



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

**EFFECT OF MOTIVATION ON EMPLOYEE PERFORMANCE:
THE CASE OF ZAF PHARMACEUTICAL PLC.**

**BY
KALKIDAN TADESSE**

**JANUARY, 2020
ADDIS ABABA, ETHIOPIA**

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BY
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APPROVED BY BOARD OF EXAMINERS

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LETTER OF DECLARATION

I, Kalkidan Tadesse Mekonnen, do hereby declare that this submission is my own work towards the degree of Master of Business Administration, to the best of my knowledge, it contains no material previously published by another person nor material which has been accepted for the award of any other degree of the University, except where due acknowledgement has been made in the text.

I, also assure that I have carried out the research independently under the supervision of the researcher advisor, Goitom Abraham (Ass. Professor, at St. Mary's University).

Kalkidan Tadesse Mekonnen

Signature

Date

St. Mary University, Addis Ababa, Ethiopia

ENDORSEMENT

I, Goitom Abraham (Asst. Professor), certify that the research entitled “Effect of motivation on employee performance: The Case of ZAF Pharmaceutical Plc., is conducted by Kalkidan Tadesse Mekonnen, under my supervision.

The work is original in nature and is appropriate for submission for the award of the Master’s Degree in Business Administration (MBA)

Goitom Abraham (Asst. Professor)

December, 2019

St. Mary University, Addis Ababa, Ethiopia

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LIST OF ACRONYMS AND ABBREVIATIONS

ANOVA: Analysis Of Variance

SPSS: Statistical Package for Social Science

ERG: Existence, Relatedness and Growth

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ABSTRACT

The aim of this paper was to investigate effect of motivation on employee performance: the case of ZAF Pharmaceutical Plc employees. The motivational factors categorized in to two group's extrinsic (compensation and working environment) and intrinsic (recognition, relationship with manager and nature of work) motivational factors. The targeted populations of the study are all employees (100) from ZAF Pharmaceutical Plc. Data were generalized using both qualitative and quantitative research approach. A structured or end-close questionnaire with five point Likert scale was distributed to 100 employees for quantitative data, while the human resource manger interviewed. The data were analyzed using two statistical approaches: descriptive analysis of the variables and inferential statistics specifically linear regression analysis and correlation was used. Correlations among the variables were calculated using statistical package for social Science (SPSS) version 25. The finding of the study reveals that extrinsic motivational factors given to workers in an organization has a significant impact on the employee's performance. The extrinsic motivation factors include total compensation and working environment. The study also identified intrinsic factors that affect employee performance. These are recognition, relationship with manager and nature of work. The results also shows that compared to extrinsic motivation factors it is found that intrinsic motivation factors have a higher influence on the overall performance of ZAF Pharmaceutical Plc employees. The study also recommends that ZAF management should optimize their motivational factors to enhance their employee's satisfaction and performance.

Key Words: *Motivation, Extrinsic factors, intrinsic factors, employee performance, ZAF Pharmaceutical Plc*

CHAPTER ONE

INTRODUCTION

This chapter describes the background of the study and the organization, statement of the problem, the research questions, objectives of the study and the hypothesis. Also it explains the significance of the study, the delimitations/scopes of the study and also outcomes the organization of the study.

1.1 Background of the Study

Every business and organization wishes to be successful and want to get a continuous and constant progress on their performance. One of the biggest challenges and cause now days for organizations no have a constant progress on their performance and productivity is employee turnover (Stanley, 2012). There are factors that lead to employee turnover one is de- motivation (Mosley, Pietri and Mosley Jnr, 2012). To overcome these challenges a positive and strong bonding and relationship should be formed and maintained between the organization and their employee. Therefore, for organizations to be competitive and to survive and remain relevant, it is essential for them to be able to attract and maintain effective and efficient employees in a bid to improve performance and productivity (Sunia, 2014). Recently there is a consensus among leaders and managers about the positive significance of using effective motivation incentives to improve employee performance (Cole and Kelly, 2011). This study however is centered on the aspect of motivation and focuses on the effects of motivation factors on employee performance.

The word motivation is derived from the Latin word ‘movere’ which means to move (Baron, Henley, Mc Gibbon and McCarthy, 2012). Also Certo (2016) describes motivation as providing individuals incentives that lead them to act in desired ways. Nelson (2013) on his part defined motivation as the process of arousing and sustaining goal-directed behavior.

Motivation is driver force that drives or leads the employees toward attaining specific objective and goals of the organization (Hussein, Simba, 2017). Motivation has big role

to develop and increase the desire of every employees of the organization to work effectively and efficiently.

According to (George and Jones, 2012) motivation can be classified into two categories namely, extrinsic and intrinsic. Intrinsic motivation develops from an employee's internal desire to perform a task out of self-interest or self need rather than a need or desire for some external reward (healthy relationship with manager and co-workers, recognition, interesting duties, respect, achievement and others). Extrinsic motivation is the type of motivation that arises when an employee is compelled to act in a specific way either as a result of that employee's desires for external rewards or to avoid punishment (compensation, flexible work schedules, benefits in the other forms like transportation, health service, working condition, and others).

Motivated workers are satisfied, dedicated and innovative, competent and determinant. On the other hand, de-motivated workers are likely to put no effort or little effort in their jobs, and this leads to low quality work, they avoid their workplace and even leave the organization if provided opportunity.

Employee performance refers to the effectiveness and efficiency of employees in achieving organizational objectives. It is widely accepted by the organizational theorists that human power is one of the most important assets of an organization because things are getting done through employees. In other words, the success of an organization in realizing its objectives heavily depends on the performance of its employees. Therefore, it is important to focus on the factors affecting the performance of the employees. Motivating employees is a challenge and also keeping employees motivated an even greater challenge for an organization (Levy, 2013). These days, organizations are under strong pressure to identify and put into practice the programs that will prove effective in improving employee performances (Deci, 2013). It is not only enough to increase salaries and expect increased performance; it is more than that (George and Jones, 2013). However, the schemes used to motivate workers may have potentially negative effect on their morale if not properly used or applied.

There are various researchers done studies on the relation between motivation and employee performance. Also many scholars have proposed theories to understand what motivation is and how it work and also how it affect individuals. From the various researchers who is known for his studies is Abraham Maslow, in his studies he suggests that human needs can be categories in five. Also known as the hierarchy of needs (Riggio, 2014). They are psychological, security, social, esteem and self-actualization needs (Kreitner and Kinicki, 2016). Frederick Herzberg is another well-known researcher known by his two factor theory, the first category is labeled as motivation factors, and second category is labeled as hygiene factors. Dissatisfaction results from the absence of hygiene factors which include salary and relationships with others, while satisfaction results from the presence of motivating factors such as job opportunities and recognition (Kinicki and Kreitner, 2016). V.H Vroom is the recent scholar who developed the expectancy theory. Vroom suggests that people are most motivated to seek results they value highly and think they can achieve. It is based on employee's perceptions of rewards and whether they are able to achieve them (Certo, 2016).

Many organizations in Ethiopia including ZAF Pharmaceutical Plc provide motivational incentives to their employees and invest in their employees to be effective and efficient. However many researchers tried to study about the relation between motivation and performance. Up to the researcher knowledge there is no research done in the area of motivation and performance in the organization. The purpose of this study is therefore to fill this research gap and it focuses on investigating the motivational factors in ZAF and their effect on employee performance.

1.2 Background of the Organization

ZAF Pharmaceutical is a 100% private owned company which was established in year 1991 with an objective of important and distribution of pharmaceutical (human and veterinary), medical supplies/devices, infant formula and medical equipment's throughout Ethiopia. The head office is located in the center of the capital city of Addis Ababa in an area which is convenient for the distribution of the products. A total of 100 staffs are working in the company currently. The company has five department sales and

distribution department, marketing department, medical equipment and device division department and import and export department.

1.3 Statement of the Problem

Today there are many discussions about the relationship between motivation and employee's performance. Motivation will lead to the fact that workers of the organization will seriously do their duties and responsibilities (Azar and Shafiqhi, 2013). There are various ways to get skilled, reliable, experienced and hard working employees one is by motivate them. It's oblivious that highly skilled, reliable and experienced employees are a valuable asset for an organization. Because of this case organizations are continuously trying to build up and motivate their workers to help achieve good job performance with various practices and strategies.

Some organization face high employee turnover due to believe in one size-fits-all motivation approach .One motivation factor cannot be motivating all kind of employee because every employee is different from the other in many ways which means Different employee can be motivated by different motivational factors. Managers and supervisors should and must understand what motivates individual employees, and not believe a one-size-fits-all approach (George and Jones, 2013). Some people can be motivated by extrinsic factors such as compensation, training and career development and other can be motivated by the other factor which is the intrinsic factors such as being recognized, appreciation, relation with other employee and manager or supervisor. This reveals that motivation is subjective, that is to say that what motivates someone to put up his/her best may also de-motivate others, here to say that motivation does not rely only on extrinsic rewards but also on intrinsic rewards. According to (Jobber and Lee ,2014) if there is a poorly motivated labor force in the organization, the organization will face high cost in terms of increased expenses, frequent absenteeism, lower performance, excessive staff turnover and a negative effect on the morale of colleagues, this shows that Employee motivation affects performance.

Therefore, studies like this are a valuable resource for organizations in helping to identify and maximize on ways to motivate employees (Steers and Porter, 2011). According to

preliminary interview with human resource manager of ZAF Pharmaceutical Plc, there are motivational factors like salary, working condition, transport allowance and service, health care benefits and also fringe benefits for the last couple of years. The gap the researcher noticed was that ZAF Pharmaceutical PLC is doing the schemes without knowing which factor satisfies the employee and motivates them to perform well. This research focus on the assessment of current motivational factors in ZAF and their effect on employee performance and which factor has the more effect on the performance of employees.

1.4 Research Questions

This section deals with the formulation of the research question that will help to achieve the objective of the study. They are:

- What are the motivational schemes currently applied in ZAF Pharmaceutical Plc?
- What are the extrinsic and intrinsic factors do the employees of ZAF pharmaceutical Plc perceive is more motivating or satisfying?
- What is the effect of motivation factors on the employee performance in ZAF Pharmaceutical Plc?

1.5 Objectives of the Study

1.5.1 General Objective

The general objective of this study is to investigate motivational factors and their effect on employee performance at ZAF pharmaceutical Plc.

1.5.2 Specific Objectives

Specifically the study seeks to:

- To examine the motivational schemes that are practiced at ZAF Pharmaceutical Plc.
- To assess the effect of extrinsic motivation factors on employee performance in ZAF Pharmaceutical Plc.
- To assess the effect of intrinsic motivation factors on employee performance in ZAF Pharmaceutical Plc.

- To investigate which motivation factor motivate employees more.
- To determine the effect of motivation on employee performance of ZAF Pharmaceutical Plc.

1.6 Hypothesis

H1: Extrinsic motivation factor has positive effect on employee's performance.

H2: Intrinsic motivation Factor has positive effect on employee's performance.

H3: extrinsic motivation factors have a greater positive impact on employee performance than intrinsic motivation factors

1.7 Definition of Terms

The following terms are defined as use in this study/ operational definition:

Motivation: A persons desire to do the best possible job or to exert the maximum effort to perform assigned tasks (Gomez-Mejia, Balkin and Cardy, 2015).

Performance: A continuous process for improving the performance of individuals by aligning actual performance with that desired organizational goal (Cole and Kelly, 2011).

Employee performance: performance of the employee considered as employee does and what doesn't do (yang, 2008).

1.8 Significance of the Study

The study will be significant to a number people and institutions among which are;

- **Management of ZAF:** The findings will benefit the management of ZAF implement and enhance programs that can motivate their employees and improve productivity as the whole organization.
- **Research institution:** The study will contribute to the existing body of knowledge on the effect of motivation on employee performance. It will also help future researchers who will attempt to undertake a study on employee motivation and employee performance.
- **For the research:** The study will add knowledge to the existing knowledge concerning "Effect of Motivation on Employee Performance".

- The study will also help the **researcher** for practical fulfillment for Masters Degree and wide the knowledge of motivation matters to employee in working area hence increase effectiveness and efficiency.

1.9 Scope of the Study

The study is focused on effect of motivation factors such as extrinsic (compensation, working environment) and intrinsic (recognition, relation with manager and nature of work) on employee performance. There are various factors that affect the employee performance, in this study these five factors were tested and discussed. In addition, in relation with related literature review the researcher used mainly quality and timeliness of work in dimension of employee performance. In the case of demographic factor only gender, age, work experience, education qualification and department were taken in to account. In particular, questionnaires were distributed to all employees who work in the organization and the result of the study might only be generally applied to employees who work at ZAF Pharmaceutical Plc.

1.10 Limitation of the Study

To conduct this study there was a challenge that affects the quality and also the progress of the study. The limitation the research faced was lack of cooperation of employees which was lack of awareness and willingness of some employee in responding questionnaires and busy schedules of most employees at the ZAF. The researcher might light this challenge by make the questions multiple choice and easy to read and explain the significant of the study and assure the respondents of confidentiality. Therefore, due to these possibilities the extent of drawing out generalization and conclusion may be affected.

1.11 Organization of the Research Report

This paper is organized into five chapters:

Chapter One deals with the overall introduction. This takes a look at the background to the study and organization, statement of the problem, research questions, hypothesis, and

objectives of the study, significance of the study, scope/delimitations of the study, definition of terms as well as the organization of the study.

Chapter Two deals with reviewing existing literature that primarily deals with discussions and review of literature related to the concepts of the research.

Chapter Three describes the methodology adopted for the study. This includes the research design and approach, population and sampling procedures, source and tools/instrument of data collection, methods of data analysis, reliability and validity and ethical consideration.

Chapter Four includes compilation analysis and discussion of data collected from the fieldwork.

Chapter Five also looks at the summary of the findings, conclusion and recommendations.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

This chapter presents the literature review on the study. It is concentrated on the definition of motivation, types of motivation, theories on motivation, and factors that motivates employees. Also it discusses performance, intrinsic motivators and extrinsic motivators, and concludes with the development of a conceptual framework. It provides an insight of other people's thoughts and opinions on the effects of motivation on employees and how it affects their performance levels.

2.1 Theoretical Literature Review

2.1.1 Definition of Motivation

According to James and Stoner (2009) definition motivation it is one of the psychological characteristics of humans that give to an individual's level of commitment towards objective or goal.

Also Jennifer and George (2006) defined motivation as a mental force that manage the direction of an individual's behavior in an organization, an individual's level of effort, and level of determination when faced with difficulty. She also stated that even with good strategies and administrative structures in organization, an organization can only be productive if its employees are highly motivated to perform at higher levels.

According to Jibomo (2007) motivation can be defined as the supporting goal directed behavior and progression moving.

According to George and Jones (2012) work motivation can be defined as self- induced forces that control and manage the directions and behavioral patterns of the workforce in an organization by taking account of their levels of commitment and enthusiasm towards the successful accomplishment of set goals or objectives.

In addition Broussard & Garrison(2004) defined motivation as "those factors that drives an individual to act or not to act".

Motivation is complex and abstract because different approaches produce different outcomes at different times/place and there is no single approach that can produce guarantee favorable outcomes all the times/place (Halepota, 2005).

Motivation plays the most important role for every organizations and all organization encounters the matter of motivation whether the sector is private or public. For the any organization to achieve its own objective and goal motivation is essential (Chintallo and Mahade, 2013).

Any discussion of work behavior there is motivation in the center because it is believed that it has a direct link and lead to a good work performance; it is assumed that motivated worker is the productive worker (Riggio, 2014).

The significance of motivation even led some known scholars and researchers to build up some motivation theories such as; Abraham Maslow's Hierarchical, Arrangement of Needs, Herzberg's Motivational Factors and Vroom's Expectancy theory. All these scholars tried to explain the complex and abstract concept of motivation both from outside and from within the employees themselves (Salanova and Kirmanen, 2010). Employee motivation is one of the key factors that can help the employer to improve organizational performance and employee. Motivation determines the efficiency and Effectiveness of an organization performance, and it is a basic part in the process of management and every manager must motivate his/her workers to create in them the spirit to work (Sandhya and Kumar, 2011). Therefore, motivation can be considered as the degree to which an employee WANTS and CHOOSES to engage in certain behavior (Matoka, 2011).

From the above definition, we can conclude that motivation is a deriver forces that drive a person or an individual to fulfill his/her need or goal. Also it has the power to influence in the employee performance and to act in some curtain behavior toward to the set goal. Also motivation can be conclude as the way and manner an individual or person inspired and act to fulfill the desired need or wants.

2.1.3 Performance

According to Aguinis (2009), performance refers behavior or what employees do, and not, it also refers the outcomes of their work or what employees produce. He also stated that Performance is an effort that comes with the ability and willingness to put efforts aligned with the organizational strategies in order to achieve certain objectives. Campbell (1990) also describes performance as behavior and it is something done by the employee. This concept differentiates performance from outcomes. Outcomes are the result of other influences not only the result of an individual's performance.

Cole and Kelly (2011) describe performance as a constant process for improving the performance of employees or individuals by supporting the actual performance with that desired (and with the strategic goals of the organization) through a several of means such as appraisal and evaluation both informally, day-to-day, standard-setting, and formally/systematically through appraisal interviews and goal-setting.

2.1.4 Employee Performance

Organizations have homework how to improve employee's performance, and so they can find an explanation as to why employees fail to perform their duties (Muchinsky, 1993).

Performance of the employee is considered as what an employee does and what he doesn't do. Employee performance involves quality and quantity of output, presence at work, accommodative and helpful nature and timeliness of output (Yang, 2008).

According to Arverty& Murphy (1998) employee performance can be defined as the ability of employee to complete tasks that assigned to him or her in an organizational context.

In the same way, Armstrong (2006) define employee performance as the achievement of specific tasks measured against predetermined or identified standards of accuracy, completeness, cost and speed. Performance of the employee is considered as what an employee does and what he doesn't do.

Employee performance is actually influenced by motivational factors because the fact that employees are motivated then they will do work with more effort and by which performance will ultimately improve (Azar and Shafiqhi, 2013).

According Kiruja and Elegwa Mukur(2013) Employee performance is a function of ability and also motivation, where ability is included of the skills, resources and training required for performing a task and motivation is more known as an inner force that drives employee to act towards something. From the above discussion we can conclude that employee performance refers to how employee behaves in the workplace and how well the employee performs the job duties that he/she obligated to them.

There are 5 different employee performance dimensions to measure performance of employee. The first one is Quality of work; this refers the quality or amount of work produced or the volume of work completed by employees. The second dimension is Timeliness of work: timely delivery of work in terms of schedules, meeting deadlines. The third one is Quality of work: this refers to the quality of work produced in terms of standards, errors, waste and rework. The fourth employee performance dimension is Use of Resources/Efficiency: this refers produces work in an efficient way in terms of using time, money, materials and other resources. The last employee performance dimension is Alignment and Compliance: this refers to the employee behave in a way that is aligned with the values, culture and mission of the organization as well as common organizational practices and procedures.

2.1.5 Factors that Motivate Employee

Motivators are things that lead employees to be satisfied and motivated by their own jobs and have to do with job content, they are inherent in the work itself: a presences of motivators can results or lead itself to job satisfaction and motivation, but their absence results only in neutrality (Levy, 2013).

Lin (2007) proposed that motivation can either be extrinsic or intrinsic. In the workplace motivation is most of the time classified as being naturally extrinsic or intrinsic (Martocchio, 2006). Intrinsic motivation it derived from within an individual or from the

nature of the positively influences behavior, the work itself, wellbeing and productivity (Ryan & Deci, 2000).

2.1.5.1 Extrinsic

The other motivation is extrinsic: referred as behaviors are those that are external to the work or the activity, such as safety, conditions of work, elevation, compensation, and welfares, etc .In this case the extrinsic motivation behavior needs the employee or an individual effort and hard working to get the reward that come with it. George and Jones (2012) an extrinsically inspired individual will be devoted and motivated as long as external rewards are available.

Extrinsic motivation derived from the outside of the person or from those things that are outside or external to the work or activity itself, its influences behavior positively, performance and also productivity (Ryan & Deci, 2000).

The drawback of extrinsic motivators is not last long or not have a longer term effect on employees like intrinsic motivator among employees but have an immediate and powerful effect.

There are various forms of extrinsic motivation factors, this study focus on compensation and working environment.

Compensation: Compensation refers to the amount of money and benefits that an employee receives from his/her organization in return for his/her contributions to the organization (Hamidi, Saberi & Safari, 2014). Compensation or pay is linked with pay satisfaction and linked with general satisfaction as the whole (Lumley et.al, 2011). Compensation also satisfies social, psychological and material needs of the individual (Altinoz, Cakiroglu & Cop, 2012). There are several of ways to compensate a sales force; most organization uses these three main methods: straight compensation, straight salary and a combination of compensation and salary. Besides salary and commission, they stated other financial compensation include transportation and reimbursement of sales expenses (Wiese and Coetzee, 2013).

Compensation is one of the physical needs that can fulfill primary or basic needs of an individual and generate motivation which in turn will affect the employee performance (Hersberg, 2009). Compensation has effect not only in motivation and employee performance but it has a big influence in the recruitment of employees, productivity and also have influence on employee turnover as well (Steers and Porter, 2011). According to Allis and Ryan (2008), the cost of compensating workers that is in form of wage, payment, and other benefits are a huge and rising the operational organization expenditures; yet, performance may decline amongst workers if such benefit and payment are not available to them. Simply put workers are more hard-working and productive when reasonable pay and benefit is attached to performance.

Working Environment: In a well-structured work environment employees are likely to be more productive. A better work environment boosts worker's productivity.

Kohun (1992) refer an organization's work environment as a whole. It includes all forces, it also including activities which are significant elements that are presently or potentially challenging the worker's productivity and performance levels.

However, in toxic or uncomfortable work environments, motivated, responsible and talented workers can be turned into unreliable and irrational employees as a follow strategy (Kyko, 2005). He also stated several elements that constitute a toxic work environment therefore causing a decline in productivity of workers and the organization as a whole, such as biased managers, interpersonal affiliations, administrative policies, work conditions, lack of transparency in management and compensation.

2.1.5.2 Intrinsic

According to Armstrong (2007) Intrinsic motivation can be defined as a self-generated and it is thought that an individual or employee seek for a job they think will most satisfy their needs or wants. The concern of intrinsic motivators is the 'quality of working life' (a phrase and movement that emerged from this concept), are likely to have a deeper and longer-term effect because they are inherent in employees and not forced from outside (Armstrong, 2007).

There are many various intrinsic motivational factors but the study focus on recognition, relationship with manager and nature of work.

Recognition: According to Daniel and Metcalf (2009), “recognition is a return on an employee's effort and dedication at work, as well as his or her results”. An employee recognition program can be a tool as great morale-building for any organization. If the recognition program is effective it can lead to higher productivity, grater job satisfaction for the workers and workers become innovate (Beer and Walton, 2014). Employee recognition programs could include several kinds of levels of recognition and the program is different from each organization, it can be from a simple Certificate of Appreciation to Employee of the Month to awards given on the department and companywide level (Steers and Porter, 2011).

Recognition is one of the strong motivation factors; employees feel comfortable and motivated when they are praised and recognized (Armstrong, 2007). Organizations that have implemented and have effective employee recognition programs they enjoy a return on equity that is more than triple the return of organizations who don't implement recognition programs (Elton and Gostick, 2006).

Employees always don't only want a good salary and benefit package, they also want to be valued and appreciated for their work (Wiese and Coetzee, 2013). When employees feel recognized and involved, they're much less likely to worry about money and security (Elton &Gostick, 2006).

Relationship with manager: This relationship describes the existing level of relation between the employee and manager or supervisors. Businesses and managers have a duty to provide for the needs of their workforce and not only by providing the need but this can be achieved by ensuring that employees are involved in the process of decision making, receive feedback in terms of analysis results as well as credit for their performances as well as enjoy personal or friendly relationships rather than strictly, uncomfortable professional relationships with their managers (Sinha & Bajaj, 2013).

It also improves the individual efficiency, effectiveness and productivity levels of employees because when managers take the time to construct and improve relations as

well as guide and lead workers in their various roles, they will in turn produce more quality work (Chapman & Goodwin, 2001).

Vineet, Sinha and Bajaj (2013) stated that Good and strong relationships with managers help in creating commitment, confidence and co-workers in the organization. It's ensures the performance, stability, growth and advancement of employees for improving an organization's competitive edge. Also it reduces organizational conflict, promotes trust and understanding amongst workers. It offers motivational incentives and aids to employee while improving the quality of work-life balance and minimizing stress. It's not only inspires higher levels of performance on the part of the workers of the workforce but also on the organizational productivity levels as a whole.

When relationship with managers are cordial, when the manager is being understanding, effectively communicate and providing frequent feedback when it is necessary, also giving much attention to the employee, wellbeing and personal issues, the employee's productivity levels is tend to be higher (Lumley, Coetzee, Tladinyane & Ferreira, 2011).

In conclude a strong and good manager-employee relations add meaningfully to the progress of the organization and aids in promoting a world class organization. Not building such a relationship in organizations will have an effect on staffs of the workforce which may lead to productivity gaps (Vineet et.al, 2013).

Nature of work: The nature of an employee's work is best defined as the type of work that is assigned to the employee. This can refer to the basic daily tasks carried out as part of a job and can refer to other non-routine tasks that may be required. For example, a finance manager is someone who manages a finance department and performs all of the tasks required of such a position.

Usually satisfied employees who are given higher roles and responsibilities work as motivators toward unsatisfied employees. In order for employees to successfully take the new role, they should be given specific directions and expectations. They also are more open to the new responsibilities when they feel supported and have all the resources to perform the job (Jurgensen, 1978). Employees who are given new role and high responsibilities are motivated to work harder because they see that all their effort in work

will accomplish positive results and based on that they will receive recognition (David, Louis, Micheal, 2004). According to Brian (2013) “Aside from monetary gain, work provides people with fulfillment on various levels, from earning a living and “doing good work” to aspiring to a vision and ultimately having an impact on the quality of life. Good organizations are always trying to structure the work so as to match the nature of the work with the nature of the employee and to make the work as interesting and enjoyable as possible”.

Regardless of whether people are intrinsically or extrinsically motivated, they join and are motivated to work in organizations to obtain certain results. A result is anything a person gets from a job or organization. Some results such as autonomy, responsibility, feeling of accomplishment and the pleasure of doing interesting or enjoyable work, result in intrinsically motivated employee. Other outcomes such as pay, job security, benefits and vacation time result in extrinsically motivated employee.

2.1.6 Theories of Motivation

According to Bright (2000) Motivation is a complex concept. Several theories and scholars attempt to explain how motivation works does. The most popular explanations of motivation are based on the needs and desire of the individual.

In short, all individual have needs that they want to fulfill. Some are primary needs (we know them as a basic needs), such as those for food, sleep, and water. The primary needs are biological in nature and relatively they are easy to identify and their influence on the behavior of an individual is obvious.

On the other hand, Secondary needs are more psychological rather than physical, which means that they are learned primarily through experience.

Several theorists, including Abraham Maslow, Frederick Herzberg, David McClelland, and Clayton Alderfer, have provided theories to help explain needs as a source of motivation.

Maslow’s Hierarchy of Needs is one of the best known and used as a reference of motivation theories in the world (Salanova and Kirmanen, 2010). Maslow’s hierarchy of

needs is a good starting point to start examining different motivation theories. He starts with the idea that people always tend to want something and what they want depends on what they already have (Rosenbloom, 2005). According to (Salanova and Kirmanen, 2010) Maslow proposed that there are five different levels of needs people have to seek for satisfaction of their basic needs. The first or lower level of need is a physiological need (basic need like water, food and shelter). The second level of need is security need. The third lowest level of need is love and belonging needs. The fourth level of need is esteem need. The last and highest level of need is self actualization.

Organization can exercise this Maslow's needs theory by providing generous benefits that include health insurance and firm-sponsored retirement plans, as well as offering a measure of job security, will help satisfy safety needs. Social needs may be satisfied by having a friendly environment workplace and providing a workplace conducive to collaboration and communication with others. Company picnics and other social get-togethers may also be helpful if the majority of employees are motivated primarily by social needs. Providing promotion opportunities at work, recognizing a person's accomplishments verbally or through more formal reward systems and job titles are ways of satisfying esteem needs. Finally, self-actualization need may be satisfied by the provision of development and growth opportunities on or off the job, as well as by work that is interesting and challenging (Salanova and Kirmanen, 2010). Maslow does note that one level of needs does not have to be totally fulfilled before a person moves to the next level. The individual can be partly satisfied with one level and still seek for satisfaction at the next level.

Therefore, according to Maslow's need theory as each of these needs is considerably satisfied, the next need become a centre of focus. From the point of view of motivation, the theory would say that although no need is ever fully gratified, a substantially satisfied need no longer motivates. So if you want to motivate someone, you need to understand what level of the hierarchy that person is on and focus on satisfying those needs or needs above that level (Bright (2000)).



Figure 1: Maslow hierarchy of need

Herzberg's motivation/hygiene theory is also known as the two-factor theory. Herzberg started to study job satisfaction in the 1950's in Pittsburg. The basis of Herzberg's work is in the Maslow's Hierarchy of Needs. He started with the idea that what causes the job satisfaction are the opposite of those things that cause job dissatisfaction (Salanova and Kirmanen, 2010).

Herzberg created his theory of Motivators and Hygiene factors. Both factors can motivate workers but they work for different reasons. Hygiene factors tend to cause only short-term satisfaction to the workers while motivators most probably cause longer-term job satisfaction (Mullins, 2007).

Also the study of Herzberg concluded that the opposite of satisfaction is not dissatisfaction, therefore, removing dissatisfying characteristics from a work does not necessarily make the job satisfying. He added that even certain factors occur (being there) in the organization is natural and the occurrence of the same doesn't result motivation. However, their non-occurrence (not being there) results to de-motivation. In similar manner there are certain factors, the absence of which causes no dissatisfaction, but being there has a motivational impact (Cole,2003).

The first factor that Herzberg state is Hygiene factors, its related to more to the work setting rather than the content of the work and include adequate wages, comfortable

working conditions, fair company policies, and job security. These factors do not necessarily motivate employees, but their absence may be a source of dissatisfaction.

Herzberg hygiene factors create a comfortable and suitable work environment though not increase in satisfaction. For instance low pay can cause job dissatisfaction which will affect employee's performance. In the other word Hygiene factors are crucial to make sure that the work environment does not grow into a frustrate situation for organization and for employees. Typical hygiene factors that Herzberg mentioned such are salary, working condition (work environment), status, company policies and administration (Saiyadain 2009).

The second factors that Herzberg stated is Motivational factors, these factors relate more to the content of the work and include recognition, the work itself, responsibility, involvement, achievement, and advancement. This factors can promote a higher levels of performance whether organization or employee. Noted that Herzberg's motivational factors and Maslow's self esteem and self actualization needs have similar context and the higher-level goals in Maslow's hierarchy and the motivational factors identified by Herzberg are important in motivating employees to work harder. Both motivational and hygiene factors can motivate employees but they work for different reasons.

Armstrong (2007) stated that the two factors giving increase to job satisfaction and motivation are different from the factors that lead to job dissatisfaction. Any feeling of satisfaction resulting from pay increases is likely to be short-lived compared with the long-lasting satisfaction from the work itself. It also makes a difference between intrinsic motivation increasing from the work itself and extrinsic motivation provided by the employer, e.g. compensation/salary.

The other scholar who intends to study about motivation was David McClelland. In 1988 he developed a theory on three types of motivating needs. These are need for power, need for affiliation and need for achievement.

Need for Achievement: People with a high need for achievement strive for success, are highly motivated to complete a challenging task or goal. They also Prefers tasks that have a reasonable chance for success, and they even avoid tasks that are either too easy or too

difficult. This theory claimed that people who have a high achievement need likes to take personal responsibility (David, 1961).

Need for Affiliation: A person who has a high need for affiliation needs harmonious relationship with people and needs to be accepted by other people. McClelland further contend that people with a strong need for affiliation are highly motivated to maintain strong and warm relationships.

Need for Power: According to David McClelland (1961), individual can have a need to get ahead to attain success, and to reach goals/objectives. He further added that, the characteristics of high achievers are like situation in which they take personal responsibility for findings solutions to problem, and they want to win based on their own efforts not due to luck or chance. High achievers want concrete feedback on their performance. They use the information to modify their act. They tend to be loners and not team players and have little empathy for others.

Vroom's Expectance Theory, this theory was developed in 1964 by a scholar named Vroom. The theory built on the assumption that individuals have expectations about outcome that may address them as a result of what they do. Vroom mentioned another assumption which is, individuals have different preference for different outcome. In the other words expectancy theory says that an employee can be motivated to perform better when there is a belief that the better performance will lead to good performance appraisal and that this shall result into realization of personal goal in the form of some reward (Cole 2003).

In the light of Vroom (1964), three variables are involved in the motivation process.

The first one is Expectancy; this is the effort a person makes to obtain a first level outcome. It is influenced by his/her expectancy that the outcome will be realized.

The second is Instrumentality; reaching a first level outcome may in itself not mean anything to a person. It may however, be instrumental in reaching a second level outcome or reward. The last vroom motivation variable is Valence; this refers to the expected

satisfaction that will follow an outcome rather than the immediate satisfaction it (Vroom, 1964).

Equity theory was developed by Adams, it says that it is not the actual reward that motivates, but the perception. The perception is based not on the reward in isolation, but in comparison with the efforts that went into getting it, and the rewards and efforts of others. People have a tendency to use subjective judgment to balance the outcomes and inputs in the relationship for comparisons between different individuals. If people feel that they are not equally rewarded they either reduce the quantity or quality of work or migrate to some other organization. Equity theory is straight forward. It plays a great role on explaining the importance of fairness in terms of equity at work place. For instance, employees in the organization have tendency to compare themselves what they contribute and what they are paid. However, employees working in the organization can be paid differently, and this may become as a means of motivator. Therefore is a critic to this theory. The theory also has important in the job design and reward system (Adams, 1965).

The other motivational theory is ERG theory, developed by Clayton Alderfer, is a modification of Maslow's hierarchy of needs. Instead of the five needs that are hierarchically organized; Alderfer proposed that basic human needs may be grouped under three categories Existence, Relatedness, and Growth. The theory's name is based on the first letter of each need (Alderfer, 1969).

- Existence refers to our concern with basic materials such as hunger, thirst and safe condition.
- Relatedness on the other hand, refers to the motivation we have for maintaining interpersonal relationships like involvement with family, friends, co-workers and employers.
- Finally growth is the intrinsic desire for personal development for example, the desire to be creative, productive and to complete meaningful tasks. The implication of this theory is that we need to recognize the multiple needs that may be driving individuals at a given point to understand their behavior and properly motivate them (Alderfer, 1969).

The last but the least motivational theory is Locke and Latham's goal setting theory, it states that several conditions are particularly important in successful goal achievement. These include goal acceptance and commitment, goal specificity, goal difficulty, and feedback (Redmond, 2015). Goal-setting theory states that for employees to be motivated, goals must be clear, specific, and attainable and whenever possible, quantified (Riggio, 2014). Evidence suggests that if workers participate in goal setting, as opposed to having supervisors set the goals, there is increased motivation (Gomez-Mejia, Balkin, and Cardy, 2015).

2.2 Empirical Literature Review

Drawing from studies conducted by other researchers, several motivational factors are suggested that motivation has a positive significant on the employee performance. Various studies have examined the effect of extrinsic and intrinsic motivation on employee performance. Some are listed here:

A research conducted by Vroom (1964), on how motivation influences employee performance, in the conclusion the study showed that employee motivation and performances were uncorrelated, this means motivation doesn't affect employee performance. However, later pervious research by Brent Keizer's (2011) it is stated that employees can be both intrinsically and extrinsically motivated to perform well, in this study motivation have a positive significant effect on employee performance.

A research conducted by Gure, Naima Abdullahi (2010), on the impact of motivation on employee performance at Nationlink Telecom Somalia, The study found that motivation has strong positive influence on employee's performance.

A research conducted by lin (2007), on the assessment of intrinsic and extrinsic motivation on employee performance, The results gotten from the examination revealed that there was a significant correlation between extrinsic motivation and employee performance, while that of intrinsic motivation was statistically less significant than extrinsic even though a correlation also existed between intrinsic factors and employee performance.

In another research study by Odongo (2009), Which was based on motivation profile and productivity in public enterprises, The study concluded that it has been accepted universally that employees can work diligently and efficiently if there is a motive behind such work. Employees highly motivated assume their responsibilities thoroughly and it is true that where employees are de-motivated they cannot work effectively and efficiently these can affect the performance of the organization (Ryan and Deci, 2010).

Nchorbune Dominic Abonam (2011), on Roles of Motivation on employee performance in university for development Studies-WA Campus, He found that motivational packages available to employees in the university were largely inadequate and not enough to motivate employees. Destructive environment within the university were not promoting efficient work. Since employees were found to be poorly motivated, this led into poor attitude towards work, lateness to work, absenteeism and indiscipline hence poor job performance.

A research conducted by Okan, v. Safakli and Mustafa, E. (2012),on Universality of Factors on Motivating employees in Banking Sector of Northern Cyprus, The study revealed that the most important factors motivating employees are equitable wage and promotion, extended health benefits and working environment. Furthermore, when compared with a similar study in Finland, it is found out that the most important factor motivating employees in both countries is equitable wage.

The result of study by AfrevIjah (2013), also this study Showed that there exists a positive and significant relationship between extrinsic motivation and workers performance but there exists no significant relationship between intrinsic motivation and employee performance.

From the above discussion, it can be seen that a lot research done on motivation and employee performance, all the above mentioned studied conducted at different time, divers sector and with different objectives and also the result is different as the studies and it hard to conclude the effect of motivation on employee performance and earlier researches could succeed to establish a positive correlation between motivation and

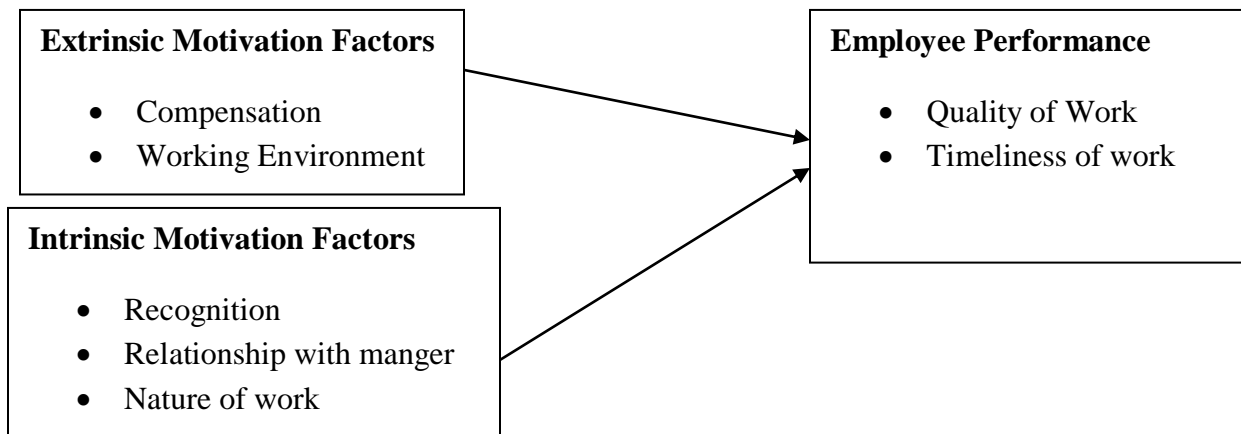
employee performance, still organizations have question that which motivation factor is more significant on employee performance. This research will explore the relationship between these employee motivation factors with the performance of the employees working in ZAF Pharmaceutical Plc, Ethiopia.

2.3 Conceptual Framework

The following framework model is developed, having reviewed the different literatures in the previous section, in order to provide a clear view of how the specific concepts and theories are linked to each other and are going to be applied in analyzing, presenting, and discussing the empirical finding. This study involves Extrinsic and Intrinsic motivational factors as independent variables. In independent variables extrinsic motivational factors include two main dimensions compensation, working environment. Intrinsic motivational factors include three dimensions recognition, relation with manager and nature of work. According to literature review employee's performance as dependent variable and include two main dimensions quality of work and timeliness of work. Therefore, the conceptual framework portrayed the relationship between motivational factors and employee performance.

Independent Variables

Dependent Variable



Source: (own, 2019)

Figure 2: Shows the conceptual framework of the study

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

This chapter handles the research approach and method and how data was collected for this study. It describe the research design and approach, source of data and instruments for data collection, population for the study, sampling procedures source and tools/instruments of data collection, data analysis method, reliability and validity of data and ethical consideration were included.

3.1 Research Design and Approach

In this study descriptive research design and explanatory research design using cross-sectional survey design was used. A cross-sectional design is employed because all of the needed data were collected at the single time. Descriptive research involves gathering data, describes phenomenon and then organizes, tabulates, depicts and describes data collection, in the form of graphs and charts, in order to help the reader understand the distribution of data (Cooper and Schindler, 2011). Also it presents data in terms of summery frequencies, the mean, the standard deviation, and percent in descriptive analysis. Descriptive type of research is chosen because it helps to identify present conditions and point to present needs.

The other research design was used in this study is explanatory research design. It describes the characteristics of the variable and at the same time investigate the cause-effect relationship between variables. Explanatory research it also allows to use the tools which are more qualitative in nature. It also used for explaining, understanding and predicating the relationship between motivation and performance of ZAF Pharmaceutical Plc.

This study included both qualitative and quantitative (mixed) research approaches to better understand the relationship between variables in the research problem. Quantitative analysis answers questions through distribution of questionnaires filled by respondents, and qualitative approach was applied through key informant interview to get a more comprehensive analysis and interpretation of the finding of quantitative study.

3.2 Population and Sampling Procedures

Population according to Bryman and Bell (2011)“is the universe of units from which a sample is to be selected. In other words, all elements, individuals, or units that meets the selection criteria for a group to be studied and from which representative sample is taken for detailed examination”. The total target populations in the study are workers who are working in the organization in Addis Ababa and the total populations of the workers in ZAF pharmaceutical Plc are 100 employees that are founded in the organization were included in the study. To ensure adequacy of sample size, all the 100 employees was included in the study. For this case, the sample size is based on census. The departments and position of the employees are sales and distribution, marketing, import and export, medical and equipment supplies, business development, administration and human resource, finance department, Guards, drivers and janitors (these three included as other).

3.3 Source and Tools/ Instruments of Data Collection

3.3.1 Source of Data

Data collection involves gathering of relevant and important data used for conducting a particular research work. It is the basis for acquiring data. Data can be collected in two ways which are; primary and secondary data.

3.3.1.1 Primary Data

Primary source provides first hand evidence about an event; object, person and work of art are collected by researcher himself/herself and primary source of data. The primary sources of data for this study were questionnaires collected from employees of ZAF Pharmaceutical Plc, and interview the human resource manager of ZAF.

3.3.1.2 Secondary Data

Secondary sources of data were collected and organized for other purpose and already exists and used to discuss, evaluate and analyze, summarize and process primary other purpose in line data collected. Secondary data used were archives of the organization about the background information and the profile of employees that has been consulted

from the human resource manager of the organization and from the website of the organization.

3.3.2 Instruments of Data Collection

The researcher was used two major research instruments and these are questionnaire (close-ended questions) and interview guide. These tools are selected, to get more in-depth quantitative and qualitative data from the study participants. The tools were used to assess knowledge and attitude of the participating employees and manager about the motivational factors and its effect on the employee performance.

3.3.2.1 Questionnaire

One of instruments in this study was used is Questionnaire, In order to gather the appropriate information about current motivation factors and their effect on employee performance in ZAF Pharmaceutical Plc in light of the literature reviewed.

A questionnaire is a type of survey method that develops a standardized set or list of questions given to individuals or groups, the results of which can be consistently compared and contrasted (Trochim, 2006). It can be used to reach large number of respondents, lower costs than interviewing, reduced interviewer bias and among others are advantages associated with questionnaire. Its drawbacks are low response rates, clarity issues, possible language and literacy issues, et cetera.

The scale of response on the questionnaire was from strongly Agree, Agree, neutral, Disagree to Strongly Disagree. The calibrations for the positive items are such that they were scored: 5, 4, 3, 2 & 1. The negatively structured items are scored as follows: 1, 2, 3, 4, and 5. For very low position employees who may face difficulty of understanding the English version of the questionnaire, an interpreted Amharic version was given out and their replies were back translated to English language.

3.3.2.2 Interview

Kahn and Cannell (1957) described interview as a face to face discussion between two or more people. Advantages of interview according to Saunders et al., (2007) are allowing

interviewer to concentrate on questioning and listening, accurate and unbiased record provided, and allows direct quotes to be used. Its disadvantages are expensive and time consuming, interviewer and interviewee bias. Open ended interview was conducted to gather information from human resource manager of ZAF Pharmaceutical Plc.

3.4 Methods of Data Analysis

SPSS version 25.0 of the software for analysis of present data was used to analyze data. After the data filled out, questionnaires were collected back. The filled questionnaires were checked for completeness as well as anonymity of the data. The data was coded and entered to computer by using SPSS program in order to make data cleaning, regression analysis to establish the relationship between variables such as Motivation and employee performance. Representations like tables and charts were used to ensure easy and quick interpretation of data. Descriptive statistics was used to analysis the research data results were summarized in tables and chart using percentage and frequency data. Inferential statistics was used for the hypothesis testing that was done with Pearson product moment correlation coefficient. Finally findings associated with the study were discussed in chapter four.

3.5 Reliability and Validity of Tools

3.5.1 Reliability

Reliability is the degree to which a measurement is consistent with similar results over time. Also measurements that lack reliability also lack validity. According to Ojo (2003) Reliable measurements indicate stability when tests are repeated with similar outcomes. Also literature reveals that acceptable reliability should fall between 0.70 and above. A high value of Cronbach's alpha test means that the stability, reliability and certainty of the instrument used in measurement is very assured (Singh & Masuku, 2014). The reliability of the questionnaires is tested by Cronobach's alpha on 10 non sampled respondents as pilot study. The result is summarized as follows.

Table 1: Reliability test result of the variables

Questions related to	Number of items	The value of alpha
Extrinsic factors	8	0.732
Intrinsic factors	8	0.702
Motivation factors on employee performance	10	0.830
Motivational factors	5	0.752

Since the rule of thumb suggested that the cronbach's alpha value exceeds above 0.7 the items shows good reliability and considerable acceptable.

3.5.2 Validity

According to Saunders (2004) validity is concern with whether the findings are really about what they are appears to be about. It is extent to which data collection method accurately measure what they intend to measure. Therefore, pilot test was conducted and this validation was made to get some evidence on whether the content of the items are relevant in helping to answer the research questions. For conforming the validity adviser of the university was consulted who proof may read the questionnaire and suggest any modification or changes.

3.6 Ethical Considerations

The researcher maintained scientific objectivity throughout the study, reorganization the limitations of competence. Every person involved in the study was entitled to the right of privacy and dignity of treatment and no personal harm was caused to subjective in the research. Information obtained was held in strict confidentiality by the researcher. All assistance, collaboration of other and sources from which information was drawn is acknowledged.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

Demographic characteristics of the respondents, analysis and interpretation based on the data collected from the employees of the case company are presented in this chapter. Moreover, summarized results of the demographic profile of respondents and the response towards the items include in the questionnaire as well as descriptive Statistics, correlation and regression were described, analyzed and synthesized in tables, figures, percentages and charts with the help of statistics package software for social Scientists (SPSS) version 25.

4.1 Response Rate

Questionnaires (100) were distributed to the target population and 91(91%) were received. After cleaning the data by carefully screen the data to ensure all questions were filled appropriately. All unreturned questionnaire were considered as non- respondents and removed from analyses.

4.2 Demographic Characteristics of the Respondents

Demographic characteristics including Gender, age, education background, work experience, department and response towards all variable summarized using frequencies and percentages.

Table 2: Demographic Statistics of Respondents

Characteristics	Frequency	Percent (%)
Gender		
Male	57	62.6%
Female	34	37.4%
Age		
20-30 years	40	44%
31-40 years	33	36%
41-50 years	10	11%
>51 years	8	9%

Work Experience		
<1 year	18	19.8%
1-5 years	50	54.9%
6-10 years	19	20.9%
11-15 years	4	4.4%
>15 years	0	0
Educational Qualification		
<12	4	15.4%
Certificate	6	6.6%
Diploma	4	4.4%
Bachelor Degree	61	67%
Masters	6	6.6%
>Masters	0	0
Departments		
Sales and distribution	18	19.8%
Marketing	14	15.4%
Import and export	10	10%
Medical and equipment supplies	9	9.9%
Business development	9	9.9%
Administration and Human resource	8	8.8%
Finance	11	12.1%
Others	12	13.2%

Source: Researcher’s filed survey results (2019)

The demographic data for gender shows that out of the 91 respondents 57(62.6%) of them are male and 34(37.4%) are female. It’s clear that as most of the respondents were male, the dominate number of employment is taken by male in ZAF. The target population age distribution was clearly largely dominated by respondents who are the age of 20-30 years old covering 40(44%). The next higher group was 33(36%) fall under age categories of 31-40 years. The remaining groups 10(11%), 8(8.8%) were under the age of

categories of 41-50 and >51 years respectively. Here the data confirms that the organization is largely almost half of the employees were in the age category 20-30. This can be seen as most of the employees in the organization are in the maturity age that are productive and can contribute for the achievement of sector. Above 80% of the respondents have served in ZAF for more than a year, therefore the researcher believe that the data obtained will provide good result. It can be seen that respondents who have served for 1-5 years representing 54.9% (with the frequency of 50) formed the majority whilst respondents who have served less than a year and 6-10 years followed (with a frequency of 19) representing 20.9%. Respondents who have served more than 10 years are 4 out of 91 respondents representing 4.4%. Respondents hold a range of educational qualification from >12 to above masters. The majority of the sample group holds first degree which accounts 67% with the frequency of 61 respondents. The next highest respondents were those who were less 12th grade and completion were 14 in number and accounts 15.4%. The second least number was taken by Masters Degree and certificate who were 12 in number and covers 6.6% and 6.6% from the total respectively. The least number in same category was 4 who had diploma and accounts for 4.4% from the total population. There was no respondent on above masters. This suggests that people of different educational qualifications are available in the organization. This implies that different motivation factors shall be planned and systematically apply to enhance their motivation at different levels. The above table it indicate the department they worked in and the results shows that 19.8% of the respondent 18 in number are sales and distribution, 15.4% of respondents, 14 in number are from marketing department, 11%, 10 in number are in import and export department, 9.9% are in medical and equipment supplies, also 9 in number, 9.9% of the respondents are in Business development, 8.8% are administration and human resource they were 8 in number, 12.1% of respondents are from finance were 11 in number and last 12 respondents 13.2% are janitors, drivers and doormen included in other. The result show that sales and distribution constitute the largest department with 19.8% of the total respondents.

4.3 Analysis and Interpretation of Collected Data for the Study

In the quantitative data survey questionnaires of five Likert scale were used for gathering primary data about motivation factors and their effect on employee performance. The questionnaires were ranging from low to high (strongly disagree to strongly agree). Respondents indicated whether they “SA- strongly agree”, “A- agree”, “N- neutral”, “D- disagree” or “SD- strongly disagree” with the statements provided. According to Zaidaton and Bagheri (2009) the mean score below 3.39 was considered as low, the mean score from 3.40 up to 3.79 was considered as moderate and mean score above 3.8 was considers as high as illustrated by Comparison bases of mean of score of five point Likert scale instrument. Mean value provides the idea about the central tendency of the values of a variable. Standard deviation gives the idea about the dispersion of the value of variable from its mean value.

4.3.1 Analysis of Extrinsic Factors

This section focuses on the response of the respondents to statements concerning extrinsic factors (compensation and working environment). Below are the statements and the tables showing the frequency, percentage, mean, standard division of response along with their interpretations.

Table 3: Respondents Views on Current Total Compensation

Statements	SA %	A %	N %	D %	SD %	Mean	Std. deviation
I am happy with the level of salary I receive	17.6	28.6	25.3	23.1	5.5	3.30	1.169
Our company provide a health care benefit for the employee	28.6	35.2	12.1	18.7	5.5	3.63	1.235
Our company provide transport service for the employees	19.8	34.1	18.7	16.5	11	3.35	1.277
I believe that money is a crucial incentive to work motivation because it is what I use to purchase the thing in need and desire	48.4	26.4	17.6	5.5	2.2	4.13	1.036
Total Mean= 3.6025							

Source: Researcher’s field survey result (2019)

Table 3 shows the frequency/percentage, mean and standard deviation of workers responses as regard compensation of workers.

The table shows that in the first question most respondents that is 26(28.6%) are agree about the statement in question number one. 23(25.3%) neutral about the statement, 21(23.1%) disagree with this statement, 16(17.6%) who strongly agree with the statement as opposed to 5(5.5%) who strongly disagree with the statement. The mean 3.30 of this statement is considered as low mean scores.

In the second question 32(35.2%) of the respondents are agree with the statement. 26(28.6%) of the respondents strongly agree with the statement as opposed to another 17(18.7%) of respondents who disagree with statement. Of the remaining 16 respondents 11(12.1%) are neutral while the other 5(5.5%) strongly disagree with the statement. The mean value of this statement is 3.63 which can be considered as moderately agreed.

Majority of the respondent in the third question comprising 31(34.1%) tends to agree with the statement. 18(19.8%) indicated that they were strongly agree while 17(18.7%) were neutral. The rest comprising 15(16.5%) and 10(11%) disagree and strongly disagree with the statement respectively. The mean value of this statement is 3.35 which can be considered as low mean score.

Finally in the last question the highest number of respondents 44(48.4%) appeared to strongly agree with the statement. Another 24(26.4%) were agree while 16(17.6%) neutral with the statement. The remaining 7 respondents 5(5.5%) are disagree with the statement while the other 2(2.2%) strongly disagree with the statement. The mean value of this statement is 4.13 which can be considered as highly agreed.

The total mean in table 2 ($M= 3.6025$), shows that the implementation of current compensation in ZAF Pharmaceutical PLC is moderate. From this we can understand that employees of ZAF pharmaceutical PLC are moderately agreed or satisfied with the current compensation.

Table 4: Respondents Views on Working Environment

Statements	SA %	A %	N %	D %	SD %	Mean	Std. deviation
I enjoy a friendly and simple work environment	39.6	35.2	16.5	2.2	6.6	3.99	1.120
The arrangement of my office is open and comfortable	19.8	27.5	33	16.5	3.3	3.44	1.087
The furniture in my office is comfortable for work	16.5	34.1	30.8	11	7.7	3.41	1.125
Our company does a lot to improve the work environment	17.6	31.9	27.5	16.5	6.6	3.37	1.151
Total Mean= 3.5525							

Source: researcher's field survey result (2019)

Table 4 shows the frequency/percentage, mean and standard deviation of response in regards to work environment

The table above shows that most of the respondent that is 36(39.6%) are strongly agree with the statement in the first question. 32(35.2%) agree with the statement, 15(16.5%) are neutral about the statement while 6(6.6%) strongly disagree with the statement and remain 2(2.2%) are disagree with the statement. The mean value of this statement is 3.99 which can be considered as highly agreed.

In the second question, 30(33%) of the respondents are neutral about the statement, 25(27.5%) of the respondents agree with the statement, 18(19.8%) who strongly agree with the statement as opposed to another 15(16.5%) of the respondent who disagree with the statement, remain 3(3.3%) strongly disagree with statement. The mean value of this statement is 3.44 which can be considered as moderate.

Majority of the respondents in the third question comprising 31(34.1%) tends to agree with the statement. 28(3.8%) indicated that they were neutral while 15(16.5%) strongly agree with the statement, 10(11%) and 7(7.7%) disagree and strongly disagree with the

statement respectively. The mean value of this statement is 3.41 which can be considered as moderately agreed.

Finally, in the last question the highest number of respondents 29(31.9%) appeared to agree with the statement. Another 25(27.5%) were neutral while 16(17.6%) strongly agree with the statement. The remaining 15(16.5%) disagree, 6(6.6%) strongly disagree with the statement. The mean value of this statement is 3.37 which can be considered to be low or disagree.

The total mean in table 3 ($M= 3.5525$), shows that the implementation of working environment in ZAF pharmaceutical Plc is moderate. From this we can understand that employees of ZAF pharmaceutical Plc are moderately agreed or satisfied with the current working environment practice.

The human resource manager was asked if there organization has extrinsic employee motivational factors, according to the interview findings, there are some sort of motivational schemes or packages in the organization such as performance based salary increment, health care benefits and partial transport service for employees. Also the organization does a lot to improve the work environment by creating friendly and simple working environment, arranging the office and the furniture to be comfortable for the employees.

4.3.2 Analysis of Intrinsic Factors

This section focuses on the response of the respondents to statements concerning Intrinsic factors (Recognition, Relationship with manager and Nature of work). Below are the statements and the tables showing the frequency, percentage, mean, standard division of response along with their interpretations.

Table 5: Employees Views on Recognition

Statements	SA %	A %	N %	D %	SD %	Mean	Std. deviation
It is important to me to be recognized by management/supervisor for a job well done	27.5	57.1	7.7	3.3	4.4	4.00	0.943
I believe formally recognized of high performers will encourage low performers to work hard	19.8	53.8	24.2	1.1	1.1	3.90	0.761
I will be motivated to do my job when I am recognized	35.2	51.6	9.9	1.1	2.2	4.16	0..820
It is important to me to be recognized by my coworkers and manager for a job well done	33.0	47.3	15.4	4.4	-	4.09	0.812
Total Mean= 4.0375							

Source: researcher's field survey Result (2019)

Table 5 shows the frequency/percentage, mean and standard deviation of workers response as regards recognition of workers

The table shows that in the first question most of the respondents 52(57.1%) tends to agree with the statement. 25(27.5%) are strongly agree while 7(7.7%) are neutral with the statement. Of the remaining 7 respondents 4(4.4%) strongly disagree and 3(3.3%) disagree with the statement. The mean value of this statement is 4.00 which can be considered as highly agreed.

In the second question, 49(53.8%) of the respondents agree with the statement while another 22(24.2%) are neutral. Of the remaining respondents 18(19.8%) strongly agree while the other 1(1.1%) and 1(1.1%) tends to disagree and strongly disagree with the statement respectively. The mean value of this statement is 3.90 which indicates that most of the respondents are leaning towards agree.

The table also shows in the third question that the majority of the respondents specifically 47(57.6%) of the respondent agree with the statement. 32(35.2%) strongly agree while 9(9.9%) are neutral about the statement. Also 2(2.2%) of the respondents as well as 1(1.1%) tends to strongly disagree and disagree with the statement respectively. The mean value of this statement is 4.16 which indicates that most of the respondents are leaning towards agree.

Finally in the last question, most respondents 43(47.3%) are agree with the statement. 30(33%) strongly agree with the statement while 14(15.4%) are neutral about the statement, remain 4(4.4%) are disagree with the statement. None of the respondents strongly disagree with the statement. The mean value of this statement is 4.09 which indicates that most of the respondents are leaning toward agree.

The total mean in table 4 (M= 4.0375), shows that the implementation of recognition in ZAF pharmaceutical Plc is high. From this we can understand that employees of ZAF pharmaceutical Plc are highly agreed or satisfied with the current recognition practice.

Table 6: Employee Views on Relationship with Managers

Statements	SA %	A %	N %	D %	SD %	Mea n	Std. deviation
My relationship with my manager is strictly professional inside of work	38.5	31.9	11.0	17.6	1.1	3.89	1.140
My manager involves me in decision making processes	12.1	30.8	24.2	14.3	18.7	3.03	1.303
I enjoy a friendly relationship with my manager outside of work	17.6	34.1	26.4	17.6	4.4	3.43	1.107
I receive credit or praise from my manager when I meet the expectation	8.8	24.2	40.7	15.4	11.0	3.04	1.095
Total Mean= 3.3475							

Source: researcher's field survey result (2019)

Table 6 shows the frequency/percentage, mean and standard deviation of response as regards relationship with managers

The table indicates that in the first question, a high number of respondents that is 35(38.5%) strongly agree with the statement. 29(31.9%) tends to agree with the statement and 16(17.6%) disagree with the statement while 10(11%) are neutral about the statement. remain 1(1.1%) tends to strongly disagree with the statement. The mean value of this statement of is 3.89 which indicates that most of the respondents are leaning towards agree.

Majority of the respondents 28(30.8%) agrees with the statement in the second question, 22(24.2%) are neutral. 17(18.7%) strongly disagree with the statement while 13(14.3%) and 11(12.1%) disagree and strongly agree with the statement respectively. The mean value of this statement is 3.03 which indicates that most of the respondents are leaning towards disagree.

In the third question, a great number of the respondents precisely 31(34.1%) agree with the statement. 24(26.4%) are neutral about the statement. Another 16(17.6%) and 16(17.6%) tends to disagree and strongly agree with the statement respectively meanwhile 4(4.4%) strongly disagree with the statement. The mean value of this statement is 3.43 which indicate that most of the respondents are leaning towards neutral.

Finally in the last question, most respondents 37(40.7%) are neutral about the statement. 22(24.2%) agree, 14(15.4%) disagree while 10(11%) strongly disagree as opposed to 8(8.8%) who strongly agree with the statement. The mean value of this statement is 3.04 which indicates that most of the respondents are leaning towards disagree.

The total mean in table 5 (M=3.3475), shows that the implementation of relationship with manager in ZAF pharmaceutical Plc is low. From this we can understand that employees of ZAF pharmaceutical Plc are not satisfied with the relationship with manager practice.

Table 7: Employees Views on Nature of Work

Statements	SA %	A %	N %	D %	SD %	Mean	Std. deviation
I am happy with my job	25.3	30.8	33.0	7.7	3.3	3.67	1.044
I feel bored to execute same job	13.2	31.9	26.4	22.0	6.6	3.23	1.136
I would be more motivated, if my job is more challenging and interesting	19.8	46.2	25.3	6.6	2.2	3.75	0.926
I would be more motivated, if I accomplish my job by rotating from one to another task in the organization	14.3	36.3	26.4	18.7	4.4	3.37	1.082
Total Mean= 3.505							

Source: Researcher's field survey result (2019)

Table 7 shows the frequency/ percentage, mean and standard deviation of responses as regards nature of work of workers

The table shows that in the first question most of the respondents 30(33%) are neutral about the statement. 28(30.8%) agree while 23(25.3%) strongly agree with the statement. Of the remaining 10 respondents 7(7.7%) disagree and 3(3.3%) are strongly disagree with the statement. The implication of the mean at 3.67 indicates that most the respondents are leaning towards neutral.

In the second question, majority of the respondents specifically 29(31.9%) agree with the statement while another 24(26.4%) are neutral. 20(22%) tends to disagree with the statement. Also 12(13.2%) of the respondents as well as 6(6.6%) tends to strongly agree and strongly disagree with the statement respectively. The implication of the mean at 3.23 indicates the most respondents are leaning towards disagree.

In the third question, 42(46.2%) of the respondents agree with the statement while another 23(25.3%) are neutral. Of the remaining respondents 18(19.8%) strongly agree while the other 6(6.6%) disagree with the statement. Only 2(2.2%) respondents strongly

disagree with the statement. The implication of the mean 3.75 indicates the most respondents are leaning towards neutral.

Finally in the last question, highest number precisely 33(36.3%) of the respondents agree with the statement while 24(26.4%) are neutral. Also it shows that 17(18.7%) of the response are disagree as opposed to 13(14.3%) and 4(4.4%) who strongly agree and strongly disagree with the statement respectively. The implication of the mean at 3.37 indicates that most of the respondents are leaning disagree.

The total mean in table 6 ($M=3.505$), shows that the nature of work in ZAF pharmaceutical Plc is low. From this we can understand that employees of ZAF pharmaceutical Plc are not satisfied with the existing design of work.

The human resource manager was asked if ZAF Pharmaceutical Plc had implemented intrinsic motivational factors, to motivate employees, the findings of interview, revealed that there was no well designed, consistence like extrinsic motivation factors schemes in the organization but the manger believe that intrinsic motivational factors has also a great role in motivating employees and improve their performance.

4.3.3 Effect of Motivation factors on Employee Performance as Perceived by Employees

This section focuses on the response of the respondents to statements on effect of motivation factors on employee performance. In this study the research focus on the two dimension of employee performance on quality of work and timeliness of work. Below are the statements and the tables showing the frequency, percentage, mean, standard division of response along with their interpretations.

Table 8: Employees Views on Employee Performance (Quality of Work)

Statements	SA %	A %	N %	D %	SD %	Mean	Std. deviation
The existence of current total compensation has a positive effect on my quality of work	28.6	45.1	22.0	4.4	-	3.98	0.830
The conditions in my working environment allow me to improve the quality of my work	28.6	36.3	24.2	4.4	6.6	3.76	1.119
Being recognized improves my quality of work	33.0	50.5	12.1	3.3	1.1	4.11	0.823
My relationship with my manager allows me to improve my quality of work	23.1	51.6	20.9	3.3	1.1	3.92	0.820
The way my job design has a positive impact on the quality of my work	41.8	36.3	13.2	3.3	5.5	4.05	1.089
Total Mean= 3.964							

Source: Researcher's field survey result (2019)

Table 8 describes the response of participants as regards the quality of work

The first question in this table shows that a great number specifically 41 of the respondents constituting 45.1% of the workforce are agree about the statement. Another 26(28.6%) of the respondents tends to strongly agree with the statement. Also 20(22%) of the respondents are neutral about the statement. Only 4(4.4%) of the entire respondents disagree with statement. None of the respondents strongly disagree with the statement. The implication of the mean at 3.98 indicates that most of the respondents are leaning towards agree.

Result from the table shows that 33(36.3%) of the respondents agree with the statement in the second question. 26(28.6%) strongly agree with the statement, 22(24.2%) are neutral while 6(6.6%) and 4(4.4%) of the respondents strongly disagree and disagree with the statement respectively. The implication of the mean at 3.76 indicates that most of the respondents are leaning towards neutral.

Most employees 46(50.5%) of the respondents agree with the statement in the third question. Also 30(33%) of the respondents strongly agree with the statement while 11(12.1%) are neutral. Only 3(3.3%) and 1(1.1%) of the respondents disagree and strongly disagree with the statement respectively. The implication of the mean at 4.11 indicates that most of the respondents are leaning towards agree.

In the fourth question, the table shows that most respondents 47(51.6%) agree with the statement. Furthermore 21(23.1%) of the respondents strongly agree with the statement. Although 19(20.9%) of the respondents were neutral, the remaining 4 respondents 3(3.3%) disagree and 1(1.1%) strongly disagree with the statement. The implication of the mean at 3.92 indicates that most respondents are leaning towards agree.

In the last question, majority that is 38(41.8%) of the respondent strongly agree with the statement. Also 33(36.3%) agree with the statement while the remaining 12(13.2%) of the respondents are neutral, 8 respondents 5(5.5%) strongly disagree and 3(3.3%) disagree with the statement. The implication of the mean at 4.05 indicates that most of respondents are leaning towards agree.

The total mean in table 7 ($M=3.964$), shows that the motivation factors has effect on the quality of work on employee performance in ZAF pharmaceutical Plc is considered as high. From this we can understand that the motivation factors have a high effect on performance of employees at ZAF pharmaceutical Plc.

Table 9: Employees views on Employee Performance (Timeliness of Work)

Statements	SA %	A %	N %	D %	SD %	Mean	Std. deviation
Our current total compensation program motivates me to meet my work schedules on time	22.0	50.5	18.7	6.6	2.2	3.84	0.922
The quality of working environment at the organization has positive influence on meeting my work deadlines	34.0	36.3	22.0	4.4	3.3	3.93	1.020
Recognition motivates me to be timely in completing my duties	37.4	40.7	17.6	2.2	2.2	4.09	0.915
My relationship with my managers has positive impact on my timeliness	35.2	44.0	17.6	3.3	-	4.11	0.809
The nature of my work motivates me to complete my tasks on time	45.1	34.1	14.3	5.5	1.1	4.16	0.946
Total Mean= 4.026							

Source: researcher's field survey results (2019)

Table 9 describes the responses regarding on timeliness of work in frequency/percentage, mean and standard deviation

The table indicates that in the first question, a high number of respondents that is 46(50.5%) agree with the statement. 20(22%) strongly agree with the statement and 17(18.7%) are neutral. 6(6.6%) disagree and 2(2.2%) strongly disagree with statement. The implication of the mean at 3.84 indicates that most of the respondents are leaning towards agree.

Majority of the respondents 33(36.3%) agree with the statement in the second question, 31(34%) strongly agree with the statement. 20(22%) were neutral while 4(4.4%) disagree

and 3(3.3%) strongly disagree with the statement. The implication of the mean at 3.93 indicates that most of respondents are leaning towards agree.

Most of the respondents in the third question which comprises 37(40.7%) agree with the statement. 34(37.4%) strongly agree while 16(17.6%) were neutral about the statement. Only 2(2.2%) and 2(2.2%) disagree and strongly disagree with the statement respectively. The implication of the mean at 4.09 indicates that most of respondents are leaning towards agree.

A great number of the respondents in the fourth that is 40(44%) agree with the statement, 32(35.2%) strongly agree while 16(17.6%) who were neutral. Only 3(3.3%) disagree with the statement. None of the respondents strongly disagree with the statement. The implication of the mean at 4.11 indicates that most of the respondents are leaning towards agree.

Finally 41(45.1%) strongly agree with the statement in the last question. 31(34.1%) agree, 13(14.3%) respondents are neutral about the statement and 5(5.5%) tends to disagree while 1(1.1%) strongly disagree with the statement. The implication of the mean at 4.16 indicates that most of the respondents are leaning towards agree.

The total mean in table 8 ($M=4.026$), shows that the motivation factors has effect on the timeliness of work on employee performance in ZAF pharmaceutical Plc is considered as high. From this we can understand that the motivation factors have a high effect on performance of employees at ZAF pharmaceutical Plc.

According to the human resource manager a response motivational factors are significant on the employee performance and has a great effect in increasing their level of performance and productivity. Also he said that when motivational factors are missed the employees feel de-motivated and that cause poor performance on their work as well as on the organization. Also the human resource manger agreed that the current motivational factors are not sufficient, however he claimed that the employees were motivated to some extent to perform the assigned duties regardless of the organizations contribution.

4.3.4 Most Valued Motivation Factors

From the given motivational factors the respondents revealed that:

Table 10: Most Valued by Employees Motivational Factors

Motivational Factors	Valued				
	1 st %	2 nd %	3 rd %	4 th %	5 th %
Compensation	42.9	14.3	15.4	11	16.5
Working Environment	13.2	25.3	23.1	26.4	12.1
Recognition	14.3	20.9	27.5	16.5	20.9
Relationship with manager	7.7	18.7	24.2	23.1	26.4
Nature of work	22.0	20.9	9.9	23.1	24.2

Source: own Computation based on data collected (2019) (SPSS result)

From the five motivational factors, compensation, nature of work, recognition, working environment and relationship with manger were valued as 1st, 2nd, 3rd, 4th and 5th respectively. This result is analyzed only using the 1st valued frequency chosen reply.

4.4 Correlation and Regression Analysis Results

4.4.1 Correlation Analysis Results

The study employed the correlation analysis, which investigated the strength of relationships between the studied variables. As per to Marczyk, et al (2005), general guidelines; correlations of 0.10 to 0.30 are considered as small, correlations of 0.30 to 0.70 are considered as moderate and correlations of 0.70 to 0.90 also considered as large and correlations of 0.90 to 1.00 are considered as very large.

Table 11: Correlation between the Independent and Dependent Variable

Independent Variables	Dependent Variable (Employee Performance)	Pearson Correlation (r)	Sig.
Compensation	Employee Performance	.294	.005
Working Environment	Employee Performance	.222	.034
Recognition	Employee Performance	.487	.000
Relationship with manager	Employee Performance	.452	.000
Nature of Work	Employee Performance	.413	.000

Source: research computation, 2019

The correlation table 11 above shows that the correlation that exist between the independent variables and dependent variable. Correlation between compensation and employee performance is ($r= 0.294$; $P<0.05$) there exists significant relationship on employee performance. The other independent factor is working environment ($r= 0.222$); $P<0.05$), Recognition ($r= 0.487$; $P<0.05$), Relationship with manager ($r= 0.452$; $P<0.05$) and Nature of work ($r= 0.413$; $P<0.05$) there exists significant relationship with employee performance. Hence, there exists a positive significant relationship between independent variables and dependent variable, but the correlation is considered low on compensation and working environment on employee performance and the correlation is considered as moderate on recognition, relationship with manager and nature of work on employee performance. That is when there is an increase in independent variable like compensation, working environment, recognition, relationship with manager and nature of work given to employees, there is also a corresponding increase in employee's performance.

4.4.2 Regression Analysis Results

Three (3) hypotheses were raised and tested using regression analysis in the course of this study. In regression analysis, when the significant (sig) value is less than 0.05 for 95% confidence level or less than 0.01 for 99% confidence level we accept the alternative hypothesis and reject the null hypothesis and vice versa. Moreover, the explanatory power (R^2) is used to determine the value of explaining for the study. The value of R^2

below 0.2 is considered weak explaining, between 0.2 and 0.4 is moderate explaining, and above 0.4 is considered strong power for explaining (Malhotra & Birks, 2007).

Table 12: Relation between the dependent (employee performance) variable and independent variables

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.671 ^a	.450	.438	.42713

a. Predictors: (Constant), Intrinsic motivation factors, Extrinsic motivation factors

Table 13: ANOVA summary Table

Model		Sum of Squares	df	Mean Squares	F	Sig.
1	Regression	13.138	2	6.569	36.008	.000 ^b
	Residual	16.054	88	.182		
	Total	29.193	90			

a. Dependent Variable: Employee Performance

b. Predictors: (Constant), Intrinsic motivation factors, Extrinsic motivation factors

The significance value which is located in the upper right column is the point of interest in this analysis. If that value is $<.05$, we have a significant liner regression. If it is $>.05$ we do not. The ANOVA table provides an F- test for the null hypothesis that none of the explanatory variables are related to employees overall performance, or in the other word, that R^2 is Zero. Here the researcher can clearly reject this null hypothesis ($F(36.008) = 6.569$, $P = .000$), and so we can conclude that at least one of the explanatory variables intrinsic or extrinsic motivation factors are related to employees overall performance.

Table 14: Multivariable linear regression model predicting the effect of existing level of extrinsic motivational factors and intrinsic motivational factors on employee performance in ZAF

Coefficients ^a						
	Model	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
		B	Std. Error			
1	(Constant)	1.267	.316		4.010	.000
	Extrinsic motivation factors	.329	.100	.290	3.302	.001
	Intrinsic motivation factors	.419	.075	.491	5.585	.000

a. Dependent Variable: Employee Performance

As per the regression table 111, the result of multivariable linear regression model there was a significant positive association between extrinsic motivation factors ($\beta= 0.329$, $P= 0.001$) and there was also significant positive association between intrinsic motivation factors ($\beta= 0.419$, $P= 0.00$). In addition, the β - values and their significance are important statistics to look at. The findings indicated that for a unit increase in the current extrinsic motivation factors score, workers performance increased 0.329 and also the findings indicate that the current intrinsic motivation factors score, workers performance increased 0.419. According to regression coefficient (beta), intrinsic motivation factors are at the first place of important to affect employee's performance. The specified regression equation takes the following form

$$Y = \alpha + \beta_1(X_1) + \beta_2(X_2) + \epsilon$$

$$= \alpha + \beta_1 (\text{extrinsic motivation factors}) + \beta_2 (\text{intrinsic motivation factors}) + \epsilon$$

Where:

Y= Employee performance (EP)

B1 and β_2 = the regression standardized coefficient of each variable

Therefore the equation derives as

$$Y = 1.267 + 0.329X_1 + 0.419X_2 + \epsilon$$

The beta value of extrinsic motivation factors .329 ($P < 0.05$) tells us that there is positive and significant relationship between extrinsic motivation factors and employee performance. Therefore we reject the null hypothesis and accept the alternative hypothesis of the existence of significant relationship with performance. The value of intrinsic motivation factors .419 ($P < 0.05$) tells us that there is positive and significant relationship between intrinsic motivation factors and employee performance. Therefore we reject the null hypothesis and accept the alternative hypothesis of the existence of significant relationship with performance

Table 15: Research Hypothesis Summary

Hypothesis	Result	Reason
H1 Extrinsic motivation factor has positive effect on employee performance	Accepted	$\beta = 0.329, P = 0.01$
H2 Intrinsic motivation factors has positive effect on employees performance	Accepted	$\beta = 0.419, P = 0.00$
H3 Extrinsic motivation factors have greater positive impact on employee performance than intrinsic motivation factors	Rejected	

Source: researcher's computation, 2019

Based on the equation, the regression standard coefficient, intrinsic motivation factors ($\beta = 0.419$) is greater than of extrinsic motivation factors ($\beta = 0.329$) as a result of this:

Compared to extrinsic motivation factors, intrinsic motivation factors are at the first place of importance to affect employee's performance. The study result is agreed with a

research conducted by Gure, Naima Abdullahi (2010), which they stated that employee motivation has a strong effect on their performance. Furthermore, the study result also agree with Nchorbune Dominic Abonam (2011), he also found that motivational packages available to employees in the university were largely inadequate and not enough to motivate employees, this study results shows that motivational packages are available not adequate to satisfy or motivate employees to perform well. The result of study by AfrevIjah (2013), showed that there exists a positive and significant relationship between extrinsic motivation and employees performance but there exists no significant relationship between intrinsic motivation and employee performance, this study disagree with the above results of the study, in this study the results shows that both motivational factors has a positive significant relationship with employee performance, also the results shows that intrinsic motivation factors has a great impact on employee performance than extrinsic motivation factors on employee performance.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

This chapter bases on the findings of the preceding chapter, objectives of the study and the research questions that were to be answered by the study. This chapter is divided into three sections. The first section presents a summary of the study findings, the second part presents conclusion and lastly the third contains recommendations.

5.1 Summary of Findings

The objective of this study is to examine the motivational factors and their effect on employee performance at ZAF pharmaceutical Plc. The studies was conducted by distributing questionnaire to employees and interview the Human resource manager and distributed questionnaire was collected, edited and entered into the Statistical Package for Social Sciences (SPSS) software to run the analysis. To test the reliability of the scale Cronbach's Coefficients (alpha) were computed for the 10 questionnaires for pilot survey and the Cronbach's Coefficient (alpha) for the overall scale items was 0.753 which is acceptable according to Ojo (2003). This study used descriptive statistics using statistical indexes such as frequency, percentage, mean and standard deviation. In using inferential statistics, the data was analyzed using correlations and regression statistical tests along with the p-value, which was vital in making sense of the data. The analyzed data was presented in the form of tables according to the research question.

Based on the descriptive statistical analysis of the respondents information the result of the study indicates that the gender distribution majority of the respondents were male that is 62.6% of the total respondents, out of the total respondents 44% of respondents are between age 20-30, majority of respondents have 1-5 year of working experience at ZAF, according to education background 67% of the respondents are who holds BA/BSC.

Along with the data that have been gathered from the questionnaire, the researcher has conducted interview with organization human resource manager. According to human resource manager response for the question whether ZAF has motivation program in place, he replied that, there is a practice but not considered as sufficient. He also said the

organization mostly provides motivation incentives such as performance based salary, health care benefits and partial transport services for its employee.

Before the regression analysis results from pearson's product moment correlation coefficient and as per Marczyk, et al (2005) interpretation of r value were used to discussed the relationship independent and dependent variables tested.

The relationship between dependent variable employee performance and an independent variables extrinsic motivation factors (compensation, working environment) and intrinsic motivation factors (recognition, relationship with manager and nature of work) shows that there is statistically significant relationship exist between all variables of motivation and employee performance.

Also regression output showed that an intrinsic motivation factors ($\beta=0.419$) in ZAF has greater significance effect than extrinsic motivation factors ($\beta=0.329$) on employee's performance. This implies that employee's of ZAF satisfied by intrinsic motivation factors than extrinsic motivation and has a great influence on their performance. Finally, study reveals that respondents agreed the roles of motivations are significant and could affect the performance of workers.

From the study a majority of the respondents the most valued independent variable that motivates them to perform well in their job is compensation, followed by nature of work, recognition, working environment and relationship with manager as 2nd, 3rd, 4th and 5th by ZAF employees.

5.2 Conclusions

The main objective of the research was to assess the effects of both motivation factors intrinsic and extrinsic motivation factors on employee performance of ZAF employees. The study findings out that ZAF has provide motivation incentives such as salary, health care and transportation services, does a lot to improve the working environment for its employees and other fringe benefits to its employee. Based on the results obtained it can be conclude that both intrinsic and extrinsic motivation factors of ZAF were found to be insufficient to motivate the employees, while both intrinsic and extrinsic motivation

factors have positive relationship with employee performance. Finally, from the study findings and based on the above objectives of the study, it can be conclude that ZAF pharmaceutical Plc employees performance is highly affected by intrinsic motivational factors.

5.3 Recommendations

The results obtained from this research can certainly be used to improve the current practice of motivation in ZAF Pharmaceutical Plc. The following recommendations are made based on the research and survey conducted above.

- Recognition employee's talents and contribution is also crucial. Organization should ensure proper recognition is on the package and provide adequate feedback on the strength and weakness of employee's performance. Also ZAF Pharmaceutical Plc also shall have a mechanism to give interesting and challenging jobs to employees. Hence if they are given challenging tasks, employees will have a tendency to enjoy their workplace and want to spend much of their time in creativity while finding solutions to those challenging duties. The management of ZAF should encourage interpersonal relations between managers and employees to promote sense of belongingness. They should also ensure employees are involved in decision making processes and given a chance to share their views.
- Furthermore, adequate compensation in the form of monetary or non- monetary reward are essential in order to ensure that employees are motivated. Also the employer should ensure that the packages are fairly, justly and competitively allocated to employees. Also management must ensure to create a work environment that is conducive for employee with adequate working conditions as well as providing the right tools and resources to ensure quality and timeliness of work.
- From the results, obtained, it is recommended that organization should understand the needs of employees and incorporate both extrinsic and intrinsic motivational factors in their packages to satisfy employees.

The focus of this study was ZAF Pharmaceutical Plc, Addis Ababa and its employees. The results therefore limited with regard to generalization. Considering the other complex issues that surround the topic of employee motivation that have not been addressed by this study, additional research should be carried out in order to improve the current study and increase scope and understanding on employee motivation.

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Appedix-1: Questionnaire to be filled by Employees of ZAF pharmaceutical Plc.

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

**Thesis on Effect Motivation on employee performance in the case of ZAF
Pharmaceutical Plc., Ethiopia**

My name is kalkidan Tadesse. I am working on my thesis on effect of motivational on employee performance as part of the partial fulfillment for the MBA program at St. Mary's University. The purpose of this study is to assess the relationship between motivational factors and employee performance in the organization. Hence, the following questions are developed to collect data.

There will be no anticipated risk or discomforts to you with this study. There is no part that identifies your identity and the information you will give me will be strictly confidential and will not be disclosed to anyone. Your participation in this study is voluntary. The information obtained from this study might help to design appropriate interventions. Modification in the process, procedure and in the system of the organization in general will be recommended. However, your participation and honest response is important. The survey will take about half an hour to go through with all the questions.

I would greatly appreciate your help in responding to this survey.

Thank you for your cooperation.

Instruction: Where alternative answers are given, please circle on the letter of your choice.

Part 1: Respondents Background Information

1. Gender

- A. Male B. Female

2. Age:

- A. 20-30 B. 31-40 C. 41-50 D. >51

3. Work experience in ZAF Pharmaceutical plc.

- A. <1 year B. 1-5 year C. 5-10 years
D. 10-15 years E. >15 years

4. Educational qualification

- A. <12 B. Certificate C. Diploma
D. Bachelor Degree E. Masters F. >Masters

5. Department

- A. Sales and distribution B. Marketing C. Import and export
D. Medical and equipment supplies E. Business Development
F. Administration and Human Resource G. Finance H. Other

Part 2: extrinsic factors

The questions in this section concern characteristic related extrinsic factors and their effect on employee performance. Using the key below, please indicate the extent to which you agree with each statement.

1= Strongly Disagree 2=Disagree 3=Neutral 4=Agree 5= Strongly Agree

1.Compensation	1	2	3	4	5
1.1. I am happy with the level of salary I receive					
1.2. Our company provide a health care benefit for the employees					
1.3. our company provide transport service for the employees					
1.4. I believe that money is a crucial incentive to work motivation because it is what I use to purchase the things I need and desire					
2. Working Environment					
2.1. I enjoy a friendly and simple work environment					
2.2. The arrangement of my office is open and comfortable					
2.3. The furniture in our office is comfortable for work					
2.4 Our company does a lot to improve the work environment					

Part 3: intrinsic factors

The questions in this section concern characteristic related intrinsic factors and their effect on employee performance. Using the key below, please indicate the extent to which you agree with each statement. 1= Strongly Disagree 2=Disagree 3=Neutral 4=Agree 5= Strongly Agree

1. Recognition	1	2	3	4	5
1.1. It is important to me to be formally recognized by management/supervisor for a job well done					
1.2. I believe formally recognized of high performers will encourage low performers to work hard					
1.3. I will be motivated to do my job when I am recognized					

1.4. It is important to me to be recognized by my coworkers and manger for a job well done					
2. Relationship with Manager					
2.1. My relationship with my managers is strictly professional inside of work					
2.2. My manager involves me in decision making processes					
2.3. I enjoy a friendly relationship with my manager outside of work					
2.4. I receive credit or praise from my manager when I meet the expectation					
3. Nature of work					
3.1. I am happy with my job					
3.2. I feel bored to execute same job					
3.3. I would be motivated, if my job is more challenging and interesting.					
3.4. I would be motivated, if I accomplish my job by rotating from one to another task in the organization.					

Part 4: Effect of motivational factors on employee performance as perceived by employees

Using the key below, please indicate the extent to which you agree with each statement.

1= Strongly Disagree 2=Disagree 3=Neutral 4=Agree 5= Strongly Agree

Effect of motivation factors on employee performance	1	2	3	4	5
1.1 The existence of current total compensation has a positive effect on my quality of work.					

1.2 Our current total compensation program motivates me to meet my work schedules on time.					
1.3 The quality of working environment at the organization has positive influence on meeting my work deadlines.					
1.4 The conditions in my working environment allow me to improve the quality of my work.					
1.5 Recognition motivates me to be timely in completing my duties.					
1.6 Being recognized improves my quality of work.					
1.7 My relationship with my managers has positive impact on my timeliness.					
1.8 My relationship with my manager allows me to improve my quality of work.					
1.9 The way my job design has a positive impact on the quality of my work.					
1.10 The nature of my work motivates me to complete my tasks on time.					

Part 5: Rate and circle corresponding numbers against each factor of motivation factor you consider the important that would influence the performance at work (or which one of the following factors motivate you more), circle your answer as 1st is most valued and 5th is less valued

Motivational factors	Rank				
Compensation	1	2	3	4	5
Working environment	1	2	3	4	5
Recognition	1	2	3	4	5
Relationship with manager	1	2	3	4	5
Nature of work	1	2	3	4	5

Appendix-2: Interview Checklists

St. Mary's University

Topic: Effect of Motivation on Employee Performance: The Case of ZAF PHARMACEUTICAL Plc.

This interview guide on “Effect of Motivation on employee performance: the case of ZAF pharmaceutical plc seeks to gather data for research purpose. It is an academic hence your responses will be used for that purpose. You are assured of confidentiality of the responses/ answers you will provide. Thank you.

Kalkidan Tadesse

Interview Guide

1. Does ZAF Pharmaceutical Plc has employee motivational programs?
2. What type of motivation programs your organizations mostly provide for employees?
3. Does the current motivational practice satisfy the employees of the organization?
4. What do you think are the effect of motivation on employee performance?