



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

**THE EFFECTS OF MOTIVATION ON EMPLOYEES' PERFORMANCE
AT MEKDIM ETHIOPIA NATIONAL ASSOCIATION**

**BY
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**SEPTEMBER, 2013
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LIST OF ACRONYMS

MENA	Mekdim Ethiopia National Association
AIDS	Acquired Immune Deficiency Syndrome
PLWHA	People Living with HIV AIDS
HIV	Human Immune Virus
NGO	Non Government Organization

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ABSTRACT

In any organization employees' motivation is the key factor for successful organizational performance. Motivating the workforce of an organization to work more effectively towards the organization's goals is perhaps the most fundamental managerial task in a given organization. Organizations motivate their workforce to perform effectively by offering those rewards for satisfactory performance and perhaps improving them for unsatisfactory performance. The study has been designed to assess the effects of motivation on employee performance at Mekdim Ethiopia National Association. The research design of this study is descriptive. Data was collected through questionnaire and semi structured interview. Questionnaires were distributed to head office and the three branches of MENA. Primary data were analyzed using percentages, frequencies and SPSS 16. From the finding of the study respondents are not satisfied with the current motivational factors of MENA in spite of the fact that staffs are mostly motivated by extrinsic sources of motivation such as good salaries, fringe benefit and recognition. The main findings of this study show that 38(63.3%) of the respondents said that their level of motivation is low, with regards to the effects of motivation on employee's performance, it was discovered that 67(90.5%) of the respondents agreed motivation has an effect on their level of performance and 27(45 %) of the non supervisor and 7(50%) supervisor level of the staff ranked high salary as the most important motivational factors. The study concluded that the level of staff motivation at MENA is generally low and this will have an implication on staff commitment, turnover and productivity as well as success of the organization.

CHAPTER ONE

INTRODUCTION

This chapter is an introductory chapter for the study which introduces the overall study. This part consists of introduction, problem statement, objectives, significance of study, scope, limitations of the study and organization of the research work. Each of these sub topics are discussed in detail.

1.1 Background of the Study

Mekdim Ethiopia National Association (MENA) was established in 1996 by a group of three people living with HIV and nine AIDS orphans, in the beginning MENA has obtained a license from Addis Ababa City government to work at regional level in 1997. Subsequently, in August 1999, it has got NGO license from the ministry of Justice to operate at National level. Primarily it was established by common effort of few individuals who were HIV victims and used to suffer bitter stigma, ignorance and discrimination in their day to day pursuit and life aimed at creating public awareness and elimination with that respect.

Currently the association encompasses a total of over 10,000 members (26 % AIDS Orphans & 74% PLWHA). With 182 staffs, in eight branch offices, MENA provides home based care, social and economic support and IEC/BCC services to its members and non-members in the area it operates: Oromia Regional State (Adama, Jimma and Shashemenie), Amhara Regional State (Bahirdar and Dessie), Afar Regional State (Semera), Benishangule Regional State (Assossa) and Addis Ababa.

Non Government Organizations' (NGOs) play important role in worldwide economies and their employees are the best sources of delivering good services to their beneficiaries. Excellent services provided and offered by employees can create a positive perception and ever lasting image in the eyes of beneficiaries. MENA as NGO play vital role in social and economic support to its members and non-members in the area it operates but these activities are not effective without having motivated staff since motivation has a strong impact on its employee's performance HR manual (2011).

Researches on this topic indicate that employee's performance is affected by a number of factors, among which motivational factor takes the paramount place. To manage the existing performance of the employees and to motivate them for better performance, efficient motivational practices have become more important in all organizations. In order to be viable in today's global and high competitive market, all factors of production machine, material and effective performance of individuals should be managed in meaningful fashion. At this juncture what should be noted here is that men i.e. human resource is the biggest challenge to accomplish organizational objectives, since human resource has full of emotions, feelings and thoughts to achieve higher productivity and effective organizational performance. Even, it is the best strategy in place for appropriate organizational architecture and effectiveness, by maximizing and enriching members' motivation to perform to higher rate. It involves intrinsic and extrinsic motivations.

“Intrinsic motivation is a psychological force that determines the direction of a person's behavior as a result of challenging or interesting work, by providing autonomy to work, designed scope to develop skills, capabilities, opportunities to develop and maximize, etc. Extrinsic is also psychological force that determines behavioral change as a result of tangible and intangible benefits such as salary, fringe benefit and special awards” (Gareth, R Jones and Jennifer M. George, 2003).

Employee performance refers to the efficiency and effectiveness of employees in achieving organizational objectives. (Kootz et al., 1990) Employee performance can be evaluated by considering the level of absenteeism, quality of reports, and time of reporting for and leaving for duty.

The most important dependent variable in industrial and organizational psychology is job performance. One of the major concerns of manufacturing companies has focused on improving worker productivity, which is one of the job performance measures (Borman, 2004). According to Keller (2006), when you expect the best from your employees they will give you their best. On the other hand, when you expect little from employees they will give you low performance in return. Many people feel that they are not recognized or appreciated by their employers for their hard work and in turn they feel de-motivated. Lack of communication and feedback from employers cause employees to feel overlooked and inhibits them from performing to the best of

their ability. Employee motivation is one of the strategies managers employ to enhance effective job performance among workers in organizations.

For effective work performance to thrive in the organization, motivation has to be managers' top priority. In this regard, leadership effectiveness relates to work performance. Leadership is a central feature of organizational performance. This is an essential part of managerial activities which focuses on efforts towards the goals and objectives of the organization. There must be an appropriate form of behavior to enhance performance. Leadership might be viewed in terms of the role of the leaders and their ability to achieve effective performance from others. Akinboye (2005) defines leadership as leaders inducing followers to act towards certain goals that represent the values and the motivations, the wants and needs, the aspirations and expectations of both leaders and followers. Leadership is virtually important at all levels within the company. Leadership is the moral and intellectual ability to visualize and work for what is best for the company and its employees.

The quality of human resource management has a critical influence on the performance of the organization. Concern for strategic integration, commitment, flexibility and quality has called attention to employees' motivation and retention. Financial motivation has become the most concern in today's organization and tying it to Maslow's basic or physiological needs, non-financial aspect, only comes in when financial motivation has failed. According to Greenberg and Baron (2008), the definition of motivation could be divided behind individual's action. People tend to be guided by their interest in making a good impression on others, doing interesting work and being successful in what they do. The second part refers to the choice people make and the direction their behavior takes. The last part deals with maintaining behavior, clearly defining how long people have to persist at attempting to meet their goals.

To this end today's managers of organizations in the NGO sector are therefore adopt various kind of motivational packages not only to retain employees but also to help them in achieving competitive advantage in this sector. With this drive the study therefore, assess various effects of motivation on employees' performance of selected non government organization employees-Mekdim Ethiopia National Association.

1.2 Statement of the Problem

Motivation and performance of employees is a resultant effect of many factors that would contribute to the physical and spiritual needs of employees. Employees' motivation is related to organizational commitment and consequent increased productivity and organizational effectiveness.

According to Towers, P. (2003), employee motivation is perhaps the biggest drive of organizational performance. He adds that an organization which is able to motivate its employees and maintain its leverage, their zeal and drive in order to ensure staff performance. Maslow (1943) stated that individuals attain the next hierarchy of needs after the first one has been achieved. Senior managers are not much motivated extrinsically by money and other physiological needs but are well motivated intrinsically through self-esteem and actualization needs, this can be done by providing adequate attention for their excellent advice and contributions to transform into performance.

Employees move from one organization to another and or gets dissatisfied due to lack /low level of motivation. Some employers try to give high salaries or wages to their employees just to motivate them to do their best to maximize organization productivity. Others also give rent and transportation allowances to their employees so that the employees can put up their best to enhance their performance, yet the whole thing seem to be a mirage.

This reveals that the notion of motivation is subjective, that is to say that what motivates someone to put up his/her best may also de-motivate others. Human needs are insatiable for this reason they always struggle for new things in life so that they can live a comfortable livelihood. If someone receives huge salaries, allowances in terms of rent, transportation fee does not guarantee ones motivation, here to say that motivation does not rely only on extrinsic rewards but also on intrinsic rewards. Previously there was monetary as well as appreciation letter motivational practice at MENA based on their performance through employees participation but currently there is no planed motivational system except the provident fund for those who are recruited before the new pension law. Therefore, this study seeks to assess/investigate the effect of motivation on employees' performance at Mekdim Ethiopia National Association.

1.3 Objectives of the Study

The study has the following general and specific objectives.

General Objective

The general objective of the study is to investigate the effects of motivation on employees' performance at Mekdim Ethiopia National Association.

Specific Objectives

More specifically, the study is aimed to achieve the following objectives:

- ❖ To assess the effect of motivation on the employee's performance.
- ❖ To examine types of motivations available at MENA if any whether they are well planned and whether employees are satisfied in the prevailing source of motivations
- ❖ To identify the factors that motivates and de-motivates employees at Mekdim Ethiopia National Association.
- ❖ To identify the level of motivation of workers at Mekdim Ethiopia National Association for their best performance.
- ❖ To asses motivational factors that contribute to an effective employees performance.
- ❖ To assess whether the availability and unavailability of motivational sources have brought direct impact towards the effectiveness of the organization.
- ❖ To make professional recommendations for the gaps identified by the research.

1.4. Research Questions

The study will have the following research questions:

- ❖ What factors motivate and de-motivate the employees at Mekdim Ethiopia National Association?
- ❖ What are the impacts of motivations in enhancing employees' better performance in a particular organization especially in MENA?
- ❖ Which motivational processes of MENA have strong effect on employee performance?
- ❖ How motivations affect productivity at Mekdim Ethiopia National Association.?
- ❖ How do employees respond to different kinds of incentives?
- ❖ What types of motivations are more pertinent to motivate employees to perform at their peak?

1.5. Significance of the Study

According to Towers, P. (2003), Employee motivation is perhaps the biggest driver of organizational performance. Employees' motivation is related to organizational commitment and consequent increased productivity and organizational effectiveness/successes. The organization cannot achieve its aims and objectives without having well motivated employees.

Therefore, it is very important to study the effects of motivation on employee performance as this is a key factor for organizational successes. Furthermore it will provide information for the management on how to motivate employees in order to increase their performance and their productivity for achievement of organizational objectives. Once the organization gaining more knowledge about motivation and its effect on the performance the management will device concrete strategies to keep their employees and also make them happy both at home and at work.

Finally, the result of this study will give an insight to any individual who has interest to undertake further study on this area.

1.6. Scope of the Study

This study is limited to address the objectives mentioned in this study which is to assess the effects of motivation on employees' performance at Mekdim Ethiopia National Association. The area of the study is limited at Adam, Addiss Ababa, Bahirdar branches and Head office of MENA due to time and money constraints. Therefore, the researcher can't observe the real situation on the remaining branch offices of the organization.

1.7. Limitation of the Study

The limitations of the study are in terms of coverage and depth owing of time and financial resource availability to make interviews and personal discussions with all the targets of the study located in different portfolios of the organization that could help to get well organized responses for the subject under study. To minimize the impacts of these limitations the researcher has tried to design good quality questionnaires to enable respondents provide relevant data.

1.8. Organization of the Study

The paper is organized in to five chapters; the first chapter is an introduction for the study which introduces the overall study. This part consists of introduction or back ground of the study, problem statement, objectives, significance, scope and limitations of the study.

The second chapter focuses on review of literatures in which previous studies were consulted. In this chapter general concepts and definitions, basic issues and empirical evidences of effects of motivation on employee's performance were discussed in detail. The major areas and results of previous studies have also been presented.

The third chapter, research design and methodology, emphasizes on the design of the study and the methodologies used. In this chapter; source of data, data collection, sample size & sampling techniques and selection of study organizations are discussed.

The fourth chapter is devoted to data presentation, analysis and interpretation in which the collected primary data analyzed and organized in meaningful manner so as to meet the objectives of the study. The analysis is facilitated by SPSS version 16.0.

The fifth and last chapter is concerned with summary, conclusion and recommendations. Here the findings of the study are summarized, conclusions clearly presented and recommendations are provided for the findings of study.

1.9 Definition of Terms

a. Motivation: Motivation is the process that accounts for an individual's intensity, direction and persistence of effort toward attaining a goal Robbins and Judge (2008).

b. Employee Satisfaction: Whether employees are happy and satisfied and pleasing their desires & needs at work. Many measures claim that employee satisfaction is a factor in employee mot employee goal.

c. Employee Performance: The activity of performance; of doing something fruitfully; by knowledge as famous from simply possessing.

d. Performance Management : Frimpong and Fan (2009), defines performance management as the process through which managers ensure those employees' activities and outputs are

congruent with the organization's goal.

d. Productivity: Productivity is that which people can produce with the smallest amount effort
Productivity is a ratio to calculate how well an organization or individual, industry, country
converts input belongings, labor, materials, machines etc. into goods and services

e. Working Environment: Stresses, influences, and competitive, situation, civilizing,
demographic, profitable, usual, political, regulatory, and environmental factors that affect
the survival, operations, and development of an organization.

CHAPTER TWO

RELATED LITRATURE REVIEW

This chapter focuses on basic concepts and issues that had been discussed by different scholars on the research topic. Basically definitions, concepts, types and theories of employee motivation are discussed. Moreover, the relationship between motivation and employee performance and challenges of motivation are discussed in brief.

2.1 The Concept of Motivation

The topic of human motivation and its significance in organizational performance has drawn great attention by different scholars. This is so due to its paramount significance in the business world and more so in the contemporary society (Krzemien & Wolniak 2007).

Various scholars, theorists and researchers have done remarkable contributions in the topic, whereby they have been able to identify the impacts of motivation in employee performance. The issue of employee performance has been adequately addressed by researchers who have engaged in the study on employee motivation.

As postulated by Terpstra (1979), the diversified research conducted by different scholars and researchers have shown a strong correlation between employee motivation and employee performance.

Motivation also refers to what activates, directs human behavior and how this behavior is sustained to achieve a particular goal. Motivation is a psychological process that influences how personal effort and resources are allocated to actions pertaining to work, including the direction, intensity, and persistence of these actions (Ruth.K, Gilad. C, and Robert D, 2008).

As indicated by Skinner (1953), the concept of employee motivation has been clearly understood but rarely practiced. Skinner (1953) continues to urge that in order to understand motivation, there lays great need in understanding human beings. In this regard, human behavior has been strongly correlated with the level of human motivation; meaning the higher the level of motivation, the better the behavior. With this in mind, it has been made clear that, proper

employee motivation leads to good organizational behavior, increased employee efficiency and output.

Hamidi et al (2010) argues that, the issue of motivation in the workplace is a product of good leadership and management. This makes it inevitable for organizations that are looking forward to high levels of motivation to adopt effective leadership and management. It has been very evident that, organizations' that practice good leadership and management enjoy overwhelming numbers of customers (Jeffries & Hunte 2003).

This is associated with the high levels of satisfaction offered by the motivated employees. By so doing, the organization is able to enjoy higher levels of profits as well as sustainable market. While some other scholars like Armstrong (2007) argued that, a motive is a reason for doing something for moving in a certain direction. People are motivated when they expect that a course of action is likely to lead to the attainment of a goal a valued reward that satisfies their particular needs. Well motivated people are those with clearly defined goals who take action that they expect will achieve those goals.

To conclude motivation is an inner drive that directs a person's behavior toward goals. It is the force that initiates guides and maintains goal-oriented behaviors. It is what causes us to take action, whether to grab a snack to reduce hunger or enroll in college to earn a degree.

It can also be understood that it is the willingness to exert high levels of effort toward organizational goals, conditioned by the effort's ability to satisfy some individual need. Motivated people are those who have made a conscious decision to devote considerable effort to achieving something that they value.

2.2 Types of Motivation

There are two types of motivations (Armstrong, 2007 and Armstrong and Murlis, 2004)

a) Intrinsic Motivation

Intrinsic motivation takes place when people feel that the work they do is intrinsically interesting, challenging and important and involves the exercise of responsibility (having control over one's own resources), autonomy or freedom to act, scope to use and develop skills and abilities and opportunities for advancement and growth. It is derived from the content of the job and can be described as the process of motivation by the work itself in so far as it satisfies

people's needs or at least leads them to expect that their goals will be achieved. Intrinsic motivation is self-generated in that people seek the type of work that satisfies them, but management can enhance this process through its values as well as empowerment, development and job design policies and practices.

The factors affecting intrinsic motivation include responsibility (feeling the work is important and having control over one's own resources), freedom to act, scope to use and develop skills and abilities, interesting and challenging work and opportunities for advancement.

b) Extrinsic Motivation

Extrinsic motivation on the other hand deals with the amount of effort given to individuals by outsiders with the need to motivate and enhance their performance towards the organization effectiveness. It arises when management provides rewards such as increased pay, praise, or promotion. When the motivating impact of pay-for-performance schemes is discussed, this is the type of motivation to which people are referring.

The extrinsic motivators can have an immediate and powerful effect, but this will not necessarily last for long. This includes rewards such as increased pay, recognition, praise or promotion and punishments such as disciplinary action, withholding pay, or criticism.

2.3. Motivational Theories

Motivation theories help to understand different motivators. Motivation theories have been examined for decades. These theories can be implemented to the company's human resource policies to get the best performance from the employees.

Though there are so many theories on motivation, only some of the prominent theories of motivation that are close to this study are discussed below; due to time constraint the writer was unable to cover all the theories. Hence the following theories are selected and discussed in detail.

2.3.1. Maslow's Hierarchy of Needs

Maslow (1943) Maslow's Hierarchy of needs is one of the most known motivation theories, it starts with the idea that people always tend to want something and what they want depends on what they already have. Maslow proposed that there are five different levels of needs people

have to seek for satisfaction of their basic needs. (Mullins 2007) (as quoted by Anna S, Sanni K, 2010). The first or lowest level is Physiological needs. These needs involve food, water, shelter and clothing. Before these needs are fulfilled a person does not get motivated to the other level of needs in the hierarchy. When people do not feel hunger, thirst or cold, their needs go to a second level. The second lowest level is Security needs. The second lowest level is Security needs. In that level a person needs to feel secure in his/her family and in a society, and feel protected against violence.

The need for safety is manifested with job security, savings and for insurances of health, mental health, old age and disability. Love and belonging needs is the third level of Maslow's hierarchy. After feeling secure, people need to feel that they receive and give love, they are appreciated and they have good friendships. The fourth level is Esteem needs.

It is the need to be unique with self-respect and to enjoy esteem from other individuals. People want to evaluate themselves highly and based on their achievement receive appreciation from other people. Highest level of Maslow's hierarchy of needs is need of Self-actualization. The development of this need is based on the satisfaction at the other four lower levels.

It refers to the need of self-fulfillment and the tendency to become actualized in what a person is potential. The core of this theory lies in that when one need is fulfilled, its strength diminishes and the strength of the next level increases.

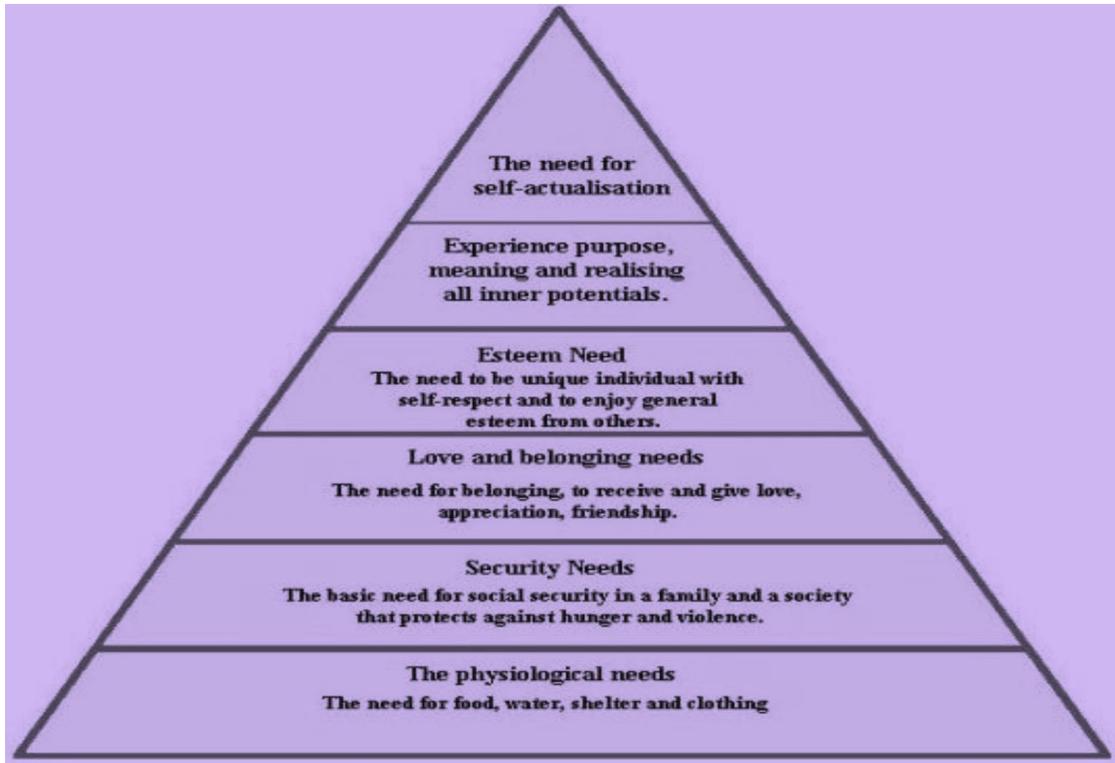


Figure I: Maslow's Hierarchy of needs Maslow (1943).

Empirical studies on employee motivation using the original and adapted Maslow's model

If any person has to come up with the question that is there any need for employees motivation? The answer to this type of question of-course should be simple-the basic survival of every organization be it public or private limited before, today and in the foreseeable future lies in how well its work force is motivated to meet the objectives of the organization.

This explains why the human resource department in today's organization is became a focus of its core functions. The motivated employees are needed in this rapidly business world where the principal-agent conflict is the issue confronting most managers. Most organizations now consider their human resources as their most valuable assets (a strategic or competitive advantage).

Therefore, in order to effectively and efficiently utilize this strategic asset, the writer believe that managers and the organization as a whole must be willing and strive to understand and hopefully provide the factors that motivate their employees within the context of the roles and duties they perform. This is because highly motivated employees are the cause of high productivity levels

and hence higher profits for the organization. Having noted this rationale the next question one may ask are what factors motivated today's employees"? According to Wiley (1997) at some point during our lives, virtually every person may have to work. He claims that working is such a common phenomenon that the question "what motivates people to work" is seldom asked.

Wiley went on to say that "we are much more likely to wonder why people climb mountains or commit suicide than to question the motivational basis of their work". Therefore, exploring the altitudes that employees hold concerning factors that motivate them to work is important to creating an environment that encourages employee motivation.

From the much amount of literature available on employee motivation, it is clearly evident that a lot of surveys regarding employees and what motivates them have been undertaken. These employee motivation surveys have been conducted in many different job situations, among different categories of employees using different research methods and applications.

One of the very first survey to be conducted was on industrial workers by Hershey & Blanchard, (1996) over the years, similar or different survey employees have been carried out see (Kovach, 1987) (Wiley, 1995), (Lindner, 1998) According to a research carried out by Kovach (1987) on industrial employees who were asked to rank ten "job rewards" factors based on personal preferences where the value 1 represented most preferred and 10 being the least preferred.

The results were as follows (1) full appreciation of work done (2) employees loyalty (9) Good working conditions (10) tactful discipline During the periods of (1946, 1981 & 1986) when employee surveys were carried out, supervisors were at the time asked to rank job rewards, as they thought employees would rank them. The rankings by the supervisors were relatively consistent for each of the years.

These rankings were as follows: (1) Good wages (2) Job security (3) promotion and Growth (4) working conditions (5) interesting work (6) personal loyalty to employees (7) tactful discipline (8) full appreciation (9) sympathetic help with personal problems (10) recognition (Kovach 1987). The results from the supervisor survey indicated that their ranking had not changed over the study period with regards their collective perception of factors that motivate employees.

This shows that they had a very inaccurate perception of what motivates employees but also that they did not realize the importance of the need theory. In a survey by Wiley (1997) in which approximately 550 questionnaires were administered to persons employed at different industries and divided into 5 subgroups, or categories namely: (occupation, gender, income levels, employment status and age) they were asked to rank 10 factors according to the level of importance each is in motivating them to perform best with the most important factor ranked 1 and the least important ranked 10th.

The survey concluded with the following collective rank order by respondents: (1) Good wages (2) full appreciation of work done (3) job security (4) promotion (5) interesting work (6) company loyalty to employees (7) Good working conditions (8) tactful discipline (9) recognition (10) sympathetic help with personal problems.

The results from a representative sample of the labor force in seven different countries by Harpaz (1990) showed that the two most dominant work goals were “interesting work” and “Good wages”; He further concluded that these two factors were consistent across different organizational levels, between genders and age groups.

Harpaz (1990) concluded, “When the ratings of twenty three job related factors (including the need factors) were carried out, the conclusion reached was that no single factor was pre-eminently important”. He further pointed out that, “The most aspect of the worker job was that of sufficient resources to perform a task.

From the above studies presented so far, the rankings by different subgroups have shown semantic differences in the importance placed on different motivational factors. For example (Kovach, 1987, Wiley, 1997 and Harpaz, 1990). The discrepancies in these research findings support Nelsons (2001) positional view that “what motivates employees differs and may change for the same employee over time”.

It is appropriate at this level to give a brief summary of the previous researches in this thesis. Even though the original need hierarchy theory was presented some 50 years ago, some of if not all factors remain of significant importance to employees today. The large number of earlier and recent studies investigating employee motivation using sometimes the original or modified

version of Maslow's theory, may continue the appreciation of this theory and the issue of employee motivation.

The literature also shows that where the original theory was lacking (shortcomings or criticized for), has been greatly taken into consideration. Researchers have taken issues such as differences in gender, age, income, culture and countries and so forth and how these may affect or influence employee work motivation extensively. The commonality between these previous researches is the agreement that certain factors are more important as motivational factors than others and that these factors may change from one employee to another.

These previous studies have also been taken using different methods, from surveys, questionnaires, face to face interviews, but their outcomes have not differed significantly. A possible explanation could be due to the fact that even though these studies were carried out using different methods and target population, the motivator's factors remain identical. The literature used in this thesis covers a wide range of time period, highly relevant and useful for addressing the purpose of this thesis.

2.3.2 Herzberg's Two-Factor Theory

Frederick Herzberg (1966) studied various factors relating to the job and their relation to employee motivation and concluded that job factors can be classified into two categories - motivators and hygiene factors. Herzberg found out that what makes people happy is what they do or the way they are utilized and what makes people unhappy is the way they are treated.

Things that make people satisfied at work are different from those that cause dissatisfaction so those two feelings can't be opposite. Based on these findings Herzberg created his theory of Motivators and Hygiene factors.

Hygiene factors related to the work setting rather than the content of the work and include adequate wages, comfortable working conditions, fair company policies, and job security. These factors do not necessarily motivate employees, but their absence may be a source of dissatisfaction.

Herzberg hygiene factors create a suitable work environment though not increase in satisfaction. For instance low pay can cause job dissatisfaction which will affect employees' performance.

Hygiene factors are essential to make sure that the work environment does not develop into a disgruntle situation. Typical hygiene factors are salary, working condition, status, company policies and administration. (Saiyadain 2009).

Motivational factors relate to the content of the work and include achievement, recognition, the work itself, involvement, responsibility, and advancement. They promote higher levels of performance. Noted that Herzberg's motivational factors and Maslow's esteem and self-actualization needs are similar and the higher-level goals in Maslow's hierarchy and the motivational factors identified by Herzberg are important in motivating employees to work harder.

Both motivational and hygiene factors can motivate workers but they work for different reasons. Hygiene factors tend to cause only short-term satisfaction to the workers while motivators most probably cause longer-term job satisfaction. These theories support to examine the correlation between motivations and employees' performance in a given organization like MENA.

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

2.3.3 Expectancy Theory

The concept of expectancy was originally formulated by Psychologist Victor Vroom and it assumes that motivation depends not only on how much a person wants something but on the person's perception of how likely he or she is to get it. Vroom(1964) defined this theory "Where an individual chooses between alternatives which involve uncertain outcomes, it seems clear that his behavior is affected not only by his preferences among these outcomes but also by the degree to which he believes these outcomes to be possible.

Expectancy is defined as momentary belief concerning the likelihood that a particular act will be followed by a particular outcome. Expectancies may be described in terms of their strength. Maximal strength is indicated by subjective certainty that the act will be followed by outcome, while minimal strength is indicated by the subjective certainty that the act will not be followed

by the outcome.” (Vroom, 1964) (As quoted by Anna S, Sanni K, 2010). In this theory, motivation is likely only when there is a clearly perceived and usable relationship exists between performance and outcome; and the outcome is seen as a means of satisfying needs. Armstrong (2007) noted that the expectancy theory provides the foundation for good practice in the design and management of contingent pay. The basis for the concept is the ‘line of sight’, which emphasizes the importance of establishing a clear link between the reward and what has to be done to achieve it.

This theory is complex because it suggests that every action leads to a number of different outcomes, some of which are desirable and some that are not. Expectancy theory suggests that managers should show employees that they can achieve the outcomes they desire.

Managers, can use the concepts and principles of expectancy theory to improve performance. It is important to acquire an understanding of the outcomes preferred by employees. Managers should listen, talk and observe employee responses towards the rewards given by the organization such as compensation, incentives, promotions, praise, gift certificates, and time off.

2.3.4 Equity Theory

Equity theory was developed by Adams, it says that it is not the actual reward that motivates, but the perception, and the perception is based not on the reward in isolation, but in comparison with the efforts that went into getting it, and the rewards and efforts of others.

The concept of equity may be explicitly stated as the even exchange of values such that what is received is presumed to be equal to what is given (Adams, 1965) (as quoted by W. Fred v. R. and Kassaye W, 1977) . They argued that, equity theory may be applied to social relations such as management-worker and seller-buyer. Further, the concept of power seems to be related to perceived and subjective equity.

When people sense inequities in their work they will be aroused to remove the discomfort and restore a state of felt equity to the situation by changing work inputs, changing rewards received, leaving the situation, changing the comparison points, psychologically distorting the comparisons.

People who feel overpaid (feel positive inequity) have been found to increase the quantity or quality of their work, whilst those who are underpaid (feel negative inequity) do the opposite. Feelings of inequity are determined solely by the individual's interpretation of the situation - the fact that a manager feels that the annual pay review is fair is immaterial.

2.3.5 Goal Theory

A goal is defined simply as what the individual is consciously trying to do. In their research, Locke & Latham (2006; Ordóez et al., 2009), they do agree that as long as an individual remains committed to the set goal (s), and that the individual has the ability to attain the set goals, whereby there are no other, otherwise conflicting goals set, then graphically, this would be a linear relationship. The linear relationship is set between the task performance and the goal difficulty (Locke & Latham, 2006, Ordóez et al., 2009). Furthermore, challenging goals mobilize energy, lead to higher effort, and increase persistent effort.

Goals motivate people to develop strategies that will enable them to perform at the required goal levels. Finally, accomplishing the goal can lead to satisfaction and further motivation, or frustration and lower motivation if the goal is not accomplished. Fred C. L (2011) stated that this theory emphasizes the important relationship between goals and performance.

Fred added that, the motivational impact of goals may be affected by moderators such as ability and self-efficacy. Deadlines improve the effectiveness of goals. A learning goal orientation leads to higher performance than a performance goal orientation, and group goal-setting is as important as individual goal-setting.

The goal-setting model emphasizes that a goal serves as a motivator. It is important for any goal to be clear, meaningful, and challenging. A person's ability can limit his or her efforts to accomplish goals. If a manager sets a difficult goal and a person lacks the ability to accomplish it, there will not be accomplishment. As goals are accomplished and this performance is evaluated, rewards are distributed. If the rewards are preferred as discussed in expectancy theory, employees are likely to be satisfied and motivated.

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

2.4 Employee Performance

Performances can be separated in organizational and employee performance. Employee performance is also known as job performance. However, it seems that job performance is mostly subjectively measured in organizations and it will appear that there are few alternative options. In this chapter, at first the distinction between organizational and job performance is made. After that the concept job performance is highlighted, together with measuring it and its implications.

2.4.1 Performance in Organizations

Performance in organizations can be separated in organizational performance and job performance (Otley, 1999). According to Otley, the performance of organizations is dependent upon the performance of employees (job performance) and other factors such as the environment of the organization. The distinction between organizational and job performance is evident; an organization that is performing well is one that is successfully attaining its objectives, in other words: one that is effectively implementing an appropriate strategy (Otley, 1999) and job performance is the single result of an employee's work (Hunter, 1986). Since the aim of this thesis is to provide a link between motivating employees and their performance, organizational Performance lies outside the scope of this research and only job performance is addressed.

2.4.2 Job Performance

Good job performances and productivity growth are also important in stabilizing our economy; by means of improved living standards, higher wages, an increase in goods available for consumption, etc (Griffin et al., 1981). Griffin et al. also argue that therefore research of individual employee performance is important to society in general.

Employee production and employee job performance seems to be related; e.g. in the U.S. performance is in some cases measured as the number and value of goods produced. However, in general productivity tends to be associated with production-oriented terms (e.g. profit and

turnover) and performance is linked to efficiency or perception-oriented terms (e.g. supervisory ratings and goal accomplishments) (Pincus, 1986).

According to Hunter (1984) crucial in a high job performance is the ability of the employee himself. The employee must be able to deliver good results and have a high productivity. Hunter and Hunter (1984) also argue that this is something the organization can know at forehand; they can select employees with the required abilities or they can recruit those employees themselves. Of course the latter is more time consuming, but can obtain better results in the end (Hunter, 1986).

However, job performance is more than the ability of the employee alone. Herzberg (1959) and Lindner (1998) refer to the managerial side of performance. According to Herzberg (1959) performance is: let an employee do what I want him to do. This implies that the organization's hierarchy and task distribution are also critical for a good employee performance. Lindner (1998) adds to this statement by arguing that employee performance can be perceived as "obtaining external funds".

According to Vroom (1964) an employee's performance is based on individual factors, namely: personality, skills, knowledge, experience and abilities. Many researchers agree that job performance is divided in those five factors (e.g. Hunter & Hunter, 1984). Some researchers even argue that a person's personality has a more specific role in job performance (Barrick & Mount, 1991

Vroom's (1964), Hunter & Hunter's (1984), Hunter's (1986), etc. results are evident. Namely, Job performance can be divided in personality, skills, knowledge, experience and abilities. Some researchers even argue that personality has a more specific role in job performance. However, according to Bishop (1989) and others, job performance contains a problem; namely the measurement of performance.

2.4.3 Measuring Job Performance

According to Kostiuk and Follmann (1989) in most organizations performance is measured by supervisory ratings, however these data are not very useful since they are highly subjective. Bishop (1989) adds to this that in most jobs an objective measure of productivity does not exist and he also states that the consistency of worker performance is greatest when conditions of work are stable, but in practice work conditions never are stable. This makes it even harder to

measure performances objectively. According to Perry and Porter (1982), the performance of many employees probably will be measured despite the lack of availability of generally accepted criteria.

Perry and Porter (1982) and Bishop (1989) both argue the problem of objective measuring, however according to Bishop (1989) the problem even increases because most employers believe they can rate the productivity of their employees, and that it is done in an inefficient manner.

However, Bishop (1989) states, it is not impossible, but only costly to obtain objective information about a worker's effort and productivity.

It is stated before that some researchers argue that a person's personality plays a more specific role in job performance (Barrick & Mount, 1991). However, the effect personal characteristics and education have on performance is difficult to interpret, since those estimates are imprecise and the models who claimed that can interpret them are rejected as invalid (Kostiuk & Follmann, 1989). However, Kostiuk and Follmann do argue that personality differences seem to be important in the relationship with performance.

It can be stated that job performance contains a problem; the measurement of it. Job performances are commonly measured by supervisory ratings and those ratings are not perceived as objective. However, it seems that there are alternative options to measure job performance; these are addresses in the next paragraph.

2.4.4 Options for Measuring Job Performance Objectively

Breaugh (1981) states in his research that there are four different performance dimensions on which employees are measured, named: quality, quantity, dependability and job knowledge. This theory combined with Vroom's (1964) theory results in the work of Hunter (1986). He designed the route in which most employers can rate their employee's productivity.

According to Hunter (1986) learning the job is the key to job performance, and general cognitive ability predicts learning. Therefore general cognitive ability is the key predictor of job performance. General cognitive ability together with job knowledge indicates job performance and allows the employee's supervisor to rate performance. According to Hunter this is a simplified but an effective and objective way to measure employee performance. Kostiuk and Follmann (1989) add to the statement of Hunter (1986) that employees with good abilities in

combination with sufficient experience are twice as productive after two years and therefore learning the job is indeed a key to performance. Hunter (1986) argues that supervisory ratings based on ability provide more objective measurements.

However, despite the higher objectivity in the theory of Hunter (1986) this type of measuring job performance is still based on supervisor ratings. And supervisory ratings are commonly rejected as being objective (Bishop, 1989). Griffin et al. (1981) concluded in their literature review that there are few true objective options to measure job performance; one alternative is used in the research of Umstot, Bell, & Mitchell, in 1976. Namely; take job performance as “the average number of units produced per hour for one day; adjusted for set-up and called productivity”. Griffin et al. (1981) argue that there are some other options to measure job performance objectively, but they have more to do with productivity; e.g. job performance taken as “number of units produced divided by total time worked (i.e., items per minute)”.

It seems that performance in organizations is commonly measured subjectively, but there exist few alternatives for objective ways. However, the scope of this thesis is not on designing an objective measurement for job performance. Therefore, in this thesis, the measurement of job performance is taken as an entity.

Performance in organizations can be divided in organizational performance and job performance. The scope of this thesis lies at job performance, and is known as the result of an employee its work. A good employee performance is necessary for the organization, since an organization’s success is dependent on employee’s creativity, innovation and commitment (Ramlall, 2008). It is generally accepted that an employee’s performance is based on individual factors, namely: personality, skills, knowledge, experience and abilities (Vroom, 1964).

Job performance also has its implications; the measurement of job performance is mostly not objective. In most organizations employee’s performances are measured by supervisory ratings. According to Perry and Porter (1982) one cause is that there are no generally accepted criteria for measurements. Hunter (1986) argued in his theory that ability and job knowledge play the most important role in job performance and designed a framework for measuring job performance in a less subjective manner. Although, it seems that there exist alternatives for measuring job performance objectively but they are scarce. However, the aim of this thesis is on the effect of

employee motivation on performance and not on designing an objective measurement for performance. Therefore, in this thesis the measurement of job performance is taken as an entity. The relationship between employee motivation and performance is addressed in the next paragraph.

2.5 Employee Motivation and Performance

The most important dependent variable in industrial and organizational psychology is job performance. One of the major concerns of manufacturing companies has focused on improving worker productivity, which is one of the job performance measures Borman (2004). According to Ketkar (2009), when you expect the best from your employees they will give you their best. On the other hand, when you expect little from employees they will give you low performance in return. Many people feel that they are not recognized or appreciated by their employers for their hard work and in turn they feel de-motivated.

Lack of communication and feedback from employers cause employees to feel overlooked and inhibits them from performing to the best of their ability. Employee motivation is one of the strategies managers employ to enhance effective job performance among workers in organizations.

For effective work performance to thrive in the organization, motivation has to be managers' top priority. In this regard, leadership effectiveness relates to work performance. Leadership is a central feature of organizational performance. This is an essential part of managerial activities which focuses on efforts towards the goals and objectives of the organization.

There must be an appropriate form of behavior to enhance performance. Leadership might be viewed in terms of the role of the leaders and their ability to achieve effective performance from others. Akinboye (2005) defines leadership as leaders inducing followers to act towards certain goals that represent the values and the motivations, the wants and needs, the aspirations and expectations of both leaders and followers. Leadership is virtually important at all levels within the company. Leadership is the moral and intellectual ability to visualize and work for what is best for the company and its employees.

Good management and effective leadership help to develop team work and the integration of individual and group goals. Leaders have to sustain performance, sustaining and improving performance for the future is essential for the survival of the organization. While keeping eyes on performance indicators, leaders encourage creativity and innovation, risk taking and skills for future development. Performance of all employees has to be maintained and morale rebuilt. The vital role of the leader in shaping performance and coaching becomes fundamental to the success of an organization in all ramifications.

The quality of human resource management has a critical influence on the performance of the organization. Concern for strategic integration, commitment, flexibility and quality has called attention to employees' motivation and retention. Financial motivation has become the most concern in today's organization and tying it to Maslow's basic or physiological needs, non-financial aspect, only comes in when financial motivation has failed. According to Greenberg and Baron (2008), the definition of motivation could be divided into three main parts.

The first part focuses on arousal that deals with the drive, or energy behind individual's action. People tend to be guided by their interest in making a good impression on others, doing interesting work and being successful in what they do. The second part refers to the choice people make and the direction their behavior takes. The last part deals with maintaining behavior, clearly defining how long people have to persist at attempting to meet their goals.

The most successful and performing organizations bring out the best in their employees. Such organizations focus on the human resources within. Technology, economic considerations, and the product are secondary to the human qualities, which allow people to work as team. For employees to function at maximum level, they must feel that they are essential to an organization that challenges their human spirit, inspires their personal development, allows them to accomplish goals and tasks, and symbolizes and represents only the highest standards of ethical conduct. Such considerations define a quality work environment. Successful organizations embody the following characteristics:

Trust in relationships: Without trust, any human relationship will inevitably degenerate into conflict.

Involvement: Decision-making starts at the lowest level, where the facts are. What people help create, they support.

Communication: People want to know as much as possible about their working environment. Lack of information hurts their pride, insults their intelligence, arouses their fears, and makes them counterproductive.

Higher Expectations: Pride is the product of accomplishing challenging objectives.

2.5.1 The Relationship between Employee Motivation and Job Performance

The relationship between employee motivation and job performance has been studied for a long period. However, earlier research could not succeed in establishing a direct relationship between the two Vroom (1964). Yet it seems that that the factors do influence each other. Petty et al. (1984) reviewed the 15 studies Vroom (1964) used in his research and added another 20 more recent studies; they concluded that employee motivation and performance are indeed related. The results of their research indicate that the relationship between individual, overall job satisfaction and individual job performance is more consistent than reported in previous researches (e.g. Vroom, 1964). And Hackman and Oldham (1976) argue that when employee satisfaction is added, a circular relationship is formed with performance, satisfaction and motivation. The term satisfaction is also used by Herzberg (1959); he argues that when intrinsic factors (motivators) are present at the job, satisfaction is likely to occur as well as an increase in employee motivation. Amabile (1993) states that work performances are dependent upon the individual's level of motivation; the individual's level of motivation can be intrinsically and/or extrinsically based. It is also argued that certain job characteristics are necessary in establishing the relationship between employee motivation and performance (e.g. Brass, 1981; Hackman & Oldham, 1976; etc.).

Brass (1981) argues that when certain job characteristics are present in an organization, employees are better motivated and an increase in performance is noticeable. Job characteristics (1981) Hackman and Oldham (1976) defined five job characteristics, which are based on the Two-Factor Theory from Herzberg (1959). Those characteristics are: skill variety, task identity, task significance, autonomy and feedback.

The results of their study indicate that employees who work on jobs scoring high on the five characteristics, show high work motivation, satisfaction and performance Brass (1981). Hackman and Oldham (1976) conclude that employees can be motivated through the design of

their work; they argue that by providing certain intrinsic and extrinsic factors an employee can be motivated to perform well.

The five job characteristics (skill variety, task identity, task significance, autonomy and feedback) can bring the employee to three “critical psychological states”, namely: (1) experienced meaningfulness of the work, (2) experienced responsibility for outcomes of the work and (3) knowledge of the actual results of the work activities according to Hackman and Oldham (1976), the three critical psychological states will lead to high motivation, satisfaction and performance.

Hackman and Oldham (1976) also argue that the growth need strength of the employee has a role in the relationship; employees who have a high need for personal growth and development will respond more positively to a job high in motivating potential than employees with a lower need for growth strength. According to them, growth need strength has moderating effect on the relationship. Their research concludes that for introverts extrinsic factors are more important, and extraverts are more intrinsically motivated. Therefore introverts are less satisfied than stable individuals and perform to a lesser extent. This concludes that there presumably also a relationship between personality and performance exists Gray (1975).

However, the exact relation among motivation, satisfaction and performance is not yet defined. Petty et al. (1984) argue that the relationship is circular and starts by a high performance causing satisfaction. According to them, when the employee performs well on a particular task, satisfaction will occur. Because of the internal satisfaction of the employee, the employee is motivated to try to perform well in the future Brass (1981).

According to Hackman and Oldham (1976) the result is “a self-reinforcing cycle of work motivation, powered by self-generated rewards (satisfaction), that will continue until one of the three psychological stages is no longer present, or until the employee no longer values the internal rewards (satisfaction no longer occurs) from his/her good performance”. However, Hackman and Oldham’s (1976) theory is based on intrinsic factors because they argue that an increase in extrinsic factors does not lead to an increase in performance. However, other research suggests that the self-reinforcing circle also could work for extrinsic motivators (e.g. Ansar et al., 1997; Kraimer et al., 2005).

Starting by a high performance causing satisfaction, this increases the employee's motivation to try to perform well in the future. This circular relationship can be caused by providing opportunities for high scores on the five job characteristics; skill variety, task identity, task significance, autonomy and feedback. And according to other research the circular relationship can also be caused by certain extrinsic factors.

However, as described, how employees can be intrinsically and/or extrinsically motivated to perform. At forehand must be stated that in organizations it is likely that both intrinsic and extrinsic motivators are present for most tasks that people do in their work Amabile (1993).

2.5.2 Motivating Employees Intrinsically to Perform

Amabile (1993) states in her research that employees can be intrinsically and/or extrinsically motivated. According to her there exist jobs which are purely extrinsic motivated, however pure intrinsically motivated jobs are scarce. Deci (1972) argues that employees can be motivated to perform well by the job itself and can derive satisfaction from a good performance.

The five job characteristics, as proposed by Hackman and Oldham (1976), Brass (1981), Griffin et al. (1981), etc, are intrinsic motivators. They are designed in this way since, e.g. according to Herzberg's (1959) theory, only intrinsic factors can lead to an increase in motivation (extrinsic factors cannot cause motivation according to Herzberg; they can only cause de-motivation when not present on the job).

This statement is also argued by Deci (1972); according to him there are two essential aspects to motivating employees intrinsically. The first one involves designing tasks which are interesting. And the second one is allowing workers to have some say in decisions which concern them, also known as autonomy. Amabile (1993) adds to this discussion that employees feel capable if they obtain feedback that indicates their progress in their jobs, or suggests ways for improvement.

However as Deci (1972) and Amabile (1993) argue, the difficulty of the employee's work should match his/her ability and intrinsic motivation cannot exist unless the task is interesting in some degree. An interesting task arises from skill variety, task identity and task significance (Deci, 1972). Hereby Deci (1972) refers to the five job characteristics a certain job must have in order to produce high intrinsic motivation and performance.

Leavitt (1962) suggests that challenging jobs may be even more important than allowing autonomy; however he argues that the most intrinsically motivating jobs are the ones which have both.

According to Brass (1981) and Hackman and Oldham (1976) for a high performance, an organization has to be able to provide high scores on the five job characteristics. In case the organization does not succeed in this, the cycle of performance, satisfaction and motivation will not longer be a reinforcing but a downward cycle. When an organization does not provide the right characteristics for a good performance, a person will not derive internal satisfaction and motivation to perform well in the future will not arise (Griffin et al., 1981).

However, as argued before, the type of personality of an employee also has a role in the employee's level of intrinsic motivation; this seems to be related to the level of commitment of an employee. Seligman (2002) refers to intrinsic motivation of employees by distinguishing three kinds of work orientation: a job, a career and a calling; a job has the lowest level of commitment (mostly extrinsically motivated) and a calling the highest level (a combination of high intrinsic and extrinsic motivation). Seligman explains that the part of what turns a job into a calling is the state known as flow; in other words flow has a mediating function. Csikszentmihalyi (1997) ability", hereby is referred to the abilities an employee needs to have to be able to perform. This is also argued by Hunter (1986), who states that learning the job is the key to job performance and that ability is a key predictor of performance.

In conclusion, it can be argued that organizations need to score high on the five job characteristics (skill variety, task identity, task significance, autonomy and feedback). This is in order to motivate their employees for generating a high performance intrinsically. However, it also seems that the personality and ability of an employee have a moderating effect on the relationship. The next paragraph looks at how employees can be extrinsically motivated.

2.5.3 Motivating Employees Extrinsically to Perform

It is argued by Amabile (1993) that there exist numerous jobs which are purely extrinsic motivated. However, when taking Herzberg's (1959) Two-Factor theory into account, it is argued that extrinsic factors (or hygiene factors) cannot cause motivation or satisfaction, so it is

that those factors are not causing high performances (Brass, 1981). Hackman and Oldham (1976) argue that an exclusively increase in extrinsic factors will not lead to an increase in performance. However, it seems that there are some extrinsic factors which can (in combination with intrinsic factors) lead to higher performances (e.g. Ansar et al., 1997).

Extrinsic motivators are not a logically inherent part of the work, as Amabile (1993) describes. She states that they are intended to control the performance of the work. Examples are: promised rewards, praises, critical feedback, deadlines, surveillance and specifications on how the work needs to be done.

An example of a purely extrinsic task is doing formal performance reviews of employees; that's a task which is barely intrinsically motivated. In Seligman's (2002) theory, a person who is extrinsically motivated can be described as an employee who perceives his work orientation as "a job"; this kind of worker performs his job for the paycheck at the end of the month.

Salary is an extensively researched extrinsic motivator. Since it is labeled as an extrinsic factor, it is not perceived as causing motivation in the workplace (Herzberg, 1959). However recent research of Ansar, Cantor & Sparks (1997) resulted in considerable evidence that higher wages decrease quit rates and save on turnover costs.

These statements are confirmed by Rynes et al. (2004); they argue that pay is probably the most important motivational factor. And Jurgensen (1978) concluded that job applicants seemed to believe that pay is the most important attribute to everyone except themselves. Ansar et al. (1997) also argue that that lowering wage levels to market parity can even reduce worker productivity. However, Deci (1972) argues that pay can decrease intrinsic motivation.

Deci (1972) proved in his research that if payments are non-contingently presented it decreases intrinsic motivation and it does not if payments are contingently presented.

However, it not only seems that pay increases job performances but a high commitment to supervisors and a high job security can obtain the same results (Becker et al., 1996; Kraimer et al., 2005). Becker et al. (1996) concluded in their research that a high employee's supervisors and peers increase job performance. But, they state that overall commitment to organizations is uncorrelated with job performance. Kraimer et al. (2005) argue that when organizations succeed in providing employees a high job security, job performances will increase. And the other way

around; they concluded that the less job security an employee has, the fewer obligation the person has to perform well.

However, Perry and Porter (1982) argue that job security can be expensive for firms if they rely on temporary workers. But according to Lindner (1998), managers should begin by focusing on pay and job security before focusing on the five intrinsic job characteristics. Linder (1998) also argues that the reinforcing circle of performance is applicable to salary, commitment to supervisors and peers and job security; through one of these factors a higher performance is established, which causes satisfaction for the employee and results in a higher motivation to perform well in the future.

It is argued by researchers that extrinsic factors do not contribute to an increase in performance. However, it seems that for some forms of extrinsic factors the opposite is true. It is stated that salary, commitment to supervisors and peers and job security can increase job performances. Through providing one or more of these factors a higher performance is established, therefore the employee gains external satisfaction and is motivated to perform well in the future. But managers should be careful with extrinsic motivational factors, since in some cases they can decrease intrinsic motivational factors.

Earlier research could not succeed in establishing a positive correlation between employee motivation and performance. However, later research suggested that indeed a positive the formula; the result is a self-reinforcing circle of performance, satisfaction and motivation. An employee achieves a high performance because certain characteristics are provided at the job and he has the ability to reach that performance. From the resulting high performance the employee derives internal satisfaction and is motivated to perform well in the future (Hackman & Oldham, 1976).

Employees can be intrinsically motivated to perform well when the organization succeeds in providing high scores on the five job characteristics: skill variety, task identity, task significance, autonomy and feedback. It seems that it is also possible to extrinsically motivate employees to perform well; it is argued that also for salary, commitment with supervisors and peers and job security the self-reinforcing circle is applicable.

It is also stated that there are many jobs which are purely extrinsically motivated and jobs which are purely intrinsically motivated are scarce. However, most likely to occur are jobs which are both intrinsically and extrinsically motivated (Amabile, 1993). But it is also stated that an increase in extrinsic factors alone does not lead to an increase in performance. And at last, it is argued that extrinsic factors have an influence on intrinsic motivation and in some cases can even decrease intrinsic motivation. Therefore, all these theorists share the great impact of motivation towards jobs satisfaction and good performance in an organization that the writer needs to consult the above literature in order to strengthen and support the finding of this study.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

The process of any research is the overall activities undertaken to find a solution to a given problem. Research methodology is concerned with the way(s) by which the researcher collects data to answer his/her research question(s). Therefore, researchers should be careful when choosing research methodologies. They need to spend a considerable time studying the appropriateness of the chosen methodology to their research questions and objectives. There are many research designs, strategies or approaches that could be used when conducting research, but the nature or the context of the research question(s) and objectives imply a specific type of research design and strategy to be followed

This chapter deals with the methodology used for this study. The methodology comprised of research design, population for the study, sampling procedures, the data collection tools/instruments employed, the procedures of data collection and data analysis procedures are critically analyzed.

3.1. Research Design

Research design is a framework or structure for data collection and analysis. It is a plan for conducting research, which usually contains specifications of elements to be investigated and the procedures to be followed. Research design is about organizing research activities, including data collection, and analyzing it in such ways that help to achieve the research aims. Oppenheim (1992) points out that the term research design refers to a basic plan or strategy of research and the logic behind it, which will make it possible and valid to draw more general conclusions from it.

According to Yogesh Kumar Singh (2006, PP79), Research methodology involves the systematic procedures by which the researcher starts from the initial identification of the problem to its final conclusions. The role of the methodology is to carry on the research work in a scientific and valid manner. The method of research provides the tools and techniques by which the research problem is attacked. The methodology consists of procedures and techniques for conducting a study. Research methodology involves such general activities as identifying problems, review of the literature, formulating hypotheses, procedure for testing hypotheses, measurement, data

collection analysis of data, interpreting results and drawing conclusions. Thus, research methodology consists of all general and specific activities of research. Mastery of the research methodology invariably enhances understanding of the research activities. Thus, it seems that research design and methodology have the same meaning i.e. mapping strategy of research, (Yogesh Kumar Singh, 2006.)

This study is designed to see the effect of motivation on employees' performance of Mekdim Ethiopia National Association. The study is descriptive study that sets out to describe and interpret various effects of motivation on employees' performance.

The study is a descriptive type of survey method which is concerned with the present situation and attempts to determine the status of the phenomena under investigation. Descriptive type of research is chosen because it helps to (Yogesh Kumar Singh ,2006, PP105):

- Identify present conditions and point to present needs.
- Study immediate status of a phenomenon.
- Fact findings
- Examine the relationships of traits and characteristics (trends and patterns)
- The descriptive survey is more realistic than other research types

The study looks at social issues having a valuable significance with the behavior of workers in relation to how they react to different form of motivation given by supervisors and managers.

3.2. Population for the Study

The targeted sample for this study encompasses 80 non-supervisory employees, supervisory and human resource personnel at MENA.

3.2.1. Sample Size and Sampling Procedures

Sampling technique

In choosing the research participants, in this study, purposive or judgmental sampling techniques and simple random sampling are employed in determining concerned participants that enable the researcher to answer the research questions and to meet the research objectives effectively.

Random sampling technique is a process of selecting a sample that allows all members of the group or population to have an equal and independent opportunity of being selected for the

sample. Random sampling technique was employed when selecting the employees at non supervisory level. This was done to avoid bias and to gather credible data.

Purposive sampling technique refers to a process whereby the researcher selects a sample based on experience or knowledge of the group to be sampled. Purposive method was applied when selecting supervisory level staffs because there was a need to get information from those members of staff who deal directly in administrative position at managerial level intentionally in the subject organization. Purposive sampling was the most appropriate sampling techniques for this study, since the research questions and objectives require selecting particular respondents who were considered to be informed and who had the required information needed to answer the research questions.

Sekaran (2003) states that purposive sampling is confined to specific types of people who can provide the desired information, either because they are the only ones who have it, or to conform to some criteria set by the researcher. Thus, the chosen participants are the most advantageously placed or in the right position to provide the required information for the study. In addition simple random sampling method will be used for non supervisory level employees in order to give equal chance to all employees of the organization.

Sample size

Since it is practically impossible to study the entire population and not feasible, it is a must to take sample from a given population. According to Black and Champion (1976), sample is a portion of elements taken from a population, which is considered to be representative of the population.

In order to collect primary data the questionnaire survey technique were administered. As Rescoe (1975) cites in Sakaran (2000), “sample sizes larger than 30 and less than 500 are appropriate for most research”. Having in mind these limitations, the sample size consisted of 80 employees from a total of 182 (One hundred eighty two) employees of the MENA are selected for the purpose of this research. Therefore, more than 40% of the total population composed of non-supervisory employees and supervisors through questionnaire and interview are inquired in order to know their understanding concerning the final effect of motivation on employees’ performance.

3.3 Techniques of data collection

Sources of data

The researcher used both primary and secondary data sources.

Primary data source

This refers to raw facts collected or generated in a given research for the first time. This data was generated from the sample population by use of the questionnaire and structured interview.

Secondary data source

This method involves sourcing for already processed information. Data was got by reviewing relevant text books, journals, news papers, and other published materials about the research topic.

Data collection instruments

For the purpose of this study, the researcher used both primary and secondary data. Secondary sources include books on management, journals and internet. Information also has been gathered from the files of the Human Resource Department, this contribute towards the formation of background information and literature review, needed by the researcher in order to build constructively the study and to comprehend more thoroughly the survey outcome for the readers.

Primary data were collected in two ways. Firstly, two type of questionnaire survey were conducted with two separate groups of employees of the organization, non-supervisory employees and supervisors. Secondly, in addition to the questionnaire, structured personal interview was held with the organization human resource personnel to grasp the general effect of motivation on employees' performance.

Procedures of data collection

The procedures for collection of data for this study are basically questionnaires and interview. Two types of questionnaire were prepared for supervisory as well as non-supervisory level employees. Together with unstructured personal interview has also been conducted. Questionnaires were distributed to the three branches and head office of MENA.

The total questionnaires were 80 of which fourteen have been administered for supervisory and sixty six non – supervisory level employees. Before distributing the questionnaires for these groups pre-testing these questionnaires was undertaken by distributing for five (5) non-supervisory level employees and one supervisory level employee, the researcher has employed convenient sampling to test the questionnaires.

3.4 Data analysis procedure

The data that have been collected from respondent employees through questionnaires and interview discussions are analyzed and interpreted so as to reach on meaningful findings. The researcher has used SPSS Version 16.0 to code and analyzes the collected responses from questionnaire. After proper editing, data was coded and entered to the software then to get ready for analysis. Furthermore; Descriptive statistical techniques are adopted for analysis of data from questionnaire responses of respondents, in doing so tables and percentages were applied.

This helps the researcher to critically analyze and interpret each question in order to arrive at meaningful results, so that the results can be compared with the current literature as well as the motivational rules and regulations of the organization

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1. Respondents General Profile

In this section the respondents' general profile which include age category, gender, and service year in their respective organizations are discussed and their relationship with the study is examined.

Table 1: Summary of Questionnaire Distribution and Collection Rate

Respondents	Questionnaire distributed	Questionnaire collected	Percentage of collection
Supervisory level	14	14	100
Non supervisory level	66	60	91
Total	80	74	92.5

Source: Own survey, July 2013

As indicated in the table above, from a total of 80 employees for whom questionnaire were distributed 74 respondents (92.5%) responses have been collected and the remaining 6 (7.5%) could not be collected due to various reasons.

4.1.1. BACKGROUND OF THE RESPONDENTS

This section looks at the background of the respondents. These include data on the place where they work be it head or branch offices, sex, age, educational background and year of service. The 74 respondents are from head office and the three of branches of MENA. It was revealed that 49(66.2%) of the respondents are male whilst 25(33.8%) of the respondents are females. Thus majority of the respondents are males. Though the number of females in MENA has envisaged a remarkable growth through time nonetheless their males' counterparts still dominate the field.

Table 2: Distribution of Respondents by Age Category and Gender

Non - supervisor respondents					Supervisor respondents				
Age category	Sex		Total	Percent	Age category	Sex		Total	Percent
	Male	Female				Male	Female		
20-30 years	11	11	22	37	20-30	2	0	2	14
31-40 years	15	10	25	42	31-40	8	2	10	71
41-50 years	8	2	10	17	41-50	1	0	1	7
Greater than 51	3	0	3	5	Greater than 50	1	0	1	7
Total	37	23	60	100		12	2	14	100

Source: Own survey, July 2013

The above table indicates that, from the total 60 non supervisory level respondent employees 37 of them are male and the remaining 23 are female respondents which represents 62% and 38% of the total respondents respectively and from the total of 14 supervisory level respondent employees 12 of them are male and the remaining 2 are female respondents which represents 86% and 16% respectively. As the reaction for effect of motivation on employee performance may differ among male and female employees, the representation of both male and female in the sample is significant to see the nexus between employees' gender and their response to the issues of effect of motivation on employees' performance.

As indicated in table 2 above MENA has employed large number of young workers of population. This is because, 24 (32.4%) of the respondents are with a range of 20-30 years and 35 (47.3%) are between 31-40 years of ages. This clearly shows that the majority (79.7%) of the respondents are in active age group. In effect if the human resources at MENA are well managed and motivated, the organization is likely to benefit from this resource through its youthful exuberance, talents, skills and innovation and passionate which can be harnessed and tapped for the organizational purpose.

The above data has revealed that respondents are from a wide range of age category and having diversified employees from different age categories would help to have the impression of all the categories regarding the effect of motivation on employee performance.

4.1.2. RESPONDENTS' EDUCATIONAL BACKGROUND

The educational background of the staff at MENA ranges from High school certificate, Diploma, BA/BSC Degree, and MA/MSc and above. The data for the study shows that the workforce at MENA has attained higher educational level to the extent that only 12 (20%) were below Diploma, Diploma 18 (24%) of the workers, Degree 38 (52%), MA/MSc and above 6 (8%) of the workers. This revealed that 60% of the workers are degree and above degree holders as shown in the Table 3 below.

Table 3: Educational Background of the staff

Non-supervisor respondents				Supervisor respondents			
Educational background	Frequency	Percent	Cumulative Percent	Educational background	Frequency	Percent	Cumulative Percent
High school certificate	12	20	20	High school certificate	0	0	0
Diploma	17	28.3	48.3	Diploma	1	7.1	7.1
BA/BSC Degree	28	46.7	95	BA/BSC	10	71.4	78.6
MA/MSc and above	3	5	100	MA/MSc and above	3	21.4	100
Total	60	100		Total	14	100	

Source: Own survey, July 2013

4.1.3. YEARS OF SERVICE OF THE RECONDANTS

As shown below, 37(50%) of the respondents have served as employees in MENA between 1-3 years, 21(28%) of them have served between 4-7 years, 12(16%) have served between 8-15 years and 4 representing 5% of the total respondents have served with MENA for more than 15 years. This indicates that the staffs of MENA do not stay at post for a very long period and the rampant turn over prevailing in the organization having a adverse impact for the achievements of the

missions and visions of the organization .This is so due to various factors among which poor motivational schemes of the organizations takes the paramount place.

Table 4: Distribution of Respondents by Years of Services

Years of service	Frequency	Percent	Cumulative Percent
1-3years	37	50	50
4-7 years	21	28	78
8-15 years	12	16	94
above 15 years	4	5	100
Total	74	100	

Source: Own survey, July 2013

In addition to the above table who has served for short period in the organization long served respondents from a year to more than 15 year of service are included in the study. All the categories of years of service are significantly represented by respondents. The collected data shows that respondents from the organizations represented from mixed length of experience in the organization. Though most of the respondents fall under the category of 1 to 3 years of service, all other categories are also represented by significant number of respondents. Having respondents from all categories of service years would help to have the impression of employees from different levels of experience. This enables the study to incorporate the exposure of newly recruited employers as well as long served employees. So long as employees who have been working for many years and approaching to the retirement age will not have the same impression with those employees with few years of experience regarding effect of motivation on employees' performance.

The reason why the majority of staffs did not work beyond 15 years or more could be attributable to different reasons among which low level of motivation could be the major factor. When majority of staff resign after a number of years of services, the subsequent effect is that, MENA loses the rich knowledge and excellent experiences that could maximize the organizational successes. Most of them eventually end up being assets to other competitors with the same organization. The next section of the study is focused on data analysis and interpretation.

4.2. Data Analysis and Interpretation

In this section the data collected from employees and human resource personnel of the target organization are discussed, analyzed and interpreted to identify the prevailing problems and forward possible recommendations to address those exigencies. Questionnaire is distributed to employees of the study organization and discussion was made with the human resource personnel of the organization based on the structured interview questions designed by the researcher and notes of the discussion are incorporated in this chapter. The data collected is analyzed using SPSS version 16 and presented using 16 tables. The chapter presented in two sections, the respondents profile and data analysis and interpretations respectively.

4.2.1. EFFECTS OF MOTIVATION ON EMPLOYEES' PERFORMANCE

The opinions of staff have been sought as to whether motivation has an effect on their level of performance. Out of the total non supervisory level of employees respondents, 17 representing 28.3% agree ,38 representing 63.4% strongly agree that motivation has an effect on their performance while only 2 (3.3%) and 3 (5%) responded in the negative. Out of the total supervisory level respondents as shown above 1(7.1%) of the respondent agree, 11 (78.6) strongly agree that motivation has an effect on their performance while only 2 (14.3%) have responded in the negative.

Table 5: Employees response on effect of motivation on performance

Non-supervisor respondents				Supervisor respondents			
Effect of motivation	Frequency	Percent	Cumulative Percent	Effect of motivation	Frequency	Percent	Cumulative Percent
Agree	17	28.3	28.3	Agree	1	7.1	7.1
Disagree	2	3.3	31.6	Disagree	2	14.3	21.4
strongly agree	38	63.4	95	Strongly agree	11	78.6	100
Strongly disagree	3	5	100	Strongly disagree	-	-	
Total	60	100		Total	14	100	

Source: Own survey, July 2013

From the above result only 5(8.3%) of non supervisory and 2(14.3%) of supervisory level respondents have not agreed that motivation has no effect on their performance where as 55(91.7%) of non supervisory and 12(85.7%) of supervisory level employees agree or strongly agree motivation has a valuable effect on their performance. From the majority of the respondents we can conclude that, motivation is directly proportional to performance. This result clearly presupposes that the more motivated the workforce, the higher their level of input into work and hence increase in performance. Furthermore, the staff could do much better than their current performance. Majority of the respondents have agreed the direct relationship between their better performances if they are motivated by the organization.

4.2.2. EFFECT OF MOTIVATION ON PRODUCTIVITY

A motivated employee is more likely to output more to the benefit of the organization (Shadare & Hammed, 2000, p. 8). Shadare & Hammed, (2000, p. 8) further argue that most of the successful people that are around, have been proved to be very efficient time managers. The efficiency of an organization is seen in its productivity.

An organization's production capacity is dependent on two important factors. The first is the machine production capacity (Shadare & Hammed, 2000). In the event that an organization acquires a machine that is meant to make, say one thousand yarns per hour, then the machine can only make four hundred yarns, it tends to be inefficient. There exists a lot of energy wastage as the machine consumption is still the same but the production is less. The machine might need *motivation*, which in this case would be servicing and replacing worn out parts, oiling and greasing to reduce friction and the like.

Looking at the second factor, which is the human capital, the production of an organization, is also dependent on individual efforts of the employees. Employees just need to be understood and revitalized to remain productive (Levoy, 2009). Employees who are efficient are those that have a constant maximum output regardless of the situations surrounding them as measured within a given time period.

Table 6: Employees response on effect of motivation on productivity

Motivation has effect on productivity	Frequency	Percent	Cumulative Percent
Average	1	7.1	7.1
Disagree	2	14.3	21.4
Strongly agree	11	78.6	100
Total	14	100	

Source: Own survey, July 2013

As it can be clear from the table above, 11 (78.6%) of the respondents strongly agree that motivation has effect on organizational productivity where as 2 (14.3%) of them responded that motivation has no effect on organizational productivity. Only 1(7.1%) of the respondents choose average, that is motivation has an average effect on organizational productivity.

The above result revealed that most of the respondents have strongly agreed that motivation has direct impact on productivity and growth this also implies that a highly motivated employee invests his / her best hard work in carrying out each and every aspect of his / her duties and responsibilities.

4.2.3. LEVEL OF MOTIVATION OF THE RESPONDANTS

Southern (2007) proposes that boosting employee morale and enthusiasm in the organization is one the most important things that can be done by management. If management is not paying attention to the morale of employees, they can be assured that the business will begin to see drop in productivity, as well as a lack of loyalty. The keys to raising the morale of your office or workplace begin with you simply paying attention. Boosting morale is not difficult if you are paying attention to how you would like to be treated.

The results in Table 7 below were obtained in relation to level of respondents' motivation. From the total respondents 15 of them, representing 25%, said that their level of motivation is very low, 23 of them, representing 38.3% ,said it is low, 13 of them, representing 21.7%, said average, 5 of them, representing 8.3%, said high and the remaining 4 respondents, representing 6.7 %, said very high. This shows that majority of the employees are not well motivated and effectively work with full compassion and commitment towards the common aspirations and

goals of the organization that would have been obtained had the employees in MENA been motivated as argued with the above literature at this particular section.

Table 7: Level of staff motivation

Level of staff motivation	Frequency	Percent	Cumulative Percent
Very low	15	25	25
Low	23	38.3	63.3
Average	13	21.7	85
High	5	8.3	93.3
Very high	4	6.7	100
Total	60	100	

Source: Own survey, July 2013

It was deduced from the tables that most of the employees do not feel motivated with the source of motivation from their employers as it has already buttressed in table 2 above which envisages the ages of the staff, it has realized that employees within the ages of 20- 40 years forms the greater percentage of the total workforce of the organization. In administering the questionnaires, it has revealed that most of the employees who fall under this category do not feel well motivated by their employers and they asserted that other sources of extrinsic motivation such as cash benefits, increment in salaries and so on should be administered in MENA. This situation is likely to affect the performance level of staff at work. The workload would end up being done by a few minorities obviously affect the quality of service they are supposed to do. In the final analysis performance level at work would be endangered.

4.2.4. SOURCE OF STAFF MOTIVATION

One of the questions posed to staff was to rank the motivational factors according to how each factor would influence them at work. In order to ascertain the staff source of motivation and

drive towards work, respondents were asked to select which factor among four major proposed factors that may highly motivate them to be more productive and effective at work.

Table 8: Motivation sources according to respondents

Non - supervisor respondents				Supervisor respondents			
Source of motivation	Frequency	Percent	Cumulative Percent	Source of motivation	Frequency	Percent	Cumulative Percent
High salary	27	45	45	Higher salary	7	50	50
Sense of Achievement	14	23.3	68.3	Sense of achievement	2	14.2	64.2
Recognition	18	30	98.3	Recognition	4	28.6	92.8
Career Advancement	1	1.7	100	Career Advancement	1	7.20	100.00
Total	60	100		Total	14	100	

Source: Own survey, July 2013

The factors were later grouped under intrinsic and extrinsic sources of motivation. All factors were ranked the result table 8 shows the collective rank order of the four motivational factors according to how important each factor is influencing the staff performance.

Extrinsic source of motivation

Bainbridge (2011) defines Extrinsic Motivation – this stems from work environment external to the task itself and is usually applied by someone other than the person being motivated. Pay, fringe benefits, favored company policies and various forms of supervision are examples of extrinsic motivation

No one works for free, nor should they. Employees want to earn reasonable salary and payment, and employees desire their workers to feel that is what they are getting (Houran. J). Money is the fundamental inducement, no other incentive or motivational technique comes even close to it with respect to its influential value (Sara et al, 2004)(as cited by “European Journal of Business and Management”). It has the supremacy to magnetize, maintain and motivate individuals towards higher performance.

Frederick Taylor and his scientific management associate described money as the most fundamental factor in motivating the industrial workers to attain greater productivity (Adeyinka et al, 2007).

From the above table it can be observed 27(45)% of the non supervisor and 7(50%) supervisor level of the staff ranked high salary as the most important motivational factor, 18(30%) of the non supervisors and 4(28.6) of the supervisor ranked on the other hand recognition is the second important motivation. This shows that the staffs' feels motivated if they earn high salary.

Intrinsic source of motivation

Bainbridge (2011) defines intrinsic motivation as motivation that comes from the inside of an individual rather than from any external source such as money.

Sense of achievement is ranked by both non supervisors and supervisors 14 respondents (23.3%), and 2 respondents (14.2%) respectively. Next to sense of achievement, career advancement is ranked representing 1 respondent (1.7%) and 1 respondent (7.2%) from non supervisor and supervisor respondents respectively. The result indicates that workers are not only motivated by extrinsic source but also by the intrinsic source, when we consider the intrinsic sources having good sense of achievement are the most. The motivation of MENA staff therefore comes from high salary in completion or even working on a task. However, this does not mean that staffs do not seek intrinsic motivation for rewards but to say that such external rewards are not enough to keep a person motivated. In comparison of these two sources of motivations it can easily be concluded that the staffs could be highly motivated by extrinsic factors/reward.

4.2.5. STAFF COMMITMENT TO ORGANIZATION SUCCESS.

Commitment to a worthy course is one of the attributes of motivation. According to Joe Love and JLM and Associates (2005) many of the world's corporations today suffer from low employees morale and performance, which lead to poor-quality products and services, and higher costs. This is because managers today in most corporations lack the listening, feedback, and delegation skills needed to enhance employee commitment and improve productivity.

In order to ascertain staff commitment to MENA, respondents were asked to indicate the extent to which they agreed with the statement that MENA has paid every little sacrifice and attention and still remain incapable to this effect in the future to ensure that its everlasting successes; and

this is also true to the best knowledge of the writer as a finance and administrative manager of MENA.

Table 9: Staff commitment to organization success

Non-supervisor respondents				Supervisor respondents		
MENA deserves 100% commitment.	Frequency	Percent	Cumulative Percent	Frequency	Percent	Cumulative Percent
Strongly agree	5	8.3	8.3	1	7.1	7.1
Agree	17	28.3	36.6	3	21.5	28.6
Disagree	16	26.7	63.3	9	64.3	92.9
Strongly disagree	22	36.7	100	1	7.1	100
Total	60	100.00		14	100	

Source: Own survey, July 2013

As indicated in Table 9 above, only 5 respondents (8.3%) of the non supervisory level and 1 respondent (7.1%) of the supervisory staff strongly agreed with the statement, 17 respondents (28.3%) of the non supervisory and 3 respondents (21.5%) of the supervisory level staff agree MENA deserve little sacrifice. Whereas 16 respondents (26.7%), 22 respondents (36.7%) the non supervisory and 9 respondents (64.3%), 1 respondent (7.1%) of the supervisory level staff are disagreed and strongly disagreed with the statement. As it can be shown from table 9, 48 respondents (64.9%) of the respondents respond Negatively and 26 respondents (35.1%) of the respondent agree or strongly agree with the statement “MENA deserves every little sacrifice and the writer has prepared to give the very best of himself to ensure its success” since this low staff commitment level at work is very risky to the success and survival of MENA. It affects the general attitude, behavior and the approach of staff to work. This becomes evident in the increase in staff absenteeism, excuses from work, poor quality of service rendered to beneficiary’s apathy and turn over etc.

This shows that the organization needs to put its great effort to motivate the workers so that they can succeed. If employees are motivated they would walk extra miles to make customers/beneficiaries happy.

4.2.6. MAKING A CHOICE TO WORK WITH MENA IF GIVEN A SECOND OPPORTUNITY.

As we see from the table below when the staffs were asked whether they would like to work with MENA if they are given the opportunity to decide, 45 respondents, representing 60.8%, choose to resign from MENA and only 29 of the respondents, representing 39.2%, have answered to remain with MENA. Thus, the majority of staff sampled would not like to work with MENA when given a second opportunity. In other words, when an opportunity presents itself to leave, staff would ready to resign from their current role.

Table 10. Making a choice if second opportunity given

Making a choice if second opportunity given	Frequency	Percent	Cumulative Percent
Yes	45	60.8	60.8
No	29	39.2	100
Total	60	100	

Source: Own survey, July 2013

4.2.7. DEMOTIVATING FACTORS

As an employer, organizations have a certain amount of responsibility for the motivation and wellbeing of their workforce. For a team to function to the best of its ability, all members must be fully engaged and fully committed. It's important to recognize that true engagement will mean different things to different people and to understand what really drives an individual's motivation.

It's crucial to really listen and respond to employees' needs to ensure high levels of engagement throughout the organization. Spotting the warning signs of de-motivation early and addressing them quickly can help to encourage employees' contentment and talent retention.

Table 11: Major employees' de-motivating factors

Non-supervisor respondents				Supervisor respondents			
Most De-motivating factors	Frequency	Percent	Cumulative Percent	Most De - motivating factors	Frequency	Percent	Cumulative Percent
Inadequate reward system	18	30	30	In adequate reward system	9	64.3	64.3
Understanding & routine job schedule	10	16.7	46.7	Un interesting and routine job schedule	5	35.7	100
Lack of requisite training for employees	10	16.7	63.4	Lack of requisite training for employees	0	0	
Poor working conditions	22	36.6	100	Poor working conditions	0	0	
Total	60	100		Total	14	100	

Source: Own survey, July 2013

The above finding reveals that the factor 'poor working conditions' have been selected as a prime de-motivating factor for non supervisory level respondents which is 22 respondents (36.6%) followed by inadequate reward system 18 respondents (30%) and understanding and routine job schedule and lack of requisite training for employees are equally important .10 respondents (16.7%) de-motivates them from being effective and productive at work. From the respondents of supervisors 9 respondents, representing (64.3%), and inadequate reward system is their most preference as it de-motivates them from being effective and productive at work while the remaining 5 respondents, representing 35.7%, are de-motivated by uninteresting and routine job schedule of MENA. From this analysis it is possible to conclude that most respondent employees are de-motivated by the organization poor working condition this in return has a strong effect on their performance.

4.2.8. REASONS OF RESIGNING FROM THE ORGANIZATION

Obviously, it is important for organizations to reduce turnover rates. However, in order to reduce these rates, organizations must first understand the main reasons why employees migrate to other organizations.

Table 12: Reason of leaving MENA

Reasons of leaving MENA	Frequency	Percent	Cumulative Percent	Frequency	Percent	Cumulative Percent
Poor remuneration	14	24	24	3	21.4	21.4
Better job offer	23	38	62	5	35.7	57.1
Lack of motivation	23	38	100	6	42.9	100
Total	60	100		14	100	

Source: own survey, July 2013

Table 11 shows that from those 74 employees covered with this study about their reason to leave the organization 60 of them are non supervisory from this 14 of them (24%) respond that poor remuneration is the reason, 23 respondent employees (38%) better job is their reason, and 23 respondent employees (38%) will also leave the organization due to lack of motivation. From those 14 supervisory level employees 3 respondents (21.4%) think that poor remuneration it the reason of their subordinates, 5 of them (35.7%) think better job offer and the remaining 6 respondents (42.9%) are reasoned lack of motivation.

The above data implies that for the majority of respondent employees' better job offer and lacks of motivation are their reasons to leave the organization.

4.2.9. FAIR AND EQUITABLE REWARD SYSTEM TO ENCOURAGE HIGH PERFORMANCE

Perceived fairness and equitability within MENA for that matter is very crucial to its success. The researcher wanted to find out the staffs perception on how they think they are being treated. The same question was presented in different approaches for both the non supervisor and

supervisory level employees how fair or equitable treatments regarding compensation and reward they receive from MENA. Table 13 gives us staff responses on the subject matter.

Table 13: Fair and equitable reward system

Non-supervisor respondents			Supervisor respondents				
<i>Faire and equitable reward</i>	<i>Frequency</i>	<i>Percent</i>	Cumulative Percent	Fair and equitable reward	Frequency	Percent	Cumulative Percent
<i>Yes</i>	20	33.3	33.3	Agree	1	7.1	7.1
<i>No</i>	40	66.7	100	Disagree	7	50	57.1
				Strongly agree	1	7.1	64.2
				Strongly disagree	5	35.8	100
Total	60	100		Total	14	100	

Source: own survey, July 2013

From the above table 20 respondents (33.3%) the non supervisory level respondent say “Yes” there is fair and equitable reward system, 40 respondents (66.7%) respond however; “No” there is no fair and equitable reward system to encourage high performance. Moreover; out of 14 supervisory level employees only 2 respondents (14.2%) agree and strongly agree while 7 respondents (50%), 5 respondents (35.8%) disagreed and strongly disagreed fair and equitable reward system to encourage high performance. (Adams, 1965) (as quoted by W. Fred v. R. and Kassaye W, 1977) when people sense inequities in their work, they will be aroused to remove the discomfort and restore a state of felt equity to the situation by changing work inputs, changing rewards received, leaving the situation, changing the comparison points, psychologically distorting the comparisons. People who feel overpaid (feel positive inequity) have been found to increase the quantity or quality of their work, whilst those who are underpaid (feel negative inequity) do the opposite. Feelings of inequity are determined solely by individual’s interpretation of the situation - the fact that a manager feels that the annual pay review is fair is immaterial.

The above finding supports the Equity theory of (Adams ,1965) that there is no fair and equitable reward system to encourage high performance in MENA, when staffs feel they are not treated fairly, it results in negative consequences with regards to his/her level of input into the organization. She/he is emotionally and psychologically affected.

4.2.10. STAFF REWARD/COMPENSATION OF MENA AGAINST OTHERS

The dynamic competitive environment made management use contingent approach in order to be effective and achieve organizational goals. One of the things that motivate people is reward and compensation. In today’s competitive environment, management must use contingent payments approaches in order to make active new employees and retain the existing, which is entirely ignored by MENA. According to the finding, lack of appropriate reward and compensation may cause employees to be de-motivated and dissatisfied in their job.

Table 14: Perceived Rate of Reward and Compensation

Reward & compensation	Non-supervisor respondents			Supervisor respondents		
	Frequency	Percent	Cumulative Percent	Frequency	Percent	Cumulative Percent
Very poor	16	26.7	26.7	1	7.1	7.1
poor	17	28.3	55	6	42.9	50
Good	18	30	85	7	50	100
Very good	9	15	100	0	0	
Excellent	0	0		0	0	
Total	60	100		14	100	

Source: own survey, July 2013

From the above table out of the total number of non supervisory level employees sampled, 16 of the staff, representing 26.7%, pointed out that the reward/compensation at MENA is very poor as compared to other organization, where as 17 staff, representing 28.3%, feels poor. 18 staff, representing 30% responds that as it is good and only 9 respondents (15%) view that reward and compensation are very good. Out of the total number of supervisory level employees sampled, 1 of the staff, representing 7.1%, pointed out that the reward/compensation at MENA is very poor, where as 6 staff, representing 42.9%, feels poor, 7 staff, and representing 30%, is good. Consequently, the above data implies that 55% of non supervisory level and 50% of the

supervisory level of respondent employees view that reward and compensation are very poor as compared to other organizations in the same industry.

4.2.11. MOTIVATIONAL FACTORS

The results are shown in Table 14 Responses on what motivate respondents most.

Using liker scale, respondents were asked to rank 6 statements relating to how best they will be motivated given that they are workers. The orders of ranking of the ways respondents will want to be motivated are: Good salary(55%) as the most important factor of motivation followed by fringe benefit(48.5%), job satisfaction(45%), recognition (36.5%), sense of achievement (30%) and training and development(16%).

Table 15: Most motivating factors respondents

Motivational factors	Below average	Average	Above average	Credit	Excellent	Total (freq)
Job Satisfaction	1(1.7%)	7(11.7%)	7(11.75)	18(30%)	27(45%)	60(100%)
Recognition	2(3.3)	8(13.3%)	11(18.3%)	17(28.3%)	22(36.3%)	60(100%)
Sense of Achievement	4(6.7%)	8(13.3%)	12(20%)	18(30%)	18(30%)	60(100%)
Good Salary	6(10%)	5(8.3%)	7(11.7%)	9(15%)	33(55%)	60(100%)
Training and development opportunities	8(13.3%)	10(16.7%)	14(23.3%)	12(20%)	16(26.7%)	60(100%)
Fringe benefit(provident ,medical and related benefits)	3(5%)	4(6.7%)	7(11.7%)	17(28.3%)	29(48.3%)	60(100%)

Source: own survey, July 2013

This implies that good salary is considered as the most important factor of motivation followed by fringe benefit, job satisfaction, sense of achievement, recognition, training and development respectively.

4.2.12. GIVE PRAISE /RECOGNITION FOR SUBORDINATE

To support the above fact recognition is one of the most important motivational factors that supervisory level employees were asked “have you ever been give praise or recognition for good job done by your subordinates?”. From the total 14 respondents 11 of them (79%) respond

negatively and only 3 of them (21%) respond in favor of it as shown below this fact shows as the organization miss one of the most important source of motivation as supervisors did not give praise or recognition for the employees under their supervision, this may create de-motivation for those who had performed well.

Table 16: Give praise or recognition

Give prize/recognition	Frequency	Percent	Cumulative Percent
Yes	3	21.00	21
No	11	79.00	100
Total	14	100	

Source: own survey, July 2013

Other factors that must be considered and performed well by the organization other than extrinsic source of motivation are:

- ❖ Giving formal recognition for employee efforts to “make a difference”
- ❖ Recognizing employees whose efforts make a difference
- ❖ Co-workers and peers recognizing employees who are making a difference
- ❖ Recognizing individual team members equally for their efforts
- ❖ Building a spirit of teamwork and cooperation among co-workers
- ❖ Demonstrating that their work is valued and respected
- ❖ Treating employees fairly
- ❖ Recognizing and appreciating outstanding attendance
- ❖ Recognizing years of service to the organization

Out of the above mentioned demonstrating that their work is valued and respected and treating employees fairly take the lion share.

Interview with Human resource personnel

Along with the data that have been gathered from the employees through questionnaire, the researcher has conducted interview with the organization human resource personnel.

According to the human resource personnel response for the question whether MENA has motivational techniques in place he replied that, there exist no formal, standardized and planned motivational practice and commonly agreed on the current motivational practices cannot be considered as sufficient. However he claimed that the employees were motivated to some extent to perform the assigned duties regardless of the organization’s contribution.

The attitude of employees in his department towards motivation is very low in addition there is no regular motivation for the employees. Previously there was a practice to motivate highly performing employees through participatory performance appraisal with the employees themselves but now it is not practicable.

The motivational process is the steps that one may follow to get motivated. It is a process, that when followed to produce the desired results. And getting properly motivated is a matter of following the motivational process. Like any other process it takes a little work and foresight and planning in advance. However, the return on one's investment of time is significant, and it is important when needing extra motivation that may apply the motivational process. Concerning the above issue he replied that at MENA there is no such planned motivational process to increase employees' performance. According to him the main purposes of motivations are:

- ❖ It encourages employees to increase their level of performance and productivity
- ❖ It creates commitment and able to exerts extra effort
- ❖ To make the employees honesty and increases sense of ownership

According to him the factors that would contribute to the motivation and de-motivation of employees are good relationship between employees and management, honesty, delegation of authority with full responsibility, transparency, respect, recognition, good working atmosphere, good salary, full benefit package and bonus if these all are missed the employees feel de-motivated in turn has strong impact on their performance and the organization efficacy and viability as a competitor at large.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION

This chapter is concerned with the highlights of the study findings and conclusions that are derived from the data analyses and discussions. Recommendations are provided at the end based on the findings and conclusions drawn from the study.

5.1. SUMMARY OF FINDINGS

The primary objective of this study was to assess the “effects of motivation on employees ‘performance’” at MENA. Therefore, on the basis of the analysis and data interpretations that have been undertaken in the previous chapters, the writer has extracted the following findings discussed herein under.

- 5.1.1 The finding of this study reveals that the majority of the respondents which count 67 (90.5%) of the total sampled population have agreed and strongly agreed that **motivation is directly proportional to performance**. This result clearly presupposes that the more motivated the workforce, the higher their level of input into work and hence increase in performance. Furthermore, the staff could do much better than they are currently doing. Therefore motivation is a tool kit to activate and arouse workers performance in a given organization and productivity of an organization at large.
- 5.1.2 As it has been inferred from the study **the level of motivation among staff members at MENA is low** and these reflect the diverse impacts on their level of input towards their job performance.
- 5.1.3 From the study it is reflected **that there is a direct relationship between employee and their performance at MENA**. That is, the more motivated they are, the more effective they become at work. This claim was supported from the findings by 67 respondents which are 90.6% of the sample whilst 7 staff representing 9.4% claims that there will not be effect on their performance to increase their motivational level. Hence, the majority of the populations contend that MENA should administer well considered and deliberate motivational schemes to this effect.
- 5.1.4 With regards to employee source of motivation, **staffs are more geared towards extrinsic sources of motivation than intrinsic motivation**. Out of the total sample

gathered, 56 respondents, representing 75.7%, derive their source of motivation to work from the satisfaction externally.

- 5.1.5 It is also clear from the findings that **commitment level of staff to MENA is very low**. From the findings 48 respondents (64.9%) of the staff do not agree with the statement that “MENA deserves every little sacrifice of theirs and is not prepared to give off their best to ensure its success yet.
- 5.1.6 Another major finding derived from the study here is that **good salary as a primary motivational factor**. Among the respondents 33 of the respondent staff (55%) prioritized good salary among the five major motivational factors for their job satisfaction so as to having strong impact for their best performances in MENA.
- 5.1.7 In conclusion, as it can be inferred from the majority of the respondents that MENA does not motivate them towards their better performance that is **the secret for high turnover prevalent in the organization**.
- 5.1.8 Although it is true that motivation **particularly extrinsic source of motivation** has a direct linkage to increase employees performance and organizational efficacy, it is entirely ignored by MENA. As the findings that have been gathered from the questioners and the interviews in the organization show that there exists no motivational scheme in MENA to motivate and retain its employees.

5.2. CONCLUSIONS

The results of the study form the basis for the conclusions and recommendations on this chapter and have brought to light the importance of motivation to employees' performance.

- 5.2.1 The study shows that the **employee's motivation and organizational performance is highly correlated positively**. Motivation is a valued addition tool for organizational performance. In this era of competition and globalization, it is mandatory and negotiable which need to make a pinpoint attention towards the employee's motivation and job satisfaction to achieve growth and success. Thus it is clear from the survey that **motivated employees are more productive** in terms of their performance as compared to less or none motivated employees.
- 5.2.2 **Staff motivation at MENA is very low** and is to the extent to which they are unwilling to whole heartedly to move the organization's business to a remarkable achievement and commit themselves to work to see the success of the organization due to lack of adequate attention given to implement motivational sources in the said organization.
- 5.2.3 Out of the total staff population examined 64.3% disagreed with the statement "MENA has paid every little sacrifice and never get prepared to give the very best of oneself to ensure its success yet." Although, an important motivational factor has been identified as wages by previous studies, since the things that **motivates people to perform their best** are vary and distinct..
- 5.2.4 Motivation is important to an organization since it increases the performance level of employees, and it reduces employees' turnover and absenteeism, and helps to accept organizational changes.
- 5.2.5 In an organization, it may be practically impossible to work out a perfect solution that will promote job satisfaction and enhance performance at all times. In order to elicit better performance, **motivational factors must be accorded high priority and employed properly** as an essential ingredient for organizational progress and survival especially in the current day turbulent operating environment. Such factors

include adequate remuneration, improved training, effective and free flow of communication, elevation of workers, conducive and healthy working environment amongst others.

- 5.2.6 **Employees who are engaged in their work and committed to their organizations** give companies crucial competitive advantages including higher productivity and lower employee turnover. Thus, it is not surprising that organizations of all sizes and types have invested substantially in policies and practices that foster engagement and commitment in their workforces. On this regard majority of MENA employees strongly disagreed about their commitment in executing their work due to unpleasant motivational factors available in it.
- 5.2.7 Furthermore, when motivation levels are high in organizations it is not unusual to find **cultures where people do their best**, enjoy their jobs and perform well at work. Where motivation levels are low in organizations, we invariably find dysfunctional cultures and employees who are indecisive, unhappy and underperforming (Forster, 2005).
- 5.2.8 The results of this study show that the motivation of the employee has reward to the employee and the organization and the organization will keep the faithfulness of the employee at the high satisfaction and training and development opportunities as shown in the study. **Rewarding employees financially does improve levels of employee motivation and thus enhance performance**, which ultimately translates into increase in productivity.
- 5.2.9 Akintoye (2000) asserts that money remains the most significant motivational strategy. As far back as 1911, Frederick Taylor and his scientific management associate also described money as the most important factor in motivating the industrial workers to achieve greater productivity. From the above studies and from this research finding money is certainly the major extrinsic motivator chosen by majority of the respondent.

- 5.2.10 The **reward and compensation system** of MENA is very poor as compared to other NGOs, unless it improves its reward and compensation scheme by taking the experiences of others organization in the same business.
- 5.2.11 The data obtained reveal that **majority of the employee are not motivated and satisfied** with the existing motivational scheme of the organization, therefore as a service giving organization MENA encounters considerable problems in achieving its goals having de motivated employees..
- 5.2.12 **The major outstanding motivational factors** which are responsible for the satisfaction of employees are good salary, sense of achievement, recognition fringe benefit. It results in smooth relation between the management and employees.
- 5.2.13 There is no praise and recognition given to employees for their best performance by their Immediate Supervisors of MENA.

To sum-up, the present study would be helpful for the organization to know about the effect of motivation on employee's performance and organizational productivity and to understand the existing prevailing dissatisfaction of its employees that curtailed the effectiveness of its functions. Moreover, this paper enables the organization to know the important factors necessary to motivate employees and implement with that respect to maximize its efficacy.

5.3. RECOMMENDATIONS

In light of the summary of the findings and conclusions drawn above, the following recommendations are provided to address the pitfalls identified by the study.

- 5.3.1 MENA should give much emphasis on motivating employees extrinsically by improving its motivational scheme and **providing cash benefits to supplement their fixed or base pay** which are entirely ignored by MENA.
- 5.3.2 Employees' accomplishments, contributions and exceptional performance towards corporate goals and objectives should be recognized by management during staff durbars and general meetings. Crabbe (2001) supports this position when she pointed that it is important that employees are made to see a clear relation between successful performance on their part and receipt of their desired rewards. Therefore, it is incumbent upon management to be able to **identify superior performance and reward them accordingly**. When rewards are not based upon performance, it is expected that motivational levels to be reduced especially in a growing economy so far as someone who does a remarkable job could be discouraged unless, their achievements are recognized.
- 5.3.3 **MENA should administer its benefits fairly and objectively** based on predetermined standards such as qualification and year of service, merit as well as the competence of employees so that it can avoid employees' frustration.
- 5.3.4 **MENA should have practiced planned motivational schemes** like annual increment, training and development opportunities, administering full benefit packages in order to enhance its employee's performances.
- 5.3.5 It is recommended to management of this organization to motivate the employees with what they need most, considering the ability of the organization, and this will transform into a higher level of performance on part of the employees. This can be done on the concept of expectancy which stipulates that motivation will be high when people know what they have to do to get reward, expect that they will be able to get the reward and expect that the reward will be worthwhile.
- 5.3.6 MENA should create **conducive working environment** such as calm, neat, equip with the necessary equipment, supplies, facilities flexible work arrangements and fee

from prejudice and stereotyping in addition create a working environment that encourage employee engagement in order to enhance its staff motivation since employees spend most of their time at work place otherwise it may have a diverse effect on their performance.

- 5.3.7 As it can be easily understood from the above findings reward and compensation system of MENA is not attractive as compared to the other organizations. The management should come up with ways of **dealing with competing firms to ensure that they do not loose** employees and neither do they operate at losses by making salary adjustment considering sample salary scales of different organizations. This will mean that they should employ the motivational program they regard the best.
- 5.3.8 Managers must inquire motivational practices followed by the company which may increase the reputation of the organization. Motivation to some people means a 'fat salary', for others, motivation means working in a neat and hygienic environment, while to some employees motivation is job security, recognition and having development opportunity. Salaries and wages are not the only motivators that can improve performance and productivity. So that mangers in MENA should understand the specific demands of each employee to be motivated.
- 5.3.9 Immediate Supervisors of **MENA should give praise and recognition** to employees for their best performance.
- 5.3.10 Motivation is an important part of managing process a team of highly qualified and motivated employees is necessary for achieving objectives of the organization. **MENA should practice sound employee motivational schemes** so as to get maximum form to accomplish its objectives and increase its efficacy.
- 5.3.11 **MENA should offer training and opportunities to learn new tasks** to improve their job skills and knowledge. Staff lunches or other team- building events should be organized so that co-workers can get to know each other better. This can also be considered by employees as an intrinsic motivational factor- recognition and respect.
- 5.3.12 The results of this study and those presented and discussed in this thesis could be useful in **helping organizations determine what motivate employees** or job related motivational preferences of their employees today and in the future.

5.3.13 It is suggested for **management to conduct more study** for further clarification of the finding and the study is restricted for generalization due to limited time and scope of the study; hence it was carried out on one organization.

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ANNEXES

Annex - 1

St .Mary’s University College School of Graduates Studies
Masters of Business Administration (MBA)

Questionnaire to be filled by non- supervisory employees

Dear respondent,

I am conducting a study on “*The effects of motivation on employee’s performance at MENA*”. This study is purely academic research. Your genuine response is highly valuable to conduct this study and then to arrive at legitimate results. I hereby request you to fill this questionnaire and give me back the earliest time possible. Any information you present will be kept absolutely confidential and will only be used for academic purpose. I would like to thank you for your effort and precious time to fill the questionnaire.

Fisseha Zemané

(Graduating Candidate)

N.B:

- Writing your name is not necessary
- You can give more than one answer
- Please put “√” for your choice in the box

1. Sex: a) Male b) Female

2. Age of respondent a) 20-30 b) 31-40 c) 41-50 d) 51-60

3. Level of education

a, High school complete certificate b, Diploma c, BA/BSC degree
d, MA/MSc and above

e) Others (please specify).....

4. For how long have you been working with MENA?

a) 1-3 years b) 4-7 years c) 8-15 years d, above 15

5. Department /Branch.....

6. Motivation has a strong effect on employee performance.

a) Agree b) Disagree c) Strongly agree d) Strongly disagree

7. If you were considering leaving MENA, which of the following would be your reason(s)

a) Poor remuneration and fringe benefits

b) Better job offer

c) Lack of motivation

d) Others (please specify).....

8. Do you feel motivated enough to go extra mile in delighting your beneficiaries (both internal and external)?

a) Yes b) No

9. How would you rate your level of enthusiasm and morale towards your job and the organization?

a) Very low b) low c) average d) high e) very high

10. Having experienced the working environment, given the opportunity would you have considered working with MENA if you had a fore knowledge?

a) Yes [] b) No []

11. How would you describe the general attitude of staff in your department towards work, with regards to reporting time, involvement in organizational activities increased performance?

a) Very high [] b) High [] c) average [] d) low []

12. To what extent do you agree with this statement” MENA deserve every little sacrifice and am prepared to give the very best of myself to ensure it succeeds”.

a) I strongly agree [] b) I agree [] c)I disagree [] d)I strongly disagree[]

13. Would there be an increase in your current level of performance if you felt well motivated to work?

a) Yes [] b) No []

14. Which of the following motivates you most to be effective and productive at work?

a) Higher salary []

b) Sense of achievement []

c) Recognition []

d) Career advancement []

15. Which of the following de-motivates you most from being effective and productive at work?

a) Inadequate reward system []

b) Uninteresting and routine job schedule []

c) Lack of requisite training for employees []

d) Poor working conditions []

16. Have you ever been praised or given recognition for good job done by your superiors?

a) Yes [] b) No []

17. If ‘Yes’, how did it affect your performance?

a) Encourage working harder []

b) Indifferent []

c) Others please specify

.....

18. If 'No', how did it affect your performance?

a) Felt discourage to work harder []

b) Indifferent []

c) Others (please specify).....

19. How do you rate the reward and compensation systems of MENA against others in the same industry?

a) Very poor [] b) poor [] c) good [] d) very good [] d) excellent []

20. Is the reward system fair and equitable to encourage high performance?

A) Yes [] b) No []

21. Which factor in your opinion contributes to staff turnover at MENA?

A) Lack of career advancement []

b) Poor reward system []

c) Uninteresting and routine job schedule []

D) Lack of requisite training for employees []

e) Others (please Specify)

.....

22. In your opinion, what can be done to motivate staff at MENA?

a) Appropriate remuneration to reward high performance

b) Introduction of challenging but interesting job schedule

c) Career path- goal should be well defined and vigorously pursued

d) Specify if any other.....

23. How do you think the current motivational system at MENA can be improved?

.....

.....

.....

24. Kingly indicate by circling the corresponding number against each factor of motivation you consider the most important that would influence performance at work.

1- below average 2- average 3- above average 4- credit and 5- excellent

	MOTIVATIONAL FACTORS	RANKS				
i	Job Satisfaction	1	2	3	4	5
ii	Recognition	1	2	3	4	5
iii	Sense of Achievement	1	2	3	4	5
iv	Good Salary	1	2	3	4	5
v	Training & Development Opportunities	1	2	3	4	5
vi	Fringe benefit(provident ,medical and related benefits)	1	2	3	4	5

Annex-2

**St .Mary’s University College School of Graduates Studies
Masters of Business Administration (MBA)**

Questionnaire to be filled by Supervisory level employees

Dear respondent,

I am conducting a study on *“The effects of motivation on employee’s performance at MENA”*. This study is purely academic research. Your genuine response is highly valuable to conduct this study and then to arrive at legitimate results. I hereby request you to fill this questionnaire and give me back the earliest time possible. Any information you present will be kept absolutely confidential and will only be used for academic purpose. I would like to thank you for your effort and precious time to fill the questionnaire.

Fisseha Zemane
(Graduating Candidate)

N.B:

- Writing your name is not necessary
- You can give more than one answer
- Please put “√” for your choice in the box

1. Sex: a) Male b) Female
2. Age of respondent a) 20-30 b) 31-40 c) 41-50 d) 51-60
3. Level of education
 - a, High school complete Certificate b, Diploma c, BA/BSC degree
 - d, MA/MSc and above
 - e) Others (please specify).....
4. For how long have you been working with MENA?
 - a) 1-3 years b) 4-7 years c) 8-15years d, above 15
5. Department /Branch.....
6. Motivation has a strong effect on employee performance.
 - a) Agree b) Disagree c) Strongly agree d) Strongly disagree
7. If employees under your supervision were consider leaving MENA, which of the following would be their possible reason(s)
 - a) Poor remuneration and fringe benefits
 - b) Better job offer
 - c) Lack of motivation
 - d) Others (please specify).....
8. Motivation has effect on organizational productivity
 - a) Agree b) Disagree c) Strongly agree d) Strongly disagree
9. How do you rate you're the level of enthusiasm and morale of your subordinates towards their job and the organization?
 - a) Very low b) low c) average d) high e) very high

10. In your experience, how well you perform in delivering each of the following:

	Not at all	About	Extremely
	Well	Average	Well
- Giving formal recognition for employee efforts to “make a difference”	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
- Recognizing employees whose efforts make a difference	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
- Co-workers and peers recognizing employees who are making a difference	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
- Recognizing individual team members equally for their efforts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
- Building a spirit of teamwork and cooperation among co-workers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
- Demonstrating that their work is valued and respected	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
- Treating employees fairly	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
- Recognizing and appreciating outstanding attendance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
- Recognizing years of service to the organization	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

11. How would you rate the overall satisfaction of employees under your supervision with the current rewards and recognition programs offered by the organization?

- a ,Very Satisfied [] b, Neither Satisfied nor Dissatisfied [] c, Not Satisfied []

12. How would you describe the general attitude of staff in your department towards work, with regards to reporting time, involvement in organizational activities etc?

- a) Very high [] b) High [] c) average [] d) low []

13. To what extent do you agree with this statement” MENA deserve every little sacrifice and my subordinates are prepared to give the very to ensure it succeeds”.

- a) I strongly agree [] b) I agree [] c)I disagree [] d)I strongly disagree[]

14. Which of the following motivates your employees do you think most to be effective and productive at work?

- a) Higher salary []
- b) Sense of achievement []
- c) Recognition []
- d) Career advancement []

15. Which of the following do you think de-motivates your subordinates most from being effective and productive at work?

- a) Inadequate reward system []
- b) Uninteresting and routine job schedule []
- c) Lack of requisite training for employees []
- d) Poor working conditions []

16. Have you ever been give praise or recognition for good job done by your subordinates?

- a) Yes []
- b) No []

17. If 'Yes', how did it affect your subordinates' performance?

- a) Encourage working harder []
- b) Indifferent []
- c) Others please specify

.....

18. If 'No', how did it affect your subordinates' performance?

- a) Felt discourage to work harder []
- b) Indifferent []
- c) Others (please specify).....

19. How do you rate the reward and compensation systems of MENA against others in the same industry?

- a) Very poor []
- b) poor []
- c) good []
- d) very good []
- d) excellent []

20. The reward system of MENA is fair and equitable to encourage high performance

- a) Agree []
- b) Disagree []
- c) Strongly agree []
- d) Strongly disagree []

21. Which factor in your opinion contributes to high staff turnover at MENA?

- A) Lack of career advancement []
- b) Poor reward system []
- c) Uninteresting and routine job schedule []
- D) Lack of requisite training for employees []
- e) Others (please Specify)

.....

22. In your opinion, what can be done to motivate staff at MENA?

- a) Appropriate remuneration to reward high performance
- b) Introduction of challenging but interesting job schedule
- c) Career path- goal should be well defined and vigorously pursued
- d) Specify if any other.....

23. How do you think the current motivational system at MENA can be improved? In what way?

.....

24. Please rate the following incentives on a scale 1-5 and cross the corresponding box, considering how motivating these are for employees under your supervision. (1 = no motivational effect, 2 = low motivational effect, 3 = average motivational effect, 4 = good motivational effect, 5 = high motivational effect)

	1	2	3	4	5
Annual bonus based on the organization's achievement in financial targets					
An extra day off as a reward of a well-done assignment					
Employee of the Attendance award					
Award ceremonies of years of service					
A personal "thank you" or Note of appreciation from supervisor, manager, or co-worker					
Verbal praise of appreciation from the manager in front of the colleagues					

Challenging new assignments regularly					
Flexible office hours					
Free medical service					
Opportunities for promotion					

Annex-3

**St .Mary’s University College School of Graduates Studies
Masters of Business Administration (MBA)**

Interview questions for discussion with the human resource personnel of MENA

Dear respondent,

I am conducting a study on *“The effects of motivation on employee’s performance at MENA”*. This study is purely academic research. Any information you present will be kept absolutely confidential and will only be used for academic purpose. I would like to thank you for your effort and precious time to respond my interview question.

Fisseha Zemane

(Graduating candidate)

1. How many years since you are working in MENA?
2. Is there formal and structured motivational technique in place?
3. What are your unit’s/ departments’ attitude towards employees’ motivation?
4. How often MENA undertake employee motivation practices?
5. Which motivational processes of MENA have strong effect on employee performance?
6. What mechanisms were practiced in the organization to motivate employees?
7. What is the basic purpose of motivation in MENA?
8. What type of relationship do you think there is between employee motivation and the related performance?

9. What do you think are the factors that would contribute to the motivation and demotivation of employees?
10. What do you think are the effects of motivation on employees' performance?
11. Do you think that current motivational processes at MENA are effective in increasing employees' performance? If not, why?
12. What do you suggest any changes to the current motivational system of the organization?

DECLARATION

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

Fisseha Zemene Zerihun

September, 2013

Addis Ababa, Ethiopia

ENDORSEMENT

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

Advisor

Signature & Date

September, 2013

Addis Ababa, Ethiopia