



ST. MERY'S UNIVERSITY SCHOOL OF GRADUATE STUDY
THE EFFECT OF MOTIVATION ON EMPLOYEES
PERFORMANCE: THE CASE ETHIOPIA BLOOD AND
TISSUE BANK SERVICES

BY: MULUKEN MESFIN

A THESIS SUBMITTED TO ST.MARY'S UNIVERSTY, SCHOOL
OF GRADUATE STUDIES IN PARTIAL FULFILLMENT OF
THE REQUIREMENTS FOR THE DEGREE OF MASTERS OF
BUSINESS ADMINISTRATION

July, 2024
Addis Ababa,
Ethiopia



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ADVISOR: BERIHNU MUCHE (Ph.D)

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EXAMINERS' APPROVAL SHEET

As members of the examining board of the MBA, open defense, we certify that we have read and evaluated the research prepared by Muluken Mesfin and recommended that it can be accepted as fulfilling the research requirement for the Degree of Masters in Business Administration (MBA).

1. _____

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Advisor

Signature

Date

Statement of Declaration

I had carried out a research work independently through which declare that, this Master thesis entitled “*examine the effect of Motivation on Employee Performance In The Case Of ETHIOPIA BLOOD AND TISSUE BANK SERVICE s*”.is my original work and has not been presented for a degree/certificate in any other university and that all sources of materials used forth thesis had been properly acknowledged.

Name of the Student

Signature

Date of Submission

Muluken Mesfin

.....

.....

Certification

This is to certify that the research paper entitles “*examine the effect of Motivation on Employee Performance In The Case Of ETHIOPIA BLOOD AND TISSUE BANK SERVICE s*” submitted to St merry university for the award of the degree of masters of business administration and is a record of confide research paper work under our guidance and supervision.

Therefore, I hereby declare that no part of this research paper has been submitted to any other university or institutions for the award of masters.

Main Advisor’s Name

signature

date

Berihanu Muche (PhD)

A handwritten signature in blue ink, consisting of stylized cursive letters, is written over a horizontal line.

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ABSTRACT

This research thesis aims to investigate the investigate factors affecting motivation and employee performance within the context of ETHIOPIA BLOOD AND TISSUE BANK SERVICE. Employee performance is a crucial aspect of organizational success, particularly in critical sectors like healthcare where efficient and effective service delivery is paramount. Motivation plays a pivotal role in enhancing employee performance by influencing their attitudes, behaviors, and productivity levels. Mixed methods research approach (combinations of quantitative and qualitative data sets) in both descriptive and explanatory design was used to examine the effect between motivation and employees' performance. The sources of data were primary and secondary. In addition, semi-structured interview was conducted with three employees from ETHIOPIA BLOOD AND TISSUE BANK SERVICE Offices. The data was collected across a population through stratified sampling. The target population of this study included all employees in ETHIOPIA BLOOD AND TISSUE BANK SERVICE was selected for the study since a problem has been seen on the effectiveness of the motivational strategy to improve performance. One hundred sixty six (166) questionnaires were distributed for the collection of data from which one hundred fifty (166) are used. Cronbach alpha coefficient method was applied to see the reliability of the questionnaire. Data was analyzed using spss software, and Pearson's correlation matrix to show the relationship' between the dependent and the independent variables and also regression analysis to show the effect of the independent on the independent variable. Results show that extrinsic motivations have strong, positive and statistically significant relationship with employees' performances the finding showed that from the mean score of intrinsic and extrinsic motivational factors mean of extrinsic factors (the mean of the leadership style, salary/monetary compensation and effective dissemination of information) show high mean score. Change in employee performance was more due to extrinsic motivation than intrinsic motivation while applying separately. Therefore, ETHIOPIA BLOOD AND TISSUE BANK SERVICE administrators both the organization management and the employees should appreciate the influence of the intrinsic factors on employee motivation levels. The organization should effectively exploit the extrinsic factors influencing employee motivation as a strategy for establishing a positive employee motivation.

Keywords: *Motivation, Employee Performance, extrinsic motivation, intrinsic motivation*

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The term motivation is derived from the Latin word ‘movere’ which means to move (Baron, Henley, Gibbon and McCarthy, 2012). Certo (2016) describes motivation as giving people incentives that cause them to act in desired ways. Motivations are energizing factors and are the main cause for movement of any living organism including human being. Because, motivation was keep the workers committed to their duties and do their jobs seriously and joyfully. One of the reasons for successful of employees and thus organizations is the presence of motivational factors at high degree in this organizations. The denoted blood services are an indispensable component of healthcare systems worldwide, playing a critical role in saving lives during emergencies, surgeries, and treatments for various medical conditions. ETHIOPIA BLOOD AND TISSUE BANK SERVICE, as government-sponsored or regulated entities responsible for collecting, processing, testing, storing, and distributing blood and blood products, serve as the backbone of these healthcare systems. H & Ryan, R. M. (2017).

The success and effectiveness of ETHIOPIA BLOOD AND TISSUE BANK SERVICE are contingent upon numerous factors, with the performance of its employees being paramount among them. Employees within ETHIOPIA BLOOD AND TISSUE BANK SERVICE are tasked with responsibilities ranging from donor recruitment and blood collection to laboratory testing and inventory management. Given the life-saving nature of their work, ensuring high levels of performance among these employees is imperative. Grant, A. M., & Ashford, S. J. (2008).

James B. Rieley (2006) Motivation emerges as a fundamental determinant of employee performance within ETHIOPIA BLOOD AND TISSUE BANK SERVICE. Motivated employees are more likely to exhibit dedication, enthusiasm, and commitment to their roles, leading to enhanced productivity, efficiency, and quality of service delivery. Conversely, demotivated employees may experience decreased engagement, morale, and job satisfaction, which can adversely impact organizational outcomes. The recognized significance of motivation in driving employee performance, there remains a need for comprehensive research to understand the specific motivational factors influencing employees within ETHIOPIA BLOOD

AND TISSUE BANK SERVICE. While extensive literature exists on motivation in general organizational contexts, the unique nature of work within ETHIOPIA BLOOD AND TISSUE BANK SERVICE necessitates a tailored examination of motivational dynamics in this domain. Latham, G. P., & Pinder, C. C. (2005).

A motivator then is something that influences an individual behavior. In summary, this research endeavors to contribute to the existing body of knowledge by elucidating the relationship between motivation and employee performance in ETHIOPIA BLOOD AND TISSUE BANK SERVICE. By doing so, it aims to offer practical recommendations for organizational leaders and policymakers to optimize motivational strategies and cultivate a workforce that is dedicated, engaged, and capable of meeting the critical demands of blood services provision. Locke, E. A., & Latham, G. P. (2004). Employees need to give their best in all these activities as the activities are inter-related and to achieve the organization's goals all have to be done properly (Yazici, 2008).

But Due to lack of motivation employees would not give their all to the organization as they was distribute their time to other non-work related activities such as long lunch hours, or surfing the internet for non-work related purposes (Shanks, 2012).

Also Employee turnover is a universal problem that all organizations around the world face (Stanley, 2012). One of the factors that contribute to high employee turnover is de-motivation (Mosley, Pietri and Mosley Jnr, 2012). There is a growing consensus among managers and leaders about the significance of combining effective motivation incentives to encourage good performance (Cole and Kelly, 2011). In order for organizations to meet their objectives, they must have a workforce that is motivated and works towards achieving the said objectives (Steers and Porter, 2011).

1.2 Statement of the Problem

In a highly competitive, global environment, organizations are constantly under pressure to retain their workforce” (Deci, 2013). Highly skilled, reliable and experienced employees are a valuable asset for any organization. It is evident that highly motivated employees are more likely to have high productivity. However, according to Certo (2006), “good performance is not as a result of motivation only, but also includes ability i.e. skills, equipment, supplies and time”. “Some organizations have been known to experience a high staff turnover despite offering above average salaries” (Aguinis, 2012). This tells us that money is not the only way to motivate employees. Additionally, different people are motivated by different factors. It is important for managers and supervisors to understand what motivates individual employees, and not assume a one-size-fits-all approach (George and Jones, 2013).

The problem addressed by this research is the lack of comprehensive understanding regarding the relationship between motivation and employee performance within ETHIOPIA BLOOD AND TISSUE BANK SERVICE. Specifically, there is a need to identify the motivational factors that impact employee behavior and performance in roles such as donor recruitment, blood collection, laboratory testing, and inventory management. Hackman, J. R., & Oldham, G. R. (1980). Furthermore, there is a lack of clarity regarding the effectiveness of existing motivational strategies employed within ETHIOPIA BLOOD AND TISSUE BANK SERVICE and their alignment with the specific needs and challenges faced by employees in this sector. Additionally, the critical nature of the services provided by ETHIOPIA BLOOD AND TISSUE BANK SERVICE underscores the urgency of addressing any deficiencies in employee motivation and performance an organization is only as strong as its workforce. Human resources need to be treated with great care, since they are a special resource that needs to be given special managerial attention and time”. (Storey, 2013).

Buguza (2013) found that salary increment, promotion and recognition were important motivational factors for employees of Tanzania Postal Bank. A study conducted by Akalu (2015) in Ethiopian Electric Power Enterprise revealed that: financial motivational strategies given to employees in an enterprise had a significant influence on the employees’ performance; non-financial motivation strategies had no significant influence on employees performance;

enterprise motivation strategies were not in conformity with employees' expectations and EEP enterprise employees prefer financial motivation strategies then non-financial motivation strategies. Latham, G. P., & Pinder, C. C. (2005).

In another study conducted by Linda (2016) revealed that UNICEF Somalia did not use monetary rewards to motivate its employees. The study showed that the company used non-monetary rewards like recognition, decision making roles, promotion, and flexible working hours to motivate employees. The study showed that the employees indicated that they believed that money was a crucial incentive to work motivation and that most of them used the value of money to perform the function of a scorecard by which they assessed the value that the organization had placed on their services. Asim (2013) found that training is an important motivational technique that leads to a positive impact on employee performance in the educational sector in Pakistan. However, the study only focused on training as a source of motivation leaving a gap to be filled by examining other motivational techniques. Therefore, the central problem addressed by this research is to understand how motivation influences employee performance within ETHIOPIA BLOOD AND TISSUE BANK SERVICE and to identify strategies for enhancing motivation to ensure optimal performance outcomes. By addressing this problem, this study aims to contribute to the body of knowledge on motivational dynamics in healthcare settings and provide actionable insights for organizational leaders and policymakers to improve the effectiveness and efficiency of ETHIOPIA BLOOD AND TISSUE BANK SERVICE. The variability in the results of previous studies and the fact that this study which differs from the other local studies in that it was conducted in ETHIOPIA BLOOD AND TISSUE BANK SERVICE using the three main offices as sample frame places it worth investigating. Moreover, there are a few studies that have been done on the impact of motivation on employees' performance in other sectors which underpins expanded study and investigation.

One of the prominent reasons that motivated the researcher to pick up this research problem was According to the preliminary study undertaken by the researcher, discussion with different staffs of Ethiopian blood and tissue bank, issues relating to the motivational practice of the . ETHIOPIA BLOOD AND TISSUE BANK SERVICE like salary, benefit, working condition, recognition, and work content are major source of Employees demotivation factors of the.

ETHIOPIA BLOOD AND TISSUE BANK SERVICE. ETHIOPIA BLOOD AND TISSUE BANK SERVICEThe above mentioned gap found in the company was assessed by the use of preliminary interviews conducted with employees found both in the top management to the low level supervisors and other sales consultants along with the researchers experience in the company as a sales consultant, the researcher felt that the staff members were not satisfied as such with management's ability in terms of compensation packages to encourage better performance out of their subordinates in which it caused high turnover among subordinates due to low performance. Additionally, the researcher could not be able to find other recent studies conducted on this topic in ETHIOPIA BLOOD AND TISSUE BANK SERVICE.

Therefore, the purpose of the study was to investigate the effect of motivation on employee's performance the case of ETHIOPIA BLOOD AND TISSUE BANK SERVICE. To achieve this purpose the study tried to answer the following basic questions. There is also absence of freedom, absence of motivating jobs, lack of convenient work place and office arrangement because of the oldness of the building. Moreover, the rate of employee turnover is highly increasing because employees are leaving the ETHIOPIA BLOOD AND TISSUE BANK SERVICE in order to seeking for a better condition of motivational incentives like salary increment and others related benefits.

These and other factors are causing absenteeism, poor attitude towards work, lead to staff turnover, and dissatisfaction among the employees of the ETHIOPIA BLOOD AND TISSUE BANK SERVICE.

Thus the researcher believes that the above stated problems are widely enough in terms of calling the attention of the researcher to examine the effect of Motivation on Employees Performance in case of ETHIOPIA BLOOD AND TISSUE BANK SERVICE.

The effect and impact of motivation on employee performance has been studied for a long period of time in Ethiopian and others country in different organization. However, there is no study conducted the same topic on the effect of motivation on employee performance in case of *ETHIOPIA BLOOD AND TISSUE BANK SERVICE*.

Therefore, studies like this are an invaluable resource in helping organizations identify and maximize on ways to motivate employees whilst mitigating employee turnover and under-performance.

1.3 Research Questions

- I. What are the direct financial motivational factors affect employee's performance?
In ETHIOPIA BLOOD AND TISSUE BANK SERVICE?
- II. Which factor is effect of extrinsic motivation on employee's performance?
- III. What are the intrinsic motivational factors affect employee's performance in
ETHIOPIA BLOOD AND TISSUE BANK SERVICE
- IV. How do extrinsic motivators, such as rewards, recognition, and career advancement opportunities, impact employee performance in ETHIOPIA BLOOD AND TISSUE BANK SERVICE

1.4. General Objective

The general objective of the study is to examine the effect of Motivation on Employee Performance in ETHIOPIA BLOOD AND TISSUE BANK SERVICE

1.4.1. Specific Objective

- ✓ To assess the direct financial that affect employee's motivation in
ETHIOPIA BLOOD AND TISSUE BANK SERVICE?
- ✓ To analyze the effect of motivation intrinsic and extrinsic on employee's
performance in case of ETHIOPIA BLOOD AND TISSUE BANK SERVICE
- ✓ To explain intrinsic motivation on employee engagement and commitment on
employee performances in case of ETHIOPIA BLOOD AND TISSUE BANK
SERVICE
- ✓ To investigate extrinsic motivation on employee performance in case of ETHIOPIA
BLOOD AND TISSUE BANK SERVICE?

1.5. Significance of the Study

By understanding the factors that influence employee motivation and performance within ETHIOPIA BLOOD AND TISSUE BANK SERVICE, this study can contribute to improving healthcare outcomes. Motivated employees are more likely to deliver high-quality services, leading to enhanced patient care, reduced medical errors, and better treatment outcomes.

ETHIOPIA BLOOD AND TISSUE BANK SERVICE play a crucial role in ensuring an adequate and safe blood supply for medical treatments. Optimizing employee motivation and performance within these organizations can enhance operational efficiency, streamline processes, and ultimately contribute to achieving organizational goals more effectively. This study was of immense benefit to the employees of ETHIOPIA BLOOD AND TISSUE BANK SERVICE, management of ETHIOPIA BLOOD AND TISSUE BANK SERVICE, students and academicians in the field of the study in that it was highlight how the concept of motivation and job performance are valued and understood and the need for all to pay attention to a variety of motivation issues or financial incentives for employees. The findings of this study were assist in the development of effective managerial strategies and policies that can help in improving the administration and realization of ETHIOPIA BLOOD AND TISSUE BANK SERVICE goals. Also, the findings was enable the ETHIOPIA BLOOD AND TISSUE BANK SERVICE management in general to identify the motivational factors and their problems and can use it in the improvement of management concerning employee's needs, issues of welfare and motivation of employees and enhance their performance for a better and deliverance of good services.

1.6. Scope of the Study

The scope of this study was limited only on the professional employee of the development Ethiopian blood bank of Ethiopian head office. This is due to the difficulties to cover head office staff of the Ethiopian blood bank throughout the city regarding with limited time and scare resource. Methodological scope of the study use explanatory research design and quantitative approach also has its share of delimitation in the sampling frame which only considered a particular of ETHIOPIA BLOOD AND TISSUE BANK SERVICE and therefore the results cannot be generalized to the whole (sector) or to other types of organizations of the country. Therefore, the conceptual scope of this study should be interpreted in relation to the motivation and employee performance of ETHIOPIA BLOOD AND TISSUE BANK SERVICE. In which the study consider the time period from 2022-2024 G.C as its study area since during this time the company went on extreme changes in terms of organizational focus to reinvent themselves and gain market share it had lost in the past years.

A motivated and high-performing workforce within ETHIOPIA BLOOD AND TISSUE BANK SERVICE directly contributes to public health outcomes by ensuring the availability of safe blood products for transfusion. By optimizing employee motivation and performance, this research indirectly supports broader public health initiatives aimed at improving healthcare access, equity, and outcomes.

1.7. Limitations

While every effort was made to conduct a rigorous and comprehensive study, it is important to acknowledge the following limitations. Generalizability: The findings of this research may be specific to the context of ETHIOPIA BLOOD AND TISSUE BANK SERVICE and may not be fully generalizable to other industries or sectors. Factors unique to the healthcare environment, such as regulatory requirements, ethical considerations, and patient care priorities, may influence motivational dynamics differently in other settings.

Sample Size and Representativeness: The study's findings may be limited by the size and representativeness of the sample population. The research was strive to obtain a diverse sample of employees within ETHIOPIA BLOOD AND TISSUE BANK SERVICE ; however, constraints such as organizational access and participant availability may impact the sample's composition.

Survey data collected through surveys may be subject to self-assessment report bias, where participants provide responses that are influenced by social desirability or perceived expectations. Efforts were made to mitigate this bias through careful questionnaire design and data analysis techniques. The research aims to provide valuable insights into the relationship between motivation and employee performance within ETHIOPIA BLOOD AND TISSUE BANK SERVICE and offer practical recommendations for organizational improvement within the scope of its defined objectives and constraints.

1.8. Definition of key terms

For the purpose of this study, the following terms are defined as follows:

- **Employee Motivation:** Ray Williams, a columnist for Psychology Today, defines motivation as, “predisposition to behave in a purposeful manner to achieve specific, unmet needs and the waste achieve, and the inner force that drives individuals to accomplish personal organizational goals”. Sibson (1994) also defines motivation as the driving force which allows a person to take action on his/her desires or goals.
- **Employee Performance:** It is highly accepted that when people are motivated on their job, there is going to be a correspondence productivity that was boost the organizational performance.
- **Motivation:** “the act of providing motive that causes someone to act” (Shanks, 2012).
- **Intrinsic Motivation:** comes from a person’s internal desire to do something, motivated by such things as interest, challenge, and personal satisfaction (Mc Gregor2004).
- **Extrinsic Motivators:** come from outside the person and include such things as pay, bonuses, and other tangible rewards (Mc Gregor2004).
- **Performance:** “a continuous process for improving the performance of individuals by aligning actual performance with that desired through a variety of means” Cole and Kelly (2011).

1.9. Organization of the Study

This study was organized into five chapters. The first chapter discussed about the introduction, statement of the problem, objectives of the study, research question, significance of the study scope of the study, limitation of the study and definition of the terms and concept of the study. The second chapter discussed about review of related literature. The third chapter dealt about the methodology of the study such as research design, types of data, source of data, sampling techniques, research instruments, the dependent and independent variables to be applied throughout the research, validity and reliability test, ethical consideration and model specifications used for data analysis which are applicable and use in the study are included. The fourth chapter dealt about the findings and discussions of the collected data. The last chapter provides conclusions and recommendations of the study. Finally list of reference materials and sample questionnaires were annexed at the end.

CHAPTER TWO LITERATURE REVIEW

2.1 Theoretical Literature Review

2.1.1 Concept and Definitions of Motivation

Many scholars had tried to define motivation and it's a well-studied field which has roots in many academic disciplines such as psychology, sociology, education, political science, and economics. Definition of motivation according Rajput (2011), contends that the word motivation is derived from a Latin word "Movere" which literally means "to move". They defined motivation as "the individual's desire to demonstrate the behavior and reflects willingness to expend effort".

According to Society for Human Resource Management (2010), motivation is generally defined as the psychological forces that determine the direction of a person's level of effort, as well as a person's persistence in the face of obstacles.

Motivation has also defined as the psychological process that gives purpose, direction, and intensity to behavior (Kreitner); and an internal drive to satisfy an unsatisfied need (Higgins, 2000). (Anh, 2003) Motivation is defined as an individual's willingness to exert and maintain an effort towards organizational goal.

Bratton et al. (2007:248) defined it as a cognitive decision making process that influences the persistence and direction of goal directed behavior. Work motivation can also be defines as the psychological forces within a person that determines the direction of that person's behavior in an organization (George and Jones, 2008:183).

Element in the above definitions are: 'effort' -a measure of intensity that maximizes employee's potential capacity to work in a way that is appropriate to the job; 'persistence' -the application of

Effort work-related tasks employees display over a time period; and ‘direction’ - emphasizes that persistent high level of work-related effort should be channeled in a way that benefits the work environment. Bartol and Martin (1998) describe motivation as a power that strengthens behaviors, gives route to behavior, and triggers the tendency to continue. This explanation identifies that in order to attain assured targets; individuals must be satisfactorily energetic and be clear about their determinations.

Denhardt et al. (2008) also define motivation as an internal state that causes people to behave in a particular way to accomplish particular goals and purposes. Whereas it is not possible to observe motivation itself, it’s possible to observe the outward manifestations of motivation. For instance, the acquisition of money may be an extrinsic motivator, but it is simply the manifestation of the internal drive to meet intrinsic needs like purchasing food, paying rent for shelter, or acquiring high social status.

Denhardt et al. (2008) further stated that motivation is not the same as satisfaction. Satisfaction is past oriented, whereas motivation is future oriented. Igalens & Roussel (1999) on their part also stated that workers may be very satisfied by the compensation of their job; there are countless instances where these workers are not entirely motivated to continue doing what they would do. Motivation is central to management because it explains why people behave the way they do in organizations. Motivation may also be defined as the internal process leading to behavior to satisfy needs.

2.1.2 Definition and Significance of Motivation

Motivation is a fundamental concept in organizational behavior, referring to the internal and external forces that drive individuals to take action towards achieving specific goals (Mitchell, 2020). Within the context of ETHIOPIA BLOOD AND TISSUE BANK SERVICE, motivation plays a crucial role in influencing employee behavior and performance, impacting the provision of blood products and services essential for patient care.

Along with perception, personality, attitude and learning, motivation is an important part of understanding behavior. Motivation defined as a psychological state that is said to exist whenever internal and /or external forces trigger, direct, or maintain goal-directed behaviors (Jackson and Slocum 2002). Motivation refers to the resolution of

achieving a goal, marked by a goal directed behavior. When we refer to someone being motivated, we imply that the individual is trying hard to perpetrate a certain task. However, motivation alone can't suffice what we require to consummate that task with utmost efficiency. Ability – having the skill and knowledge to perform that task is also significant in this regard.

2.1.1 Motivation Defined

Many contemporary authors have also defined the concept of motivation. According to Hellriegel, et al (2002) motivation is a psychological state that is said to exist whenever internal and /or external forces trigger, direct, or maintain goal- directed behaviors (Hellriegel, et al 2002). The many different theories of motivation can be easily grouped in to three general approaches. Those are managerial approach, job and organization approach and individual difference approach. Managerial approach: The managerial approach to motivate employees focus on the behavior of managers in particular, their use of goals and rewards. The manager that employees work with on a day to day basis can directly motivate employees through personal, one on one communication (Hellriegel, et al 2002). On this approach managers can work with employees to set realistic goals then use recognition, praise and monetary means to reward employees for achieving those goals. Job and organization approach: The second approaches to motivate employees emphasize the design of Job and general organizational environment (Hellriegel, et al 2002). According to this approach the job itself is part of the explanation for why people enjoy their work but the organizational context also is important Individual difference approach: The third approach to motivating employees treats motivation characteristics of the individual (Hellriegel, et al 2002). According to this approach an employee who is motivated in an organization would be highly motivated in any organization. Integrating the approaches: All the above 3 approaches are the most useful when they are combined and integrated.

2.2 Theoretical Perspectives on Motivation

Various theoretical frameworks offer insights into understanding motivation in organizational settings. Maslow's Hierarchy of Needs posits that individuals are motivated by a hierarchy of needs, progressing from basic physiological needs to higher-order needs such as self-actualization (Maslow, 1943). Herzberg's Two-Factor Theory distinguishes between hygiene factors (e.g., job security, salary) and motivators (e.g., recognition, advancement) in influencing employee satisfaction and motivation (Herzberg, 1968). Expectancy Theory emphasizes the role of expectancy (belief that effort leads to performance), instrumentality (belief that performance leads to outcomes), and valence (value placed on outcomes) in driving motivation (Vroom, 1964).

2.1.1. Motivational Factors Influencing Employee Performance

Intrinsic motivators, such as meaningful work, autonomy, and opportunities for skill development, have been found to enhance employee engagement and performance (Deci & Ryan, 1985). Extrinsic motivators, including financial rewards, recognition, and career advancement opportunities, can also influence employee behavior and performance (Deci et al., 1999). Additionally, social factors such as leadership style, organizational culture, and team dynamics play a significant role in shaping employee motivation and performance (Hackman & Oldham, 1976).

2.1.2. Relationship between Motivation and Organizational Outcomes

Motivated employees are more likely to demonstrate higher levels of engagement, productivity, and job satisfaction, leading to improved organizational performance (Locke & Latham, 2004). Within ETHIOPIA BLOOD AND TISSUE BANK SERVICE, motivated employees contribute to the efficient provision of blood products, ensuring the availability of safe and timely transfusions for patients in need (De Bruin et al., 2013).

2.1.3. Previous Studies on Motivation and Employee Performance

Previous research has examined the relationship between motivation and employee performance across various industries. Studies have found positive associations between motivation and performance metrics such as productivity, quality of work, and job satisfaction (Grant, 2008; Luthans & Peterson, 2002). However, limited research specifically focuses on motivation within the context of ETHIOPIA BLOOD AND TISSUE BANK SERVICE, highlighting the need for further investigation in this area.

2.1.4. Effectiveness of Existing Motivational Strategies

Existing motivational strategies implemented within ETHIOPIA BLOOD AND TISSUE BANK SERVICE include recognition programs, training opportunities, and supportive leadership practices. While these strategies may enhance employee motivation and performance to some extent, there is room for improvement in aligning motivational initiatives with the unique needs and challenges of employees in this sector (Mackay et al., 2014).

In summary, the literature review provides a comprehensive overview of motivation and its implications for employee performance within ETHIOPIA BLOOD AND TISSUE BANK SERVICE. Drawing on theoretical frameworks, empirical evidence, and practical insights, this review sets the stage for the empirical investigation in subsequent chapters, offering a foundation for understanding and addressing motivational dynamics in this critical sector of healthcare provision.

2.1.2 Characteristics of Motivation

Mitchell (1982) quartered by Mullins (2005) identified the following characteristics, which underline the definition of motivation namely: Motivation is typified as an individual phenomenon: Every person is unique and all the major theories of motivation allow for this uniqueness to be demonstrated in one way or the other Motivation is usually intentional: Motivation is assumed to be under the control of the worker, and behaviors that are influenced by motivation such as effort expended, are seen as choices of action. Motivation is multifaceted: The two factors of greatest importance. What get people activated the force of an individual to engage in desired behavior? The purpose of motivational theories is to predict behavior motivation is not behavior itself and it is not performance. Motivation concerns actions and internal and external forces, which influence a person's choice of action

2.1.3 Forms of Motivation (Intrinsic or Extrinsic)

Intrinsic motivation

It can be described as the process of motivation by work itself in so far as it satisfies the personal needs of the employee. Intrinsic motivated work behavior stems from a person's 'internal' desire to do something, and is therefore usually self-applied e.g. pure interest in a project or a positive recognition from colleagues are examples of intrinsic motivation.. The factors affecting intrinsic motivation include responsibility, freedom to act, courage to use and develop persons own skills, interesting tasks and opportunities for advancement. Intrinsic motivation refers to motivation that is enhanced by commitment to work, personal enjoyment, and interest. According to Ryan and Deci, (2000) intrinsic motivation is define as the doing of an activity for its inherent satisfaction rather than for some separable consequence. When a person is intrinsically motivated, that person is moved to act for the fun or challenge entailed rather than expecting outside reward or pressure from other officials. When that person is intrinsic motivated he works to satisfy three psychological needs, namely: autonomy, competence and relatedness.

A. Empowerment and Autonomy

It's defined by Clutterbuck and Kernaghan (1994) as encouraging and allowing employees to take personal responsibility for any improvement brought about in the performance of their assigned task whilst contributing to the attainment of the overall objective of the organization.

It grants employees with the ability to act and responsibility to do their duties independently and allow them to have authority over the job. It's as if giving them control over their own destiny.

Doesn't only increase effectiveness and efficiency of employees but as a booster of fulfillment for employees, work motivation and trust in the organization.

B. Recognition and Employee Motivation

According to Kamalian, Yaghoubi and Moloudi, (2010) rewards and recognition are essential factors in enhancing employee motivation and job satisfaction which is directly associated to organizational achievement. He posited that taking time to say you recognize them, makes the employees to do more than they would normally do. It's an intrinsic motivation that involves the psychological rewards gained by doing a job well. It can be either in written or verbal form in which to recognize an employee's achievement.

C. Fairness of Treatment

Deals with how people feel about the distribution of rewards, opportunities and by which they are allocated and how employees are treated in the work place. It's one of the most vital factors for the success of any organization because it affects the long term validity of any organization in terms between subordinates and employer. Therefore, organizations must strive to make sure that there is always the spirit of trust, sense of commitment and appreciable level of satisfaction among employees (Kamalian et al. 2010).

D. Trust

It's seen as the perception of one person about the other, decision to act based on communication, behavior and their decision. Trust as a concept is complex and in order it to work, it requires both trusting beliefs and trusting intentions. It creates invisible bond between people who trust each other whoever they are. It enables us to make transactions with other trustworthy people and seclude the untrustworthy. In business, transactions are, whether material or immaterial, vital. If a certain organization suffers from culture of distrust among its employees and employer, this was possibly lead the organization to eventually underachieve in its business markets. Put differently, organizations that foster trust are generally more profitable.

E. Opportunities for Personal Development

The quality and variety of employee training and development available at a workplace are key for employee motivation. An employee perception of opportunities for personal growth and development is one of the important predictors of employee motivation. Many employees want to move forward with their career and not remain stagnant.

Extrinsic motivation

Extrinsic motivation is the amount of effort other people give to the person to motivate them. Extrinsic motivation refers to tangible rewards supervision, pay, fringe benefits, co-workers, work environment, personal life, work conditions and job security. In this type of motivation a person cannot be motivated by the work itself like intrinsic motivation but satisfied by the possible reward that person gets by doing a certain activity. Ryan and Deci (2000) argued that extrinsic motivation requires an instrumentality between the activity and some separable consequences such as tangible or verbal rewards and that satisfaction comes not from the activity itself but rather from the extrinsic consequences to which the activity leads. Rewards are useful instruments that encourage individuals to perform as is desirable and it can take the form of monetary. It can also be in form of incentives such as increased salary and leave bonus to non-monetary incentives like promotions and job security.

A. Monetary Compensation/Salaries

To enhance extrinsic motivating factor, money remains the most significant motivational strategy. It has the supremacy to magnetize, retain and motivate individuals towards higher performance. Frederick Taylor and his scientific management associate described money as the most fundamental factor in motivating the industrial workers to attain greater productivity (Ryan &Deci, 2000).

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

B. Good Leadership Relations

There are many definitions that are given to leadership by different experts but commonly we can summarize it by seeing it as the use of different influences by the leader to the followers to gain more out of them in terms of performance, to achieve a desired result or what not. Good leadership relation is an important factor in fostering employee motivation. Providing employees with the supports they needed such as helping them with job related problems, good communication, regular feedback about employee performance increases employee motivational level. Employee wants to have sense of belonging, have inputs into decisions that affect them, feel important and appreciated. They want to be informed and involved at work place. Employees are motivated when a job brings recognition and respect for them (Ryan &Deci, 2000).

C. Job security

Job security has become indispensable in employee and organization preference list, particularly due to economic reasons. Thus, it has become one of the most crucial and important factors driving employee motivation and performance. The most desire of every employee is to keep their jobs for as long as they wish. In this view, it implied that job security is a determinant factor and key element influencing an employee's decision on whether to join an organization or not (Latham, 2007).

D. Communication and Effective Dissemination of Information

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

The need for information sharing between the employer and the employees cannot be overemphasized especially during major organizational changes, acquisition or organizational development. Uncertainty may easily cause employees to fear failure or even losing their jobs.

The more there is uncertainty, the lower productivity gets. Inadequate or unreal information may cause a lot of speculation which makes the work secondary to employee. When employees are informed it adds certainty and trust. To ensure a motivated working environment, management must build a relationship of trust with the employees, media and other whom might be involved. In times of change, employees should be the first to know what is going on as the employees should have time to adapt.

A. Nature of the Job

Many studies have researched about the relationship between the nature of job and employee motivation. Results show that nature of job itself becomes a dominant factor of job employee motivation when employees assess different aspects of their work, like supervision, growth opportunities, salaries and colleagues and so on. When the job performed by an employee is perceived to be important and less stressful, employee motivational level was be on the increase. Stressful work on the other hand is a well-known factor for low motivation and morale, decrease in employee performance, high employee turnover, sick leave, accidents, low job satisfaction, low quality products and services, poor internal communication and conflicts. Basically meaning less stressful job more performance and the opposite is true.

Intrinsic and Extrinsic motivation: - Extrinsic motivators are efficient but the influence doesn't last long. Intrinsic motivators tend to have a longer effect as they are inherent and not imposed from outside (Armstrong 2007). As the needs of individuals differ a lot, it is important to concentrate carefully on the attachment of goals and incentives given when goals are accomplished. 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 out of the employees

To get the best from their people, managers should emphasize anticipated reward value, whether extrinsic or intrinsic. So managers' job is to strengthen effort-performance-reward expectancies. For employees who have difficulty attributing outcomes to their performance, managers must make sure they realize performance-reward connections and provide performance feedback.

2.1.4. Intrinsic Motivation

Intrinsic motivation means that the individual's motivational stimuli are coming from within. The individual has the desire to perform a specific task, because its results are in accordance with his belief system or fulfills a desire and therefore importance is attached to it. Our deep-rooted desires have the highest motivational power. Below are some examples:

- ☐ **Acceptance:** We all need to feel that we, as well as our decisions, are accepted by our co-workers.
- ☐ **Curiosity:** We all have the desire to be in the know.
- ☐ **Honor:** We all need to respect the rules and to be ethical.
- ☐ **Independence:** We all need to feel we are unique.
- ☐ **Order:** We all need to be organized.
- ☐ **Power:** We all have the desire to be able to have influence.
- ☐ **Social contact:** We all need to have some social interactions.
- ☐ **Social Status:** We all have the desire to feel important.

2.1.1.2 Extrinsic Motivation

Extrinsic motivation means that the individual's motivational stimuli are coming from outside. In other words, our desires to perform a task are controlled by an outside source. Note that even

Though the stimuli are coming from outside, the result of performing the task will still be rewarding for the individual performing the task. Extrinsic motivation is external in nature. The most well-known and the most debated motivation is money. Below are some other examples:

- ☐ Employee of the month award
- ☐ Benefit package
- ☐ Bonuses

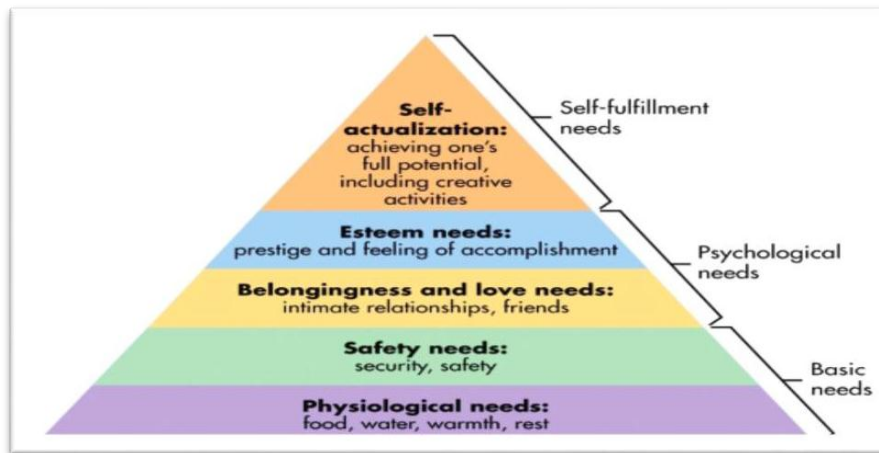
2.1.4 Different theories of motivation

Motivation is such a scheme which is applied to inspire, increase stamina and work ability by mentally conciliating the employees or workers to their work or job in an organization. In brief, Motivation is something which inspires one to work self-intentionally.

Maslow's hierarchy of needs: According to Maslow human behavior is goal-directed. Motivation cause goal-directed behavior. It is through motivation that needs can be handled and tackled purposely. According to Maslow's Hierarchy, needs were categorized into 5 types/ levels from lower to higher order of needs. Individuals must satisfy lower order of needs before they approach higher order. Satisfied needs was no longer motivate. Motivating a person depends on knowing at what level the person is at of hierarchy. (Jones & George 2009)

- a) **Lower Order (External):** Physiological, Safety etc.
- b) **Higher Order (Internal):** Social, Esteem, Self-actualization etc.
- c) **Physical needs:** Need for food, water, shelter, clothing, sexual satisfaction etc.
- d) **Safety and security needs:** Need to be free from physical danger and the fear of
- e) **Social needs:** Need for love and affection, acceptance by fellows and the like.
- f) **Ego-need:** Need for power, prestige, status and self-confidence.

Figure: 2.1 Maslow's hierarchy of needs (1943)



According to Abraham Maslow hierarchy of need each need must be satisfied in each level before a person desires to satisfy a need at the next higher level so that one comes after the other according to Maslow theory every employed first need a wage sufficient for food and shelter then their security need came it can be job security and then belongingness needs such as social needs and feelings of belonging and esteem needs, self-actualization was come according to their hierarchy. (Jones & George 2009)

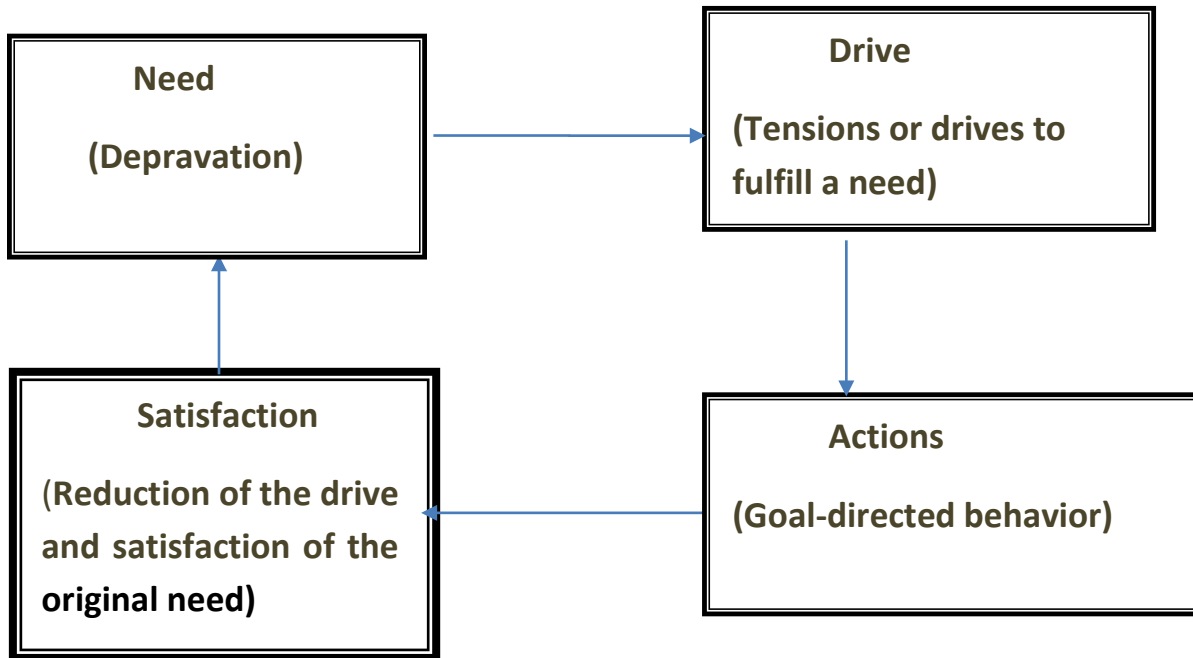
Herzberg's motivation hygiene theory: Adopting an approach different from Maslow's, Frederick Herzberg focuses on two factors; the first is the outcome that can lead to high levels of motivation and Job satisfaction and the second us the outcome that can prevent people from being dissatisfied. According to Herzberg's motivation hygiene theory people have two set of needs or requirements. A) *Motivators need* which are related to the job itself and how challenging it is. Outcome such as interesting work, autonomy, Achievement, Recognition, Work itself, Responsibility, Advancement, Growth etc. B) *Hygiene factors* are related to the physical and psychological context in which the work is being performed. They are satisfied by outcomes such as pleasure with coworkers, effective supervision, working condition, Salary status, Security, Relation with peers, Subordinate etc. According to Herzberg when hygiene needs are not met, workers are not dissatisfied. Satisfying hygiene needs, however, does not result in high level of motivation or even high level of job satisfaction. For motivation and job satisfaction to be high motivator need must be high (Jones & George 2009).

Three needs theory: McClelland's three needs theory refers that; every person has one of three driving motivators. Those are *the need for achievement* is the extent to which an individual has a strong desire to perform challenging task well and to meet personal standard for excellence. *The need for affiliation* is the extent to which an individual is concerned about establishing and maintaining good interpersonal relations, being liked, and having the people around him or her get along with each other. *The need for power* is the extent to which an individual desires to control or influence others (Jones & George 2009). They aren't inherent; we develop them through culture and life experience.

2.1.1 The Effects of Motivation on Employees' Performance

The motivation theorists such as Maslow (1946), Herzberg (1968), Alderfer (1972) and McClelland (1988) have suggested specific things that managers can do to help their subordinates become self-actualized, because such employees are likely to work at their maximum creative potential when their needs are met. They agree that by promoting a healthy workforce, providing financial security, providing opportunities to socialize and recognizing employees' accomplishments help to satisfy the employees' physiological needs which in turn also increase their performance. These authors (Koch, 1990; Stuart, 1992) all stated that recognition of a job well done or full appreciation for work done is often among the top motivators of employee performance and involves feedback. Positive feedback follows the Principles advocated in Reinforcement Theory, which states that behavior is contingent on reinforcement. Examples of positive reinforcement in this context may include workplace visits by top executives to high-performance employees, personal handwritten notes of thanks accompanying paychecks, and telephone calls by top executives to employees at home (Knippen and Green, 1990).

Figure 2.2: Need theory of motivation

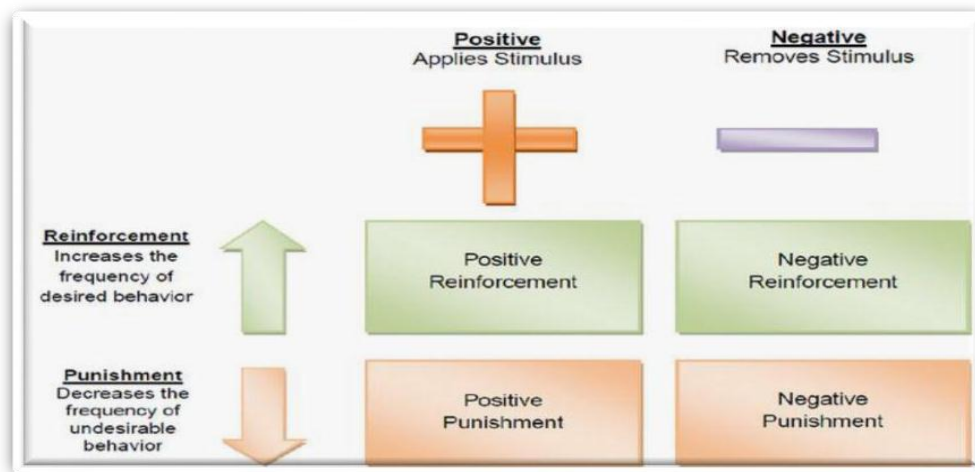


Goal setting theory :It focus on motivating workers to contribute to their job and organization in this way it's the same as equity theory but takes it a step further by considering as well how mangers can ensure that organization members focus their inputs in the direction of high performance and achievement of organizational goals. The basic assumption of goal-setting is that goals are immediate regulators of human actions. This theory refers to effects of setting goals on subsequent performance. Individuals who set specific, difficult goals performed better than those who set easy and simple goals. Some of the important features of this theory are: The willingness to work for attainment of goals, Specific and clear goals, Specific and challenging goals, Better and appropriate feedback of the results etc. (Jones & George 2009).

Reinforcement theory: An approach to motivation based on the “law of effect” – the idea that behavior with positive consequence tends to be repeated, while behavior with negative consequences tends not to be repeated (Jones & George 2009).

in this theory it shows that a past behavior was affect future actions since when we think that some behavior lead us to positive consequence and repeat it in order to get positive consequence and avoid some behaviors’ since in our past experience that behavior lead us to a negative consequence. This theory refers that we can change anyone’s behavior by using reinforcement, punishment and extinction. Rewards are used to reinforce behavior we want and punishment to prevent behavior we don’t want. Extinction is to stop someone from practicing learned behavior at all. Theories such as equity has some important implications for ways of motivating people by not underpay, overpay and presenting information about outcomes in a thorough and socially sensitive manner. It states that, companies that attempt to save money by reducing employees’ salaries may find that employees respond in many different ways to even the score; those that overpay some employees as a useful motivational technique to increase performance may later realized that when you overpay one employee, you are underpaying all the others. When the majority of the employees feel underpaid, they will lower their performance, resulting in a net decrease in productivity and widespread dissatisfaction. Hence, the conclusion is that managers should strive to treat all employees equitably; and This suggestion follows from research showing that people’s assessments of fairness on the job go beyond merely what their outcomes and inputs are to their knowledge of how these were determined, that is, to their sense of procedural justice (perceptions of the fairness of the procedures used to determine outcomes). Osei (2011), also agrees with the equity theory that, one of the fundamental issues that is sensitive and critical which can make or unmake any organization is wage or salary determination. Justice, fairness and equity in salary determination, to a large extent, put to rest all the traumas any individual or any organization may experience, and that is highly motivational enough to assess the optimal usage of time and energy.

Figure 2.3: Reinforcement theory



Equity theory: A theory of a job motivation emphasizes the role played by an individual's belief in the equity or fairness of rewards and punishments of rewards and punishments in determining his or her performance and satisfaction. (Jones & George 2009)

Equity theory is a theory that centers on perceived fairness of an individual. An employee reflects on how much effort he has expended and compares this to what he has got from it. Based on the idea that, individuals are motivated by fairness and if they find/ identify inequity in the input or output ratio of themselves and their referent groups then they will seek to adjust their input or output to reach their perceived equity. External equity arises when employees use comparisons to others who have the same job but work in different organizations. Internal equity occurs when employees compare themselves to others who have different jobs but work in the same organization.

2.1.5 Employee performance

According to Aguinis (2009), “performance is about behavior or what employees do, and not what employees produce or the outcomes of their work.” Performance is an effort along with the ability to put efforts supported with the organizational policies in order to achieve certain objectives. Campbell (1990) also defines performance as behavior. It is something done by the employee. This concept differentiates performance from outcomes. Outcomes are the result of an individual's performance, but they are also the result of other influences.

There are several variables that determine performance. These variables could be classified as general determinants of performance. For instance, one's qualification can go a long way to enhance his performance. When one goes through education, development and training to acquire a certain level of qualification, it will enhance his working ability all other things being equal. Also, experience is a great asset that can improve an employee's performance. The longer the number of years' experience, the higher the level of performance all other things being equal. Again, quality and style of supervision is a key factor. The use of democratic and autocratic styles of supervision will have varying degree of results given different behaviors of employees; the working environment is another determinant that could pose serious threat to performance. For example, if the working environment is hazardous, it could endanger the lives of employees.

The single most important determinant of performance is compensation package. In the absence of compensation, performance levels would be very low compensation could be financial or non-financial may have different levels of motivation and consequently its influence on performance; factors such as tools and equipment can enhance one's performance. Imagine the use of computers, combine harvesters, irrigation system and teaching aids in the production system. Technology has made it possible to have certain tools and equipment that enhance productive activities; and other determinants of performance include support from other colleagues, production materials, health condition of employees, job security, and retirement and other benefits, age, loyalty or commitment (Aguinis, 2009).

Campbell (1990) and Aguinis (2009) have provided their version of performance determinants to complement the general determinants. They suggested that individual differences on performance are a function of three main determinants: declarative knowledge, procedural knowledge, and motivation. Declarative knowledge refers to knowledge about facts, principles, and objects among others. It represents the knowledge of a given task's requirements. Procedural Knowledge is having certain skills in knowing what to do and how to do it. That is, the employee requires certain technical skills to be able to accomplish a task. Procedural knowledge also relates to one's intelligence level and physical ability. The third predictor of performance is motivation, the driving force behind every human activity.

Motivation, which refers to "a combined effect from three choice behaviors - choice to expend effort, choice of level of effort to expend, and choice to persist in the expenditure of that level of effort" (Campbell, 1990). All three determinants of performance must be present for performance to reach high levels. If any of the determinants has a value of zero (0), then performance also has a value of zero (0). Thus, $\text{Performance} = \text{Declarative knowledge} \times \text{Procedural knowledge} \times \text{Motivation}$.

2.2 Empirical Literature Review

Even though there are lots of researches on motivation and employee's performance, we can't get enough in Ethiopia real-estate context especially in ETHIOPIA BLOOD AND TISSUE BANK SERVICE. By considering this fact, we was look some researches done on the topic in countries other than Ethiopian.

Linda (2016) also investigated the impact of motivation on employee's performance in an organization: A case of UNICEF Somalia support Centre, Nairobi which it revealed that UNICEF Somalia did not use monetary rewards to motivate its employees. The study also showed that the company used non-monetary rewards like recognition, decision making roles, promotion, and flexible working hours to motivate their employees. It showed that the employees indicated that they believed that money was a crucial incentive to work motivation and that most of them used the value of money to perform the function of a scorecard by which

they assessed the value that the organization had placed on their services. The study showed that employees at UNICEF Somalia were not happy with their job design in terms of the tasks they performed and the organization did not involve them in the job design leading to their demotivation.

The study showed that, UNICEF Somalia employees acquire training aimed at improving their knowledge, skills and attitudes towards their work, as well as increase their morale and confidence in the job. It was revealed that, the employees in the organization have a sense of security built from their training and this facilitated their ability to manage changes and new situations that occurred within the organization. The study concludes that employees at UNICEF Somalia were not happy with their job design in terms the tasks they performed and the organization did not involve them in the job design leading to their decries in their motivation level.

The study concludes that UNICEF Somalia employees acquire training aimed at improving their knowledge, skills and attitudes towards their work, as well as increase their morale and confidence in the job and that the employees in the organization had a sense of security built from their training that facilitated their ability to manage changes and new situations within the organization. The study recommends that management retain the non-monetary rewards as a cost-effective way of keeping the workforce highly motivated, but also include monetary rewards that should be linked directly to the compensation plan and for to provide and create a practical job rotation program and develop a comprehensive program for its electiveness. The study recommends managers to also provide optimal motivational systems that need to be determined for implementing job rotation policy.

Boamah(2014) investigated the effect of motivation on employees' performance on the Brong Ahafo Education Directorate. In which it revealed that promotion and opportunity for advancement are the major motivation factors and the study has also revealed that motivation level is low in the area of wages and salaries. In which it showed that Ghana Education appears to be paying lowest wages and salaries in the industry. The researcher recommended that Ghana Education Service (management) should consider as a matter of urgency, the need to make

upward adjustment in wages and salaries which was a long way to reduce the high incidence of labor turnover.

Jacinta (2013), investigated the impact of employee motivation on employee performance. Their study showed that significant and positive relationship exists between employee motivation and employee performance. It is also concluded that intrinsic rewards has a significant positive relationship with employee performance and employee motivation. This study concludes that employee perceived training effectiveness has a negative relationship with motivation. It is also proved from their responses, they were provided with the training courses but this training was not implemented by them in their routine teaching as they considered it to be ineffective. They were not satisfied with the training provided to them and this affected their motivation to teach.

2.3 Conceptual framework

For the phenomenon of motivation and its effects on performance to be studied empirically, there is the need for a conceptual framework that pulls together the concepts of motivation and employee performance. The conceptual framework, as illustrate in figure below which illustrates the underlying relationship. Motivation either intrinsic or extrinsic leads to performance and is influence by factors such as salaries, fringe benefits, responsibility, promotion in the organization nature of work, recognition of work done, opportunity for advancement, working conditions, and relationships with superior and peers. The conceptual framework provides a foundation for focusing specific variables for the study. These variables are based on the literature reviewed on motivation and its effect on employee performance. The conceptual framework of the study is

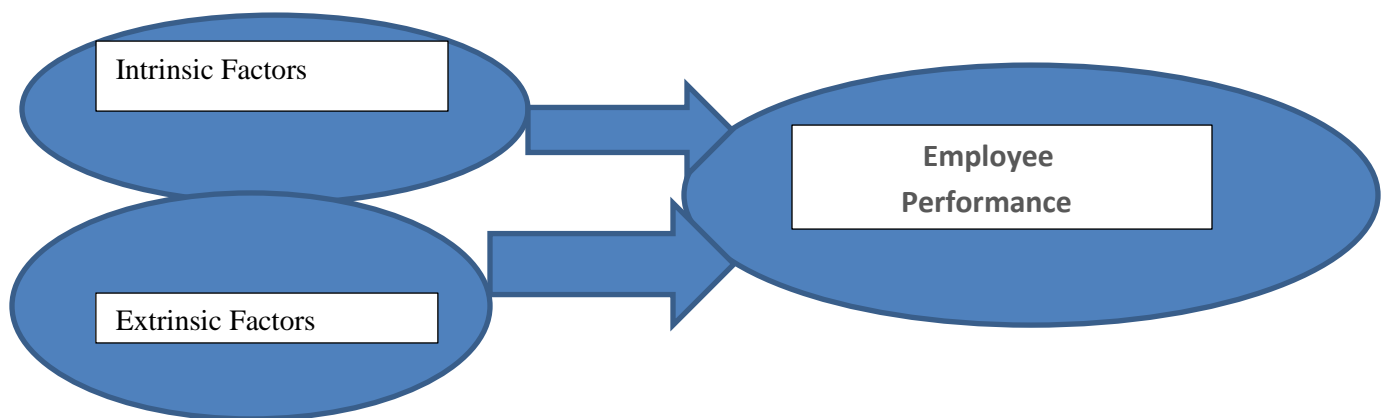
Figure 2.4 conceptual frame work

Employee performance is the dependent variable and will be examined through the independent variable Intrinsic and Extrinsic Factors which is motivational factors.

Independent Variable

Dependable Variable

Motivational factors



H_{a1}: Intrinsic Factors have a positive and significant effect on effectiveness of Employee Performance.

H₀: Intrinsic Factors have negative and significant effect on effectiveness of Employee Performance.

H_{a2}: Extrinsic Factors independence has a positive and significant effect on effectiveness of Employee Performance.

H₀₂: Extrinsic Factors independence has a positive and significant effect on effectiveness of Employee Performance

Source: constructed From Literature 2003

From the above discussion, motivation the drive behind effort to satisfy needs can come from within or from external force (intrinsic and extrinsic) respectively. The need theorists" focuses on the question of what arouses, sustains and regulates goal directed behavior that is what particular things motivate people and the process theorists" also emphasize on the process of

motivation and importance of rewards. Performance and determinants of performance were discussed. Factors such as salaries, fringe benefits, responsibility, promotion in the organization nature of work, recognition of work done; opportunity for advancement, working conditions, and relationships with superior and peers motivates employees, and concluded with a conceptual framework of the study.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

This section presents the overall research design of the study, research methods, sources of data, sampling techniques, data gathering instruments and their validity and reliability, results, variables of the study, procedures of data collection and methods of data analysis.

3.2 Research Design

Research design addresses important issues relating to a research project such as purpose of study, location of study, type of investigation, extent of researcher interference, time horizon and the unit of analysis (Sekaran & Bougie, 2010).

The researcher wants to pursue the research using survey strategy as it is usually associated with the deductive approach. It is a popular and common strategy in business research and is most frequently used to answer who, what, where, how much and how many questions. It therefore tends to be used for Explanatory research. Surveys are popular as they allow the collection of a large amount of data from a sizeable population in a highly economical way. Often obtained by using a questionnaire administered to a sample, these data are standardized, allowing easy comparison. In addition, the survey strategy is perceived as both comparatively easy to explain and to understand. The study use explanatory research design measures what effect specific changes washave on existing assumption and studies that seek causal explanation and reflects test of hypothesis. This Research is expected to investigate the effect of motivation on employee performance.

3.3 Research Type

This study utilized cross-sectional survey in which all relevant data were collected at a single point in time. A quantitative approach of doing research was used. Questionnaires were used as the survey instrument. Quantitative approach enables to answers questions through a controlled deductive process, allowing for the collection of numerical data, the prediction, the measurement of variables, and the use of statistical procedures to analyze and develop inferences from that data and in order to acquire an in depth understanding of facts and reasons of the occurrence, it adopted qualitative approach.

3.4 Population

The total population of this research was the employees and management staff of ETHIOPIA BLOOD AND TISSUE BANK SERVICE, because they were the basis of the study and provided the relevant answers to the study questions. The study population comprised of all the staff members who came from various departments within the organization which is 200 employees in total.

3.5 Sampling Design

The total population of this research was be the employees and management staff with in main offices of ETHIOPIA BLOOD AND TISSUE BANK SERVICE. Stratified sampling was be employed by dividing the total population in to three different strata in order to assist in minimizing bias when dealing with the population. ETHIOPIA BLOOD AND TISSUE BANK SERVICE is divided into three main different branches or offices in which different work are being done. Considering this the researcher classified the overall population into three main departments. These are technical staff, human resources department and finance department. Specifically proportionate stratified sampling was conducted in order to increase the chances of being able to make comparisons between strata. Sampling techniques was used a simple random sampling method. This is used by segmenting the workforce based on their directorate and job status (ranging from management, supervisor, expert and support giving). The reasons for using a simple random sampling that it minimizes sample selection bias and ensures certain segments of the population are not over or underrepresented. In simple random sampling, the strata (groups) were formed based on members' shared attributes or characteristics. The sampling unit of this research paper is sample respondents from a total of national blood service bank. Who works in the Head Office? Therefore, representative sample of these employees is calculated based on formula for sample size determination and for finite population. Among, 200 Population of national blood service. These employees, the researcher used the following formula to determine the sample size which is developed by Yamane (1967).

Thus the known population size $N = 200$

Assuming that a 95% confidence interval and the error level (e) is 0.05 which means 5%

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

$$n = \frac{200}{1 + 200(0.05)^2} = 136$$

Therefore, the sample size $(n) = 200 / (1 + 200 * (0.05)^2) = 200 / 1.7125 = 136$ as indicated the above to determine the sample size, this study is employee a confidence interval of 95%. The justification for that to have manageable sample size by considering the resources and time constraints and also for the purpose of making analysis process encouraging and free from laborious task.

3.6 Data Gathering Tools

The data gathering tools for this study were questionnaire and interview. These tools can be used to collect data from both primary and secondary sources necessary to investigate and interpret the opinion of respondents.

I. Questionnaire Design

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

Issues. The questionnaire has four sections; the first section deals with general personal information about the respondents. The second section deals with the respondent's opinion on extrinsic factors that influence employee motivation in the company. The questions address's the key dimensions of factors of motivation identified in the literature. The third section addresses the opinion on intrinsic factors that influence employee motivation in the company in the company. The fourth section was addressing the respondent's opinion on the effects of motivation on the employee performance. The last section was to measure employee performance by using a five -point Likert response scale. According to the sample 156 questioners and extra 10 questioners was taken just in case respondents are unable to fill the questioners so in total 166 questioners was prepared and distributed for the sample population. And of those 150 was received and analyzed on chapter four.

Interview helps to obtain relevant information that cannot be collected by questionnaire. This tool was selected because it provides information which ensures the capability of the data (Kumer, 1999). It was to gain more information about the research question and to get more in-depth data from those that have more experience from others in the company. Due to these two individuals both who are in top management position

0(sales manager and general manger) level was chosen for the interview based on the years of experience with semi structured interview.

3.7 Data Processing and Data Analysis

3.7.1 Data Processing

This data processing procedure has two consecutive phases: First data cleanup in which the collected raw data was edited to detect errors and omissions in response and to cross check method, whether the questions are answered accurately and uniformly. The next phase is the process of assigning numerical or other symbols was followed. Coding involves assigning numbers or other symbols to answers so that responses can be grouped into limited number of classes and categories. This helps to reduce the response into a limited number of categories or classes and then the process of classification or arranging large volume of raw data in to groups with common characteristics was applied.

3.7.2 Data Analysis

Statistical Package for Social Science (SPSS) software version 20 was employed to analyze and present the data through the statistical tools used for this study, namely descriptive analysis, correlation, simple regression and multiple regression analysis.

The descriptive statistical results were presented by tables, frequency distributions and percentages to give a condensed picture of the data. This was achieved through summary statistics, which includes the means, standard deviations values which are computed for each variable in this study.

Inferential statistics allow researchers to infer from the data through analysis the relationship between two variables; differences in a variable among different subgroups; and how several independent variables might explain the variance in a dependent variable. (Sekaran, 2000) Therefore, the inferential statistical methods that are used for the study are explained as follows:-

A. The Pearson Correlation analysis

As stated on Alwadaei (2010) Correlation Analysis: is to show the strength of the association between the variables involved. Inter-correlations coefficients (r) were calculated by using the Pearson's Product Moment. Field (2009) also state that the output of correlation matrix can be the correlation coefficient that lies between -1 and +1 within this framework, a correlation coefficient of +1 indicates a perfect positive relationship, and a correlation coefficient of -1 indicates a perfect negative relationship; whereas a coefficient of 0 indicates no liner relationship. While, for correlations purpose the descriptors developed by Davis (1971) was use

Interpretation of strength of correlation coefficient

The correlation is significant at 0.01 levels (2-tailed). In order to interpret the results of the correlation, Somekh and Lewin (2005) criterion for evaluating the magnitude of a correlation was used as a reference.

B. Multiple Regression Analysis

Multiple regression analysis takes into account the inter-correlations among all variables involved. This method also takes into account the correlations among the predictor scores. Multiple regression analysis more than one predictor is jointly regressed against the criterion variable (Cohen & Swerdlik, 2002). This method is used to investigate the effect of training and development dimensions (training design and delivery style) and employee's performance.

Regression functions

The equation of multiple regressions on this study is generally built on around two sets of variables, namely dependent variables (employee performance) and independent variables (extrinsic and intrinsic motivation). The basic objective of using regression equation on this study is to make the researcher more effective at describing, understanding, predicting, and controlling the stated variables. The following multiple linear regression model was used to investigate factors determining the effectiveness of motivation on employee performances (i.e. Interstice and exoteric motivation) on the effectiveness of motivation on employee performance.

$$Ep = \beta_0 + \beta_1(IM) + \beta_2(EM) + \varepsilon$$

EP = Employee performances

β_0 = Constant

$\beta_1, \beta_2 \dots \beta_4$ = Slope (Regression Coefficients)
IM = Intrinsic motivation
EM = Extricate motivation

Table: 3.2 Variables of the study

Independent variables	Dependent variables
Extrinsic Motivation	Employee's Performance
Intrinsic Motivation	

3.8 Validity and Reliability of Instruments

The validity and reliability of the data were checked carefully. Validity and reliability of scores on instruments, additional standards for making knowledge claims, lead to meaningful interpretations of data.

In this research content, the researcher has used questionnaires that their validity and reliability are checked and are modified according to literatures within the specific topic. Also an approval from advisor and other consultants was applied in order to increase the face/content validity. Prior to the actual data collection, pilot test was conducted by distributing sample questionnaires to 15 respondents within the offices.

Reliability measures the degree to which a research instrument yields consistent results or data after repeated trials. To ensure the reliability of the instrument in this case of study and the researcher has tested the reliability using Cronbach's Alpha (α). Cronbach's Coefficient is a reasonable indicator of the internal consistency of instruments that do not have right or wrong marking schemes, thus can be used for questionnaires using scales such as rating. For this particular study, the questionnaires Likert scale items reliability was checked by Cronbach's - alpha coefficient with the help of SPSS software and as shown below in table 3.2

Table: 3.3 Reliability test

Independent variables	Cronbach Alpha
Extrinsic Motivation	0.873
Intrinsic Motivation	0.861
Employee performance	0.926

This indicates that the data acquired for the study was consistent and dependable. Furthermore, validity relates to an investigation's legitimacy (Creswell, 2009). It pertains to establishing whether the data gathering tools are a true estimate

of what they should enumerate. The researcher was concerned with content validity by simply looking at the substance of information collection tools to see if they were real, with her supervisor's consent. Also, to obtain content validity, the researcher adapted the approaches suggested by Cooper and Schindler (2011); that is, identifying existing scales from the relevant literature.

3.9 Ethical consideration

In this study the researcher consciously considered ethical issues in seeking permission, avoiding deceptions, maintaining confidentiality, respecting the privacy, and protecting the anonymity of respondents that encountered during the study. Thus, to collect data, the researcher provided support letter from St. Mary's University School of Business Department Of General MBA Program about the research topic and asked permission from the administrative bodies to conduct the research. Besides to this, the researcher told the purpose of the study to the respondents and ensured voluntary participation, as it is only for academic purpose with full confidentiality. The cover letter of the questionnaire included the purpose of the study and about

CHAPTER FOUR

DATA, ANALYSIS AND INTERPERTATION

4.1 Response Rate

This chapter presents the results of the investigation by the researcher based on the methodology sated in chapter three. It includes the general background of the respondents and detailed discussion of the four specific objectives, analysis of descriptive statistics, and correlation and regression analyses through IBM SPSS version 21. Before running any analysis tests were carried out in order to test whether the results were reliable, or internal consistency of the overall factors affecting motivation on employee performance was checked through Cronbach alpha and also the validity was tested using the content validity this

For the sample size of one hundred and fifty six 160 questionnaires were distributed to the respondents and out of 160questionnaires, 136 of them were collected that accounts 93.75% response rate. Accordingly, the analysis of this study is based on the number of questionnaires collected.

4.2. Demographic Profile of Respondents

This section shows the demographic information of the respondents of gender, age group and marital status, level of education, profession and work experience at the Ethiopian blood bank of Ethiopian.

Table 3: Respondents of Gender, Age Group and Marital Status

Variables	Category	Frequency	Percentage (%)
Gender	Male	102	0.75
	Female	34	0.25
	Total	136	100
Age group	Below 25	13	9.5
	26-30	80	58.8
	31-35	21	15.2
	36-40	10	7.3
	41 and above	9	6.6.
	Total	136	100
Marital status	Single	102	75
	Married	25	18
	Divorced	9	6.6.
	Total	136	100

Source: SPSS output from survey data, 2024.

Variables	Category	Frequency	Percentage (%)
Level of education	Diploma	4	2.9
	first degree	90	66.0
	master's degree	40	29
	PhD	2	1.4.
	Total	136	100
Employees Position	trainee junior officer	2	1.4
	junior officer	21	15
	Officer	69	50
	senior officer	10	7.3.
	team manager	34	25
	Total	136	100 %
	deputy director	5	3.6.
	Director	16	11.76
	Other	115	84.5 5
	Total	136	100
Work experience	less than 1 year	2	1.4
	1-4 year	11	8
	5-8 year	97	71.32
	9-12 year	16	11.7
	12 year and above	10	7.3.
	Total	136	100

It can be observed that from 136 employees of respondents presented in the above table, the male respondents formed the majority of the target population with a total of 102 representing 75% and 34 respondents were female representing 25.2%. This implies that ETHIOPIA BLOOD AND TISSUE BANK SERVICE has more male employees compare to female employees.

In terms of age, 9.5% which represent 13 respondents are within the age group of below 25 years this implies that the ETHIOPIA BLOOD AND TISSUE BANK SERVICE recruit fresh university graduate. Followed by those in the age group of 26-30 years at 56.6% which represent 80 respondents. The other age group 31-35 years is 15.2% which represent 21 respondents and those of 36-40 years age group at 7.3% which represent 10 respondents. The last age group who were above 41 years old at 6.6% which represent 9 respondents. This means that the ETHIOPIA BLOOD AND TISSUE BANK SERVICE having young and energetic people in the service and they are ready to serve for long period of time if there is a provision of adequate motivational scheme.

In terms of marital status 58.7% which represent 168 of the respondents were married, 35.7% which represent 102 respondents are single and 5.6% which represent 17 respondents were in the divorced group. The respondents have an educational background from Diploma to PhD degree level. The majority of 66% which represent 90 of the respondents have first Degree, second 29.9 % which represent 40 respondents have Master's degree, third 1.4 % which represent only 2 respondents have a doctorate degree last 0.7% of the 2 respondent have diploma. Thus From the above table it could be concluded that ETHIOPIA BLOOD AND TISSUE BANK SERVICE has several level of qualified personnel to help carry out ETHIOPIA BLOOD AND TISSUE BANK SERVICE day to day activities.

In terms of employee position the sample respondents comprises of the various departments of ETHIOPIA BLOOD AND TISSUE BANK SERVICE at the head quarter. Officers constitute the majority 50% which represents 69 respondents. Next to team leader 25.5% which represents 34 respondents are senior officers, third 12.6% which represent 36 respondents are, fourth 10.8% which represent 31 respondents are junior officers, fifth 5.6% which represent 16 respondents are at the director level, the minimum number of respondents were deputy director 2.8% and trainee junior officer 0.7% which represents 8 and 2 number of the respondents respectively. In terms of Work experience, the above table indicate that 1.4.% which represent 2 respondents were working less than 1 year this group of employees were trainee junior officer, next to this 8% which represent 11 respondents of employees were 1-4 years of experience, 71.3% which represent 97 respondents were 5-8 years of work experience, 10.5% which represent 30 respondents were 9-12 years of experience ,last 16.1% which represent 46 number of respondents were 12 years and above years of experience. This indicates that the higher proportion of ETHIOPIA BLOOD AND TISSUE BANK SERVICE workers were not much experienced. Therefore there must be adequate and continuous training and development in order to enhance their performance and to adopt with ETHIOPIA BLOOD AND TISSUE BANK SERVICE culture and work environment.

4.2 Analysis of the Research Findings

4.2.1 Descriptive Statistic

In this study, descriptive statistics were used as a way to examine the mean and standard deviation of the sample respondents of ETHIOPIA BLOOD AND TISSUE BANK SERVICE that are relevant in the raw data.

Table 4.2: The mean and standard deviation of extrinsic and intrinsic factors and Employee performance

4.3 Analysis of Collected Data

4.3.1 Intrinsic motivation Factors That affect Employees employee performance

As everyone recognizes that one of the easiest form of motivational factor to increase employees performance is a provision of direct financial incentives for the employees of the organization, direct financial incentives implies the money that is directly paid to the employees in exchange to the activities they have accomplished. The researcher has included Intrinsic motivation direct financial incentives like salaries, bonuses, housing and car loan, house, fuel and telephone allowances.

The researcher try to examine the effect of direct financial factors based on the questionnaires distributed to the sample respondents of the organization.

Table 5: Employees Satisfaction with the extrinsic motivation Provided By the Organization

Statement of the variable items	Strongly agree	agree	Neutral	Disagree	Strongly disagree	mean
I am satisfied with the level of salary I receive	(2.4%)	(26.6%)	(12.2%)	(39.2%)	(19.6%)	2.5315
The pay offered by the ETHIOPIA BLOOD AND TISSUE BANK SERVICE is very competitive compared to other companies in the industry	1 (0.3%)	41 (14.3%)	29 (10.1%)	135 (47.3%)	80 (28%)	2.1189
I am satisfied by a monthly allowance received like house, fuel and telephone	1 (0.3%)	37 (12.9%)	27 (9.4%)	132 (46.2%)	89 (31.1%)	2.0524
I am satisfied by the monetary rewards like annual salary increment	3 (1%)	53 (18.5%)	45 (15.5%)	125 (43.7%)	60 (21%)	2.3497
I am satisfied by the housing loan provided by the ETHIOPIA BLOOD AND TISSUE BANK SERVICE	5 (1.7%)	36 (12.6%)	36 (12.6%)	108 (37.8%)	101 (35.3%)	2.0769
I am satisfied by the car loan provided by the ETHIOPIA BLOOD AND TISSUE BANK SERVICE	6 (2.1%)	54 (18.9%)	54 (18.9%)	102 (35.5%)	70 (24.5%)	2.3846
I am satisfied by the payment given by the ETHIOPIA BLOOD AND TISSUE BANK SERVICE when i work over time	13 (4.5%)	40 (14%)	100 (35%)	69 (24.1%)	64 (22.4%)	2.5420
I believe the money I am paid is a strong indication of the value the organization has placed on my services	8 (2.8%)	54 (18.9%)	59 (20.6%)	105 (36.7%)	60 (21%)	2.4580
Our ETHIOPIA BLOOD AND TISSUE BANK SERVICE has a pay policy that attract and retain high performing employees	2 (0.7%)	22 (7.7%)	45 (15.7%)	140 (49%)	77 (26.9%)	2.0629
I am satisfied with the annual profit bonus provided by the ETHIOPIA BLOOD AND TISSUE BANK SERVICE in order to motivate	47 (16.4%)	137 (47.9%)	50 (17.5%)	35 (12.2%)	17 (5.9%)	3.5664

employees						
Aggregate mean						2.41

Source: SPSS output from survey data, 2024.

As depicted in the above table 5, respondents were asked whether they are satisfied or not with the **salary they receive**. Then 7(2.4%) of the respondents were strongly satisfied by the salary they received, 76(26.6%) of the respondents replied that they agree that means satisfied with the salary they received. 35(12.2%) of the respondents were neutral. Majority of respondents representing 112(39.2%) replied disagree (not satisfied) with the salary they receive. 56(19.6%) of the respondents replied strongly disagree (not satisfied) with the salary they received. This implies that most ETHIOPIA BLOOD AND TISSUE BANK SERVICE employees are not satisfied by the monthly salary they receive.

Regarding with the **competitiveness of the salary** compared to other ETHIOPIA BLOOD AND TISSUE BANK SERVICE in the industry, the above table indicate that only 1(0.3%) and 41(14.3%) of the respondents replied agreed to that the ETHIOPIA BLOOD AND TISSUE BANK SERVICE offer competitive salary for their employees, 29(10.1%) were neutral, Majority of respondents 135(47.2%) and 80(28%) replied not agree and strongly disagree. It shows that the didn't offer a competitive salary with other ETHIOPIA BLOOD AND TISSUE BANK SERVICE in the industry. This indicates that most employees may change their job in order to get a better salary than that they receive at. This factor may cause an increasing rate of turnover unless they take a corrective action by balancing the salary with other ETHIOPIA BLOOD AND TISSUE BANK SERVICE in the industry.

In terms of **employees monthly allowance** received like house, fuel and telephone, respondents reacted as, 1(0.3%) and 37(12.9%) of respondents were satisfied (strongly agree and agree) with the monthly allowance, 27(9.4%) of the respondents were neutral, majority of the respondents 132(46.2%) and 89(31.1%) were not satisfied with the monthly allowance they receive like house, fuel and telephone. This implies that employees want more monthly allowance than what is provided for them. So the researcher suggests that the ETHIOPIA BLOOD AND TISSUE BANK SERVICE should offer more allowance for its employee's in order to motivate them.

According to the **annual salary increment** 3(1%) and 53(18.5%) of the respondent were satisfied, 45(15.5%) of the respondents were neutral, 125(43.7%) and 60(21%) of the respondents were not satisfied by the annual salary increment. This shows that majority of the respondents are not satisfied so there should be a fair and continuous salary increment for the employees of ETHIOPIA BLOOD AND TISSUE BANK SERVICE.

Regarding with the provision of housing loan for the employees of the ETHIOPIA BLOOD AND TISSUE BANK SERVICE 5(1.7%) and 36(12.6%) of the respondents replied strongly agree and agree that the ETHIOPIA BLOOD AND TISSUE BANK SERVICE gives them a satisfactory housing loan, 36(12.6%) of the respondents were neutral, 108(37.8%) and 101(35.3%) of the respondent replied disagree and strongly disagree with the provision of housing loan.

Similarly, Regarding with the provision of car loan for the employees of the ETHIOPIA BLOOD AND TISSUE BANK SERVICE 6(2.1%) and 54(18.9%) of the respondents replied strongly agree and agree that the ETHIOPIA BLOOD AND TISSUE BANK SERVICE gives them a satisfactory car loan, 54(18.9%) of the respondents were neutral, 102(35.7%) and 70(24.5%) of the respondent replied disagree and strongly disagree with the provision of car loan. This implies that the provision for both housing and car loan provided by the ETHIOPIA BLOOD AND TISSUE BANK SERVICE is not adequate enough to satisfy the employees. Thus this may cause dissatisfaction or demotivation within the employees. So that the ETHIOPIA BLOOD AND TISSUE BANK SERVICE should revised the policy related to loan approval.

In terms of payment given by the ETHIOPIA BLOOD AND TISSUE BANK SERVICE when employee work overtime 13(4.5%) and 40(14%) of the respondents replied strongly agree and agree, that they receive satisfactory payment when they work over time, 100(35%) of the respondents were neutral, 69(24.1%) and 64(22.4%) of the respondent replied disagree and strongly disagree, that they receive satisfactory payment when they work over time. The majority of the respondents' replied neutral. According to the raised question for the respondent **"I believe the money I am paid is a strong indication of the value the organization has placed on my services"** 8(2.8%) and 54(18.9%) of the respondents replied strongly agree and agree, that they believe the money that they are paid indicates' their value for the organization, 59(20.6%) of the respondents were neutral, 105(36.7%) and 60(22.4%) of the majority respondent replied disagree and strongly disagree. They do not believed that the money they are paid does not indicate their value for the organization. This implies that there is a negative relationship with the strong reputation of the development ETHIOPIA BLOOD AND TISSUE BANK SERVICE and the money paid for ETHIOPIA BLOOD AND TISSUE BANK SERVICE employees. Regarding with the **pay policy** that attract and retain high performing employees 2(0.7%) and 22(7.7%) of the respondents replied strongly agree and agreed, that the pay policy of the ETHIOPIA BLOOD AND TISSUE BANK SERVICE can attract and retain high performing employees, 45(157%) of the respondents were neutral, majority of 140(49%) and 77(26.9%) of the respondent replied disagree and strongly disagree. They did not believe that the ETHIOPIA BLOOD AND TISSUE BANK SERVICE does have a pay policy that attract and retain high performing employees. This indicates that most employees of the ETHIOPIA BLOOD AND TISSUE BANK SERVICE were not satisfied with the overall policy regarding with the payment and its related factors as the researcher mentioned above.

Regarding with the **annual profit bonus** provided by the ETHIOPIA BLOOD AND TISSUE BANK SERVICE 47(16.4%) and 137(47.9%) of the respondents replied strongly agree and agreed that the ETHIOPIA BLOOD AND TISSUE BANK SERVICE gives them satisfactory annual profit bonus, 50(17.5%) of the respondents were neutral, 140(49%) and 77(26.9%) of the respondent replied disagree and strongly disagree (not satisfied) with the annual profit bonus. This implies that the majority of the respondents are moderately satisfied by the' ETHIOPIA BLOOD AND TISSUE BANK SERVICE annual profit bonus scheme

Thus according to the above table, the overall result gain towards the direct financial factors that motivate employees of ETHIOPIA BLOOD AND TISSUE BANK SERVICE was revealed that average mean score is 2.41 this indicate that ETHIOPIA BLOOD AND TISSUE BANK SERVICE employees were not satisfied by the current motivational practice regarding with the directfinancial factors which is salary and its related benefits. Therefore the ETHIOPIA BLOOD AND TISSUE BANK SERVICE and managers of human resource department should improve the current scheme by increasing salary and other related benefit to his employees to enlarge the performance of employees.

4.3.2 Exoteric Motivational Factors That Motivate Employees

Another factor that the researcher examines that affects the motivation of employees and their performance was indirect financial compensation. Exoteric Motivational compensation is a benefit given to an employee that has financial value, but is not a direct monetary payment. It is often referred to as a non-cash benefit. In certain circumstances, these non-cash benefits may be more valuable to an employee than a high salary or wage.

It was an important factor for the employers to acknowledge the power that indirect compensation can play in getting and retaining employees of the ETHIOPIA BLOOD AND TISSUE BANK SERVICE, therefore the researcher tried to examine and analyze the effect of indirect financial factors that affect the performance of employees working in ETHIOPIA BLOOD AND TISSUE BANK SERVICE.

Table 6: Employees Satisfaction with the exoteric motivation Incentives provided by the Organization

Statement	Strongly agree	agree	Neutral	Disagree	Strongly disagree	mean
I am satisfied with the insurance guaranty provided by ETHIOPIA BLOOD AND TISSUE BANK SERVICE	50 (17.5%)	54 (20.8%)	20 (11.9%)	4 (8%)	2 (0.7%)	3.7937
I am satisfied with the medical coverage provided by the ETHIOPIA BLOOD AND TISSUE BANK SERVICE	(37.1%)	(53.1%)	(4.2%)	(4.9%)	(0.7%)	4.2098
I am satisfied with the paid live provided by the ETHIOPIA BLOOD AND TISSUE BANK SERVICE	(12.9%)	(32.5%)	(29%)	(20.6%)	(4.9%)	3.2797
I am satisfied with the retirement coverage provided by ETHIOPIA BLOOD AND TISSUE BANK SERVICE	(7.7%)	(30.4%)	(30.8%)	(23.8%)	(7.3%)	3.0734
I am satisfied with the scholarship and tuition chance provided by the ETHIOPIA BLOOD AND TISSUE BANK SERVICE	(0.3%)	(5.6%)	(16.4%)	(37.8%)	(39.9%)	1.8881
Average mean						3.24

Source: SPSS output from survey data, 2024.

As depicted in the above table 3, Regarding with the insurance guaranty provided by the ETHIOPIA BLOOD AND TISSUE BANK SERVICE 50(17.5%) and 154(53.8%) of the respondents replied strongly agree and agree with the provision of the insurance service guaranty, 57(19.9%) of the respondents were neutral, 23(8%) and 2(0.7%) of the respondents replied disagree and strongly disagree with the provision of the insurance service guaranty. This indicates that the majority of the respondents of employees were satisfied by the insurance guaranty and it can say that ETHIOPIA BLOOD AND TISSUE BANK SERVICE is working good regarding with insurance guaranty for its employees.

Regarding with the medical coverage provided by the ETHIOPIA BLOOD AND TISSUE BANK SERVICE 106(37.1%) and 152(53.1%) of the respondents replied strongly agree and agree with the provision of the medical coverage, 12(4.2%) of the respondents were neutral, 14(4.9%) and 2(0.7%) of the respondents replied disagree and strongly disagree with the provision of the medical coverage. This show that the majority of the employees in the ETHIOPIA BLOOD AND TISSUE BANK SERVICE are very satisfied by the medical coverage

According to the paid live provided by the ETHIOPIA BLOOD AND TISSUE BANK SERVICE 37(12.9%) and 93(32.5%) of the respondents replied strongly agree and agree with the paid live, 83(29%) of the respondents were neutral, 59(20.6%) and 14(4.9%) of the respondents replied disagree and strongly disagree with the paid live. This reveals that majority of respondents are satisfied by the paid live they get from their superiors and the Human resource management department.

In terms of the retirement coverage provided by the ETHIOPIA BLOOD AND TISSUE BANK SERVICE 22(7.7%) and 87(30.4%) of the respondents replied strongly agree and agree (satisfied) with the paid live, 88(30.8%) of the respondents were neutral, 68(23.8%) and 21(7.3%) of the respondents replied disagree and strongly disagree (not satisfied) with the retirement coverage. This reveals that majority of

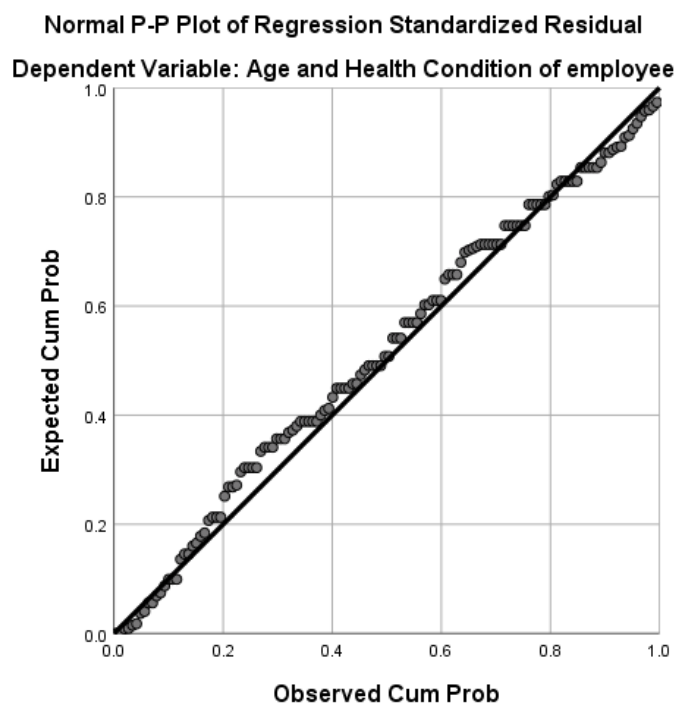
Respondents are neutral. This may have happened because most of the employees were younger and they may lack of experience related to the retirement procedure.

Regarding with the scholarship and tuition chance provided by the ETHIOPIA BLOOD AND TISSUE BANK SERVICE 1(0.3%) and 16(5.6%) of the respondents replied strongly agree and agree (satisfied) with the scholarship and tuition opportunity provided by the ETHIOPIA BLOOD AND TISSUE BANK SERVICE, 47(16.4%) of the respondents were neutral, 108(37.8%) and 114(39.9%) of the respondents replied disagree and strongly disagree (not satisfied) with the retirement coverage. This reveals that majority of respondents are very dissatisfied with the scholarship and tuition opportunities they get. Thus the ETHIOPIA BLOOD AND TISSUE BANK SERVICE give enough scholarship and tuition opportunities for its employees depending on the financial performance of the ETHIOPIA BLOOD AND TISSUE BANK SERVICE.

According to the extrinsic financial motivational factors, the above table revealed that the overall aggregate mean score was found to be 3.24 which were nearest to the value of neutral. This depicted that employees of the respondents were in between the satisfaction and dissatisfaction level of perception towards the indirect financial factors like insurance guaranty, paid live and retirement coverage provided by the ETHIOPIA BLOOD AND TISSUE BANK SERVICE.

Normality of the distribution

For normal distribution is the degree to which the plot for the actual values coincides with the Straight line of expected values, in this senior, the plot of residual fits at $R^2=0.985$, the Expected pattern well enough to support a conclusion that the residuals are normally Distributed.



4.3.4 Heteroscedasticity Test

An important assumption of the classical linear regression model is that the disturbances appearing in the population regression function are heteroscedasticity, that is, they all have the same variance. This is the assumption of heteroscedasticity, or equal variance in variables (Gujarati, 2004). To check whether the models have heteroscedasticity problem or presence of heteroscedasticity the researcher used scatter plot test for testing hypothesis which is residuals are constant. As it indicated in the following graph.4.1, there is no heteroscedasticity problem between the predictor variables and the independent variable.

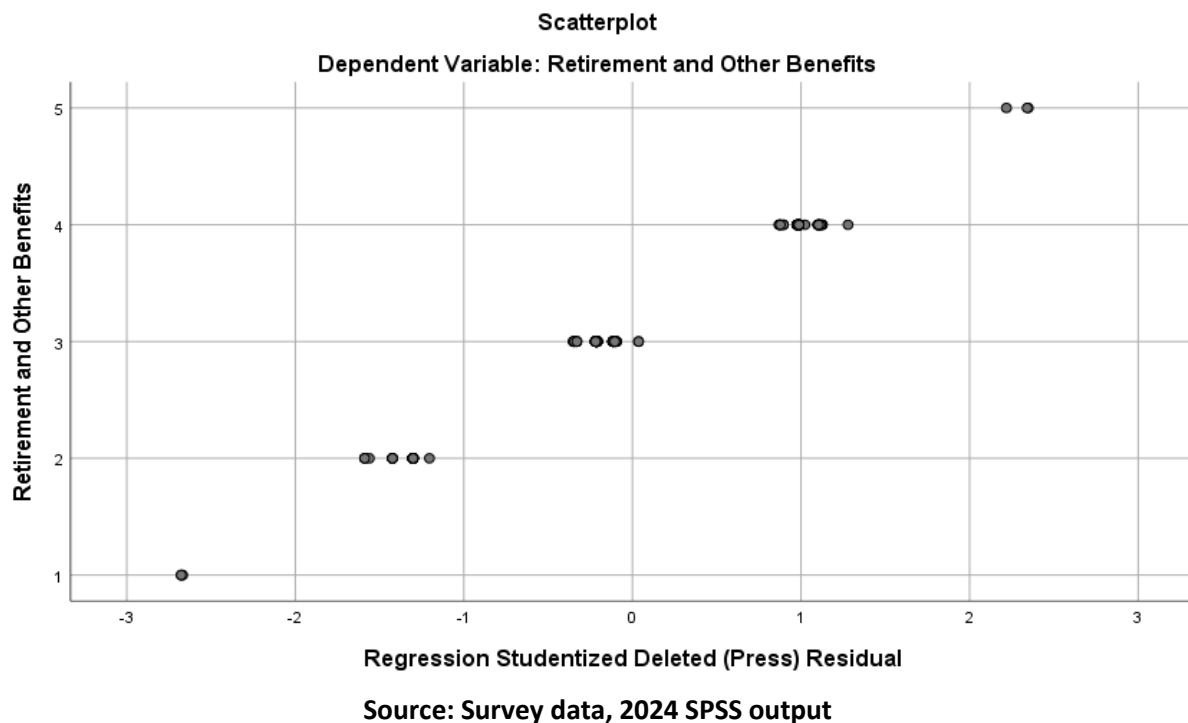


Fig 4.1 HeteroscedasticityTest

4.2.2 Results of Inferential Statistics

In this section Pearson's Product Moment Correlation Coefficient and multiple regressions analysis was computed. With the help of these statistical tools, conclusions are drawn with regard to the sample and decisions are made with respect to the research questions.

A. Pearson's Product Moment Correlation Coefficient

Pearson's Product Moment Correlation Coefficient was used to determine the relationship between intrinsic and extrinsic motivation with employee performance.

Table-4.4 presents the relationship between the two independent variable extrinsic and intrinsic motivation and the dependent variable employee performance. To analyze the correlation a 2- tailed Pearson correlation analysis was used. The correlation is significant at 0.01 levels (2- tailed). In order to interpret the results of the correlation, Somekh and Lewin (2005) criterion for evaluating the magnitude of a correlation was used as a reference.

Table 4.3: Norm for Evaluating the Magnitude of a Correlation

S.N.	Correlation coefficient (r)	Strength of relationship
1	$r < 0.33$	weak relationship
2	r- between 0.34 and 0.66	moderate relationship
3	r- between 0.67 and 0.99	strong relationship

Source: Somekh and Lewin (2005)

Table 4.4: Pearson correlation

		intrinsic	exoteric	employee performance
intrinsic motivation	Pearson Correlation	1	.470**	.450**
	Sig. (2-tailed)		.000	.000
	N	136	136	136
exoteric motivation	Pearson Correlation	.470**	1	.298**
	Sig. (2-tailed)	.000		.000
	N	136	136	136
employee performance	Pearson Correlation	.450**	.298**	1
	Sig. (2-tailed)	.000	.000	
	N	136	136	136

Source Owen survey, (2024)

The results in table 4.4 indicate that, there is positive and significant relationship between extrinsic motivation Job Security and employee performance. ($r = 0.470^*$, $p < 0.01$), therefore, as it is cited on table 4.3 r value 0.470 indicates a strong association between extrinsic motivation and employee performance.

The correlation of intrinsic and employee performance show a positive and significant relationship since r value .753, $P < 0.01$. Therefore intrinsic motivation Compensation Package (i.e. financial and Non-Financial shows moderate association with employee performance.

B. Regression analysis

Regression analysis is a technique used in statistics for investigating and modeling the relationship between variables (Douglas Montgomery, Peck, & Vinning, 2012). Simple linear regression: Simple linear regression is a model with a single regressor x that has a relationship with a response y that is a straight line. This simple linear regression model can be expressed as $y = \beta_0 + \beta_1 x + \varepsilon$ where the intercept β_0 and the slope β_1 are unknown constants and ε is a random error component. If there is more than one regressor, it is called multiple linear regression. In general, the response variable y may be related to k regressors, x_1, x_2, \dots, x_k , so that $y = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \dots + \beta_k x_k + \varepsilon$. Multiple regression is a statistical technique and it is an extension of simple linear regression. It is used when we want to predict the value of a variable based on the value of two or more other variables. The variable we want to predict is called the dependent variable (or sometimes, the outcome, target or criterion variable) (Douglas Montgomery, Peck, & Vinning, 2012).

For this study multiple regression analysis was employed to examine the effect intrinsic and extrinsic motivation on employee performance. However before running a multiple regression, there are several assumptions that need to be checked the data meet, in order for its analysis to be reliable and valid, i.e. assumptions of normality of the distribution, independency of residuals, and Multicollinearity of variables should be tested or analyzed

➤ Normality of the distribution

Values that are assumed to be normally distributed are the means across samples. To be clear: the Assumption of Normality (note the upper case) that underlies parametric stats does not assert that the observations within a given sample are normally distributed, nor does it assert that the values within the population (from which the sample was taken) are normal. The core element of the Assumption of Normality asserts that the distribution of sample means (across independent samples) is normal. In technical terms, the Assumption of Normality claims that the sampling distribution of the mean is normal or that the distribution of means across samples is normal. By definition, parametric stats are those that make assumptions about the shape of the sampling distribution of the value of interest (i.e., they make assumptions about the skew and kurtosis parameters, among other things; hence the name). The shape that is assumed by all of the parametric stats that we wasdiscuss is normal (i.e., skew and kurtosis are both zero) (Mordkoff , 2000)

Normal distribution is detected based on sleekness & kurtosis statistics. skeweness is a measure on the asymmetry of a distribution. whereas, kurtosis measures the size to which observations cluster around a central point .the acceptable range for normality for both statistics is b/n -1.0 and +01.0 .as showed in table 22., except the skeweness statistics of competition from other options, (-1.024) the rest of all variables for both of skewenss & kurtuisis statistics are fall in the acceptable standard of normality (-1.0 - , +01.0).

Table 4.5: Descriptive Statistics

	N	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
ENTRINSIC	150	3.9748	.86358	-1.337	.197	2.163	.392
INTEINSIC	150	3.9166	.87555	-1.215	.197	1.686	.392
EP	150	3.7940	.43403	.005	.197	-.367	.392

Source Owen survey, (2024)

➤ **Independency of Residuals**

The predication errors or difference between the observed actual value of the dependent or the case variable (y) and the predicted value (\hat{y}) estimated by the regression equation is called the residual (e). And each data point has one residual. I.e. Residual = Observed value - Predicted value. $e = y - \hat{y}$. Both the sum and the mean of the residuals are equal to zero. That is, $\sum e = 0$ and $\bar{e} = 0$.

According to Anderson, R.L., (1941), Autocorrelation refers to the correlation of a time series with its own past and future values. Autocorrelation is sometimes called “serial correlation”, which refers to the correlation between members of a series of numbers arranged in time. Alternative terms are “lagged correlation”, and “persistence. As mentioned above no auto correlation or no serial correlation implies that the size of the residual for one case has no impact on the size of the residual for the next case. In statistics, the Durbin–Watson statistic is a test statistic used to detect the presence of autocorrelation at lag 1 in the residuals (prediction errors) from a regression analysis.

Table 4.6: Model Summary

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.090 ^a	.008	-.015	.839	1.151

a. Predictors: (Constant), The degree of trust exhibited at my work place is a determinant of my level of motivation at work, The effectiveness in which information is made available in the organization has an influence on my motivation level., The style of leadership in the organization has an influence on my degree of work motivation.

b. Dependent Variable: Retirement and Other Benefits

Here, the researcher used the Durbin-Watson statistic to test the assumption that the residuals are independent or uncorrelated. It measures how residuals are interrelated each other across the cases. The test statistic value for Durbin –Watson can vary from 0 to 4. For assumption to be met, this value to be close to 2 or the acceptable range is (1.50- 2.50). Values below 1 and above 3 are cause for concern and may turn into the analysis invalid. In this study as illustrated in table

4.16 below Durbin –Watson is 1.667 it implies or tells that it falls in the acceptable range.

Model summary Shown below on the above table, the fitting indicators of the variable used to identify the Employee performance (EP) was discovered. That is, the value of R square used to identify how much of the variance in the dependent variable Employee performance identifies by the model. The larger the value of R square is better the model and the adjusted R square is 0.08%. And this indicates that the model describes 0.08 % the effect employee performance.

➤ Assessment of Multicollinearity

Tolerance value below 0.10, VIF greater than 10 in correlation matrix and the predictors is the causes for Multicollinearity (Klein, 1962; Greene, 2000; Freund and Littell 2000). Tolerance is a statistics used to indicate the variability of the specified independent variable that is not explained by the other independent variables in the model.

Table 4.7: Multicollinearity

Model	Collinearity Statistics	
	Tolerance	VIF
EXTRINSIC	.730	1.371
INTRINSIC	.730	1.371

Source Owen survey, (2024)

Table shows the tolerance levels for all variables are greater than 0.10 and the VIF value are less than 10. These all revealed that there was no Multicollinearity problem that alters the analysis of the findings. Thus, R value, tolerance and VIF are acceptable. And can continue on to assess the multiple regressions.

➤ **Multiple Regressions**

In order to determine the extent to which the explanatory variables explain the variance in the explained variable, multiple regression analysis was performed.

Table: 4.8: Model Summary of Multiple Regressions

ANOVA^a

ANOVA ^a					
Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	52.219	3	17.406	42.464	.000 ^b
Residual	115.596	282	.410		
Total	167.815	285			

a. Dependent Variable: employee performance

b. Predictors: (Constant), nonfinancial, indirect, direct

ANOVA is the analysis of variance that used to test how well the regression model fits the data, ANOVA (analysis of variance) provides F value where F equals to mean square of explained data divided by mean square of residual data (Sekaran, 2003). Thus Table 13, revealed an F value of 61.829. Thus, one can decide that regression model best fits the data at a significance level of .000 and p-value is less than alpha 0.5. Therefore there is a statically significant relationship with the dependent employee performance and independent interstice, exoteric and employee performance

4.3.2.1 Coefficient Analysis

Table 13: Coefficient Analysis

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.581	.218		2.664	.008
exoteric	.183	.080	.155	2.289	.023
interstice	-.020	.075	-.016	-.264	.792
Employee performance	.549	.086	.451	6.368	.000

According to the above table 14, direct financial factors have a positive and significant effect on employee's performance. As Beta coefficient is 0.183 with a p-value of 0.008 which ($< .05$) therefore, if direct financial factors increase by one unit performance will increase by 18.3%.thus the ETHIOPIA BLOOD AND TISSUE BANK SERVICES should work more on direct financial factors to motivate its employees.

In terms of indirect financial factors, it has no significant effect on employee performance this is because as beta coefficient is -0.02 with a p-value of 0.792 which is greater than ($< .05$) alpha (α) but according to table 12, they are weakly correlated each other by $R=298^{**}$. So that there is no significant relation between the indirect (insurance guaranty, medical coverage, paid live, retirement coverage and scholarship and tuition chance). Therefore, this listed factors was not that much significant for motivating employees in related to direct and non-financial factors.

Thus so as to motivate ETHIOPIA BLOOD AND TISSUE BANK SERVICE employees, the ETHIOPIA BLOOD AND TISSUE BANK SERVICE should significantly work on the rest factors in order to motivate employees.

According to the above table 14, non-financial factors have a positive and significant effect on employee's performance. As Beta coefficient is 0.549 with a p-value of 0.000 Which ($< .05$) therefore, if non-financial factors increase by one unit performance will increase by 54.9%. This implies that from the three independent variable factors non-financial factor has a greater effect on employee performance. Therefore the ETHIOPIA BLOOD AND TISSUE BANK SERVICE should pay more attention to non-financial factors to motivate employees highly and to boost their performance.

4.4. Discussion and major finding

From the data analysis the researcher has found the following major findings:-

- From the analysis the main source of reason that demotivates employees was lack of non-financial benefit package to the employees. The second reason the researcher found is lack of satisfaction on the direct financial benefit like salary and other related benefits.
- Regarding with the direct financial motivational factors that motivates employees the data revealed that aggregate mean score result was 4.06 this shows that majority of the respondents were dissatisfied by the motivational practice like lack of salary, allowance, housing and car loan affects the performance of employees by decreasing their motivational attitude.
- According to the Indirect financial motivational factors the data depicted that the aggregate mean score result was 3.67 this show that majority of the respondents were moderately satisfied relating to insurance guaranty, medical coverage, paid live and retirement coverage provided by the ETHIOPIA BLOOD AND TISSUE BANK SERVICE. However regarding with the scholarship and tuition chance provided by the ETHIOPIA BLOOD AND TISSUE BANK SERVICE, a mean score result was 2.46 this implies that employees were strongly dissatisfied.
- Also non-financial motivational factors like training and development, recognition, authority to make a necessary decision, promotion, working condition, intimacy with

superior, there was a motivational practice gap between the managers thinking and the responses of the respondent. Moreover the aggregate mean score result was 2.28 this shows that majority of the respondent were not satisfied with the current motivational practice of the organization.

To the other hand the finding of the study reveals that, Pearson correlation between Direct financial factors and employee performance was found as ($R=.450^{**}$), $P\text{-value}=0.000$ and $p\text{-value} < 0.05$ thus there is a strong positive relationship between Direct financial factors and employee performance.

- The correlation between indirect Interstice factor factors and employee performance was found as ($R=.552^{**}$), $P\text{-value}=0.000$ and $p\text{-value} < 0.05$ thus there is a weak positive relationship between indirect financial factors and employee performance.
- The correlation between non-financial factors and employee performance was found as ($R=.546^{**}$), $P\text{-value}=0.000$ and $p\text{-value} < 0.05$ thus there is a strong positive relationship between non-financial factors and employee performance.

- The multiple regression analysis finding depicts that $R^2 = 0.311$ indicates that 31.1% of employee performance is described by the three predictor's (direct, indirect financial and non-financial factors). While the value of R is 0.558 which is a measure of the correlation between the practical value and the predicted value of the dependent variable which is employee performance. And it implies that, there is a strong positive relationship between employee performance and direct, indirect financial and non-financial factors.
- In terms of beta coefficient result direct financial factors has a positive and significant effect on employee's performance. As Beta coefficient is 0.183 with a p-value of 0.008 Which ($< .05$) therefore, if direct financial factors increase by one unit performance was increase by 18.3%.
- In terms of indirect financial factors, it has a negative and no significant effect on employee performance this is because as beta coefficient is -0.20 with a p-value of 0.792 which is greater than ($< .05$) alpha (α) but they are weakly correlated each other by $R=298^{**}$.
- Non-financial factors have a positive and significant effect on employee's performance. As Beta coefficient is 0.549 with a p-value of 0.000 which ($< .05$). Therefore, if non- financial factors increase by one unit, performance was increase by 54.9%.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter addresses the results and findings on the effect of employee motivation their performance in ETHIOPIA BLOOD AND TISSUE BANK SERVICE. The findings are outlined according to specific objectives of the study. The findings are based on the responses from the questionnaire filled and gathered and the interviews conducted on research questions. Conclusion and recommendations are further provided.

5.2 Major Findings

The summary of findings is organized around the questionnaire which was based on the research objectives of the study.

The finding showed that from the mean score of intrinsic and extrinsic motivational factors, mean of extrinsic factors (the mean of the leadership style, salary/monetary compensation and effective dissemination of information) show high mean score. Moreover, from the intrinsic motivation (employee empowerment and autonomy, fairness in treatment of employee, opportunity for personal development, employee recognition, trust exhibited at the workplace) can be interpreted as variable with low mean score. The interview result also supported the quantitative findings. This revealed that extrinsic motivational was the dominant motivational factor in ETHIOPIA BLOOD AND TISSUE BANK SERVICE, since extrinsic motivational compared intrinsic motivation factors it had the largest mean score. But still employee performance was still considered as low with accordance to Zaidaton & Bagheri (2009) the mean score is below 3.39 which implies low performance among the employees of ETHIOPIA BLOOD AND TISSUE BANK SERVICE

Concerning the correlation between extrinsic motivation and employees' performance, extrinsic motivation has positive and significant relationship between extrinsic motivation and employee performance and its r value indicates that it had strong association with employee's performance. Correlation between intrinsic motivation and employees' performance, intrinsic motivation has a positive and significant relationship but shows a moderate association with employee performance. This implies that that intrinsic and extrinsic motivational were important for development and enhancement of employees' performance. Even though intrinsic motivation only showed moderate association.

The regression analysis result revealed that, 52.5 % of change in employee performance was due to extrinsic motivation, 28.2% of change in employee performance was due to intrinsic motivation. In addition, 50.7% of the variance of employee performance was jointly explained by both intrinsic and extrinsic motivation. This revealed extrinsic motivation predicted employee performance more than intrinsic motivation when applying separately. On the other hand, applying both jointly would predict employees' performance more than single use of motivational factor in ETHIOPIA BLOOD AND TISSUE BANK SERVICE.

5.3 Conclusions

Based on the research question and the hypothesis formulated the study paper concluded that the direct financial motivational factors affect employees performance by increasing lateness and absenteeism, it was increasing turnover, decreases employees willingness to spend extra hour, decreases employees task delivery time and affects their evaluation score. Thus in order to overcome such effect the ETHIOPIA BLOOD AND TISSUE BANK SERVICE should improve the salary and other related benefit in order to be competitive and increases the performance of employees and According to the hypothesis formulated direct financial motivational factors have a significant effect on employees performance.

The ETHIOPIA BLOOD AND TISSUE BANK SERVICE have relatively better performance related to indirect financial factors that motivate employees. This are insurance guaranty, medical coverage, and provision of paid live and retirement coverage. However in relation to the scholarship and tuition chance provided by the ETHIOPIA BLOOD AND TISSUE BANK SERVICE employees were not satisfied. Thus the ETHIOPIA BLOOD AND TISSUE BANK SERVICE should give a scholarship and tuition chance to his employees to increase

employees task delivery time and to enhance employees overall performance. And According to the hypothesis formulated indirect financial motivational factors have no significant effect on employee's performance. Due to most of the respondents of employees were satisfied by the indirect financial motivational factors provided by the organization. And the ETHIOPIA BLOOD AND TISSUE BANK SERVICE gives moderately better privilege regarding to the indirect financial motivational factors.

Also the researcher conclude that regarding to the non-financial factors, there are a motivational problem in terms giving training and development, promotion, recognition, appreciation, working condition, participating employees to make a necessary decision making and absence of clear relationship with superior and such factors decreases the performance of employees by reducing their willingness to spend extra hour on work, reduce their inspiration to deliver task as per the required time set, also increases lateness and absenteeism, increases employees turnover and overall performance. However there is moderately better motivational scheme by providing a better nature of work, job security and smooth intimacy between peers. Likewise the researcher concludes that non-financial factors have a greater significant effect on employee's performance. Therefore the researcher concluded that, in order to motivate employees the Development ETHIOPIA BLOOD AND TISSUE BANK SERVICE of Ethiopian should have to work more on the direct financial factors and non-financial factors rather than the indirect financial factors. If so the ETHIOPIA BLOOD AND TISSUE BANK SERVICE can enhance employees' performance.

The result of the study indicates that extrinsic motivational is the dominant factors that affect employee's motivation level in ETHIOPIA BLOOD AND TISSUE BANK SERVICE. Factors such as effective dissemination of information, salary/monetary compensation and the leadership style used by the company are the dominant extrinsic factors affecting employee's motivational level.

Employee motivation is a function of many factors. Some of these factors are environmental in nature. That is, they are extrinsic in nature. They are within the controls of the organization management and are external obligation on the employee. Therefore, organizations can leverage on these factors to boost their employee's levels of motivation. The manner in which the organization handles or manages these extrinsic factors are indeed crucial in determining the level of employee performance. Human resource is considered to be the most important resource of an organization to remain competitive in today's competitive business world. Acquiring the right workforce and then retaining that force is one of the challenges faced by organizations and their management. The results from this study reveal that there is a significant and positive relationship between extrinsic motivation and employee performance.

Intrinsic motivation has also positive and significant relationship but the relationship is modern. From this one can conclude that ETHIOPIA BLOOD AND TISSUE BANK SERVICE employees' performance assumed to be enhanced when managers employed intrinsic and extrinsic motivation. Thus, there is a need to uphold the concurring extrinsic motivation accompanied by intrinsic motivation both of which accounted significant and positive change in the performance of employee.

The intrinsic factors important in that they constitute the internal driving force in individual who starts and sustains a chain of action and reaction. The intrinsic motivating factors go to the core of the employee's observation about their jobs and about how they feel that the tasks that they are assigned are meaningful and relevant. Intrinsic motivation influence employee to develop a certain mind set regarding their jobs. Such perceptions control the level of employee motivation. Thus, being inborn, such issues as employee's perception about their being appreciated by the organization and opinion about their jobs among other subjective factors are therefore crucial in determining the level of satisfaction that an employee may feel regarding their jobs.

The finding also showed that the change in employee performance was more due to extrinsic motivation than intrinsic motivation while applying separately. From this one can concluded that when applying motivation separately employees' performance influenced with better extent by extrinsic motivation ETHIOPIA BLOOD AND TISSUE BANK SERVICE Offices. To this effect, extrinsic motivation had a role to achieve organizational goals

Motivation is considered a predictor of job performance. Motivation in workplace help boost employee morale, the outcome from a motivated employee was produce high level of productivity, lower the level of absenteeism and reduced turnover rate since employees are enjoying their work. Therefore, understanding what factors motivates employees in a given organization becomes crucial matter in that it helps the management concentrate more on those motivating factors and how to improve them. The multiplier effects of employee motivation on employee performance is that it impacts directly on employee performance, safe costs arising from employee absenteeism and turnover rate and also help boost organization bottom-line due to increased output.

5. 4 Recommendations

Based on the findings and conclusions of the study, the following recommendations are suggested:

In ETHIOPIA BLOOD AND TISSUE BANK SERVICE it has been found that extrinsic motivations are the dominant factor influencing motivation in the company but the company should work to balance the extrinsic with intrinsic motivation. Both the organization management and the employees should appreciate the influence of the intrinsic factors on employee motivation levels. The organization should effectively exploit the extrinsic factors influencing employee motivation as a strategy for establishing a positive employee motivation. The organization should include such extrinsic factors as job security and increase monetary incentives among other practices that can positively influence the intrinsic factors and facilitate the establishment of high levels of employee motivation.

Both extrinsic and intrinsic factors have shown positive significant relationship with employees' performance while showing strong and moderate relationship with performance. Thus, ETHIOPIA BLOOD AND TISSUE BANK SERVICE Offices are suggested to maintain and improve this positive relationship through building high level of trust and confidence, by creating mutual discussion with employees to really understand what they want and need to achieve a higher level of performance.

The organizations should appreciate the impact of the employee motivation on the long and the short-term organizational goals and objectives. The organizations should acknowledge the impact of the employee motivation on such organizational aspects as productivity and performance, employee absenteeism levels, employee turnover rates as well as employee stress levels. Therefore, the organization and the general management should consider implementing policies and practices that positively affect employee motivation. Such a strategy should be taken

in tandem with the general organizational goals and objectives and should contribute to both the long-term and the short – term human resource strategy.

Finally it is recommended that further study can be extended to sector to assess the effects of motivation strategies on employee performance. The sample size can be enlarged in that sector and different statistical tool can be used in the research. This finding could bring relative different motivational packages that could be implemented in this sector by management.

- The ETHIOPIA BLOOD AND TISSUE BANK SERVICE should revise its policies and procedures related to salary and other related benefits for the employees to attract and retain highly competitive employees and to be competitive with other ETHIOPIA BLOOD AND TISSUE BANK SERVICE in the industry. So that employees are satisfied with their jobs and have good performance.
- The ETHIOPIA BLOOD AND TISSUE BANK SERVICE should give more focus on training and developments which was help employees improve their performance on the tasks they are assigned to and to increase their effectiveness.
- Support those who are willing to upgrade their educational level based on the financial status of the ETHIOPIA BLOOD AND TISSUE BANK SERVICE.
- Recognition for the employees should be a best strategic for the managers of the ETHIOPIA BLOOD AND TISSUE BANK SERVICE and continuously look for opportunities to notice or praise employees Introduces award prize for individual or team to motivate employees.
- Give a chance for employees to participate in necessary decision making activities.
- Designing a better working environment by facilitating advanced office design for employees to motivate them during their working time to boost their performance.
- Re-evaluating the organization HR Strategies, policies, process and procedure that focus on aligning employee objectives and organizational goals.

5.4 Suggestion for future research

This study mainly focused on ETHIOPIA BLOOD AND TISSUE BANK SERVICE collecting data from employee. As finding shows only responsiveness statistically found insignificant and the rest hypothesized variables expresses the model. The research proposes for future by increasing sample size and test of internal factor was result in expected result of variables. More importantly, I recommended applying other variables which is not included in this research by collecting data from the employee which is from the employee of the organization which is not included in this study. Finally, measuring motivational factor by taking employee performance as a dependent variable may express more by taking additional variables.

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APPENDICES

Appendix 1: Questionnaire

ST. MARY'S UNIVERSITY

SCHOOL OF BUSINESS

DEPARTEMENT OF GENERAL MBA PROGRAM

Introduction

Dear Respondent,

I am a postgraduate student in the Department of General MBA Program and presently conducting a research in the area of employee motivation. As a part of my thesis I would like to gather some information from you which was help me in investigate the impact of employee motivation on employee performance of your organizations.

You are kindly requested to complete the attached questionnaire as honestly as possible. The information being solicited from you is purely for academic purposes. All information provided by you wasbe treated confidentially; hence, your name and that of your signature are not required. Your honest completion of this questionnaire was assist in generating information that was help organization to improve their motivation and get employees motivated.

This questionnaire is purely for academic purpose and you are assured that your responsewas be treated with utmost confidentiality. Also, you are kindly request to respond to each item as frankly as you can.

Thank you in advance for your co-operation. Please express your views by ticking the box appropriate to your response. There is no right or wrong answers – your opinion based onyour personal experience is what is needed.

Part I – Personal Data

Please complete this section by ticking the applicable box

Demographic back ground of the respondents

Section 1: Demographic characteristics of the respondent

Please put a tick “√” inside the box

1.1 Gender

Male ☐ Female ☐

1.2 Age Group

Below 25 ☐ 26-30 ☐ 31-35 ☐ 36-40 ☐

41 and above ☐

1.3 marital status

Single ☐ married ☐ divorced ☐

1.4 level of education

Diploma ☐ first degree ☐ master's degree ☐ PhD ☐

1.5 position

Trainee junior officer ☐ junior officer ☐ officer ☐

senior officer ☐ team manager ☐ deputy director ☐ director

1.6 How long have you been worked at development? (Work experience)

Less than 1 Yr. ☐ 1-4 Yrs. ☐ 5-8 Yrs. ☐ 9-12 Yrs. ☐ 12

Yrs. and above ☐

SECTION A: EXTRINSIC FACTORS THAT INFLUENCE EMPLOYEE PERFORMANCE:

Extrinsic factors that influence employee motivation are those that are determined by the external surroundings of the employee. The following best describe the major extrinsic factors that influence employee job motivation in the organization:

Please use: - **SA**= Strongly Agree **A**=Agree **N**=Neutral
 SD= Strongly Disagree **D**=Disagree

Intrinsic factors that Motivate Employees	SA	A	N	D	SD
I am satisfied with the level of salary I receive					
The pay offered by the ETHIOPIA BLOOD AND TISSUE BANK SERVICE is very competitive compared to other companies in the industry					
I am satisfied by a monthly allowance received like house, fuel and telephone					
I am satisfied by the monetary rewards like salary increment					
I am satisfied by the housing loan provided by the ETHIOPIA BLOOD AND TISSUE BANK SERVICE					
I am satisfied by the car loan provided by the ETHIOPIA BLOOD AND TISSUE BANK SERVICE					
I am satisfied by the payment given by the ETHIOPIA BLOOD AND TISSUE BANK SERVICE					
I believe the money I am paid is a strong indication of the value the organization has placed on my services					
Our ETHIOPIA BLOOD AND TISSUE BANK SERVICE has a pay policy that attracts and retains high performing employees					
I am satisfied with the annual profit bonus provided by the ETHIOPIA BLOOD AND TISSUE BANK SERVICE in order to motivate employees					
Extrinsic factors that Motivate Employees	SA	A	N	D	SD
I am satisfied with the insurance guaranty provided by the ETHIOPIA BLOOD AND TISSUE BANK SERVICE					

I am satisfied with the medical coverage provided by the ETHIOPIA BLOOD AND TISSUE BANK SERVICE					
I am satisfied with the paid live provided by the ETHIOPIA BLOOD AND TISSUE BANK SERVICE					
I am satisfied with the retirement coverage provided by the ETHIOPIA BLOOD AND TISSUE BANK SERVICE					
I am satisfied with the scholarship and tuition chance provided by the ETHIOPIA BLOOD AND TISSUE BANK SERVICE					

SECTION A Employee performance measurement	SA	A	N	D	SD
I can say that the ETHIOPIA BLOOD AND TISSUE BANK SERVICE motivational practice helped me to reduce lateness and absenteeism.					
I observed that because of motivational practice developed by the ETHIOPIA BLOOD AND TISSUE BANK SERVICE there is a decreasing level of turnover within the employees					
Due to the motivational scheme provided by the ETHIOPIA BLOOD AND TISSUE BANK SERVICE my willingness to spend extra hours on working become increase					
In my opinion ETHIOPIA BLOOD AND TISSUE BANK SERVICE motivational practice inspired me to deliver my tasks as per the requirements and improve my service delivery time					
Through the development of the motivational practice my job performance evaluation score become increasing					
In general the ETHIOPIA BLOOD AND TISSUE BANK SERVICE 's motivational practices increase my commitment, competency, efficiency and effectiveness of my					

