



**ST. MARY UNIVERSITY  
SCHOOL OF GRADUATE STUDIES  
DEPARTMENT OF MASTERS OF BUSINESS  
ADMINISTRATION**

**EFFECT OF MOTIVATION ON EMPLOYEE PERFORMANCE: THE  
CASE OF AWACH SAVING AND CREDIT COOPERATIVE**

**BY: - MOGES GHEBRETSADIK**

**(ID:-0182/2011 A)**

**JUNE 2020  
ADDIS ABABA, ETHIOPIA**

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**A THESIS SUBMITTED TO ST.MARY'S UNIVERSITY, SCHOOL OF  
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**APPROVED BY BOARD OF EXAMINERS**

**Dean, Graduate Studies**

**Signature**

**Date**

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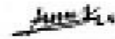
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**Advisor**

**Signature**

**Date**

Melaku Girma (PhD)



04 Sep.2020

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**External Examiner**

**Signature**

**Date**

Hilemariyam G/Michael (PhD)



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**Internal Examiner**

**Signature**

**Date**

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## DECLARATION

I, the under signed, declare that this 'Thesis' entitled with “**EFFECT OF MOTIVATION ON EMPLOYEE PERFORMANCE: THE CASE OF AWACH SAVING AND CREDIT COOPERATIVE**”, is my original work, prepared under the guidance of my Advisor Dr. Melaku Girma. All necessary sources of materials used for the preparation of this 'thesis' have been appropriately acknowledged. Furthermore, I want to confirm that the thesis has not been submitted either in part or in full to any other higher learning institution for the purpose of earning any degree.

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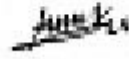
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## ENDORSEMENT

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

Melaku Girma (PhD)

Advisor



Signature

04 Sep. 2020

**St. Mary's University, Addis Ababa**

**Date** \_\_\_\_\_

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## ABSTRACT

*Motivation and performance of the employees are essential tools for the success of any organization in the long run. Previous researches indicated that motivation shows a crucial significant part in all private and public organizations, and there is a positive relationship between employee motivation and organizational effectiveness. These findings stressed that organization cannot run and cannot attain their desired goals and objectives without motivating their employees. The main purpose of this research work was to find out the impact of motivation on employee performance and job satisfaction at Awach Saving and Credit Cooperative (ASCC). The study followed Mixed Methods approach, where both qualitative and quantitative researches were applied. Closed ended questionnaires and interview were data collection instruments used for this study. A 61% response rate was obtained from the ASCC respondents. Data were analyzed by using descriptive statistics focusing on the frequency, mean, standard deviation and percentages and the data were processed by using statistical package for the social sciences (SPSS) version 20. Moreover an inferential statistics was also applied to see relationships and effects of the independent variables on the dependent variable. To analyze the qualitative data, content analysis was conducted and finally it was triangulated with the quantitative data. The study finding showed that relationship between the enterprise's management and its employees, job security, reward and praise system motivate employees more than others motivating variables. The employee performance in terms of job knowledge, employees attendance and ownership and their compliance are positively impacted by the motivation scheme of the company. To make motivation an integral part of the company the researcher therefore recommended that motivation should be management's topmost priority in order for employees to deliver excellent service to its valued customers. The study also recommends ASCC to embark on initiatives to use an integrated approach towards developing motivational scheme so as to instill good motivational practice for improving employee performance.*

*Key Words: Motivation, organization, Job performance, effectiveness*

# **CHAPTER ONE**

## **INTRODUCTION**

This chapter presents the background of the research, statement of the problem, research objectives, research questions, significance of the study, scope and organization of the study.

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

Microfinance is the provision of microloans to poor entrepreneurs and small businesses lacking access to banking and related services. Saving and Credit Cooperative are the main source of finance for people who have low income level. People who are working in saving and credit cooperative need to be motivated to perform their micro financing job in an effective and efficient manner. Motivation is the process of stimulating people to actions to accomplish the goals. In the work goal context, the psychological factors stimulating the people's behavior can be -desire for money, success, recognition, job-satisfaction, team work, etc. One of the most important functions of management is to create willingness amongst the employees to perform in the best of their abilities. (Baron, Henley, McGibbon and McCarthy, 2012).

In its annual brochure Awach Saving And Credit Cooperative has stated that it motivates its employees in all forms of motivational strategies like materialistic motivators which includes annual increment in salary, provision of job security and different forms of incentives depending on employee performance. Moreover, the company has stated it has a recognition mechanism, organizational career development motivators, and have a means of collaboration and cooperation motivators in its strategy equally for all its employees in every branch.

According to Tella et al., (2007), to make employees satisfied and committed to their jobs, effective motivation at the various levels in the organization is strongly needed. This indicates that employee motivation and commitment is very important for an organization's success. In this study the monetary factors which impact employee performance like competitive salary, incentives , benefits, welfare measures, financial rewards for financial success will be used as a factor. While, the non-monetary factors which impact employee

performance like opportunities for growth, talent recognition, company values, Policies & Practices and empowerment will be included in the study.

The researcher is interested in this specific area to know what motivates employees most that assist them to increase their performance on their respective jobs. The overall goal of this thesis is to look the effects of motivation on the performance of employee by taking Awach Saving And Credit Cooperative into consideration. The key contribution of this work is to provide knowledge on employee performance that could be stimulated by motives in the organizations, as it will highlight the major problems of both employees and employer in the organization

## **1.2 Statement of the Problem**

In the contemporary competitive world, business organizations are facing ever-growing challenges regarding motivating their employees, bring commitment and retention of their employees. Many research findings in different countries and across industries show that employees who are passionate about their jobs and the organizations in which they work are found in lesser. In relation to bringing commitment towards their job ASCC has aggressively working improve employee motivation so as to boost employee performance for the betterment of its activities. According to the 2019 annual report of ASCC, the company is planning to instill different motivational scheme including materialistic and recognition motivators, which were assumed one of the major elements in motivating employees. But the management of ASCC it is believed that highly skilled, reliable and experienced employees are a valuable asset for Awach Saving And Credit Cooperative.

According to Alkhaffaf (2011), organization today lives in a very dynamic environment, so it needs to change its manager's role, and expand its employee's capabilities, responsibilities and power; in order to deal with such changes. Low productivity is a problem that appears in many societies and a lot of money, energy and time is wasted, so we need to motivate, reward and stimulate employees to raise and enhance the commitment; in order to support the productivity.

Some organizations have been known to experience a high staff turnover despite offering above average salaries. Aguinis (2012). This tells us that money is not the only way to motivate employees. Additionally, different people are motivated by different factors. George and Jones (2002), explained that it is important for managers and supervisors to understand what motivates individual employees, and not assume a one-size-fits-all approach.

According to Erickson (2012), keeping employees motivated is essential for a happy, productive work place. motivated employees deliver a better product and contribute actively to your company, bringing fresh ideas and solutions to problems that crop up. However, it can be challenging to keep workers driven. Several factors have a negative impact on motivation, including unclear expectations, a lack of personal investment and a lack of rewards and pay.

From the researcher personal experience and information obtained from employees of ASCC, it has been learned that some employees in Saving And Credit Cooperative don't perform the given task in appropriate way. This might be as a result of poor motivation that they have within their work premises. Along with this, the researcher has conducted a preliminary discussion with the workers and it has been identified that they prefer financial incentives to non-financial incentives. From this discussion the researcher learned that ASCC is facing a problem and challenges of retention of its employees. Hence low performance and productivity becomes the end result and finally work dissatisfaction has its own effect on employee performance. This revealed that materialistic, recognition, organizational career development and collaboration motivator were not clearly practiced to enhance job performance at ASCC.

It is important for workers to believe that they have some stake in the company where they work. Employees who feel as though they are just following orders are less invested in the final product because it does not reflect their ideas and creativity. Additionally, employees who must ask their managers for permission to address small problems work less efficiently and are less likely to solve problems on their own. Workers who believe they are

inadequately compensated for their work are less likely to get fired up about their job. They feel undervalued, which can make them angry and may affect their willingness to work hard. Erickson (2012).

One of the major problems facing most employers in both public and private sector is how to motivate their employees in order to improve performance. Economics is largely based on the assumption that monetary incentives improve performance. It is generally believed that effect of monetary incentives is unambiguously positive a large monetary incentive improves employee performance. According to Kreitner and Kinicki, (2013), it is the human resource amongst other factors of production in the organization which really makes a distinction.

This research is important to Awach Saving And Credit Cooperative company to know the level of their implementation motivation strategy to improve employee performance, to identify their gap and to understand what they have to do in the future. If this research would have not be conducted and shows the existing gaps, the problem in the area would be left unanswered for a while and they could not be able to identify the root cause of the ineffectiveness of employee performance.

### **1.3 Research Questions**

The research attempt to answered the following questions

- I. What are the factors that motivate employees in Awach Saving And Credit Cooperative?
- II. What is the effect of motivation on the employees' performance in Awach Saving And Credit Cooperative?
- III. What are the relationships between employee motivation and employees performance in Awach Saving And Credit Cooperative?
- IV. What are the challenges in motivating employee in Awach Saving And Credit Cooperative?
- V. What are the factors that determines the employees performance in Awach Saving And Credit Cooperative

## **1.4 Objectives of the Study**

### **1.4.1 General Objective**

The general objective of the study is to understand the overall situation of employee motivation scheme on employee performance at Awach Saving And Credit Cooperative.

### **1.4.2 Specific Objective**

The specific objectives of the study were:

1. to assess the factors that motivate employees at Awach Saving And Credit Cooperative.
2. to determines the effect of motivation on employees performance at Awach Saving And Credit Cooperative
3. to know the effects and relationship between the motivational scheme and elements of employee performance.
4. to know the challenging issues in motivating employee at Awach Saving And Credit Cooperative.

## **1.5 Significance of the Study**

The study will develop the foundation for basis to modify or improve Awach Saving and Credit Cooperative polices especially on employee's motivation to match with current social economic and social environment. The study will be useful to establish the most significant technical issues in the management contribution to employee performance. Also it will be useful to give the long term solutions to alleviate the misfortune in organization that caused by imbalance of motivation scheme management. This study will also have special significance in solving operational and planning problems concerning employees motivation in Awach Saving and Credit Cooperative. Generally, the findings of this study will help the Awach Saving and Credit Cooperative to know the factors of motivation in employees and the relation between employee motivation and work performance. So this study will be useful for the managers to make effective strategies for employee motivation, an important tool to attain Awach Saving and Credit Cooperative's goals.



## **1.6 Scope of the Study**

This study focused on the effects of motivation on employee performance in Awach Saving And Credit Cooperative in Adiss Ababa. So this study covered in the office found in Addis Ababa. This study was started in the month of January, 2020 and finalized in July 2020. The respondents for the research questions were taken from employee of Awach Saving And Credit Cooperative. For collection of qualitative and quantitative data this study employed mixed type approach was used both qualitative and quantitative methods. In this study a descriptive survey method was used. In this study, both theoretical and empirical findings were reviewed, from which a conceptual frame work is derived to lead the research.

## **1.7 Limitation of the Study**

To date, no research has been performed at ASCC on employee motivation therefore there was a problem in getting related data from the company archives and this potentially limit the scope of the study analysis. This further can have a significant obstacle in finding a trend and a meaningful relationship between the dependent and the independent variable. Secondly, as the study applied a descriptive study it is simply tried to describe the data on one or more characteristics of a group of individuals as a result there is a limitation of establishing relationships between variables. Moreover, it is clear that a statistical tests require a larger sample size to ensure a representative distribution of the population, but due to small size of the sample taken in the study there is an observable limitation on finding a significant relationship from the data. Furthermore, on the collected data there was missed question to be answered and to some extent these gathered data reserved the researcher to conduct a detailed analysis of the results. In this study it was observed that open-ended questions get fewer and shallow responses, even some are hard to interpret and was difficult to classify. This signifies there is a need in future research to revise the specific method for gathering data.

The above quantified limitations appeared to affect the best performance of the study. Thus, the researcher is aware of the above factors that may influence the outcome of the study to some extent. As the researcher is unable to obtain comprehensive solution for the factors, they are acknowledged as a limitation of this study.

## **1.8 Organization of the Research**

Chapter one presents the background of the research, statement of the problem, research objectives, research questions, significance of the study, scope and organization of the study. Chapter two of this study highlights on literature review, conceptual definition about the motivation, conceptual framework and variables identified like theory of motivation financial incentives. Chapter three of research methodology contain research design, area of the study, sampling techniques, method of data collection. Chapter four contains result and finding, whereas chapter five cover all bout conclusion, recommendations suggestion for further study. At the last, study included the reference of the study and questionnaire used in the study.

## **1.9 Definition of Terms (Conceptual or Operational)**

**Motivation:** can be define as the strength and direction of behavior and the factors that influence performance behave in certain ways. The term ‘motivation’ can refer variously to the goals individuals have, the ways in which individuals chose their goals and the ways in which others try to change their behavior action according to Armstrong (2009). Armstrong also went explain the motivation is goal directed behavior or people are motivated when they expect that the course of action is likely to lead to the attainment of a goal and valued reward –one that satisfies their needs and wants.

**Employee:** - A person employed for wages or salary (oxford dictionary 10edt)

**Performance:** is as a work related activities expected of an employee and how well those activities well executed. Bullock (2013) define job performance in evaluative way where he defines as the overall expected value from employee behavior carried out over the course of a set of time.

## **CHAPTER TWO**

### **REVIEW OF THE RELATED LITERATURE**

The main purpose of this chapter is to see the related topics which are important published material useful to the study conceptual frame work. The main purpose of a review is to assist in developing a good understanding and insight into relevant previous research and the trends that have emerged. This would assist the study to compare the current situation with the postulations in the theoretical framework. Moreover, the theoretical and practical findings from various studies will be presented and described. A reviewed literature from secondary sources such as published books, articles and related websites will also be presented to reveal points, targeting at the attainment of the research objectives.

#### **2.1. Theoretical Literature Review**

##### ***2.1.1. Concept of Motivation***

It is commonly agreed that there are two types of motivation, namely extrinsic and intrinsic. Intrinsic motivation is that behavior which an individual produces because of the pleasant experiences associated with the behavior itself (Mosley, Pietri and Mosley Jnr, 2014). They stem from motivation that is characteristic of the job itself. Examples are receiving positive recognition, appreciation, a sense of achievement and meeting the challenge. According to Beer & Walton (2014), intrinsic rewards accrue from performing the task itself, and may include the satisfaction of accomplishment or a sense of influence. Mosley, Pietri & Mosley Jnr. (2014) describe extrinsic motivation as the behavior performed, not for its own sake, but for the consequences associated with it. Examples include salary, benefits and working conditions. Extrinsic rewards come from the organization as money, perquisites or promotions from supervisors and co-workers as recognition (Beer and Walton, 2014). Employees are motivated by a combination of both factors at any given point in time (Riggio, 2013).

Content theory of human motivation includes both Abraham Maslow's hierarchy of needs and Herzberg's two-factor theory. Maslow's theory is one of the most widely discussed theories of motivation. It is argued that the issue of what needs a person is trying to satisfy

and what features of the work environment seem to satisfy those needs. Such theory he was of the opinion tries to explain motivation by identifying; internal factors, that is particular needs and external factors, particular job and work situation and characteristics that are presumed to cause behavior. The process theories work motivation dealt with the way different variables combined to influence the amount of effort put forth by an employee. Process theories describe the process through which needs are translated into behavior. The two process theories are equity theory and expectancy theory.

### ***2.1.2. Theories of Motivation***

At one time, employees were considered just another input into the production of goods and services. What perhaps changed this way of thinking about employees was research, referred to as the Hawthorne Studies, conducted by Elton Mayo from 1924 to 1932. This study found employees were not motivated solely by money and employee behavior is linked to their attitudes. The Hawthorne Studies began the human relations approach to management, whereby the needs and motivation of employees become the primary focus of managers (Linder, 1998). Understanding what motivated employees and how they were motivated was the focus of many researchers following the publication of the Hawthorne Study results. There are several theories on motivation but the researcher will look at Maslow's hierarchy theory, Herzberg's two-factor theory, Adams' equity theory, and Alderfer ERG theory.

#### ***2.1.2.1 Maslow's Hierarchy of Needs***

In 1954 American psychologist Abraham Maslow proposed that all people are motivated to fulfill a hierarchical pyramid of needs. At the bottom of Maslow's pyramid are needs essential to survival, such as the needs for food, water, and sleep. The need for safety follows these physiological needs. According to Maslow, higher-level needs become important to us only after our more basic needs are satisfied. Hierarchy of need identifies five levels of human needs: physiological, safety, social, ego and self-actualizing. These higher needs include the need for love and belongingness, the need for esteem, and the need for self-actualization (in Maslow's theory, a state in which people realize their greatest potential). Lower level needs must be satisfied first before the next higher level need since this will motivate employees.

The organization can satisfy its employees' various needs. In the long run, physiological needs may be satisfied by the person's pay check, but it is important to remember that pay may satisfy other needs such as safety and esteem as well. Providing generous benefits that include health insurance and company-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 and providing a workplace conducive to collaboration and communication with others. Providing promotion opportunities at work, recognizing a person's accomplishment 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. By making the effort to satisfy the different needs of each employee, organizations may ensure a highly motivated workforce. The important aspect of Maslow's model is that it provides for constant growth of the individual. The theory meets the introduction needs of employees and therefore employee accomplished goal with this need in Awach Saving And Credit Cooperative. In the long run, these needs of employees may not be met as the employees rise through the microfinance and this can serve as demotivating to the employees ("Business Management Articles", April 10, 2009, <http://www.envisionsoftware.com/articles/>accessed 21 March, 2020).

#### ***2.1.2.2 Herzberg's Two-Factor Approach***

Frederick Herzberg proposed this theory, It is also known as motivator-hygiene thesis as an alternative to Taylorism which showed concerns for the quality of working life of people in organizations. This theory implies that there are two different sets of factors, hygiene and motivators or satisfiers, which affect individual motivation and job satisfaction. Herzberg, discovered that there were certain factors associated with job satisfaction (motivation factors) which are those factors that are related to the content of one's job and are necessary to maintain a reasonable level of motivation among employees, such as the nature of the work itself, the possibility for growth, responsibility, advancement, recognition and status. A completely different set of factors are associated with dissatisfaction which are referred to as hygiene or maintenance factors. For instance, inadequate monthly salary to employees could

cause dissatisfaction at work when hygiene factors are absent, for example, when good relations with supervisors and peers, good pay and working conditions, job security and among others are absent (Herzberg, 2009). However, a high salary would not necessarily cause job satisfaction. Herzberg's work challenged the central thesis of Taylorism that job satisfaction was one-dimensional, ranging along a continuum from satisfaction to dissatisfaction. Instead, Herzberg found motivation to be two-dimensional.

### ***2.1.2.3 Adams Equity Approach***

Adams, (1965) formulated the equity approach as an appropriate way to effective supervision. The equity approach is another important means of ensuring motivation of workers. Workers tend to believe in it if the organizational reward system is fair. This theory assumes that people want to be treated fairly and they tend to compare contributions and rewards to those received by others. The equity theory states that people need to perceive equal outcomes for perceived equal circumstances (Ott, 1989). The principles for this theory are that if workers discover that the company does not properly reward them, they will feel dissatisfied and their morale will be lower. The outcome is that they will not work hard anymore or they may choose to depart from the current company. If the workers believe that they are adequately rewarded for what they do, they will maintain the same level of output and performance. On the other hand, if workers perceive the rewards as more than they consider fair, then they will most likely work even harder in the organization. The core of equity theory says that individuals judge the fairness of their treatment based on how others like them are treated. Employees make social comparisons to others who are similarly situated in the organization.

Equity theory says that employees view a situation as equitable when employees who give similar inputs receive similar outcomes. When the rewards differ for the same degree of effort, employees view the situation as inequitable. Equity theory shows that inequities (perceived or real) harm employee motivation. Employees who feel that they are receiving inequitable treatment will be emotionally motivated to gain equity. The strengths of the equity theory in relation to leadership styles in organization, is that workers want to be treated equally and fairly by leaders. Workers are motivated when they discover that they

are treated fairly in compensation, in promotion and there is transparency in their evaluations.

#### ***2.1.2.4 ERG Theory***

The ERG theory was propounded by Clayton Alderferin, (1972) as a quick response to the lack of empirical evidence for the hierarchy of motives presented by Maslow in 1970. His objective was to align it more closely with empirical research. Notwithstanding, Alderfer version of the needs theory was built on the ideas of Maslow. Many attempts have been made to classify needs because of the long standing debate as to how many categories of needs exist. Some claim there are only two needs while others say there are seven. ERG is a well-known simplification. Clayton Alderfer reorganizes Maslow's needs hierarchy into three levels: existence (Physiological and safety), Relatedness (social) and Growth (esteem and self-actualization). Alderfer maintains the higher and the lower order needs who agrees with Maslow that unsatisfied needs motivate individuals. The ERG he defined as; Existence, Relatedness and Growth.

Existence needs: He defined as including all basic material existence requirements (Maslow's physiological and safety needs). Relatedness Needs: He referred to as the quest of people to maintain interpersonal relationship with other people-family members, colleagues, bosses and subordinates. He explains further by saying people satisfy this need by sharing thoughts and feelings (Maslow's social/love need and the external component of his esteem need).

Growth Needs: He referred to as what impels a person to be creative or have an impact on his her environment thus, the desire for personal development. He was of the opinion that this level of needs can be catered for by engaging in challenges that demands that you use your skills or require that you initiate new ones (Maslow's esteem need and self actualization). Therefore, based on Maslow's work managers or leaders are expected to meet the lower-level needs of their employees so that they will not dominate the employee's motivational process. Management should get to know the people's needs and to meet them as a means of increasing performance. According to Maslow an individual would stay at a certain need level until that need was satisfied but ERG theory demonstrates that more than

one need may be operative at the same time. Maslow's theory has been supportive in the field of research but there is little evidence for Maslow's ranking of these needs and even less evidence that these needs are in a hierarchical order and his definition of self-actualization is difficult to test scientifically. In Alderfer ERG model, focusing exclusively on one need at a time will not motivate your people. The frustration-regression principle impacts workplace motivation. For example, if growth opportunities are not provided to employees, they may regress to relatedness needs, and socialize more with coworkers. If you can recognize these conditions early, steps can be taken to satisfy the frustrated needs until the employee is able to pursue growth again. Maslow's need hierarchy theory can be fulfilled one by one but Alderfer says these can be fulfilled simultaneously.

### ***2.1.3. Factors Enhancing Employees' Motivation***

#### ***2.1.3.1. Recognition and Rewards***

The type of reward practices used by an organization plays an important role in motivating employees to perform (Beer and Walton, 2014). Based on decades of research on operant conditioning and behavior modification, it is commonly believed that if rewards are used effectively, they can motivate individuals to perform at higher levels, and the use of proper rewards culminates in firm performance at the organizational level (Giancola, 2011). Positive reinforcement for workers often takes the form of tangible rewards as well as recognition and praise.

A combination of recognition and rewards, along with informal praise, is likely to be the most motivational. In his popular book 1001 Ways to Reward Employees, Bob Nelson as cited by Giancola (2011), concluded that rewards must have a positive impact on performance, and he found that the most desired form of reward by employees was verbal appreciation or praise by their immediate boss. Many organizations have formal recognition and reward programs and these recognition programs usually include rewards because good performers are recognized with rewards (Deci, 2013). Among the rewards given are plaques, gift cards, jewelry and on the spot cast awards (Allen and Helms, 2011). More sophisticated recognition programs recognize behavior that supports organizational values, so the awards are a reminder of what is important to the company (Aguinis, 2012). Teams, as well as



individuals should receive recognition to enhance motivation (Riggio, 2014). As with most motivation and retention programs, recognition and rewards must be carefully planned, otherwise they may backfire and lose money for the company (Riggio, 2014).

Reward influences employee motivation and spur employee to performance. Rewards in forms of pay, promotion, bonuses or other types of reward are used to motivate and encourage high level performances of employees. Effective use of rewards to motivate employee can enhance the bottom line of any organization because when employees are motivated, their productivity level increases which has a multiplier effect on the organization (Ryan & Deci, 2000).

The hygiene-motivator distinction clearly maps onto the reward-recognition distinction. In fact, Herzberg himself made this point: In his motivation–hygiene theory, Herzberg stated that work motivation is largely influenced by the extent to which a job is intrinsically challenging and provides opportunities for recognition and reinforcement. In other words, reward represents the application of hygiene factors, and recognition represents the application of motivator factors (Allen and Helms, 2011).

#### ***2.1.3.2. Leadership Relations***

Good leadership relation is an important factor in fostering employee motivation. Providing employees with the supports they needed such as helping them with job related problems, good communication, regular feedback about employee performance increases employee motivational level. Employee want to have sense of belonging, have inputs into decisions that affect them, feel important and appreciated. They want to be informed and involved at work place. Employees are motivated when a job brings recognition and respect for them. This means leadership is the ability and willingness to influence the way and thinking of other people without forcing them.

#### ***2.1.3.3. Security of Job***

According to Latham & Budworth, (2007) most desire of every employee is to keep their jobs for as long as they wish. In this view, it implied that job security is a determinant factor

and key element influencing an employee's decision on whether to join an organization or not.

Job security has become indispensable in employee and organization preference list, particularly due to economic reasons. Thus, it has become one of the most crucial and important factors driving employee motivation and performance. Researches shown that globally about 75% of the employees preferred to keep their jobs compared to other factors in their preference list (Feldmann & Arnold,1985).

Empirical investigation indicates that there is a positive relationship between job security as a motivational factor and employee performance (Latham & Budworth, 2007, 99-116). Osuagwu (2002) found that job security has significant effect on employee performance and employees are less motivated to work when job security is low. Researches investigating effects of job loss and having a job indicate that employee behaviors start going bad as soon as they start worrying about job loss (Latham & Budworth, 2007, 99-116). Furthermore, they suggest that job security provides employee with high motivation and it affects other motivation levels and job security was rated as one of the three most important motivational tools in all subcategories. Feldmann and Arnold (1985) study on hotel staff also showed that job security functions as an important motivational tool since it changes negative work behaviors and the thought of leaving the job. Lack of job security has been found to be the reason for high turnover of employees.

#### ***2.1.3.4. The effect of Communication and Dissemination***

When information flows back and forth in the workplace, it implies that feedback can be given by both the employer and the employee in an atmosphere of trust. When this happens, the implication is that the concerned stakeholders respect and take each other into considerations. The presence of good communication and dissemination of information between the employer and the employee is a key component for the increase or decrease in employee motivation and performance. This is understandable because it provides the employee some good level of trust in the management.

The need for information sharing between the employer and the employees cannot be overemphasized especially during major organizational changes, acquisition or organizational development. Uncertainty may easily cause employees to fear failure or even losing their jobs. Inadequate or unreal information may cause a lot of speculation which makes the work secondary to employee. When employees are informed it adds certainty and trust. To ensure a motivated working environment, management must build a relationship of trust with the employees, media and other whom might be involved. In times of change, employees should be the first to know what is going on as the employees should have time to adapt.

#### **2.1.3.5. *Financial Incentives***

According to Locke and Latham (1990) money is the principal inducement and no other incentive comes close to it with respect to its influential .Money has the dominancy to magnetize, retain and motivate individuals towards higher performance (Stanley, 2012). People do not work for free; employees want to be compensated for the work that they do. Employees must be motivated through adequate incentives plans and reward systems and this will invariably encourage them to be proactive and have right attitude to work, thereby promote organizational productivity (Armstrong, 2007). McChilloh (2001), posits that financial incentives mean any inducement involving the payment of money and reduction in price paid for goods or services or any award of credit.

Financial incentives and rewards positively effect on employees commitment or loyalty. Employees stay in an organization because the benefits of being part of an organization far outweigh the cost of leaving the organization (Saleem, 2011). The fact that employees fear losing their job makes money an extremely effective motivator because it is indispensable for survival in an economy (Cole, 2000).

The major objective of a manager is to ensure that business and corporate objectives are realized. This is only possible if employees, who are the key assets of an organization, have a positive attitude towards their organizations (Banjoka, 1996). To keep the pace of achieving goals organizations try to hire competent human resource. Employing competent

human resource, organizations have to offer better working environment, market based salaries, job security, empowerment etc (Hersberg, 2009).

While there are a variety of ways to compensate a sales force, most companies use three main methods: straight salary, straight commissions and a combination of salary and commissions (Wiese and Coetzee, 2013). Besides salary and commission, financial compensation could also include reimbursement of sales expenses and transportation (Wiese and Coetzee, 2013). Fredrick Taylor has described money as the most fundamental factor in motivating the industrial workers' to attain greater productivity (Steers and Porter, 2011). It is therefore imperative that organizations think critically about the remuneration packages that they offer to their employees.

Financial incentives enhance the employment relationship because it creates the basis for high levels of commitment and therefore, firms must develop strategies that include financial incentives and rewards for example promotion, bonus, profit sharing or gain sharing and employees stock ownership etc (Ismail, Guatleng, Chhekiong, and Ibrahim, 2009). In fact, some authors assert that the primary aim of incentives is to enhance extrinsic motivation by satisfying an individual employee's needs indirectly through means of pay and bonuses (Anthony and Govindarajan, 2007). A natural way to motivate workers at any level is to offer them financial incentives; linking pay to performance improves the motivation value of money (Kinicki and Kreitner, 2016).

Many jobs require financial rewards to motivate employees and many people primarily work to make money or attain the recognition denoted by financial rewards (Giancola, 2011). Using financial incentives to motivate people fits principles of positive reinforcement and punishment (Aguinis, 2012). A useful principle of using financial incentives to motivate workers at all levels is to investigate which incentives are most appealing to groups and individuals (Denisi and Pritchard, 2006). Many workers are extrinsically motivated by salaries and benefits while others are intrinsically motivated by recognition and rewards or better health benefits (Giancola, 2011).

According to Kinicki and Kreitner (2016), financial incentives are more effective when they are linked to (or contingent upon) good performance. A key principle is for managers to explain clearly to employees how performance is linked to pay, including the fact that unethical behavior will not be tolerated as a way of attaining a performance goal (Steers and Porter, 2011). An increasing effort of managers and compensation specialists to link pay to performance supports many business strategies- workers receive financial incentives for performing in ways consistent with the business strategy (Aguinis, 2012).

To enhance extrinsic motivating factor, money remains the most significant motivational strategy (Obasan, 2011, 4). Recent researches have shown salary and monetary compensations as the most important inducement in people's decision to accept or reject a job offer. It has the supremacy to magnetize, retain and motivate individuals towards higher performance. Frederick Taylor and his scientific management associate described money as the most fundamental factor in motivating the industrial workers to attain greater productivity (Ryan & Deci, 2000).

To establish the role rewards plays in employee influencing employee motivation, Vroom conducted an empirical study on an oil refinery worker. The result of the study show that workers may be satisfied with their wages, but can become dissatisfied with it if they compare themselves with their peers and discover that they are paid less. The study concluded by arguing that organizations that wish to have highly motivated employees must provide higher salaries, rewards and incentives to highly productive workers.

#### ***2.1.4. Employees' Perception of the Motivational Strategies***

Motivation within an organization remains high if a worker perceives that there are opportunities for personal development or professional advancement, if the worker feels capable of completing tasks correctly and is involved with various organizational decision-making and goal-setting processes. Motivation can be reduced if the worker perceives a lack of opportunity for growth, a lack of involvement or a lack of opportunities to demonstrate any creativity. Motivating employees to complete their work correctly and on time is one of the major tasks of management. Changing an employee's perception of his place within a company is sometimes an effective way of improving organizational behavior

constructively. Employees who perceive that they have a greater control over their work lives will likely be more motivated to excel within the organizational structure. A worker's social perception of others within the organization can affect his motivation to complete work effectively to a large degree. Motivation within an organization remains high if a worker perceives that there are opportunities for personal development or professional advancement, if he feels capable of completing tasks correctly and is involved with various organizational decision-making and goal setting processes. Motivation can be reduced if the worker perceives a lack of opportunity for growth, a lack of involvement or a lack of opportunities to demonstrate any creativity. Once the perceive that work they perform not only meets your needs but theirs as well, you have the three elements in place that lead to business prosperity: perception, motivation and action.

#### ***2.1.5. Employee Performance***

Employees are the back bone of every business. To be successful as a business requires the commitment and sacrifice of employees. Employees are particularly important participant in the formulation of the image that customers get in relation to the service outcome. Because of the importance of this interaction with the customer, employees have to communicate effectively the quality standards of their organization to new starters. To successfully market or sell the company's services or products, the company must first and foremost target employees. Employees are therefore the first customers of every organization. Once the company is able to identify employees' needs, then they will be motivated to work effectively to achieve the goals of the organization according to (Igbaekemem, 2014)

Goddy (2014) indicated that the issue of employee performance cannot be over emphasized. The general believed is that employees will not perform to the best of their ability unless they are motivated to do so. Various researchers have come up with various ways to motivate people at work. However, because human beings are different from one another in terms of needs, culture, religion etc. so does what motivate them also varies. Some employees are motivated by financial and other incentives and some non- financial incentives.

Cole and Kelly (2011) describe performance as a continuous process for improving the performance of individuals by aligning actual performance with that desired (and with the strategic goals of the organization) through a variety of means such as standard-setting, appraisal and evaluation both informally, day-to-day, and formally/systematically through appraisal interviews and goal-setting. Job performance is defined as the value of the set of employee behaviors that contribute, either positively or negatively to organizational goal accomplishment while task performance are employee behaviors that are directly involved in the transformation of organizational resources into the goods or services that the organization produces (Colquitt, Lepine and Wesson, 2014).

#### **2.1.6. *Relation between Motivation and Job performance***

According to Sapele, F. F., & Idoniboye-Obu, S. A. (2019) staff motivation in an organization provides a very important role in high job performance and productivity. Motivation and job satisfaction lead to improvement of high job productivity and in addition, promote staff retention in organizations because employees' behaviour and feelings within the context of an organization are usually determined by the factors of motivation and job satisfaction and this is important for an organization to achieve and sustain themselves towards competition within other organizations.

Many scholars agree that job satisfaction is a direct on employee performance at numerous level in an organization. It is one of the most important broadly debated topics in organizational manners, organizational management, staffs and human capital management. In simple word job satisfaction is sensation decent the job performed, combine with the organization mission and vision and a state of awareness (Lim, L. J., & Ling, F. Y. 2012). According to Steijn, B (2002) job satisfaction is an enjoyable sensitivity that outcomes from the insight that one's job permit or achieve of one's personal work standards.

Chaudhary and Sharma (2012) states that, study shows that the employee motivation has direct effect on gainfulness and development. A highly motivated employee tries his or her best in carrying out each and every aspect of his or her duties and responsibilities. Improved job performances of the employee will increase the value to the organization itself and to the employee's productivity.

Duberg and Mollen (2010) undertook a study on extrinsic reward. The researchers aimed at extending the knowledge of reward systems in health and senior care and know how these systems are designed and what their effects on quality of health and geriatric care are. The methodology took a qualitative approach and interviewed a sample of six leaders in both private and public organizations. Two of the leaders worked in geriatric care and four in health care. The theoretical framework was based on scientific literature about motivation and reward systems. Also literature specifically about wage conditions in the health care sector and the public sector was used. Findings showed that working condition is an important aspect in the reward system; however other incentives like bonuses and shares were seen to generate an enjoyable work place and happy workers than motivate employees to be more efficient. Results showed that conditions for working with reward systems in the public sector are limited due to the lack of resources and complex large organization structures with old traditions.

Mustapha and Zakaria (2013) conducted a study the effect of promotion opportunity in influencing job satisfaction. The result indicated that there was a positive and significant relationship between promotion opportunity and job satisfaction. Since this element is the main of all academicians and organizations may use the variable as mechanism to enhance satisfaction and to retain their best talents.

Owusu (2012) examined the effects of satisfaction packages on employee performance. The findings of the study revealed that if management withdrew satisfaction packages like commission, bonus and fringed benefits it will have serious repercussions on employees' performance. There was a positive relation between employee performance and corporate performance since employees were able to achieve the bank's performance indicators in terms of deposits, loan recovery, profitability and also ensuring the liquidity of the banks.

According to Naharuddin and Sadegi (2013), in recent years, employees comfort while working, due to workplace conditions and environment has been recognized as an important factor for measuring their productivity. Kossek et al. (2012) states that management maximizes employee productivity center around two major areas: personal motivation and the infrastructure of the working environment. El-Sabaa (2001) stressed that in healthy



working environments, employees feel engaged in their jobs and also in their home lives. They believe that they are valued at work and their jobs are a good fit with their abilities and interests.

## **2.2. Empirical Research**

In the case of Ethiopia several unpublished researches and few published researches have been done on issues of employees' job performance. One of the studies was conducted by Gebregziabher (2009) on 128 Ethiopian Public Organizations and his study shows that the employees' job performance affected mainly by age, ability, and motivation in a positive manner but training and education has adverse effect. Moreover, study employed by Mulatu (2014) it is also tested and proved that motivation and training has significant positive effect on employees' job performance. Another comparative study on private and public banks by Haile (2013), concluded that, training, empowerment, compensation, performance appraisal and promotion has positive significant relationship was achieved with employees' performance in the case public bank. On the other hand result on specific private bank shows that only performance appraisal has positive significant relationship with employees' performance but remaining have not significant.

According to the work of Landy (1985) and various other study work on efficiency of employees indicated the fact that individuals are satisfied with their work will have greater work performance, and thus greater job discharge than those who are not satisfied with their works. Further it is stated that workers are more likely turnover if they are not happy and less motivated to display better performance. The performance of highly satisfied and happy workers is higher, so the organization easily achieved its desire goals and objective through this higher employee's participation. In the field of human resource individual performance is everything about the performance of workers in a company or an organization or a firm. For the organization or company workers performance is very essential to make every single struggle to support slight performers. But if the firm cannot motivate their workers successfully, so it's very difficult for a company to exit in the competitive environment of business (Ahmad, 2012).

The level of job satisfaction is affected by intrinsic and extrinsic motivating factors, the quality of supervision, social relationships with the work group and the degree to which individuals succeed or fail in their work (Wilson, 2010). Wilson (2010) believe that discretionary behaviour which helps the firm to be successful is most likely to happen when employees are well motivated and feel committed to the organization and when the job gives them high levels of satisfaction. The research findings were that the key factors affecting job satisfaction were personal expectations, career opportunities, job influence, team and job challenge (Wilson, 2010).

### **2.3. Conceptual Frame Work**

To conduct this research work the following conceptual framework was designed to guide and use as a frame for the study. It is an abstract framework mapping the relationship among concepts, theories, assumptions and expectations discussed in the literature review. This frame work is designed as a flowchart like account of events and how you think these are connected to show how the dependent variable is affected by the independent variables. In this frame work, it can be shown that the performance of the employees can potentially be affected positively or negatively due to salary, rewards, Relationship with Co-worker, job security, team work, decision making, recognition and responsibilities and others. These mentioned variables can have their own impact on the employee performance. Generally, the framework showed the analytical scope and the interdependency between the independent variable and the employee performance at ASCC.

**Independent Variable**

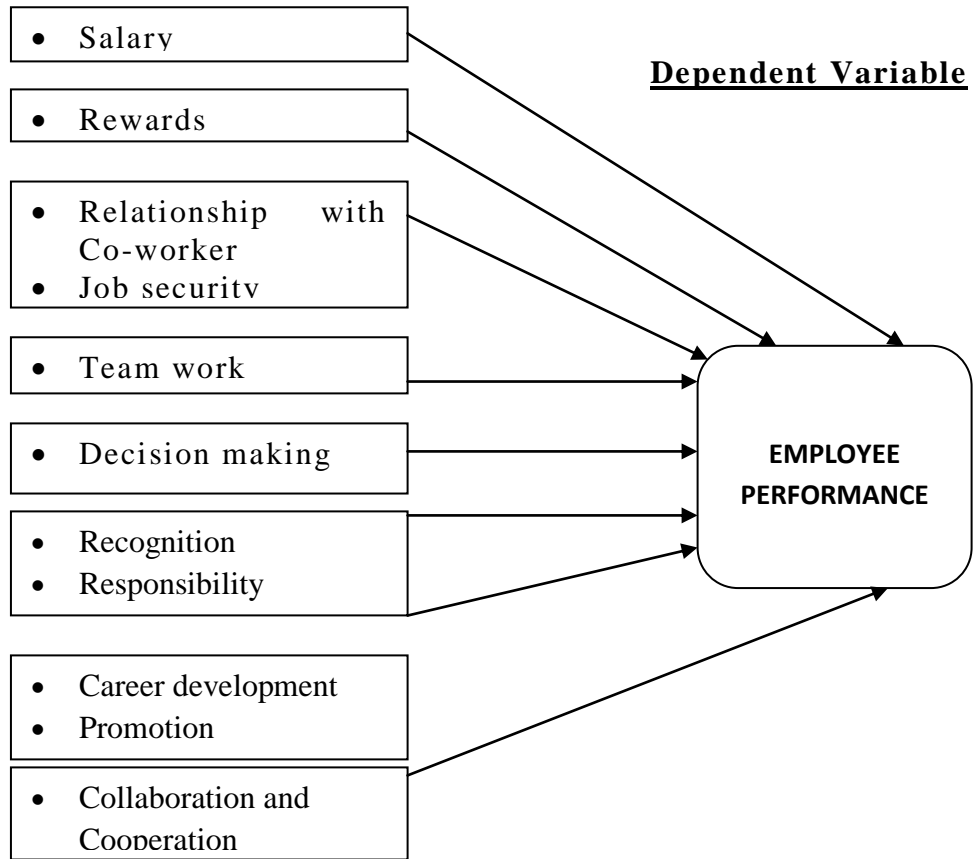


Figure 2.3.1 Conceptual Frame Work

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

In this study a detailed descriptions of the essential considerations in designing the research project which encompass the research design, population and sample design, instruments of data gathering, validity and reliability of data, methods of data analysis and ethical considerations was considered.

#### **3.1 Research Design and Approach**

This study used a mixed method approach. This approach is focusing on a systematic integration of quantitative and qualitative data within a single examination. The basic foundation of this methodology is that such integration allows a more complete and synergistic utilization of data than do separate quantitative and qualitative data collection and analysis. As design of a research a descriptive research is used to obtain information concerning the current status of the phenomena and to describe what exists with respect to variables or conditions in a situation.

#### **3.2 Population and Sample Size**

##### **3.2.1 Population**

The target population for this study was composed from Awach Saving And Credit Cooperative employees and its management found in Addis Ababa. The population for this study was 92 personnel who are working for Awach Saving And Credit Cooperative in any position.

##### **3.2.2 Sample Size**

Since the population size is below 100, the researcher preferred to use a census approach to select the samples. Therefore, the sample size for this study was 92.

### **3.3 Procedure of Data Collection**

Both primary and secondary data collection methods were used in this study. In this study, both closed and open ended questionnaires and semi structured interviews were employed as a primary data collection. And the secondary data that is relevant to the study was collected from literature review, journals, and periodicals.

For qualitative data, a qualitative interview and a collection of qualitative documents were used as a data collection procedure. In qualitative interviews, the researcher conducts face-to-face interviews with participants. These interview involve unstructured and generally open-ended questions that are few in number and intended to draw views and opinions from the participants. Four interviewee were participated and they are coded as ASCC 1, ASCC2, ASCC 3 and ASCC 4.

### **3.4 Methods of Data Analysis**

The quantitative data first was organized and put into tables to suit for analysis. Then after, these data were analyzed using descriptive statistical methods like mean, standard deviation and percentages and calculated suing statistical package for the social sciences (SPSS) version 20. The statistical tools were align with the objectives of the research. Moreover, the qualitative data were transcribed and then coded and put into categories and discussed. As a system of analyzing qualitative data, the content analysis was used as it is focused on identifying text about the different theme. Idea was grouped together and gathering evidence about views on each theme. Both descriptive and inferential statistics were applied to answer and describe the research questions. Moreover, an inferential statistical analysis tools such as Karl Pearson's coefficient of correlation and Regression analysis including linear regressions was be used.

**Table 3.5.1 Correlation Coefficient**

<b>Correlation coefficient(r)</b>	<b>Strength of the correlation</b>
From 0.01 up to 0.09	Negligible association
From 0.10 up to 0.29	Low association
From 0.30 up to 0.49	Moderate association
From 0.50 up to 0.69	Substantial association
From 0.70 and above	Very strong association

Source: Joe W. Kotrlík, J. C. Atherton, A. Williams and M. Khatajabor.(2011)

### **3.5 Validity and Reliability of Measurement**

#### **3.5.1 Validity**

To validate this research work, the research instruments and its findings was examined for further evaluation by peers, who have an expertise in the subject area. Therefore, to check for an internal validity of the research methods the peers have analyzed how an experimental design is structured and encompasses all of the steps of the scientific research method. In the same way, the results and questioning whether there are any other possible causal relationships were examined for checking the external validity of the research work. Therefore the relationship between the dependent variables and the dependent variable was explicitly explained and expressed by the intervening variables.

#### **3.5.2 Reliability**

Reliability is an indicator of a measure's internal consistency. Consistency is the key to understanding reliability. The reliability of the tools was checked using Cronbach's alpha values. The descriptive statistics help to determine uni-dimensionality and construct validity of the measures, and the Cronbach's alpha values of the factors helps to show the reliability of data that would explain the effect of motivation at Awach Saving and Credit Cooperative. The calculated value of the Cronbach's alpha, measures the internal consistency of a group of items by measuring the homogeneity of the group of items. "It is an indication of how well the different items complement each other in their measurement of different aspects of the same variable or quality" (Litwin, 2003).

**Table 3.6.2.1 Case Processing Summary and Reliability Statistics for Pilot-Test**

Questionnaire	Processed case Variables under the topic of	Cronbach's Alpha value	No. of item tested
Part Two	factors that motivate employees in Awach Saving And Credit Cooperative.	0.918	13
Part Three	effect and relationship of motivation on employees performance in Awach Saving And Credit Cooperative	0.781	7
Part Four	understand the challenging issues in motivating employee at Awach Saving And Credit Cooperative.	0.776	8

*Source: Computation from SPSS 20 Analysis*

The Cronbach alpha value for the test under Part Two of the questionnaire, which is focused on factors that motivate employees is calculated as 0.918 as it is calculated on Annex 1. This indicates that there is a high internal consistency among the data. Secondly, for Part Three of the questionnaire which is focused on the effect and relationship of motivation on employees performance is was calculated as 0.781. This indicates that there is high internal consistency among the data. Thirdly, for Part four the questionnaire which focused on understand the challenging issues in motivating employee was calculated as 0.776, which also indicates that there is internal consistency among the data. The details for the Case Processing Summary and Reliability Statistics for the conducted Pilot-Tests are annexed on Annex 1, 2 and 3.

### **3.6 Ethical Consideration**

Participation in the study will be on the voluntary basis. Participants will be asked for willingness before they will provide the questionnaire. The subjects will be assured that their responses will be used only for the purpose of the study. An attempt was made first to explain the objectives and significance of the study to the respondents. Name and other identifying information will not be used in the study. The researcher will safeguarded all information related to the participants. Their privacy, identity and confidentiality will be maintained by assigning them code numbers instead of names (anonymity).

## CHAPTER FOUR RESULT AND DISCUSSION

### 4.1. Response Rate

A total of 56 (Male=41, Female=15) persons were participated in the study The response rate was 60.8% from a sample size of 92.

### 4.2. Demographic Characteristics of Respondents

Table 4.2.1 below represent the profile of the research participant from Awach Saving and Credit Cooperative, Addis Ababa, in terms of sex, age, educational qualification and years of experience in their current working positions as well as their total work experiences.

**Table 4.2.1 Profile of the Respondents**

No.	Variable		Frequency	Valid Percent
1	Sex	Male	41	73.2
		Female	15	26.8
2	Age	18-25	5	8.9
		26-30	23	41.1
		31-35	10	17.9
		36-40	14	25.0
		>46	4	7.1
3	Education Status	Diploma	3	5.4
		Degree	50	89.3
		MSc / MA	3	5.4
4	Service Year	0-5 years	45	80.4
		6-10 years	6	10.7
		11-15 years	4	7.1
		>15 years	1	1.8

Source: Computation from SPSS 20 Analysis

Results on Table 4.2.1 shows that majority of the individuals involved at Awach Saving and Credit Cooperative, Addis Ababa were males comprising of 73.24% of the respondent while



26.8 % were females. Interms of the age structure at ASCC, 38(67.9 %) of the respondents were below 35 years while 18(32.1 %) were above 35 years. This meant that the activities at ASCC are managed by young and energetic people to achieve company’s objectives. From educational status perspectives it can be see that all employees are professional which tells that there are adequate number of intellectuals in the company for which the employees could work in a professional manner to contribute for ASCC objectives as they acquire more knowledge and skills in organizational governance.

### 4.3. Analysis of Data Collected for the Study

#### 4.3.1. Assessment of Factors that Motivates Employees at Awach Saving and Credit Cooperative

**Table 4.3.1.1 Respondents Response on Materialistic Motivators**

Item	Statement		Strongly Disagree	Disagree	Average	Agree	Strongly Agree	Mean	Stdv
1	There is good job security exists in the company	Frequency	3	1	22	20	10	3.59	.987
		Valid Percent	5.4	1.8	39.3	35.7	17.9		
2	There is periodical increase in salary	Frequency	7	14	14	12	9	3.04	1.279
		Valid Percent	12.5	25	25	21.4	16.1		
3	There is an established rewards and praise systems by superiors	Frequency	14	11	25	6		2.41	.987
		Valid Percent	25	19.6	44.6	10.7			

*Source: Computation from SPSS 20 Analysis*

The responses of the employees regarding to recognition motivators at ASCC are analyzed on Table 4.3.1.1. 30(53.6%) of the respondents declare that they are agree and strongly agree that there is good job security at ASCC. This might shows that employees are adequately satisfied with ASCC’s job and they are not in hurry to terminate the employment. Secondly, the 35(62.5%) of the respondents were asserted that there is periodical salary increment at ASCC this result coupled with the calculated average mean value (3.04) indicate that there is a satisfactory level of periodic increase in salary. This shows that employees at ASCC is compensated in salary. This finding is in line with Gincola (2011),

who suggested that many workers are extrinsically motivated by salaries and benefits while others are intrinsically motivated by recognition and rewards or better health benefits. On the other hand 25(44.6%) of the respondents and the calculated average mean value (2.41) were asserted that the established reward and praise system is found to be unsatisfactory level, which signifies ASCC’s compensation strategy is focusing only on salary rather than other means like incentives, commissions and praise system. This finding is also supported by the interviewee respondent of ASCC by saying that:

*“Recognition in the form of reward and presenting gift for the employees are not practiced very well, but there are some forms of rewarding employees so as to recognize for their exceptional contribution but most of the time the company used a promotion strategy” (Respondent ASCC 2, Female, Degree Level)*

Therefore, employees at ASCC need to be motivated by rewards and praise systems by superiors more than periodical increase in salary and job security. Moreover, it has been responded that there exists a satisfactory level of good job security and periodical salary increment in the company. Thus, these two variables are also need to be considered as motivational factor for employees at ASCC.

**Table 4.3.1.2 Respondents Response on Recognition Motivators**

Item	Statement		Strongly Disagree	Disagree	Average	Agree	Strongly Agree	Mean	Stdv
		Frequency	4	16	21	10	5	2.75	1.052
1	There is good practice to make employee independence when working	Valid Percent	7.1	28.6	37.5	17.9	8.9		
		Frequency	1	7	18	24	6	3.48	0.914
2	There is a high degree of personal responsibility,	Valid Percent	1.8	12.5	32.1	42.9	10.7		
		Frequency	6	15	24	9	2	2.75	0.977
3	There is proper performance appraisal system in the company.	Valid Percent	10.7	26.8	42.9	16.1	3.6		

Source: Computation from SPSS 20 Analysis

The responses of the employees regarding to recognition motivators at ASCC are analyzed on Table 4.3.1.2. The average mean value (2.75) result shows that the respondents have asserted that the independency level of employee at work is found below average level. This may indicates that employees somewhat imposed by supervisor. In relation to personal responsibility 30(53.6%) of the respondents were agreed and strongly agreed that there is high level of responsibility. This finding is in line with Beer & Walton (2014), who suggested that intrinsic rewards accrue from performing the task itself, and may include the satisfaction of accomplishment or a sense of influence.

On the contrary, the average mean value (2.75) indicates that the performance appraisal system is below satisfactory level and it could be not fully functional. This may indicates that employees at ASCC cannot easily understand their roles, objectives, expectations and performance success. Interns of performance appraisal the interview respondents has asserted that:

*“The management of ASCC does not have strong performance appraisal system and they could not treat employees by clear and transparent promotion rule, and sometimes it creates clash between employees and management’. So, if employees are motivated equally, the job delivery from each activities will be improved and cost due to nonperformance will definitely decrease”. (Respondent, ASCC 1, Msc, Male )*

Therefore, employees could not get opportunities to discuss work related problems with their superiors. This could demotivate employees at ASCC. This finding is in line with Wilson, (2010), who supports this position by stating that the key factors affecting job satisfaction were personal expectations, career opportunities, job influence, team and job challenge.

**Table 4.3.1.3 Respondents Response on Organizational Career Development Motivators**

Item	Statement		Strongly Disagree	Disagree	Average	Agree	Strongly Agree	Mean	Stdv
1	There is good personal career development opportunities	Frequency	6	11	29	8	2	2.80	.942
		Valid Percent	10.7	19.6	51.8	14.3	3.6		
2	There is a well-established system for information flow	Frequency	13	12	14	15	2	2.66	1.210
		Valid Percent	23.2	21.4	25	26.8	3.6		
3	There is good relationship between the enterprise's management and its employees.	Frequency	8	17	10	15	6	2.89	1.260
		Valid Percent	14.3	30.4	17.9	26.8	10.7		

*Source: Computation from SPSS 20 Analysis*

Table 4.3.1.3 shows responses of the ASCC employees regarding to organizational career motivators. The average mean value (2.80) for personal career development opportunities variable shows that it is found below satisfactory level. This finding is supported by one interviewee respondent of ASCC has said that

*“Training for personal career development is given to develop employees knowledge, skill and competence. In this regard we are not getting up to date training program to capacitate our employees. Therefore, some employees insisted the management to have all the training type, this is the problem as it is impossible to give all training for small group” (Respondent, ASCC 3, Male, Degree)*

These might show that there is no promising hierarchical development with at ASCC. But Cole and Kelly (2011) described that performance as a continuous process for improving the performance of individuals by aligning actual performance with company's objectives.

Secondly, the result for information flow indicates that 25(44.6%) of the respondents claim that it is insufficient. This might show that communication at ASCC is very difficult and getting instant message is not quicker. As a result of lacking good information flow the company cannot save great deal of time. The result also indicates that the existence of relationship of employees with their management is found to be on a satisfactory level. On

the contrary, the existing information flow system and career development opportunities at ASCC could not motivate the employees.

**Table 4.3.1.4 Respondents Response on Collaboration Motivators**

Item	Statement		Strongly Disagree	Disagree	Average	Agree	Strongly Agree	Mean	Stdv
1	Management is interested in motivating the employees	Frequency	8	12	17	14	5	2.93	1.189
		Valid Percent	14.3	21.4	30.4	25.0	8.9		
2	There is a clear relationship with the Co-worker	Frequency	8	7	14	21	6	3.18	1.223
		Valid Percent	14.3	12.5	25.0	37.5	10.7		
3	The company has good working environment	Frequency	12	16	12	12	4	2.64	1.242
		Valid Percent	21.4	28.6	21.4	21.4	7.1		
4	There is involvement of employees in decision making	Frequency	5	26	21	3	1	2.45	0.807
		Valid Percent	8.9	46.4	37.5	5.4	1.8		

*Source: Computation from SPSS 20 Analysis*

The result shows that 36(64.3%) of the respondents have asserted that the interest of management of ASCC in motivating its employee is found above an average level. Likewise, respondents positively claimed that there is clear relationship with the coworker. This can indicate employee can feel like they are valued by their organization.

Regarding to organization of work, 28(50%) of the respondents said that they are disagreed and strongly disagreed the statement that company has good organization for work. This finding is also supported by the interviewee respondent of ASCC by saying that:

*"The ASCC management has not dedicated themselves to make the working environment very conducive for the employees so as to make the employee very happy by their work. "* (Respondent ASCC 4, Male, Degree level)

These findings indicate that the working environment is not encouraging employees to be motivated and contribute their effort as required. This finding is in contrary from Hersberg (2009) who suggested that employing competent human resource, organizations have to offer better working environment, market based salaries, job security, empowerment etc.

Regarding to decision making, the calculated average mean value (2.45) shows that involvement of employees in decision making is below average. This result indicates that they might not have an established work cultures, systems and processes to encourage and make use of employee input and feedback at ASCC.

Generally it can be said that there is inadequate work condition in the company and less involvement of employees in the decision making. This could demotivates employee not to develop deeper commitment to organizational and departmental objectives by offering their inputs to ASCC. Literature showed that involving employees in some decisions makes them feel more positive about their employers because they feel their opinions are valued

### 4.3.2. Relationship of Motivation on Employees Performance

**Table 4.3.2.1 Response of Motivation on Employees Performance**

	Variables		Unsatisfactory	Marginal	Satisfactory	Good	Exceptional
1	Job Knowledge	Frequency	4	8	11	31	2
		Valid Percent	7.1	14.3	19.6	55.4	3.6
2	Efficiency and Time management	Frequency	2	11	27	11	5
		Valid Percent	3.6	19.6	48.2	19.6	8.9
3	Quality of Work	Frequency	2	19	17	18	
		Valid Percent	3.6	33.9	30.4	32.1	
4	Decision Making	Frequency	8	17	19	7	5
		Valid Percent	14.3	30.4	33.9	12.5	8.9
5	Team Work	Frequency	4	8	26	15	3
		Valid Percent	7.1	14.3	46.4	26.8	5.4
6	Attendance	Frequency	2	9	13	28	4
		Valid Percent	3.6	16.1	23.2	50	7.1
7	Ownership & Compliance	Frequency	2	20	12	14	8
		Valid Percent	3.6	35.7	21.4	25	14.3

*Source: Computation from SPSS 20 Analysis*

The responses of the employees regarding to effects of motivation on employee performance at ASCC are analyzed on Table 4.3.2.1. It is clearly indicated that employees job knowledge and their attendance for the work is found on a good level of achievement on employee

performance. This means that employees can demonstrate an understanding and working knowledge of current role as well as they practice timeliness in reporting to work; works throughout scheduled work day while they are working at ASCC. Secondly, the result also indicates that the motivation scheme has impacted the employees at a satisfactory level on employee performance on their efficiency and time management. This dictates that employees are taking effort to accomplish work in ways that maximize available resources and minimize waste.

Regarding to team work it can be deduced that there is adequate level of collaboration at ASCC, which can indicate that they practice respectful, honest and direct communication with all team members and customers; Cooperates with team members. This result is in agreement with Riggio, (2014), who asserted that teams, as well as individuals should receive recognition to enhance motivation. The result also shows that motivation has satisfactorily impacted the employees on their quality of work. This signifies that employees can work at expected pace; work is thorough, neat & accurate and does not create rework or scrap. Similarly, it can be said that motivation impacted the employees at a satisfactory level on their ownership & compliance. This means that employees can demonstrate ownership and accountability for individual performance; Takes initiative in the department; Complies with ASCC policies and procedures. On the other hand the existing motivation scheme could not encourage employees to make decision at work.

**Table 4.3.2.2. Correlation Analysis Between Motivators and Job Performance**

<b>Correlations</b>			
No.			<b>EMPLOYEE PERFORMANCE</b>
<b>Materialistic Motivators</b>			
<b>1.</b>	Materialistic motivators can boost employee attendance	Pearson Correlation	.465*
		Sig. (2-tailed)	.004
		N	56
<b>2.</b>	Materialistic motivators can increase quality of work and hence improve employee performance.	Pearson Correlation	.651**
		Sig. (2-tailed)	.000
		N	56
<b>Recognition Motivator</b>			
<b>3</b>	Provision of employees recognition in the form responsibility helped to create employees dependability	Pearson Correlation	.275*
		Sig. (2-tailed)	.040
		N	56
<b>Organizational Career Motivator</b>			
<b>4</b>	Organizational career helps employees to increase in their job knowledge	Pearson Correlation	.552**
		Sig. (2-tailed)	.000
		N	56
<b>5</b>	Organizational career helps employees to increase in their quality of work	Pearson Correlation	.435**
		Sig. (2-tailed)	.000
		N	56
<b>Collaborator Motivator</b>			
<b>6</b>	Company's collaboration motivates employee to create good team work.	Pearson Correlation	.610**
		Sig. (2-tailed)	.000
		N	56
<b>7</b>	Company's collaboration motivates Employee to develop ownership and compliance	Pearson Correlation	.590**
		Sig. (2-tailed)	.000
		N	56
<b>8</b>	Company's collaboration motivates employee for efficiency and time management	Pearson Correlation	.809**
		Sig. (2-tailed)	.000
		N	56

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

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

Source: Computation from SPSS 20 Analysis



### **Correlation Analysis Between Materialistic Motivators and Job Performance**

The result on the above Table 4.3.2.2 shows that materialistic motivators can boost employee attendance ( $r = .465, p < 0.05$ ) has moderate association and statistical significantly. This means the Materialistic motivators can boost employee attendance and this will then have a positive effect on employee performance in a moderate way. The result also show that materialistic motivators can increase quality of work ( $r = .651, p < 0.001$ ) has substantial association and statistical significantly. This means the materialistic motivators can boost quality of work and hence impacted the employee job performance in a considerable manner.

### **Correlation Analysis Between Recognition Motivator and Job Performance**

The result on the above Table 4.3.2.2 shows that materialistic motivators can boost employee attendance ( $r = .275, p > 0.05$ ) do not have association and statistically not significant. This means there is no relationship existed which indicates there is lack of dependability at ASCC.

### **Correlation Analysis Between Organizational Career Motivator and Job Performances**

The result on the above Table 4.3.2.4 shows that organizational career helps employees to increase in their job knowledge ( $r = .552, p < 0.01$ ) indicates that it has statistically significant and has a considerable association with employee performance. On the other hand, the association of this organizational motivators in employees quality of work is associated moderately ( $r = 0.453, p < 0.00$ ) and impacted the employee performance in similar way.

### **Correlation Analysis Between Collaborator Motivator and Job Performances**

The result on the above Table 4.3.2.2 shows that company's collaboration motivates employee to create good team work. ( $r = .610, p < 0.01$ ) indicates that it has statistically significant and has considerable association with employee performance. Wilson, (2010) had also found that that job satisfaction is highly related with personal expectations, career opportunities, job influence, team work. Similarly, Company's collaboration motivates employee to develop ownership and compliance ( $r = 0.590, p < 0.01$ ) asserted that it has statistically significant and has a considerable association with employee performance. On

the other hand, the association of this Company's collaboration motivates employee for efficiency and time management ( $r=0.809$ ,  $p<0.00$ ) and impacted the employee performance in very strongly. This finding is supported by Landy (1985) work, who stated that efficiency of employees increased when individuals are satisfied with their work will have greater work performance, and thus greater job discharge than those who are not satisfied with their works.

### 4.3.3. Employee Performance

Table 4.3.3.1 Response on Employee Performance

employees performance in ASCC			Mean	Stdv	
		Frequency	Valid Percent		
Valid	Unsatisfactory	8	14.28	2.75	1.001
	Marginal	10	17.85		
	Satisfactory	22	39.28		
	Good	16	28.57		
	Total	56	100.0		

*Source: Data collected by the researcher through Questionnaire, 2020*

Generally, Table 4.4.1 revealed that 22(39.28%) and 16(28.57%) of the respondents were asserted that the employee performance at ASCC are found at a satisfactory and good level respectively. It is also observed that none of the respondents have answered for the exceptional points in the rating table. Moreover, the average mean value (2.75) with a standard deviation value of (1.001), reflect the overall employee performance is found to be on a satisfactory level. Moreover, in the open ended response almost 85% of the respondents have claimed that the employee performance is found on an average level.

### 4.3.4. Effect of Motivation on Employees Performance

#### 4.3.4.1 Effects from Materialistic Motivator Perspective on Employee Performance

Table 4.3.4.1.1 Regression Analysis of Materialistic Motivator

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.844 <sup>a</sup>	.713	.702	.49139

*Source: Data collected by the researcher through Questionnaire, 2020*

In the above Table 4.3.4.1.1 a linear regression analysis was used in order to predict the impact of materialistic motivator on job performance. Therefore, it can be inferred that R square =0.713 indicates that 71.3% of the variation can significantly be explained by the independent variables. This means that materialistic motivator such as job security, salary and reward can have an effect of 71.3% on employee job performance at ASCC.

Table 4.3.4.1.2 ANOVA Analysis of Materialistic Motivator

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	31.756	2	15.878	65.757	.000 <sup>b</sup>
	Residual	12.798	53	.241		
	Total	44.554	55			

a. Dependent Variable: Employee Job Performance

**Source: Data collected by the researcher through Questionnaire, 2020**

The relationship between the stated independent variable and the dependent variable, employee job performance, is determined by examining the significance of the regression. The probability of the significance statistic for the regression analysis is .000, less than the level of significance of 0.05 with 95% confidence interval. which signifies that the model for this regression analysis is adequate for further analysis.

Table 4.3.4.1.3 Coefficient Analysis of Materialistic Motivator

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. rror	Beta		
1	(Constant)	-.092	.418		-.220	.827
	Job security can increase quality of work and hence improve employee performance.	.409	.107	.309	3.832	.000
	Rewards and praise systems by superiors can boost employee attendance and hence improve employee performance.	.608	.073	.670	8.318	.000

a. Dependent Variable: Employee Job Performance

**Source: Data collected by the researcher through Questionnaire, 2020**

The above table shows the coefficients of the regression analysis. The B coefficient of the independent variable is the slope. It represents the amount of change in the dependent variable for a one-unit change in the independent variable. The Sig. level for the independent variables is less than .005. and this indicates all the materialistic motivator variables such as rewards and praise systems by superiors are significantly related to job performance. Looking at the B coefficient in the table, for every one percent increase in reward and praise system there is an improvement in employee attendance and hence it can be predicted that job performance would increase by 0.608. While, for every one percent increase in materialistic motivator like job security can increase quality of work and hence improve employee performance by 0.409.

The result indicates that reward and praise system has very high effect on employee attendance and their quality of work which intern affects the employee job performance at ASCC. This finding is consistent with the study of Funmilola, Sola, and Olusola (2013), who concludes that, employee’s job satisfaction and their attendance have positive impact on their job performance. Therefore, the independent variable, reward and praise, and job security can contribute a 71.3% of the variation on employee job performance from materialistic motivator perspectives.

**4.3.4.2 Effects from Recognition Motivator and Job Performance**

Table 4.3.4.2.1 Regression Analysis of Recognition Motivator

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.657 <sup>a</sup>	.432	.411	.59845
.				

*Source: Data collected by the researcher through Questionnaire, 2020*

In the above Table 4.3.4.2.1 a linear regression analysis was used in order to predict the impact of recognition motivator on job performance. Therefore, it can be inferred that R square =0.432 indicates that 43.2% of the variation in the recognition motivator have effect on employee job performance at ASCC. This means that recognition motivator such as personal responsibility can have an effect of 43.2% on employee job performance at ASCC.

**Table 4.3.4.2.2 ANOVA Analysis of Recognition Motivator**

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	14.447	2	7.224	20.170	.000 <sup>b</sup>
	Residual	18.981	53	.358		
	Total	33.429	55			

a. Dependent Variable: Employee Job Performance

*Source: Data collected by the researcher through Questionnaire, 2020*

The relationship between the recognition variable and employee job performance, is determined by examining the significance of the regression. The probability of the significance statistic for the regression analysis is .000, less than the level of significance of 0.05 with 95% confidence interval. which signifies that the model for this regression analysis is adequate for further analysis.

**Table 4.3.4.2.3 Coefficient Analysis of Recognition Motivator**

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.981	.477		2.057	.045
	Employee's independence at work helped them to create employees decision making and hence improve employee performance.	.103	.142	.093	.723	.473
	The high degree of personal responsibility helped to create employees dependability and hence improve employee performance.	.644	.138	.598	4.647	.000

a. Dependent Variable: Employee Job Performance

*Source: Data collected by the researcher through Questionnaire, 2020*

Table 4.3.4.2.3.shows the coefficients of the regression analysis. The B coefficient of the independent variable is the slope. It represents the amount of change in the dependent variable for a one-unit change in the independent variable. The Sig. level for the independent variable, personal responsibility, is less than .005. and this indicates the stated

recognition motivator variable is significantly related to job performance. Looking at the B coefficient in the table, for every one percent increase on personal responsibility can help to create employees dependability. This shows that there can be an improvement in employee performance and hence it can be predicted that job performance would increase by 0.644. On the other hand, the P value 0.473 for employee independence is greater than 0.05 and it is statistically not significant. This indicates that there is no significant effect on employee performance at 5% level of significance. Therefore, it can be said that personal responsibility can contribute a 43.2% of the variation on employee job performance from recognition motivator perspectives. This can help to create employees dependability and has very high effect on the employee job performance at ASCC.

#### 4.3.4.3 Effects from Organizational Career Motivator and Job Performance

Table 4.3.4.3.1 Regression Analysis of Career Motivator

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.890 <sup>a</sup>	.792	.784	.38903

*Source: Data collected by the researcher through Questionnaire, 2020*

In the above Table 4.3.4.3.1 a linear regression analysis was used in order to predict the impact of career motivator on job performance. Therefore, it can be inferred that R square =0.792 indicates that 79.2% of the variation in the career motivator have effect on employee job performance at ASCC.

Table 4.3.4.3.2 ANOVA Analysis on Career Motivator

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	30.479	2	15.239	100.691	.000 <sup>b</sup>
	Residual	8.021	53	.151		
	Total	38.500	55			

a. Dependent Variable: Employee Job Performance

*Source: Data collected by the researcher through Questionnaire, 2020*

The relationship between the career variable and employee job performance, is determined by examining the significance of the regression. The probability of the significance statistic

for the regression analysis is .000, less than the level of significance of 0.05 with 95% confidence interval. which signifies that the model for this regression analysis is adequate for further analysis.

Table 4.3.4.3.3 Coefficient Analysis of Organizational Career

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. error	Beta		
1	(Constant)	.357	.263		1.354	.181
	Good personal career development opportunities helps employees to increase in their quality of work and hence improve employee performance.	.334	.123	.308	2.705	.155
	Good relationship between the enterprise's management and its employees helps employees to increase in their job knowledge and hence improve employee performance.	.564	.104	.616	5.408	.000

a. Dependent Variable: Employee Job Performance

**Source: Data collected by the researcher through Questionnaire, 2020**

Table 4.3.4.3.3 shows the coefficients of the career regression analysis. The Sig. level for the independent variables, relationship between the enterprise's management and its employees, is less than .005. and this indicates this variable is significantly related to job performance. Looking at the B coefficient in the table, for every one percent increase in this variable helped to create employees increase in their job knowledge and hence improve employee performance. Therefore, it can be predicted that job performance would increase by 0.564. On the contrary, the P value 0.155 for personal career development opportunity is greater than 5% and it is statistically not significant, and hence it is not accounted to evaluate employee performance at ASCC. Therefore, the independent variable, relationship between the enterprise's management and its employees, can contribute a 79.2% of the variation on employee job performance from organizational career perspectives. The result shows that this variable alone can positively affect the employee job performance at ASCC.

#### 4.3.4.4 Effects from Collaboration Motivator and Job Performance

Table 4.3.4.4.1 Regression Analysis on Collaboration Motivator

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.742 <sup>a</sup>	.551	.525	.53281

*Source: Data collected by the researcher through Questionnaire, 2020*

In the above Table 4.3.4.4.1 a linear regression analysis was used in order to predict the impact of career motivator on job performance. Therefore, it can be inferred that R square =0.551 indicates that 55.1% of the variation on employee job performance at ASCC can significantly be explained by the career motivator variables.

Table 4.3.4.4.2 ANOVA Analysis on Collaboration Motivator

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	18.095	3	6.032	21.246	.000 <sup>b</sup>
	Residual	14.762	52	.284		
	Total	32.857	55			

a. Dependent Variable: Employee Job Performance

*Source: Data collected by the researcher through Questionnaire, 2020*

The relationship between the career variable and employee job performance, is determined by examining the significance of the regression. The probability of the significance statistic for the regression analysis is .000, less than the level of significance of 0.05 with 95% confidence interval. which signifies that the model for this regression analysis is adequate for further analysis.



**Table 4.3.4.4.3 Coefficient Analysis of Collaboration Motivator**

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. error	Beta		
1	(Constant)	.724	.416		1.740	.088
	There is a clear relationship with the Co-worker which motivates employee for efficiency and time management and hence improve employee performance.	.329	.090	.290	2.882	.001
	Management is interested in motivating Employee to develop ownership and compliance and hence improve employee performance.	.260	.128	.281	1.744	.003
	The company has good working environment that can motivates employee to create good team work and hence improve employee performance.	.223	.164	.333	2.001	.002

a. Dependent Variable: Employee Job Performance

**Source: Data collected by the researcher through Questionnaire, 2020**

Table 4.3.4.4.3 shows the coefficients of the career regression analysis. The Sig. level for the independent variables are less than .005. and these indicate all the collaboration motivator variables are significantly related to job performance. Looking at the B coefficient in the table, for every one percent increase in the Co-worker relationship which motivates employee for efficiency and time management and hence improve employee performance. Thus, it can be predicted that job performance would increase by 0.329. The result also showed that the management is interested in motivating employee to develop ownership and compliance. The B coefficient value predicted that employee job performance would increase by 0.26. Moreover, the working atmosphere motivates employee to create good team work and hence improve employee performance. Therefore, it can be predicted that job performance would increase by 0.233.

Therefore, the independent variable co-worker relationship, management interest and working atmosphere can contribute a 55.1% of the variation on employee job performance from collaboration perspectives. Most importantly the result indicates that clear relationship with the co-worker motivates employee for efficiency and time management and hence

improve employee performance helped to positively affected on the employee job performance at ASCC.

### 4.3.5. Challenging issues in Motivating Employees at ASCC

Table 4.3.5.1 Challenging issues in Motivating Employee at ASCC

Item	Statement	Valid Percent					Mean
		Strongly Disagree	Disagree	Average	Agree	Strongly Agree	
1	Company's focus on profit, not employees.	7.7%	12.5%	7.1%	46.4%	26.8%	3.73
2	Employee's Low Self-Confidence	3.6%	10.3%	19.6%	35.7%	30.8%	3.68
3	Employee's Lack of Interest in Subject Matter	8.9%	10.7%	17.9%	35.7%	26.8%	3.61
4	No advancement opportunities for employees	8.9%	16.1%	16.1%	25.0%	33.9%	3.59
5	Low budgets for incentives and rewards	17.9%	26.8%	16.1%	33.9%	5.4%	2.82
6	Low management on cross-cultural diversity	10.7%	32.1%	26.8%	30.4%	--	2.77
7	Leaders are not inspiring.	19.6%	35.7%	25.0%	16.1%	3.6%	2.48
8	Employee's Low Expectations for Success	21.4%	33.9%	26.8%	14.3%	3.6%	2.45

Source: Computation from SPSS 20 Analysis

From the result it can be learned that (73.2%), (66.5%) and (62.5%) of the respondents agreed and strongly agreed that the challenge for motivating employees are due to the company is mainly focusing on profit, employee's low self-confidence and lack of interest in the subject matter respectively. Similarly, 58.9% of the respondents acknowledged that there is no advancement of opportunities, which has its own challenge for motivating employees. Low self-confidence may be as a result that employee doesn't accept tasks beyond their comfort zone and this can create challenge to be motivated. Also these challenges were explained by Herzberg (2009), who stated that work motivation is largely influenced by the extent to which a job is intrinsically challenging and provides opportunities for recognition and reinforcement. On the contrary, the result indicates that leaders at ASCC are inspiring and there is no challenging issues from managing cross cultural diversity as well as availability of funds to motivate employee at ASCC.

## **CHAPTER FIVE SUMMARY OF FINDINGS CONCLUSION AND RECOMMENDATIONS**

### **5.1 Summary of Findings**

The results of the finding form the basis for the conclusion and recommendation on this chapter and have brought light to the importance of motivation to employees' performance. In this section the summary, conclusions and recommendation were derived from the research finding. The main purpose of this study is to investigate effects of motivation on the performance of employee by taking Awach Saving And Credit Cooperative. This part of the study is intended to explain the detailed interpretation of each and every part of the questions to show the connection of the responses with the defined research objectives. Therefore, the description in the response addressed clearly helps to see the practice of motivation scheme on job performance.

#### **Factors that Motivate Employees at ASCC.**

From materialistic motivator perspectives the study findings showed that praise and reward system motivates employee more than salary and job security at ASCC. From recognition motivators perspectives employees are not motivated by the practice of the company's performance appraisal system. From organizational career development perspective employees at ASCC are motivated because of their relationship with enterprise management. They are demotivated by the working environment. From Collaboration motivators perspective employees are motivated by having relationship with Co-worker.

#### **Relationships between Employee Motivation and Employees Performance at ASCC.**

The study would depict the fact that, employees generally want to work in their workplace with motivation. From the correlation findings, it can be concluded that any corresponding change in the independent variables such as increase in collaboration motivators like creating relationship with coworker, involvement in decision making and creating good working environment can contribute an exceptional job performance in the future. Similarly, if there is an improvement situation in organizational career development ASCC can help

employees to increase in their job knowledge and can increase in their quality of work can bring a substantial change in employee performance. However, if the changes in the individual independent constructs are not in a positive manner, then its effect on the dependent variable will be negative.

### **Effect of Motivation on the Employees Performance at ASCC.**

The regression analysis performed to analyze the effect of motivation scheme on employee job performance reveal that there is good relationships between variables and job performance. Therefore, from carrier motivators perspectives it is seen that 79.2% of the variation in job performance is explained by the relationship between the enterprise's management and its employees. Whereas reward, praise, and job security can contribute a 71.3% of the variation on employee job performance from the perspective of materialistic motivators. Similarly, personal responsibility can contribute a 43.2% of the variation on employee job performance from recognition motivator perspectives. Moreover, co-worker relationship, management interest and working atmosphere can contribute a 55.1% of the variation on employee job performance from collaboration perspectives.

The motivation scheme of ASCC has positively affected employees' job knowledge, have increased the employee work attendance. This finding indicates there is a proficient in job function by employee of ASCC, able to teach others; general knowledge on overall job and job site. Also it can be concluded that employees seek out and implements best practices in the field. Majority of the interviewed personnel also asserted that the employee is attending their work time appropriately. This shows that employees are always present and on time on their job can be counted on even if extra time is required.

Employees efficiency and effectiveness are also adequately impacted by the motivation scheme this indicates that employee able to usually meets productivity standards, they are receptive and takes action when direction is given. The motivation scheme also enhanced the team spirit of the worker.

## **Challenges in Motivating Employee at ASCC.**

The major observed challenge in motivating employees are because that ASCC is focusing on profit, employees low self-confidence and lack of interest in the subject matter. The result also reflects that leaders inspirational activities, employees' expectation for success and ASCC management on cross cultural diversity is not a challenging issue to motivate employee. This might show that there is good management practice on cross cultural diversity which further helps the company to focus on facts when making decisions. This cross cultural understanding could create a better working environment at ASCC. Therefore this could never be a challenge in motivating employees.

## **5.2 Conclusion**

From this finding it can be concluded that the effect of motivation on employee productivity is of principal important to the company. In order to cope up with the ever increasing dynamic nature of the current business development, the management of ASCC should try as much as possible to adopt good and practical motivational techniques to increase the moral of the workers towards productivity and performance.

As a conclusion this study emphasis over the shaded areas which need to be take into consideration by various organizations in order to enhance the organizational performance. In this competitive world , a company can be effective to fulfill the desire of the employees. Which can assist the human resource department to understand about the various factors associated with the motivation factors of the workers.

ASCC need to promote its employees by improving supervision styles to develop a positive attitude towards the management. Moreover, involving more employees in decision making process, providing better working condition and providing flexible working hours and paying fairly helps employees to use their own skills and abilities.

It can be concluded that motivated employees can bring the desirable success for the various business organization to achieve their desired objectives in an easy manner. The significance of this study can be understood when it can be a useful materials for the future researcher

and for the academician as well. Moreover, various business organizations can use this study for establishment and consolidate their collaboration with employees.

In conclusion, the management of ASCC should seek for various ways of improving productivity in their company by finding out the effect, causes or problems associated with employee's motivation. In the meantime, for the employee to be motivated, the administrator of ASCC must retain high level of quality and personal value which will help them to identify those things that motivate their staff and apply them properly.

It can be concluded that employees could exhibits an enthusiastic and positive approach to work; and they can go out of way to help others. The quality of work is also impacted moderately due to the motivational scheme found at ASCC. This signifies the work performed by employee is thorough, neat and accurate, need minor reworks and adjustments.

It can be concluded that the research findings illustrated that because of the low consideration made by ASCC in the employee motivation segment that contribute to low morale, lack of interest at their work and low decision making capability. Therefore, this study demonstrates that the employee motivation should be recognized by the management of ASCC as a primary organizational need to enhance its overall work performance.

## **5.3 Recommendation**

### **Recommendation to ASCC**

The current finding indicated that praise and reward system motivates employee more than salary and job security. Therefore, this study recommend managers of the ASCC need to focus on variables that reduce job dissatisfaction like opportunities for advancement, working conditions, supervision, relationship with colleagues and decision making capability, while on the other hand the management should use motivating factors such as achievement, recognition, responsibility, diversity management and the work itself.

The study indicates that employees are not motivated by the practice of the company's performance appraisal system, which leads the researcher to recommend ASCC need to

involve employees to actively participate in decision making which helps to develop deeper commitments to organizational and departmental objectives. Therefore, the management of ASCC should enhance employee participation and empowerment so as to increase employee motivation and trust in the organization. Many research findings assured that when employees feel appreciated for their work and when they are involved in decision-making, they are motivated to better productivity and loyalty.

In the research finding it has been indicated that there is lacking of good information flow, which can create problem interms of information track, store, manipulate and distribute the information when necessary. Therefore the management of ASCC need to focus on the necessity of more communication to make certain that decisions are consistent across the organization.

This study recommends that organization in the current scenario need to undertake the initiatives to use an integrated approach towards nurturing the motivational levels of the employees that keep the employees to be motivated so that they can deliver greater level commitment towards work. This could help the ASCC to retain a workforce that is both efficient and motivated and would acts as a competitive advantage for the company in the market.

This study recommends that there is a need to effectively use strategies in respect to improving the motivational levels of the workers so as to help the company to increases their overall service provision. Another major significant indication that has been made by this study is representing the financial factors, which can act as an important factor in influencing the overall motivation levels of the workers. But this finding illustrated that salary is not a motivational factor for them rather employees are motivated by the reward and praise system of the ASCC.

The ASCC management should set up employment motivation policy and strategy to inspire and to adopt more positive motivational approaches in order to align themselves with the best practices. These policies should gear towards limiting the inhuman treatment that the company employees may suffer. Since all employees are not the same and equal, ASCC

need to think an approach for each one should be motivated using different strategies. For example, one employee may be motivated by higher commission, while another might be motivated by job satisfaction or a better work environment. The study also recommends the management of ASCC should assess employee proposal scheme and use the feedback from every level of the workforce to improve the organizational environment and fulfill their needs and skills.

### **Recommendation for future study**

Future research studies need to be conducted to invest other variables that need to be included in organizational career development, collaboration and cooperation and recognition variables and their effect on employees' job satisfaction. Particular focus of this study was on assessing the motivational scheme of ASCC and its employee performance from the given and studied variables. Thus it is limited with regard to generalizations, and therefore are not a complete representation of the entire company. Thus by considering the numerous multifaceted and dynamic issues that surround the topic of employee motivation and job performance additional research should be carried out in order to improve the current study and increase information and understanding on the relationships of employee motivation and employee performance.



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# ANNEX

## **Annex 1: Informed Consent**

### **A Research Proposal Submitted to the Department of Masters of Business Administration Presented in Partial Fulfillment of the requirements for the Degree of Master of Business Administration**



### **ST. MARY UNIVERSITY SCHOOL OF GRADUATE STUDIES MASTERS OF BUSINESS ADMINISTRATION**

My name is Moges Ghebretsadik, a graduate studies student at St Mary University Department of Masters of Business Administration, Currently, I am conducting a research to investigate the effect of motivation on employee performance in the case of Awach Saving And Credit Cooperative. I am invited you as a possible participant because you are working for Awach Saving And Credit Cooperative. Please take time as you need to read the consent form. If you find any of the language difficult to understand, please ask questions. Before you decide whether you want to participate in this research work, you have a right to the following information:

Department: Master of Business Administration (MBA)

1. The nature and purpose of the study.
2. The procedures in the study and any device to be used.
3. Discomforts and risks reasonably to be expected from the study.
4. Benefits reasonably to be expected from the study.
5. The opportunity to ask questions about the study or the procedure.
6. The ability to withdraw from the study at any time and discontinue participation without affecting your future care at this institution.
7. Be given a copy of the signed and dated written consent form for the study.

**Researcher Name:-** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Signature** \_\_\_\_\_

## Annex 2:

# Questionnaire



**ST. MARY UNIVERSITY  
SCHOOL OF GRADUATE STUDIES  
DEPARTMENT OF MASTERS OF BUSINESS ADMINISTRATION**

### Dear Respondent:

This questionnaire is designed to collect information and to study the Effect of Motivation on Employee Performance in Awach Saving And Credit Cooperative. The study intends for the fulfillment of the researcher's Degree of Master's of Art in Business Management. I kindly ask you in all regard to fill the questionnaire carefully at your best knowledge. The accuracy of information you provide determines the ultimate reliability of the study.

Note: Your answers will be strictly confidential and will only be used for academic purposes. Contact Address: MOGES GHEBRETSADIK Tel:- +251 933020129

Thank you in advance for your cooperation and timely response!

Part One: Demographical Information - Please put 'X' in the box

#### 1.1 Your Sex :

Male	<input type="checkbox"/>	Female	<input type="checkbox"/>
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#### 1.2 Your Age Group:

18-25	26-30	31-35	36-40	41-45	>46
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#### 1.3 Your Educational Status:

Less than grade 12	<input type="checkbox"/>	Grade 12 Complete	<input type="checkbox"/>	Diploma	<input type="checkbox"/>	Degree	<input type="checkbox"/>	MA/MSc	<input type="checkbox"/>
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#### 1.4 Your service year in the financial sector?

0-5 Years	<input type="checkbox"/>	6-10Years	<input type="checkbox"/>	11-15Years	<input type="checkbox"/>	>15 Year	<input type="checkbox"/>
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### PART Two

This part is intended to assess the factors that motivate employees in Awach Saving And Credit Cooperative. Can you please show your response to the statements by marking "X" under the numbers in the column using the following rating scale (Likert Scale). Where: 1 = Strongly Disagree, 2=Disagree, 3=Average 4=Agree, 5=Strongly Agree



<b><u>1. From Materialistic Motivators Perspectives</u></b>		<b><u>1</u></b>	<b><u>2</u></b>	<b><u>3</u></b>	<b><u>4</u></b>	<b><u>5</u></b>
I	There is good job security exists in the company					
II	There is periodical increase in salary					
III	There is an established rewards and praise systems by superiors,					
<b><u>2. From Recognition Motivator Perspectives</u></b>		<b><u>1</u></b>	<b><u>2</u></b>	<b><u>3</u></b>	<b><u>4</u></b>	<b><u>5</u></b>
I	Employees are independence when they are working					
II	There is a high degree of personal responsibility,					
III	There is proper performance appraisal system in the company.					
<b><u>3. From Organizational Career Development Motivators Perspectives</u></b>		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
I	There is good personal career development opportunities					
II	There is a well-established system for information flow					
III	There is good relationship between the enterprise's management and its employees.					
<b><u>4. From Collaboration and Cooperation Motivators Perspectives</u></b>		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
I	There is a clear relationship with the Co-worker					
II	Management is interested in motivating the employees					
III	The company has good working environment that can motivates employee					
IV	There is involvement of employees in decision making					

Part Three

This part is intended to determines the effect and relationship of motivation on employees performance in Awach Saving And Credit Cooperative. Could you please rate your response as follows:

1= unsatisfactory, 2= Marginal, 3= Satisfactory, 4= Good, 5= Exceptional

No	Statement	1	2	3	4	5
1	<b>Job Knowledge</b> Employee demonstrates an understanding and working knowledge of current role.					
2	<b>Efficiency and Time Management</b> Takes effort to accomplish work in ways that maximize available resources and minimizes waste.					

<b>3</b>	<b>Quality of Work</b> Works at expected pace; Work is thorough, neat & accurate and does not create rework or scrap.					
<b>4</b>	<b>Dependability &amp; Decision Making</b> Follows instructions; reliable and responsive to assigned tasks; doesn't need constant supervision.					
<b>5</b>	<b>Teamwork</b> Practices respectful, honest and direct communication with all team members and customers; Cooperates with team members; contributes to team;					
<b>6</b>	<b>Attendance</b> Practices timeliness in reporting to work; works throughout scheduled work day.					
<b>7</b>	<b>Ownership &amp; Compliance</b> Demonstrates ownership and accountability for individual performance; Takes initiative in the department;					

#### Part Four

This part is intends to understand the challenging issues in motivating employee at Awach Saving And Credit Cooperative. Please rate your response as follows:

1 = Strongly Disagree, 2=Disagree, 3=Average 4=Agree, 5=Strongly Agree

No.	Statement	1	2	3	4	5
1	Employee's Low Self-Confidence					
2	Employee's Low Expectations for Success					
3	Employee's Lack of Interest in Subject Matter					
4	No advancement opportunities for employees					
5	Leaders are not inspiring.					
6	Company's focus on profit, not employees.					
7	Low budgets for incentives and rewards					
8	Low management on cross-cultural diversity					

#### Interview Questions

1. What are the jobs performed in Awach Saving and Credit Cooperative

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2. What motivational arrangements are there at Awach Saving and Credit Cooperative?

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3. What are the effect of motivation on employees performance in Awach Saving And Credit Cooperative

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4. How do you relate motivation and employee performance at Awach Saving and Credit Cooperative?

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-----  
5. What are the observable challenges to motivate employees at Awach Saving and Credit Cooperative?

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-----  
6. Could you please rate the overall employees performance in Awach Saving And Credit Cooperative from the following perspectives? \_\_\_\_\_

1	2	3	4	5
Unsatisfactory	Marginal	Satisfactory	Good	Exceptional

THANK YOU

**Annex 3: Case Processing Summary and Reliability Statistics for Pilot-Test for Variables assessing the factors that motivate employees in Awach Saving And Credit Cooperative.**

<b>Case Processing Summary</b>			
		N	%
Cases	Valid	10	100.0
	Excluded <sup>a</sup>	0	.0
	Total	10	100.0
a. Listwise deletion based on all variables in the procedure.			
<b>Reliability Statistics</b>			
Cronbach's Alpha	N of Items		
.918	13		

The Cronbach alpha value for all the questions in the designed questionnaire, which were focused assessing the factors that motivate employees in Awach Saving And Credit Cooperative is calculated as 0.918 as it is calculated on Annex3 This indicates that there is a high internal consistency among the data.

**Annex 4: Case Processing Summary and Reliability Statistics for Pilot-Test for determines the effect and relationship of motivation on employees performance in Awach Saving And Credit Cooperative.**

<b>Case Processing Summary</b>			
		N	%
Cases	Valid	10	100.0
	Excluded <sup>a</sup>	0	.0
	Total	10	100.0
a. Listwise deletion based on all variables in the procedure.			
<b>Reliability Statistics</b>			
Cronbach's Alpha		N of Items	
.781		7	

The Cronbach alpha value for all the questions in the designed questionnaire, which were focused for determines the effect and relationship of motivation on employees performance in Awach Saving And Credit Cooperative. is calculated as 0.781 as it is calculated on Annex 4. This indicates that there is a high internal consistency among the data.

**Annex 5: Case Processing Summary and Reliability Statistics for Pilot-Test for understand the challenging issues in motivating employee at Awach Saving And Credit Cooperative.**

<b>Case Processing Summary</b>			
		N	%
Cases	Valid	10	100.0
	Excluded <sup>a</sup>	0	.0
	Total	10	100.0
a. Listwise deletion based on all variables in the procedure.			
<b>Reliability Statistics</b>			
Cronbach's Alpha		N of Items	
.766		8	

The Cronbach alpha value for all the questions in the designed questionnaire, which were focused on understanding the challenging issues in motivating employee at Awach Saving And Credit Cooperative, is calculated as 0.766 as it is calculated on Annex 5. This indicates that there is a high internal consistency among the data.