive gestures, behaviours and high levels of organizational performance. Organizational performance can be enhanced through motivational factors be it intrinsic or extrinsic in nature, but the right mix of both factors is essential as no one factor should be underestimated or should one gain preference over the other. Therefore an employee's welfare in terms of engagement, compensation, leadership style, career development and also work environment should not be taken for granted as far as performance is concerned. Also, it is imperative to understand that the theories being discussed in this research that is Maslow's hierarchy of needs theory, Herzberg's two-factor theory and Vroom's expectancy theory may have been validated in some literature and also have been extensively criticized in others for various reasons.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1. Introduction

This part describes the research methods and procedures in the whole process of data collection. It also shows the techniques used and the reasons for using them. In particular, this chapter consists of the research design, sample population, sample size determination, sampling techniques, research instruments, validity and reliability of research instruments and methods of data analysis.

3.2. Research Design

Research design constitutes the blueprint for the collection, measurement, and analysis of data. This study used both descriptive and causal research designs. Both quantitative and qualitative approaches were used. The purpose of using a descriptive survey was to identify present conditions and point to present needs, to study the immediate status of a phenomenon, to examine the relationships of traits and characteristics (Yogesh, 2006). It also helps to collect detailed and information that describe an existing phenomenon. Secondly, an explanatory method was selected since it seeks to determine the relationship between motivational factors with organizational performance, and how employee motivation affects organizational performance. A quantitative approach was used because it is relatively economical, easier to render and quicker for respondents to answer. The other reason is that the data gathered can be numerically measured using statistical tools, resulting in sharp, clear findings. The study has also used an unstructured interview to get data from human resource expert.

3.3. Area of the Study

The research was conducted by randomly selecting respondents from the Federal Civil Service Commission of Ethiopia.

3.4. Population of the Study

The target population of this study was employees' who work at the Federal Civil Service Commission. The study population was 407.

3.5. Sampling Procedures and Sample Size

Sampling is one of the best systematic technologies of choosing a group of respondents large enough to represent the population from which it has been selected. Therefore, it becomes imperative to pick a sample of reasonable size of the purpose of representation.

3.5.1. Sample Size

Sample size refers to a number of items to be selected from the population. Using Taro Yamane (1967), a sample size of 201 respondents was selected. This is the minimum recommended size of the researcher's survey. It is the most ideal method to use when the only thing you know about the underlying population you are sampling from is its size. The sample size was calculated using the formula

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

Where N = Population of study = 407

e = degree of error expected = 0.05

n = sample size

$$n = \frac{N}{1 + N(e)^2} = \frac{407}{1 + 407(0.05)^2} = 201$$

3.5.2. Sampling Technique

The sampling was done using a stratified random sampling method. This was done by segmenting the workforce based on their directorate and job status (ranging from management, supervisor, expert and support giving). The reasons for using a stratified random sampling are that it minimizes sample selection bias and ensures certain segments of the population are not over or under-represented. In stratified random sampling, the strata (groups) are formed based on members' shared attributes or characteristics.

Table 3.1: Sampling Design and Size

Directorates	Target Population	Sample Population	No. of Respondents
Commissioner’s office (8 Directorates) <ul style="list-style-type: none"> · Law Directorate · Gender Affair Directorate · Audit Directorate · Finance & Procurement Directorate · Plan & Budget Directorate · Material & General Service Directorate · ICT Directorate · Communication Directorate 	149	74	68
Human resource Management (6 Directorates) <ul style="list-style-type: none"> · Structure, appraisal Directorate · HR Development Study Directorate · HR Laws study & monitoring Directorate · HR Documentation system Directorate · HR Inspection & monitoring Directorate · HR Development Management Directorate 	113	56	51
Reform implementation (5 Directorates) <ul style="list-style-type: none"> · Finance & economy monitoring Directorate · Social sectors monitoring Directorate · Justice & Administration Reform Directorate · Regions & City Administration Reform Directorate · Change Management Affair Directorate · Special support needing Regions Directorate 	72	35	32
Good Governance implementation (6 Directorates) <ul style="list-style-type: none"> · Finance & economy monitoring Directorate · Social sectors monitoring Directorate · Justice & Administration Reform Directorate · Regions & City Administration Reform Directorate · Citizen Affair study monitoring Directorate · Citizen compliance Resolution Directorate 	73	36	34
Total	407	201	185

3.6. Data Collection Tools

Data collection involves the gathering of relevant and important data used for conducting particular research work. It is the basis for acquiring data. The study used primary data (questionnaire and interview) and secondary data (documentary) collection tools. The primary source of data was used for gathering data in this research work. The questionnaire research instrument was used in this research work to gather information because it helps to access a large number of respondents at a minimal cost. The secondary data source was taken by reviewing relevant journals and other published materials.

3.6.1. Questionnaire

The questionnaire, primary instrument, was structured and self-administered, an array of questions answered by persons in order to provide information for a specific purpose. The questionnaire was developed based on a literature review. It was also adopted and modified the study of Linh, (2017); Mesfin, (2013) and Shewangizaw (2017). The questions were filled by the participating respondents and were returned.

3.6.2. Interview

The interview is a primary method of data collection. The interview was also done by the researcher himself. The major purpose of this interview is to corroborate certain facts that the investigator already thinks have been established (Yin, 1989; 89). The research was made with human resource expert to survey the performance of the organization against employee motivation. It was developed based on a literature review.

3.6.3. Documentary

The documentary is the secondary method of data collection. Secondary sources of data included public reports, books, and media. Search engines such as internet process provided a valuable source of data concerned the effect of employees' motivation on organization performance in the organization.

3.7. Reliability and Validity of the Data

3.7.1. Reliability of Data

Reliability is the degree to which a measurement is consistent with similar results over time. Reliable measurements show stability when tests are repeated with similar outcomes.

3.7.1.1. Cronbach’s alpha

Cronbach’s alpha method of reliability was used for measuring the reliability of this research work (Ojo, 2003). A high value of Cronbach’s alpha test means that the stability, reliability, and certainty of the instrument used in measurement are very assured (Singh & Masuku, 2014).

Table 3.2. Reliability Statistics

Cronbach's Alpha	N of Items
.940	32

As shown above, in table 3.2, the reliability score of the construct yielded a Cronbach’s alpha of $r=0.94$ indicating internal consistency of the items.

3.7.1.2. Multicollinearity Test

Reliability was also computed using multicollinearity effect. The presence of multicollinearity implies that one is using redundant information in the model (Raykov & Marcoulides, 2006:86).

Table 3.3. Coefficients^a

Model		Collinearity Statistics	
		Tolerance	VIF
1	Engagement	1.000	1.000
2	Engagement	.358	2.791
	Career Development	.358	2.791
3	Engagement	.329	3.038
	Career Development	.290	3.453
	Compensation	.391	2.556

a. Dependent Variable: Organizational Performance

As shown in table 3.3, the tolerance value of collinearity is greater than 0.1 indicating that there is no collinearity problem. VIF values are also less than 4 that show an excellent value (Diamantopoulos and Siguaw, 2006). VIF is less than 10 that no collinearity is commonly accepted (Hair et al., 1995; Liu, 2010). The above table, in the case of multicollinearity test for each independent variable, the VIF result (which is 1.000, 2.791, 3.038, 3.453 and 2.556) fell that referred the test was good. This reveals that there is no multicollinearity between the variables. Because r is close to 1, it shows that as there is no multicollinearity problem.

3.7.2. Validity of Data

Validity is the most fundamental consideration in instrument development and refers to the degree that the instrument measures what it claims to measures. Copies of the survey were made accessible to two experts in this study for comments and opinions so as to create validity in terms of contrast, content, criterion, and readability. Content validity was used in determining the validity of the research. Because it provides suitable coverage for the current study that research items measure the variables of the study.

Factor analysis was also used to validate the appropriateness of the measurable items used in this study. Two statistical measures were used to determine the ability to perform factor analysis – the Kaiser-Meyer-Olkin (KMO-test) and Bartlett’s test of sphericity (Field, 2005). The Kaiser-Meyer-Olkin (KMO-test) measure of sampling adequacy and Bartlett’s test of Sphericity

Table 3.4. KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.870
	Approx. Chi-Square	4379.946
Bartlett's Test of Sphericity	df	496
	Sig.	.000

Source: Researcher's own survey (2019)

The KMO value is 0.870, exceeding the value of 0.60 (Kaiser, 1974) and Bartlett’s Test of Sphericity (Bartlett, 1954) is statistically significant ($p < 0.00$), supporting the factorability of the correlation matrix. Factor extraction and varimax rotation were adopted because it can easily be

understood and it has been widely used in quantitative research. (Ahadzie, 2007; Oyedele, 2013; Chan, 2012; Kissi *et al.*, 2014; Ameyaw, 2014)

3.8. Data Presentation and Analysis

In order to make the report simple and understandable, the data analysis was based on the respondent's answers. Data were processed by editing and coding. Primary and secondary data were used as a source of information in this research. The use of computer software known as Microsoft-Word, Excel and (Statistical Package for social sciences) SPSS version 25 were employed in the analysis of data. Descriptive statistical methods, frequency analyses were used for the analysis of the data in order to address the research questions and objectives. Correlation analysis was used to measure the degree of association between different variables under consideration. Regression Analysis was also used to test the effect of an independent variable on the dependent variable. Finally, findings associated with the study were discussed in the next chapter.

3.9. Ethical Considerations

While conducting this study, ethical considerations were taken into account. Adequate care was taken to select the appropriate time to distribute questionnaires and to conduct an interview. At most effort, it was made to avoid circumstance such as busy and high peak office task hours and respondents were encouraged to give answers to the questions in a relaxed manner. Maximum efforts were made to make to respondents feel secured and confidentiality was maintained so that no harm can happen to them.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

4.1. Introduction

This chapter presents a detailed analysis of data collected from a field survey via the administration of the questionnaire. It aims to present the findings from the data collected and align towards the research objectives, questions, and hypothesis. The collected data were classified, organized and analyzed using MS-Excel and SPSS software²⁵ version. The last part of the chapter describes interview questions conducted with human resource expert.

4.2. General Response Rate

A total of 201 questionnaires were distributed to employees of the Civil Service Commission through the random sampling technique, out of which 185, representing 92.03% of the respondents were returned properly and adequately completed.

4.3. Demographic Analysis of Respondents

The demographic characteristics analysis included gender, age, marital status, work experience, educational level and job position of the respondents.

Table 4.1: Demographic distribution of respondents

	Category	Frequency	Percent	Rank	Cumulative Percent
Gender	Male	107	57.8	1	57.8
	Female	78	42.2	2	100.0
Age of respondents	18-30 years	54	29.2	2	29.2
	31-40 years	75	40.5	1	69.7
	41-50 years	39	21.1	3	90.8
	> 50 years	17	9.2	4	100.0
Marital Status	Single	73	39.5	2	39.5
	Married	104	56.2	1	95.7
	Divorced	8	4.3	3	100.0

	Category	Frequency	Percent	Rank	Cumulative Percent
Years of service	1 - 5 years	42	22.7	3	22.7
	6 - 10 years	63	34.1	1	56.8
	11 - 15 years	58	31.4	2	88.1
	16 - 20 years	22	11.9	4	100.0
Level of Education	up to 12th grade	8	4.3	4	4.3
	Cert./Diploma	32	17.3	2	21.6
	Degree	124	67	1	88.6
	Masters & Above	21	11.4	3	100.0
Position	Management	4	2.2	4	2.2
	Supervisor	7	3.8	3	5.9
	Expert	134	72.4	1	78.4
	Support giving	40	21.6	2	100.0

Source: Researcher's Field Survey Result (2019)

As it is shown in table 4.1, among 185 people the researcher conducted on the highest percentage of participants in this study are males who form 107 (57.8%) of the total respondents while 78 (42.2%) of the respondents are females. It shows that males are greater than females. They formed the majority because it is perceived that men are more engaged in monitoring and evaluating work. And due to their number, it is very easy to motivate female than male.

In the case of age classification, 75 (40.5%) of the respondents fall under 31-40. And 29.2% are of age 18-30 years, 21.1% are of age 41-50 years and 9.2% are of age greater than 50 years. This had shown that majority of the respondents are well matured, and works are accomplished by employees who are matured enough.

The researcher sees that among 185 people the research conducted on, 104 (56.2%) are married, 73 (39.5%) are single and 8 (4.3%) are divorced. These statistics had shown that most respondents were quite married with a higher rate of response rate for males rather than for females.

As per the responses received from the filled questionnaires, majority of the respondents that are 63 (34.1%) have been working from 6-10 years interval in the organization, which seems to be a very good factor for getting more authentic information about the motivation techniques used

more than a decade. 31.4% (58 out of 185) of the respondents have been working between 11-15 years in the organization. 22.7% (42 out of 185) respondents have a length of services between 16-20 years. However, the lowest number of respondents was nearly 11.9% (22 out of 185) who had a length of service between 16-20 years. As per the data, it can be seen that there is a good level of employee retention in the Civil Service Commission since the majority of the respondents had been working in the organization for more than 6 years. This further revealed that the employees had a sense of job security.

The figure also shows that most of the respondents are bachelor's degree holders indicating 124 (67%). And others were having a certificate/Diploma indicating 32 (17.3%) whereas 21 (11.4%) respondents were having Masters and above, while the remaining 8 (4.3%) respondents have been learned up to 12th grade. This indicates that most of the employees are more skilled and have an appropriate educational level to perform well. Skilled workforces are more productive and contributing to organizational performance in the organization. If skilled employees are highly motivated by the management, it will result in effective organizational performance.

Based on the respondent's occupational level, 134 (72.4%) were experts. 40(21.6%) supports giving, 7 (3.8%) are supervisors and 4 (2.2%) are managers. In consideration of the results, it is observed that the organization has a hierarchical organization structure within each directorate and motivation must be done accordingly.

4.4. Analysis and Interpretation of Data

In this section, the data collected from respondents are discussed, analyzed and interpreted to identify the prevailing problems and forward possible recommendations to address those exigencies. Below are statements, tables and showing mean, frequency, percentage, correlation and regression data, along with their explanation.

4.4.1. Employee Motivation and Performance Status

This sub-section highlights the relationship between intrinsic (i.e. employee engagement) and extrinsic (i.e. leadership style, work environment, compensation, and career development) motivational factors with that of employee performance.

Table 4.2: Responses regarding Employee Engagement

No.	Employee Engagement	Respondents				
		SA	A	N	D	SD
Q1	I am happy with my current job	7.57% (14)	39.46% (73)	31.89% (59)	8.65% (16)	12.43% (23)
Q2	I feel safe and energetic at work	10.81% (20)	42.70% (79)	27.57% (51)	14.05% (26)	4.86% (9)
Q3	I am doing my job by self-interest	15.14% (28)	26.49% (49)	22.16% (41)	30.81% (57)	5.41% (10)
Q4	I have clear goals and priorities in my work	9.19% (17)	41.62% (77)	28.65% (53)	15.68% (29)	4.86% (9)
Q5	I'm willing to accept challenges at work	2.16% (4)	47.57% (88)	28.11% (52)	20.54% (38)	1.62% (3)

Source: Researcher's Field Survey Result (2019)

The respondents were asked to indicate whether they are engaged at work provided by their jobs and the results are shown. As table 4.2 shows, some respondents reacted that they feel safe and energetic at work (39.46% agree and 1.81% strongly agree), accept challenges at work (47.57% agree and 2.16% strongly agree), have clear goals and priorities in their work (41.62% agree and 9.19% strongly agree), happy with their current job (39.46% agree and 7.57% strongly agree) and doing job by self-interest (26.49% agree and 15.14% strongly agree).

Others opt contrary for feeling safe and energetic at work (8.65% disagree and 12.43% strongly disagree), accepting challenge work (20.54% disagree and 1.62% strongly disagree), having clear goals and priorities in their work (15.68% disagree and 4.86% strongly disagree), happy with their current job (8.65% disagree and 12.43% strongly disagree) and doing job by self-interest (30.81% disagree and 5.41% strongly disagree). Others fall into the neutral mode. The implication of the mean from 3.15 to 3.41 indicated that most of the respondents are inclined towards agree with the terms.

Table 4.3: Responses regarding Leadership style

No.	Leadership style	Respondents				
		SA	A	N	D	SD
Q6	My boss is flexible about how I accomplish my job	9.19% (17)	23.78% (44)	10.27% (19)	37.84% (70)	18.92% (35)
Q7	My boss treats employees with respect	13.51% (25)	21.08% (39)	12.97% (24)	41.62% (77)	10.81% (20)
Q8	My boss is supportive in getting the job done	6.49% (12)	36.22% (67)	18.92% (35)	27.57% (51)	10.81% (20)

Q9	My boss involves me in decision making processes	3.24% (6)	27.03% (50)	31.89% (59)	28.11% (52)	9.73% (18)
Q10	I'm satisfied with my boss's managing style	29.19% (54)	27.57% (51)	18.38% (34)	21.08% (39)	3.78% (7)
Q11	My efforts at work are supported by my boss	1.08% (2)	25.41% (47)	48.11% (89)	20.54% (38)	4.86% (9)

Source: Researcher's Field Survey Result (2019)

The study shows that leadership style is a very important psychological motivating factor. Here, in case of boss's flexibility, 9.19% respondents strongly agreed that their boss is flexible about how an employee accomplishes the job; meanwhile, 23.78% agreed, 37.84% disagreed, 18.92% strongly disagreed and 10.27% are neutral about the statement. In case of treating employees, 13.51% respondents strongly agreed that their boss treats them with respect; meanwhile, 21.08% agreed, 41.62% disagreed, 10.81% strongly disagreed, 12.97% are neutral about the fact. In case of supporting employees in getting the job done, 36.22% respondents agreed that their boss is supportive in getting the job done; 6.49% strongly agreed, 27.57% disagreed, 10.81% strongly disagreed and 18.92% are neutral. 25.41% respondents also agreed that their efforts at work are supported by their boss; meanwhile, 1.08% strongly agreed, 20.54% disagreed, 4.86% strongly disagreed, and 48.11% are neutral about the statement. In case of the decision-making process, 28.11% respondents disagreed that their boss involves them in decision-making processes; 3.24% strongly agreed, 27.03% agreed, 9.73% strongly disagreed and 31.89% are neutral on it. In case of managing style, 21.08% respondents disagreed that they are satisfied with their boss's managing style; meanwhile, 29.19% strongly agreed, 25.57% agreed, 3.78% strongly disagreed, and 18.38% are neutral about it. The implication of the mean from 2.66 to 3.57 indicated that most of the respondents are inclined towards agree with the terms.

Table 4.4: Responses regarding Work environment

No.	Work Environment	Respondents				
		SA	A	N	D	SD
Q12	I enjoy working with my co-workers	3.24% (6)	61.08% (113)	7.57% (14)	8.65% (16)	19.46% (36)
Q13	I get adequate materials/equipment for work	0.00% (0)	68.11% (126)	2.16% (4)	1.62% (3)	28.11% (52)
Q14	My organization improves the work environment	3.24% (6)	9.19% (17)	39.46% (73)	40.54% (75)	7.57% (14)
Q15	My organization organizes social gatherings	3.78% (7)	47.57% (88)	11.35% (21)	27.03% (50)	10.27% (19)

Q16	My organization is attractive to work	1.62% (3)	5.95% (11)	4.32% (8)	65.41% (121)	22.70% (42)
Q17	My organization's working culture is satisfactory	2.16% (4)	12.43% (23)	14.05% (26)	49.19% (91)	22.16% (41)

Source: Researcher's Field Survey Result (2019)

The study also shows that the work environment is a very significant motivating factor for employees' motivation. Here, in case of a good relationship with others, 3.24% respondents strongly agreed that they enjoy working with their co-workers; meanwhile, 61.08% agreed, 8.65% disagreed, 7.57% are neutral and 3.24% strongly agrees about the statement. In case of getting adequate materials/equipment for work, 68.11% respondents agreed that they get adequate materials/equipment for work; meanwhile, 1.62% disagreed, 28.11% strongly disagreed and 2.16% are neutral with the fact. In case of working culture, majority of respondents 49.19% disagree that the organization's working culture satisfactory; meanwhile 2.16% strongly agreed, 12.43% agreed, 22.16% strongly disagreed and 14.05% are neutral about it. 5.95% respondents agreed the organization is attractive to work; meanwhile, 1.62% strongly agreed, 65.41% disagreed, 22.7% strongly disagreed and 4.32% are neutral about the fact. 40.54% respondents disagreed that the organization is improving the work environment; meanwhile 3.24% strongly agreed, 9.19% agreed, 7.57% strongly disagreed and 39.46% are neutral. In case of organizing social gatherings, 47.57% respondents agreed that the organization organizes social gatherings; meanwhile 3.78% strongly agreed, 27.03% disagreed, 10.27% strongly disagreed and 11.35% are neutral about it.

Table 4.5: Responses regarding Compensation

No.	Compensation	Respondents				
		SA	A	N	D	SD
Q18	I am not satisfied with my current salary	1.08% (2)	31.89% (59)	27.03% (50)	27.57% (51)	12.43% (23)
Q19	Incentives motivate employees to perform well	2.70% (5)	40.00% (74)	22.16% (41)	27.03% (50)	8.11% (15)
Q20	I get allowances for special duties and overtime job	3.78% (7)	37.84% (70)	30.81% (57)	16.22% (30)	11.35% (21)
Q21	The top management rewards employee effort	0.54% (1)	39.46% (73)	22.70% (42)	21.08% (39)	16.22% (30)
Q22	I'm satisfied with organizational rewarding system	1.08% (2)	16.76% (31)	42.16% (78)	28.65% (53)	11.35% (21)

Source: Researcher's Field Survey Result (2019)

The study also shows that compensation is a very significant motivating factor for employees' motivation. Here, in case of salary, 31.89% respondents agreed that they are not satisfied with their current salary; meanwhile, 1.08% strongly agreed, 27.57% disagreed, 12.43% strongly disagreed and 27.03% are neutral with the statement. In case of incentives, 27.03% respondents disagreed that incentive motivates employees to perform well; meanwhile, 2.7% strongly agreed, 40% agreed, 12.43% strongly disagreed and 27.03% are neutral with the fact. When we look at getting allowances, 16.22% respondents disagreed that as they get allowances for special duties and overtime job; meanwhile, 3.78% strongly agreed, 37.84% agreed, 11.35% strongly disagreed and 30.81% are neutral about it. In case of rewarding efforts, 21.08% respondents disagreed that the top management rewards employee effort; meanwhile, 0.54% strongly agreed, 39.46% agreed, 16.22% strongly disagreed and 22.7% are neutral. And 16.76% respondents agreed that they are satisfied with the overall organizational rewarding system; meanwhile, 1.08% strongly agreed, 28.65% disagreed, 11.35% strongly disagreed and 42.16% are neutral about it.

Table 4.6: Responses regarding Career Development

No.	Career Development	Respondents				
		SA	A	N	D	SD
Q23	I'm satisfied about my job security	24.86% (46)	28.65% (53)	3.78% (7)	6.49% (12)	36.22% (67)
Q24	Training is applicable to all employees	20.00% (37)	55.14% (102)	7.03% (13)	11.35% (21)	6.49% (12)
Q25	My organization provides skill improving programs	20.54% (38)	30.27% (56)	15.14% (28)	28.11% (52)	5.95% (11)
Q26	I have real opportunities for career development	32.43% (60)	37.30% (69)	16.22% (30)	5.41% (10)	8.65% (16)
Q27	Employees get educational opportunities	0.54% (1)	6.49% (12)	5.95% (11)	36.22% (67)	50.81% (94)

Source: Researcher's Field Survey Result (2019)

As table 4.6 shows, 6.49% respondents disagreed that they are satisfied with their job security; meanwhile, 28.65% agreed, 24.86% strongly disagreed and 3.78% are neutral and 24.86% strongly agrees. In the case of training, 55.14% agreed that training is applicable to all employees; meanwhile, 20% strongly agreed, 11.35% disagreed, 6.49% strongly disagreed and 7.03% are neutral about it. In case of skill improving programs, 28.11% respondents disagreed that the organization provides skill improving programs; meanwhile, 20.54% strongly agreed, 30.27% agreed, 5.95% strongly disagreed and 15.14% are neutral about it. In case of career

development opportunity, 5.41% disagreed that they have real opportunities for career development; meanwhile, 32.43% strongly agreed, 37.3% agreed, 8.65% strongly disagreed and 16.22% are neutral about the statement. In case of getting educational opportunities, 36.22% respondents disagreed that employees get educational opportunities; meanwhile, 0.54% strongly agreed, 6.49% agreed, 50.81% strongly disagreed and 5.95% are neutral about it.

4.4.2. Employee Motivation and Organizational Performance

This sub-section includes the effect of motivation factors on organizational performance, and the relationship between independent and dependent variables.

4.4.2.1. The Effect of Motivational Factors on Organizational Performance

Table 4.7: Effect on Organizational Performance

No.	Organizational Performance	Respondents				
		No Effect	Very little Effect	Little Effect	Large Effect	Very large Effect
Q28	Does leadership style have effect on organizational performance?	4.86% (9)	0.54% (1)	2.70% (5)	37.84% (70)	54.05% (100)
Q29	Does employee engagement have effect on organizational performance?	0.54% (1)	9.73% (18)	28.11% (52)	29.73% (55)	31.89% (59)
Q30	Does career development have effect on organizational performance?	11.89% (22)	22.16% (41)	43.78% (81)	15.14% (28)	7.03% (13)
Q31	Does compensation have effect on organizational performance?	2.70% (5)	18.38% (34)	12.43% (23)	43.24% (80)	23.24% (43)
Q32	Does work environment have effect on organizational performance?	1.62% (3)	2.70% (5)	7.57% (14)	41.08% (76)	47.03% (87)

Source: Researcher's Field Survey Result (2019)

As table 4.7 shows, 54.05% respondents believed that leadership style has a very large effect on organizational performance; meanwhile, others opt for very little effect (2.7%), little effect (2.7%), large effect (37.84%) and no effect (4.86%) on organizational performance. In case of employee engagement, 29.73% respondents believed that engagement has a large effect on organizational performance; meanwhile, others opt for no effect (0.54%), very little effect (9.73%), little effect (28.11%) and very large effect (31.89%) on organizational performance. In case of career development, 15.14% respondents believed that career development has a large

effect on organizational performance; meanwhile, others opt for no effect (11.89%), very little effect (22.16%), little effect (43.78%) and very large effect (7.03%) on organizational performance. In case of compensation, 23.24% respondents believed that compensation has a very large effect on organizational performance; meanwhile, others opt for no effect (2.7%), very little effect (18.38%), little effect (12.43%) and large effect (43.24%) on organizational performance. In case of the work environment, 47.03% respondents believed that work environment has a very large effect on organizational performance; meanwhile, others opt for no effect (1.62%), very little effect (2.7%), little effect (7.57%) and large effect (41.08%) on organizational performance.

4.4.2.2. The Relationship between Independent and Dependent Variables

It was used in this subsection to identify the predictor and its contribution towards the criterion. It aims to determine the prediction of a single dependent variable from a group of independent variables. The nature of the underlying relationship between the variables was tested by checking the Normal Probability Plot (P-P) of the Regression Standard Residual, Scatter Plot, correlation, stepwise regression analysis and other analyses that supplement the regression analysis. Furthermore, as shown in Figure 4.1, the sample of normality is further demonstrated in a Normal P-P of the Regression Standard Residual, below:

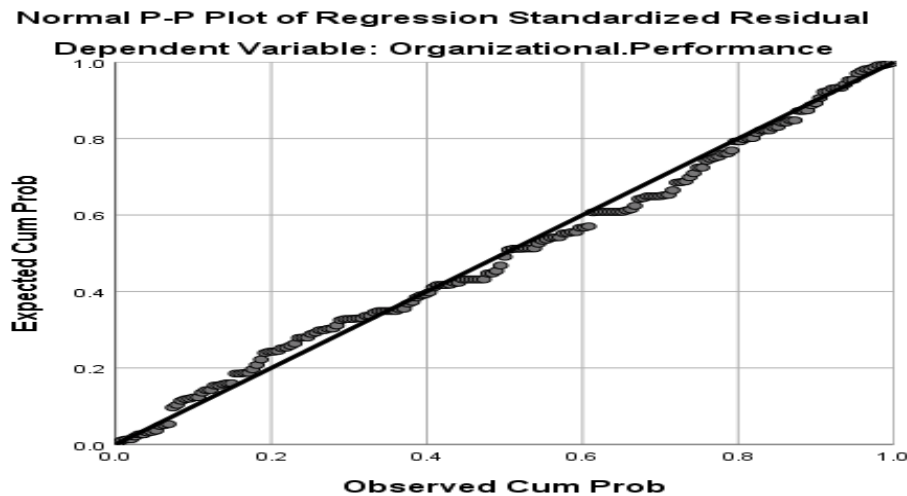


Figure 4.1: Normal P-P of regression standardized residual for dependent variables

As it is shown in figure 4.1, all the points at Normal P-P plot are placed in a rationally straight diagonal line from bottom left to top right. Although, there are some points that skew right off

from the straight diagonal line, overall, there is no indication of a major deviation from normality. Therefore, the normality result is appropriate and acceptable.

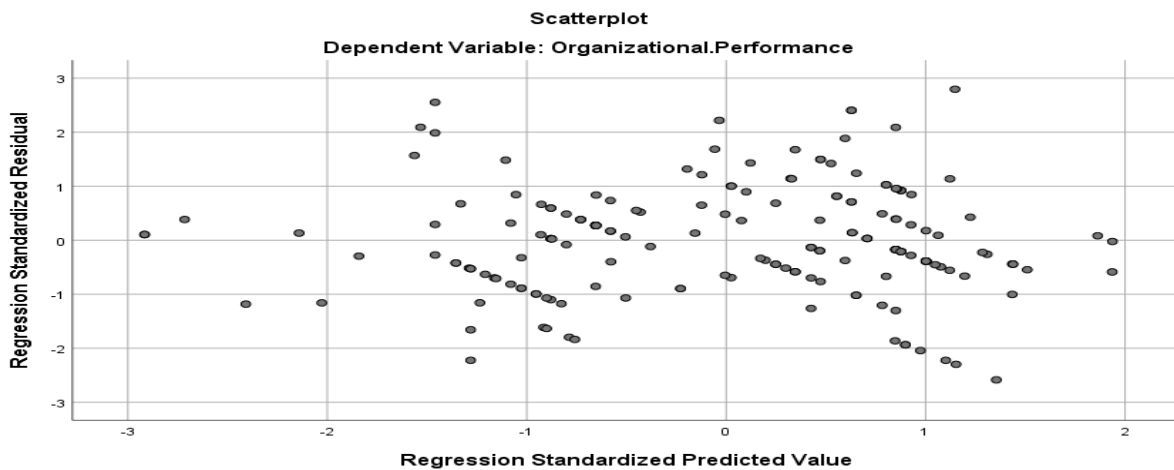


Figure 4.2: The scatter plot of residuals for observed value and predicted value

As shown in Figure 4.2, the scatter plot of the residuals shows that the residuals are slightly distributed. The findings demonstrate that the predictors (independent variables) are linearly related to the residual of the criterion (dependent variables). In addition, there is no sign of obvious outliers as no score a standardized residual of more than 3.3 or less than -3.3. And it is acceptable.

Table 4.8: Correlations

		OP	EE	LS	WE	C	CD
Pearson Correlation	Organizational Performance	1.000	.780	.682	.528	.708	.757
	Engagement	.780	1.000	.796	.566	.718	.801
	Leadership	.682	.796	1.000	.670	.626	.769
	Work Environment	.528	.566	.670	1.000	.516	.618
	Compensation	.708	.718	.626	.516	1.000	.758
	Career Development	.757	.801	.769	.618	.758	1.000

Where: OP means Organizational Performance; EE means Employee Engagement;
 LS mean Leadership Style; C means compensation;
 D means Career Development; WE mean Work Environment

The above table 4.8 shows the correlation matrix indicates that the independent variables (engagement, leadership style, work environment, compensation, and career development) were positively correlated with organizational performance. Furthermore, the table shows that (engagement) achieved the highest positive correlation with organizational performance. However, (work environment) has the lowest correlation with organizational performance. Moreover, it also shows that engagement, leadership style, work environment, compensation, and career development have a significant relationship with an organizational performance at the value of (0.000), which is less than 0.01. In addition, the result explains that an increase in engagement, leadership style, work environment, compensation, and career development will lead to an increase in the performance of the organization. As a consequence, the hypothesis was accepted. And there is no removed variable with stepwise analysis method.

The stepwise regression analysis was performed with assumptions complied with. The results are presented in Table 4.9 to Table 4.14.

Table 4.9: Multiple Correlation of independent variables with dependent variables
Model Summary^d

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
3	.821 ^c	.673	.668	.35393	.782

- a. Predictors: (Constant), Engagement
- b. Predictors: (Constant), Engagement, Career Development
- c. Predictors: (Constant), Engagement, Career Development, Compensation
- d. Dependent Variable: Organizational Performance

As demonstrated in Table 4.9, the Durbin-Watson value in this analysis is 0.782, which falls within the range up to 2.5, showing that there is no auto-correction in the residual. There are multiple correlations ($R = 0.86$) of three significant predictors with the criterion (dependent variable). From the model, the factors that influence organizational performance are engagement, career development, and compensation. The three factors have a significant effect size, which explains the adjusted R^2 (66.8%) of the variability towards engagement, career development, and compensation that influence organizational performance. The adjusted R^2 with 66.8% of the variance in respondents agree that these are one of the factors that contribute to organizational performance.

Table 4.10: Significance of Independent variables

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
3	Regression	46.733	3	15.578	124.358	.000 ^d
	Residual	22.673	181	.125		
	Total	69.405	184			

a. Dependent Variable: Organizational Performance

b. Predictors: (Constant), Engagement

c. Predictors: (Constant), Engagement, Career Development

d. predictors: (Constant), Engagement, Career Development, Compensation

Table 4.10 shows that the F-value is the Mean Square Regression (15.578) divided by the Mean Square Residual (0.125), yielding F=124. From the results, 3 models in this table are statistically significant (Sig=.000). Therefore, an organizational performance that is both intrinsic and extrinsic factors combined are significant predictors of organizational performance at $F(3/181)=124.35$.

Table 4.11: Regression Coefficients and Significance of the Independent Variables

Coefficients^a

Model	UC		SC	t	Sig.	Correlations			Collinearity Statistics		
	Beta	Std. Error	Beta			Z-order	Partial	Part	Tolerance	VIF	
3	(Constant)	.667	.121		5.531	.000					
	Engagement	.320	.056	.421	5.686	.000	.780	.389	.242	.329	3.038
	Career Development	.187	.056	.264	3.341	.001	.757	.241	.142	.290	3.453
	Compensation	.190	.063	.205	3.025	.003	.708	.219	.129	.391	2.556

a. Dependent Variable: Organizational Performance

Where UC = Unstandardized Coefficients; SC = Standardized Coefficients;

B = Beta;

Z-Order = Zero-order

Table 4.11 revealed the degree of influence of both motivational factors on the level of organizational performance and its levels of significance. Three significance predictors out of five independent variables are positively related to the criterion in the stepwise regression. The engagement has the highest regression coefficient at 0.32, followed by career development 0.187, and compensation 0.190.

The multiple regression equation is as follows:

$$OP = 0.667 + 0.32(EE) + 0.187CD + 0.190C$$

Where, OP = Organizational Performance; EE = Employee Engagement
 CD= Career Development; C = Compensation

Table 4.13. Collinearity Diagnostics^a

Model	Dimension	Eigen value	Condition Index	Variance Proportions			
				(Constant)	Engagement	Career Development	Compensation
3	1	3.932	1.000	.00	.00	.00	.00
	2	.041	9.849	.80	.03	.12	.01
	3	.015	15.983	.06	.34	.03	.89
	4	.012	17.948	.14	.63	.85	.10

a. Dependent Variable: Organizational Performance

Table 4.13 gives details of how the variables vary with each other. When two or more of the supposedly independent variables are correlated, the condition index for each will be above one. Values of one are independent; values of greater than 15 suggest there may be a problem, while values of above 30 are highly dubious. If the variables are correlated, one of the variables should be dropped and the analysis repeated.

These findings on the hypothesis correspond with the findings of Lake (2004) and Akerele (2001) that motivational factors regardless of nature (i.e. intrinsic or extrinsic) cannot be underestimated when performance is concerned.

4.4.3. Interview with Human resource expert

Along with the data that have been gathered from the employees through the questionnaire, the researcher has conducted an interview with the organization human resource expert. According to the expert's response for the question whether Federal Civil Service Commission has motivational techniques in a place, she replied that there exist no formal, standardized and planned motivational practice and commonly agreed on the current motivational practices cannot be considered as sufficient. However, she claimed that the employees were motivated to some extent to perform the assigned duties regardless of the organization's contribution. The attitude of managers in her directorate towards motivation is very low. Previously, there was a practice to motivate high performing employees through participatory performance appraisal with the employees themselves but now it is not practicable.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION, AND RECOMMENDATIONS

This chapter comprises discussions associated with the findings of the entire research. This includes a summary of the findings, conclusions, recommendations, and suggestions for further study and contribution to knowledge.

5.1. Summary of Findings

This section comprises a summary associated with findings related to theoretical and empirical findings, based on the objectives of the study were discussed respectively. The primary objective of this study was to examine the effect of employee motivation on organizational performance in the Federal Civil service commission. Based on the analysis and interpretation made in the previous chapter, the major findings are summarized as follows:

Regarding demographic findings of respondents, the majority of the respondents are male, married, degree holders and had been in the organization for greater than six years.

In determining motivation and performance status of employees at the Federal Civil service, majority of the respondents are happy with their current job, feel safe and energetic at work. Even if they are willing to accept challenges at work, they do not have clear goals and priorities in their work and they are not doing their job by self-interest. It shows that the organization did make its homework a little bit on the engagement of the employees.

As regards the leadership style, majority of respondents think that their boss didn't treat them respectfully and are not flexible. They are unsatisfied with their boss's managing style because their efforts at work are not supported by their boss and their boss is unsupportive in getting the job done. Their boss does not involve them in the decision making the process.

Regarding the work environment, most of the respondents get adequate materials for work, enjoy working with their co-workers and their organization organizes social gathering programs. But, they feel that their organization is not attractive to work and the working culture is not satisfactory. The organization doesn't improve the work environment.

In terms of compensation, a great number of respondents are not satisfied with their current salary. Even if they get allowances for special duties and overtime job and the top management rewards their effort, they are not satisfied with the organizational rewarding system.

Regarding career development, most of the respondents believe that, even if training is applicable to all employees and employees get educational opportunities, the organization do not provide skill improving program. Due to this, they are not satisfied with their job security and they are getting to believe that they don't have real opportunities for career development.

Regarding the effect of employee motivational factors on organizational performance, most of the respondents agree with the statements that are expressing work environment, employee motivation, leadership style, and compensation have a very large effect on organizational performance.

Normal Probability Plot (P-P) of the Regression Standard Residual, Scatter Plot, correlation, stepwise regression analyses indicated that there is a significant relationship between independent (engagement, leadership style, work environment, career development, and compensation with organizational performance.

5.2. Conclusion

Employees are and should be considered the most vital above other factors of production, the most valuable resource available to an organization. They are an integral part of the organization, in pursuit of a modest edge, to ensure that the employees' motivation is made a top priority. This is to ensure that employees display a positive attitude to work through improved performance and productivity levels. Also, it is important to note that a lack of adequate motivation results in low performance and vice versa. The overall result showed that employee motivation has a significant effect on organizational performance.

This study concludes that employee motivation be it intrinsic or extrinsic in nature has a significant effect ($p < 0.05$) and is a predictor of organizational performance level. It also concludes that both intrinsic and extrinsic factors of motivation appeal to employees and the right mix of both are essential in bringing out the best performances from a workforce. These findings validate the Herzberg two-factor theory, Maslow's hierarchy of needs theory and Vroom's Expectancy Theory. From the findings of the study, one can assume that the influence of extrinsic factors more than intrinsic factors on performance.

5.3. Recommendations

The following recommendations are made based on the findings of the study;

1. Managers must ensure employees are adequately motivated. Employee engagement should be given due consideration and should be improved so as to increase employee engagement to work.
2. The organization must create an atmosphere where employees feel satisfied and cooperative at work. And managers should ensure employees are involved in decision-making processes and given a chance to air their views.
3. Management should make sure that career development opportunities are clearly communicated to employees. Employees who offer the same level of inputs with respect to skills, efforts, qualifications, experience, should be entitled to equitable outcomes in terms of pay, promotion, job security, and opportunity for advancement. Additional inputs and outstanding performance should entitle an employee to additional rewards.

Finally, this study recommends that management should make a strategy that aids in ensuring that employees are adequately extrinsically motivated to remain intrinsically motivated on the job. This will, in turn, enhance or boost employee morale resulting in a competitive edge through higher commitment levels, employee engagement, lower turnover and improved performance and productivity levels.

5.4. Suggestions for Further Studies

This study was concerned with workers in the Civil Service Commission. The sample was drawn from the staffs of Civil Service Commission, Ethiopia. Research similar to it can be carried out in other organizations so as to ascertain the applicability of the research findings in other contexts. In addition, further research can be carried out using organizations in other geopolitical zones and also, the research could be carried out using more than one organization as a study.

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Appendix - I
St. Mary's University College
School of Graduates Studies
Masters of Business Administration (MBA)

Dear respondent,

I am conducting a study on **“The effects of employee motivation on organizational performance at the Federal Civil Service Commission”**. I hereby request you to fill this questionnaire and give me back the earliest time possible. It should take you less than 3 minutes to complete and be assured that all the answers you provided will be kept confidentially and only be used for the purposes of the author's thesis data collection and analysis.

Thank you for your time and interest in the survey.

Michael Assefa
(Graduating Candidate)

(“✓” APPROPRIATELY)

SECTION A: PERSONAL INFORMATION

- | | | |
|---------------------------------|---|---|
| 1. Gender :- | Male <input type="checkbox"/> | Female <input type="checkbox"/> |
| 2. Age :- | 18-30 <input type="checkbox"/> | 31-40 <input type="checkbox"/> |
| | 41-50 <input type="checkbox"/> | over 50 <input type="checkbox"/> |
| 3. Marital status :- | Single <input type="checkbox"/> | Married <input type="checkbox"/> |
| | Divorced <input type="checkbox"/> | |
| 4. Work Experience :- | 1 – 5 years <input type="checkbox"/> | 6 to 10 years <input type="checkbox"/> |
| | 11 to 15 years <input type="checkbox"/> | 16 to 20 years <input type="checkbox"/> |
| | 21and above <input type="checkbox"/> | |
| 5. Educational status :- | Up to 12th <input type="checkbox"/> | Certificate or Diploma <input type="checkbox"/> |
| | Degree <input type="checkbox"/> | Masters & above <input type="checkbox"/> |
| 6. Position :- | Management <input type="checkbox"/> | Supervisor <input type="checkbox"/> |
| | Expert/officer <input type="checkbox"/> | Support giving <input type="checkbox"/> |

SECTION B: EMPLOYEE MOTIVATIONAL FACTORS

7. Choose the best that describes your answer in the questionnaire.

No.	Motivational Factors	Strongly agree	agree	Neutral	Disagree	Strongly disagree
1	I am happy with my current job					
2	I feel safe and energetic at work					
3	I am doing my job by self-interest					
4	I have clear goals and priorities in my work					
5	I'm willing to accept challenges at work					
6	My boss is flexible about how I accomplish my job					
7	My boss treats employees with respect					
8	My boss is supportive of getting the job done					
9	My boss involves me in decision-making processes					
10	I'm satisfied with my boss's managing style					
11	My efforts at work are supported by my boss					
12	I enjoy working with my co-workers					
13	I get adequate materials/equipment for work					
14	My organization improves the work environment					
15	My organization organizes social gatherings					
16	My organization is attractive to work					
17	My organization's working culture is satisfactory					
18	I am not satisfied with my current salary					
19	Incentives motivate employees to perform well					
20	I get allowances for special duties and overtime job					
21	The top management rewards employee effort					
22	I'm satisfied with the organizational rewarding system					
23	I'm satisfied with my job security					
24	Training is applicable to all employees					
25	My organization provides skill improving programs					
26	I have real opportunities for career development					
27	Employees get educational opportunities					
	Organizational Performance	No effect	Very little effect	Little effect	large effect	Very large effect
28	Does leadership style have an effect on organizational performance?					
29	Does employee engagement have an effect on organizational performance?					
30	Does career development have an effect on organizational performance?					
31	Does compensation have an effect on organizational performance?					
32	Does work environment have effect on organizational performance?					

Appendix 2 Communalities

	Initial	Extraction
I am happy with my current job	1.000	.734
I feel safe and energetic at work	1.000	.645
I am doing my job by self-interest	1.000	.747
I have clear goals and priorities in my work	1.000	.867
I'm willing to accept challenges at work	1.000	.753
My boss is flexible about how I accomplish my job	1.000	.878
My boss treats employees with respect	1.000	.611
My boss is supportive of getting the job done	1.000	.750
My boss involves me in decision-making processes	1.000	.467
I'm satisfied with my boss's managing style	1.000	.598
My efforts at work are supported by my boss	1.000	.631
I enjoy working with my co-workers	1.000	.750
I get adequate materials/equipment for work	1.000	.617
My organization improves the work environment	1.000	.656
My organization organizes social gatherings	1.000	.672
My organization is attractive to work	1.000	.777
My organization's working culture is satisfactory	1.000	.667
I'm satisfied with my job security	1.000	.723
I am not satisfied with my current salary	1.000	.666
Incentives motivate employees to perform well	1.000	.640
I get allowances for special duties and overtime job	1.000	.755
The top management rewards employee effort	1.000	.781
I'm satisfied with the organizational rewarding system	1.000	.607
Training is applicable to all employees	1.000	.650
My organization provides skill improving programs	1.000	.729
I have real opportunities for career development	1.000	.585
Employees get educational opportunities	1.000	.804
Does leadership style have an effect on organizational performance?	1.000	.791
Does engagement have an effect on organizational performance?	1.000	.605
Does career development have an effect on organizational performance?	1.000	.633
Does compensation have an effect on organizational performance?	1.000	.817
Does work environment have effect on organizational performance?	1.000	.739

Extraction Method: Principal Component Analysis.

Appendix 3: Rotated Component Matrix^a

	Component						
	1	2	3	4	5	6	7
I am happy with my current job						.822	
I feel safe and energetic at work	.563		.395				
I am doing my job by self-interest	.576	.326	.511				
I have clear goals and priorities in my work	.594	.384	.465			.314	
I'm willing to accept challenges at work	.457	.542		.362			
My boss is flexible about how I accomplish my job	.792	.305	.307				
My boss treats employees with respect	.623						
My boss is supportive of getting the job done	.517	.417		.514			
My boss involves me in decision-making processes	.628						
I'm satisfied with my boss's managing style	.548	.468					
My efforts at work are supported by my boss			.689				
I enjoy working with my co-workers	.570		.457		.441		
I get adequate materials/equipment for work		.498		.348	.487		
My organization improves the work environment	.587				.438		
My organization organizes social gatherings	.368	.645					
My organization is attractive to work					.852		
My organization's working culture is satisfactory			.514		.534		
I'm satisfied with my job security		.572		.503			
I am not satisfied with my current salary						.599	.320
Incentives motivate employees to perform well	.419	.486				.380	
I get allowances for special duties and overtime job			.690	.361			
The top management rewards employee effort				.846			
I'm satisfied with the organizational rewarding system		.625					.384
Training is applicable to all employees			.499	.463			
My organization provides skill improving programs		.702	.404				
I have real opportunities for career development		.433	.552				
Employees get educational opportunities	.728		.369		.354		
Does leadership style have an effect on organizational performance?	.655			.326	.388		
Does engagement have an effect on organizational performance?			.597	.337			
Does career development have an effect on organizational performance?							.766
Does compensation have an effect on organizational performance?	.443		.640				
Does work environment have effect on organizational performance?		.745				.358	

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.^a

a. Rotation converged in 19 iterations.