

ST. MARY'S UNIVERSITY SCHOOL OF GRADUATE STUDIES

DETERMINANTS OF EMPLOYEES WORK MOTIVATION IN SELECTED PRIVATE COMMERCICAL BANKS OF ETHIOPIA: A COMPARATIVE STUDY OF CORE AND SUPPORT EMPLOYEES

BY

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A THESIS SUBMITTED FOR PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTER OF ARTS IN BUSINESS ADMINISTRATION AT ST. MARY'S UNIVERSITY COLLEGE SCHOOL OF GRADUATE STUDIES

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DECLARATION

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

Name

Signature & Date

ENDORSEMENT

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

Advisor

Signature & Date

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Getahun Abera

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Abbreviations

HR: Human Resources
HR: Human Resources
AIB: Awash International Bank Share Company
WB: Wegagen Bank Share Company
UB: United Bank Share Company
NIB: Nib International Bank Share Company
DB: Dashen Bank Share Company
CBO: Cooperative Bank of Oromia Share Company
LIB: Lion International Bank Share Company
OIB: Oromia International Bank Share Company
SPSS 20: Statistical Software Packages for Social Science Version 20

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Abstract

This study attempted to examine determinants of employees work motivation particularly in selected private commercial bank in Ethiopia by comparing core and support process employees through empirically testing the variables including work content, working condition, payment, benefit, promotion, recognition and supervision on motivation of employees. It used a survey method of collecting data with a sample of 180 selected respondents of which 161 questionnaires (89.4% respondent rate) were returned. A quantitative methodology of arithmetic means and standard deviations of descriptive statistics for the independent variables (Work Content, Work Conditions, Payment, Benefits, Promotion, Recognition, and Supervision) and dependent variable (employee work motivation) for the respondents were computed. The result shows that, the mean values for supervision, work content, benefit and working condition were relatively higher than the mean scores of other variables. On the other hand, the mean values for promotion, payment and recognition indicated lowest result and showed the areas that employees were most likely to be de-motivated.

Finally, the correlation result indicated that there were a significant and positive relationship between all of independent variables and dependent variable. The independent sample t-test result shows that there were significant difference in mean scores of work motivation, recognition, supervision and promotion in two groups (core and support process) of employee. However there is no significant difference among core and support process employees in working condition, work content, payment and benefits

Keywords: Motivation, Private Commercial Banks, Core and Support Process

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CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

According to modern human resource management practice, establishing a proper relationship between human resource and strategic objective of the organization is the base for organizational success. This practice mostly emphasizes the importance of the human aspect of the organization as most valuable asset. Hence, the motivational factor of human elements of organization has the power to determine the success or failure of an organization. Fitting human resource practices enhance motivational levels and organizational performance, because they influence employee satisfaction in meeting their expectations and encourage high work performance (Ahmedabad, 2005; Daft, 2006). To this end, a number of scholars and management practitioners stressed the importance of employee motivation and its influences on organizational performance as much as customer satisfaction (Chen, 2006)

The concept of employee motivation is a multi-dimensional and inter-disciplinary term that has attracted the attention of researchers and practitioners from different disciplines such as psychology, human resource management, organizational behavior and others. Literature on work motivation has long been focused into two major approaches: the organizational economic approach, which focuses on extrinsic rewards; and the organizational behavior approach, which emphasizes intrinsic motivation. Hence, a milestone in the successes of an organization is to fulfill the continuous changing needs of organization and employees. Hence, heavy responsibility falls on top management to develop strong relationship between them. Organizations expect employees to follow the rules and regulations, work according to the standards set for them; the employees expect good working conditions, fair pay, fair treatment, secure career, power and involvement in decisions (Sharma and Sharma, 2011).

Researchers have found that, satisfied employees are highly motivated, have good work morale, and work more effectively and efficiently. Moreover, satisfied employees are more committed to continuous improvement and quality (Matzler, 2004). In contrast, de-motivated employees often hold what they know and are unwilling to share their knowledge. Because organizational agility requires that employees at all levels engage in knowledge-based activities, understanding the reasons for employee dissatisfaction, their expectations and requirements and the directions to implement changes are essential for every organization (Eskildsen and Nussler, 2000; Martensen and Gronholdt, 2001). By doing so, organizations enhance their capabilities to meet increasingly turbulent and uncertain environmental conditions

In addition, Schuler and MacMillan (1984), argue that effective HRM results in an enhanced ability to attract and retain qualified employees who are motivated to perform. When employees are motivated to perform there are many positive effects, such as greater profitability, low employee turnover, and high product quality. An organization can create competitive advantage over its competitors by using human resource practices to improve employee motivation, especially when their employees are less motivated (Schuler & MacMillan, 1984)

Individual differences, work-context characteristics and job placement may lead to differences in employees' motivation, job satisfaction and performance (Sharma and Sharma, 2011). When organizations seek to attract and retain highly qualified employees, the managers and designers of motivation systems should carefully scrutinize and evaluate the reward preferences of their human resource. By doing so the organizations expect employees to follow the rules and regulations, work according to the standards set for them. On the other hand, the employees expect in their respective place of assignment; the presence of good working conditions, fair pay, fair treatment, secure career, power and involvement in decisions (Sharma and Sharma, 2011)

To address these expectations, the organizations should understanding of employee motivation is required. In order for an organization to meet its obligations to shareholders, employees and society, its top management must develop a relationship between the organization and employees that will fulfill the continually changing needs of both parties

There are many theories explaining about employees motivational theories. On top of these Herzberg's Two-Factor Theory which makes distinction between two groups of factors called; motivation factors and hygiene factors. Motivational factors are factors that include achievement, recognition, work itself, responsibility, advancement, and possibility of growth while hygiene factors are factors which include company policy, supervision, and relationship with supervisors, work conditions, relationship with peers, salary, and personal life relationship with subordinates, status, and job security Herzberg et al. (1959)

Similarly, Srivastava and Bhatia (2013) categorize motivational factors into two categories as those that do not present in any organization such as recognition, achievement, advancement, responsibility, possibility of growth and work itself and those that are present in different organizations but do not motivate such as company policies and administration, technical supervision, interpersonal relationship with colleagues and superior, salary and benefit, working environment, status and job security. Consistent with Ruthankoon and Ogunlana (2003), the main concept of the Herzberg's Two-Factor Theory is the distinction between two groups of factors called motivation factors and hygiene factors

There is a significant relationship between the employee job placement and their motivation. Employee placement refers to the task of assigning specific job to employees. Correct placement is in no way less important than accurate selection. Even a competent employee may be inefficient and dissatisfied if put on a wrong job. Correct placement helps to improve efficiency and satisfaction of employees. It is proved by experience that placement of an employee in the right job results in improvement of morale and performance, reduces absenteeism and employee-turnover, leads to better utilization of machines, equipments and materials and keeps the employee satisfied. While placing employees on jobs, the requirements of both the organization and the employees should be considered. A good and effective system of follow-up helps to avoid wrong placement. That is, follow-up is a process in which the work of the employee is assessed at frequent intervals and the performance is recorded in his service record. Soumya Singh (http://www.preservearticles.com)

This will help the management to locate cases of wrong placement and to take corrective action by way of transfers. Supervisors can do much in locating the wrong placements. A proper placement of employee results in; better motivation resulting in better performance, lower rate of absenteeism, lower rate of labor turnover, better utilization of materials and machines, reduced cost of supervision and Keeps the employee satisfied, etc. (http://www.preservearticles.com)

In this line, few researchers have tried to investigate the differences in the motivation of core and support staff (administrative). For instance, Kusku (2003) find out the existence of difference between the satisfaction level of academic and administrative staff members in higher education institutions in Turkey. Most specifically, the research emphasizes the differences in the satisfaction level between core and support staff members in the areas of colleague relation satisfaction, colleague's competition level satisfaction, other work group satisfaction, work environment satisfaction and salary satisfaction

Taking the above explanations into account, it is important to understand the level of employee motivation as per their place of assignment (i.e core and support working area) and how motivation level varies with both groups in the context of Ethiopian commercial banks. Hence, this project is interested in investigating the effect of employee motivation in Ethiopian private commercial banks

1.2 Statement of the problem

Currently, the business environment becomes stiffly competitive requiring organizations to hold sustainable competitive advantage. As a result, organizations need to look at their resources so that they can maximize value. One of the most important valuable resources of the organization is the human resources. To be effective and efficient human resources need to be motivated to give their best for the organization. Hence, employee motivation is one of the most essential parts in a company's development and success. To mean that, the significance of employee motivation, influencing the behaviors of their employees to behave in certain ways, can ultimately decide the success or failure of an organization (Ahmedabad, 2005; Daft, 2006).

In order to maximize the overall performance of the company it is vital for an employer to understand what motivates the employees and how to increase their job satisfaction. Kovach (1987) suggests that if a company knows why its employees come to work on time, stay with the company for their full working lives, and are productive, then the company may be able to ensure that all of its employees behave in that way. Such a company would have a decided marketplace advantage over competitors suffering from absenteeism, costly re-training programs, and production slowdowns. Moreover, Wiley (1997), also suggests that ensuring the success of a company must understand what motivates its employees, and such understanding is essential to improving productivity

To some extent, a high level of employee motivation is derived from effective management practices. To develop motivated employees, a manager must treat people as individuals, empower workers, provide an effective payment system, redesign jobs, and create a flexible workplace. These suggestions imply that organizational success depends heavily on employee motivation, and managers must understand what motivates their employees. In order to motivate their employees: understanding the concept of motivation could assist incompetent and inexperienced managers, in terms of employee motivation, identify what motivates their employees

According to Qayyum and Sukirno (2012), employees join organizations with certain values and expectations. If their values and expectations are met, they put forth high levels of effort to achieve organizational goals, and are expected to remain with the organization for long period of time. On the other hand, if there are substantial gaps between what employees want from their jobs and what they get, they are not motivated, and the final result will be high levels of staff turnover or attempts by staff to find other ways to fulfill their expectations

Employee working in the banking sector can be divided mainly in to two groups as per their place of assignment. These are core staff, who are assigned in main core area of the banks and responsible for direct operational activities of the sector. These are mainly; credit operation department, domestic banking operation department and international banking operation department. The other group of staff is support employees, that group of employees who are

generally responsible for supporting of main operational activities of the banking sector such as planning and business development, human resource management, accounting and finance, legal service and etc

As the characteristic of the job done and the expectation of the sector from both groups are different, the evaluation of motivational levels of both groups on the same basis does not seem to be very rational

However, employees can be successful in their own jobs only if they can make the work environment more productive with the help of the other employees who work in the same organization with different jobs and by giving support to the various jobs done. In addition, the internal customer concept emphasized by total quality management also concentrates on the extent and importance of the effect that people who work in the same environment but do different job have, on other

In Ethiopia, banking institution becomes competent to provide banking service to their respective customers through motivated and well trained employees. However, the motivational factors of employees based on the job that employees do (i.e., the motivational level of core and support employees) is not empirically tested in the banking industry in Ethiopia. Accordingly, the main intension of this study is to examine the determinants of employee motivation working in core and support units in banking sector in Ethiopia taking samples from private commercial banks

1.3 Research Questions

The above stated problems were leading the researcher to raise the following crucial research questions to conduct the study:

- How payment and benefit correlated positively and significantly with work motivation in private commercial banks in Ethiopia?
- In what way promotion and recognition correlated positively and significantly with work motivation in private commercial banks in Ethiopia?
- How work content and working condition correlated positively and significantly with work motivation in private commercial banks in Ethiopia

- How supervision correlated positively and significantly with employee work motivation in private commercial banks in Ethiopia?
- What is the relationship between job placement and employee motivation in private commercial banks in Ethiopia?

1.4 Objectives of the Study

The general objective of the study is to examine determinants of employee motivation working in core and support units in private commercial banks located in Addis Ababa (Head Office) by quantitatively testing the relationship of such variables as payment, benefit, promotion, recognition, nature of the work, working condition, and supervision

The specific objectives of the study are:

- To determine the relationship between payment and employee work motivation of core and support employees
- To illustrate the relationship between benefit and employee work motivation of core and support employees
- To explore the relationship between recognition and employee work motivation of core and support employees
- To examine the relationship between promotion and employee work motivation of core and support employees
- To show the relationship between nature of job and employee work motivation of core and support employees
- To investigate the relationship between working condition and employee work motivation of core and support employees
- To identify the relationship between supervision and employee work motivation of core and support employees

1.5 Hypotheses of the Study

The philosophy behind pay-for-performance plans draws upon reinforcement theory that suggests that pay be linked to performance by setting specific targets and then rewarding individuals for achieving these targets (Heneman, 1992)

A lot of studies contend that benefits are a useful means to motivate, retain and attract qualified employees (e.g. Beam and McFadden, 1988; Evers, 1998; Federico and Goldsmith, 1998; Steere, 2000; Laabs, 2000; Kurlander and Barton, 2003). Recognition indicates assigning the employees with new roles and responsibilities as per their experience and willingness to perform that task A promotion to a higher level in an organization typically involves positive changes, supervision, job content and pay. Jobs that are at the higher level of an organization usually provide employees with more freedom, more challenging work assignments and high salary. Along with pay, the content of the work itself plays a very major role in determining how satisfied employees are with their jobs. By and large, employees want jobs that are challenging; they do want to be doing mindless jobs day after day. The two most important aspect of the work itself that influence job satisfaction are variety and control over work methods and work place. Two dimensions of supervisor styles are there that are being followed in an organization. Employee centered and supervisory centered that affect their job, display a much higher level of satisfaction with supervisor and the overall work situation (Sharma and Sharma 2011)

Researchers such as Kusku (2003) also find out the existence of difference between the satisfaction level of core (academic) and support (administrative) staff members in higher education institutions in Turkey. Most specifically, the research emphasizes the differences in the satisfaction level between core and support staff members in the areas of colleague relation satisfaction, colleague's competition level satisfaction, other work group satisfaction, work environment satisfaction and salary satisfaction. Taking these into account, the following research hypotheses were developed

- H1: Payment is correlated positively and significantly with work motivation.
- H2: Benefit is correlated positively and significantly with work motivation.
- H3: Recognition is correlated positively and significantly with work motivation.
- H4: Promotional opportunities are correlated positively and significantly with work motivation.
- H5: Work content is correlated positively and significantly with work motivation.
- H6: Working condition correlated positively and significantly with work motivation.

H7: Supervision is correlated positively and significantly with employee work motivation.

H8: Job placement has effects on employee work motivation

1.6 Operational Definition

Motivation is a psychological process that gives behavioral purpose and direction.

Core process employees are those assigned in main line of engagements and who are responsible for direct operational activities of the banking sector. (Sharma and Sharma 2011)

Support process employees are those assigned in support area and generally responsible for supporting of main operational activities of the banking sector. (Sharma and Sharma 2011)

Promotion is the chance that an employee can be assigned in higher level in an organization and it typically involves a positive changes, supervision, job content and pay. (Sharma and Sharma 2011)

Recognition is occurs when employees are praised or their ideas are accepted. (Sharma and Sharma 2011)

Work Itself is an event related to tasks and assignments being too easy or too difficult, interesting or boring tasks are included here. (Sharma and Sharma 2011)

Working conditions is a kind of physical surroundings on the job, good or bad facilities, and too much or too little work. (Sharma and Sharma 2011)

Benefit is a monetary and non-monetary reimbursement to the employees such as pension benefits, medical benefits, transportation, loan etc. (Sharma and Sharma 2011)

Payment is money facilitates for obtaining of food, shelter, and clothing and provides the means to enjoy valued leisure interest outside of work (Sharma and Sharma 2011)

Supervision is about willingness or unwillingness to delegate responsibility or teach employees. (Sharma and Sharma 2011)

1.7 Significance of the study

Human resource is the most important ingredient of all other resources. Organizations can make a difference if they have qualified and competent employees who are motivated for work. Hence, the study is an important input for the company management decision to make the right decision that can enhance the level of employee motivation to achieve the goal of their organization. It may come up with a finding that can be vital to encourage the employees of the company towards

achieving organizational objective by vividly presenting the typical factors affecting their level of motivation. On the other hand, the study is helpful for the organization by presenting an important data for other researchers who wants to intensify and conduct further research in the similar area by providing first-hand information on the issue

1.8 Scope of the Study

The study investigates determinants of employees work motivation working in core and support area in private commercial banks. That is how different motivational variables such as payment, promotion, recognition, benefit, work content, working condition and supervision that affect the practice of job motivation of employees. The study examines the practice of employee motivation working in core and support area in private commercial banks at head office. Hence, the data obtained from those employees working in core and support department

1.9 Organization of Study

The final research report is structured in such a way that it can provide coherent flow if ideas. The report can divided into five chapters. The first chapter is introduction, which comprises background of the study, statements of the problem, objective of the study and other related issues. The second chapter is literature review, which was present the theoretical framework of the subject matter. The third part of the report is the research design & methodology, which was present the general principle and guide the research. The four part of the report is the results and discussions of the study. Finally, based on the result of the study, summary of finding, conclusion and the recommendation presented in fifth chapter

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

Financial institutions are playing vital role in consumer financing and economic development. They provide excellent financial services to potential customers. Among these financial institutions: banks accept deposits and finance businesses for different market players with various technologies and activities (Okerly & Boohene, 2012). This excellence aimed to satisfy domestic credit needs. These institutions has its own targets of credit disbursement, credit recovery, market penetration and utmost service delivery to particular business society

Motivation derived from motive which means "something a need or desire that cause to person to act" (Chaudhary & Sharma, 2012). Motivation is a "process of presenting an intention that origin a person to capture some accomplishment". According to Butkus and Green (1999) motivation means encouragement to proceed the wants. The personnel of financial institutions actions are influenced by various internal and external factors to achieve their goals. Human resources are very critical for the provisions of financial services. A well-motivated staff may deliver the quality services to their clients. Employee's behavior including loyalty, commitment and job performance determines the motivational level of employees (Bateman & Snell, 2007). Self-motivated employees may serve as a synergy to achieve organization's goals, meet the business targets, assures efficiency, growth and performance

Motivation is a basic psychological process (Tella, Ayeni & Popoola, 2007). It is a factor that exerts a driving force on actions and work. According to Luthans (1998) motivating is the management process of influencing behavior based on the knowledge of what make people think. It contributes to the process of stimulating people to act and achieve a desired task. Luthans indicated that motivation was the process that arouses, energizes, directs, and sustains behavior and performance. As defined by Bartol and Martin (1998) motivation was a force that energizes behavior, gives direction to behavior, and underlies the tendency to persist. Attitude was important concept in motivation; it is defined as a response to objects, people, or events in either a positive or negative way (Dessler, 2008). This definition recognizes that in order to achieve goals,

individual need to act based on the work process of managing performance ensures that specific goals and outcomes are established

As motivation concern, reward system is an important tool for management use to channel employees' motivation in desired ways. Reward defined by Minden (1982) as any strengthened behavior followed immediately by a positive reinforce. Currently, either public or private sectors are implementing the reward programs. According to Vroom (1964), it clearly stated that employees' effort is increased when rewards are offered. In reward program, large amount of money are spent. The reason behind these, hopefully it will increase employees' motivation. As stated by Ballentine (2003), the purpose of reward is to recognize excellent job performance, provide feedback, make it easier to get work done, encourage employees to be more productive and help management achieve their goal.

2.2 Definition and Concept of Motivation

The word "motivation" was originally derived from the Latin word "mover" which means "to move". However, over time various researchers have attempted to have a more comprehensive definition of the word and motivation has been defined in different ways. Most of them agree that it is a goal directed behavior. Motivation is a psychological process that gives behavioral purpose and direction. We can define motivation as "internal and external factors that stimulate desire and energy in people to be continually interested in, and committed to a job, role or subject and to exert persistent effort in achieving a goal" (Shafiq , Maria and Saqlain,2011). As quoted in the works of Sharma and Sharma (2011), motivation is "The willingness to exert high levels of effort towards organizational goals, conditioned by the effort's ability to satisfy some individual needs."

Motivation is concerned with energizing and directing behavior. Thus, by motivation we usually think of what is that volunteers a person to act. In scientific term, motivation is an energized condition of an organization that serves in general term. Motivation can be defined as an external or internal influence on an individual to derive a desired behavior. In other terms, a motivated person has the awareness of specific goals that must be achieved in specific ways. Therefore, he/she directs its efforts to achieve such goals. It means, a motivated person is best fit for the goals that he/she wants to achieve as he/she is fully aware of its assumptions. Therefore, motivation is the force that makes us do things; this is, a result of our individual needs being satisfied or met so

that we have inspiration to complete the task. These needs vary from person to person as everybody has their individual needs to motivate themselves (Shafiq, Maria and Saqlain, 2011)

Furthermore, according to Kumar (2012), motivation may be defined as "psychological forces that determine the direction of a person's behavior in an organization, a person's level of effort and a person's level of persistence in the face of obstacles." Motivation strategy is a vital and key strategy to enhance productivity of an organization with no substantial cost addition. Againis et al. (2013) states that by devising and implementing an effective motivation strategy, people can be motivated to produce more work given the same inputs thus increasing the productivity of the organization. On the other hand, de-motivation among the people brings about decline in performance, dishonesty, irresponsibility, lack of commitment, absenteeism and attitude problem, thus, eroding the productivity of the organization

According to Selden and Brewer (2000), scholars have devoted substantial effort to developing a master theory of motivation and trying to incorporate various characteristics to the concept. In the human resource management and organizational behavior fields, motivation is often described as being "intrinsic" or "extrinsic" in nature (Sansone and Harackiewicz, 2000)

Extrinsic motivation occurs when employees are able to satisfy their needs indirectly, most importantly through monetary compensation (Osterloh 2002). In contrast, intrinsic motivation is apparent when individuals' behavior is oriented towards the satisfaction of innate psychological needs rather than to obtain material rewards (Ryan and Deci 2000). In other words, motivation is intrinsic when people perform an activity for itself (Van Yperen and Hagedoorn, 2003); trying to experience the satisfaction inherent in the activity or to secure the obligations of personal and social norms for their own sake. Intrinsic motivation appears to be self-defined (Loewenstein, 1999) and self-sustained (Calder and Staw, 1975) and is fostered by commitment to the work itself, which must be both satisfying and fulfilling for the employees (Deci, 1975). In any type of organization whether it is public or private; employees can be motivated by both extrinsic and intrinsic factors that will fulfill their perceptions regarding success and satisfaction

2.3 Types of Motivation

The need to explore human motivation and encourage debates about its nature has once again emerged in the field of organizational science (Ambrose & Kulik 1999; Osterloh & Frey 2000; Ellemers, De Gilder & Haslam 2004; Locke & Latham 2004). An important reason arguably is the emergence of what is often called the "knowledge economy," the attendant emerging consensus that knowledge is the key source of an organization's competitive advantage (Osterloh & Frey 2000; Foss 2005), and that this introduces particular challenges related to providing motivation in knowledge-based firms (Osterloh & Frey 2000). This demands not only an increasing focus on human motivation, but also that the hitherto polarized discussion give way to a more nuanced recognition of its complexity. Two polar perspectives on motivation are predominant in the organizational science literature: the pure organizational economic approach with its focus on extrinsic motivation (Jensen & Meckling 1976; Holmström 1979; Hendrikse 2003) and the pure organizational behavior approach emphasizing intrinsic motivation (Hertzberg 1968; McGregor 1960; Hackman, Oldham & Janson 1975; Pfeffer, 2005)

2.3.1 The Two Poles: Intrinsic and Extrinsic Motivation

Much importance has been placed on intrinsic motivation in social psychology, because it is perceived as a type of motivation leading to highly valued outcomes such as creativity, quality, spontaneity, and vitality (DeCharms 1968; Kruglanski, Friedman & Zeevi 1971; Deci 1978). Edward Deci has in particular stressed the importance of intrinsic motivation as it is associated with human well-being through the satisfaction of three universal psychological needs; autonomy, competence, and social relatedness (Deci & Ryan 2000; Gagné & Deci 2005). Within this stream of research, intrinsically motivated behavior is perceived as behavior freely engaged in, which the individual finds interesting and derives spontaneous satisfaction and enjoyment from (Deci 1971; Lepper et al. 1973; Gagné & Deci 2005). This type of motivation has recently been labeled "enjoyment-based intrinsic motivation" (Lindenberg 2001)

In contrast, extrinsic motivation is most often associated with the engagement in activities because they lead to desirable consequences separate from the activity such as tangible rewards. Hence, the behavior is a means to an end and not involved in for its own sake (Deci 1972; Lepper et al. 1973; Skinner 1974; Bandura 1977; Flora 1990; Cameron & Pierce 1994; Gagné & Deci 2005)

Whereas intrinsic motivation is often associated with the involvement in complex tasks, extrinsic motivation is claimed to be important in relation to unattractive and simple tasks (Osterloh & Frey 2000; Gagné & Deci 2005). Hence, both types of motivation are indeed required in organizations

2.3.2 Interaction between Intrinsic and Extrinsic Motivation

A considerable amount of literature within social psychology show that extrinsic and intrinsic motivation are not merely additives, but that the two types of motivation can interact. In fact, much evidence illustrate that extrinsic rewards can have substantial negative effects on intrinsic motivation (DeCharms 1968; Deci 1971; Lepper et al. 1973; Harackiewizc, Manderlink & Sansone 1984; Rummel & Feinberg 1988; Wiersma 1992; Tang & Hall 1995; Deci, Ryan & Koestner 1999; Kohn 1999; Cameron & Pierce 2002). However, whether this undermining effect is likely to occur depends on the type of reward in question. The literature in particular distinguishes between five types of extrinsic rewards; verbal, unexpected tangible, expected and tangible task-non-contingent, expected and tangible task-contingent, and expected and tangible performance-contingent

In general verbal rewards such as positive feedback and praise are expected to enhance intrinsic motivation. In contrast, two types of rewards, namely unexpected tangible rewards: this type of reward is delivered without any promise beforehand (Cameron & Pierce 2002) and expected and tangible task-non-contingent rewards: this type of reward is comparable to hourly payments or monthly salaries in organizations (Ryan, Mims & Koestner 1983) are predicted to have no effect on intrinsic motivation, whereas expected and tangible task-contingent rewards: this type of reward is offered for completing an activity, however, without considering the quality of performance. It is comparable to piece-rate payment systems in organizations (Ryan et al. 1983) are shown to have a significant negative impact. Research on the effect of expected and tangible performance-contingent rewards reports rather mixed results. While one stream of research at an overall level concludes that this type of reward is the most detrimental one (Rummel & Feinberg 1988; Kohn 1999; Deci et al. 1999), other scholars claim that performance contingent rewards are most likely to have a positive effect (Cameron & Pierce 1994; Pierce, Cameron, Banko & So 2003)

2.4 Importance of Job Motivation

Motivation is frequently studied subject in work and organizational literature and investigated by several disciplines such as psychology, sociology, economics and management sciences. This is

mainly due to the fact that many experts believe that job motivation trends can affect labor market behavior and influence work productivity, work effort, employee absenteeism and staff turnover. Moreover, job satisfaction is considered a strong predictor of overall individual well-being (Diaz-Serrano and Cabral Vieira, 2005), as well as a good predictor of intentions or decisions of employees to leave a job (Gazioglu and Tansel, 2002). Beyond the research literature and studies, job motivation is also important in everyday life. Organizations have significant effects on the people who work for them and some of those effects are reflected in how people feel about their work (Spec tor, 1997)

Motivated employees are very important for an organization to be successful. Fitting human resource practices enhance motivational levels and organizational performance, because they influence employee satisfaction in meeting their expectations and encourage high work performance (Ahmedabad, 2005; Draft, 2006). In addition, Schuler and MacMillan (1984) argue that effective human resource management results in 'an enhanced ability to attract and retain qualified employees who are motivated to perform'. When employees are motivated to perform there are many positive effects, like greater profitability, low employee turnover and high product quality. An organization can create competitive advantage over its competitors by using human resource practices to improve employee motivation, especially when their employees are less motivated (Schuler & MacMillan, 1984). This makes job motivation an issue of substantial importance for both employers and employees. As many studies suggest, employers benefit from motivated employees as they are more likely to profit from lower staff turnover and higher productivity if their employees experience a high level of job satisfaction. However, employees should also 'be happy in their work, given the amount of time they have to devote to it throughout their working lives' (Nguyen, Taylor and Bradley, 2003)

Similarly, according to Bennet (2002), organizations are constantly looking for ways of enhancing their employee motivation. The employees of an organization are vital to the growth and success of the organization and in many cases, an organization success is defined by its employees. Also, it is commonly said that people working for an organization, are the most valuable, the most costly, and the most volatile of all the resources that it can use to accomplish the organization's objectives.

Organizations need people to get things done. Therefore, it is important that employees' motivation need to be understood to make organization succeed

2.5 Theories of Motivation

Many motivation theories have been developed in the field of organizational behavior and management, since 1950. The classic motivation theories fall in two broad categories: content and process theories (Gibson, et al. (1997). The first group is related to the needs of a person. The second school of thought developed later and attempted to introduce a more dynamic dimension by describing the process through which needs are translated into action

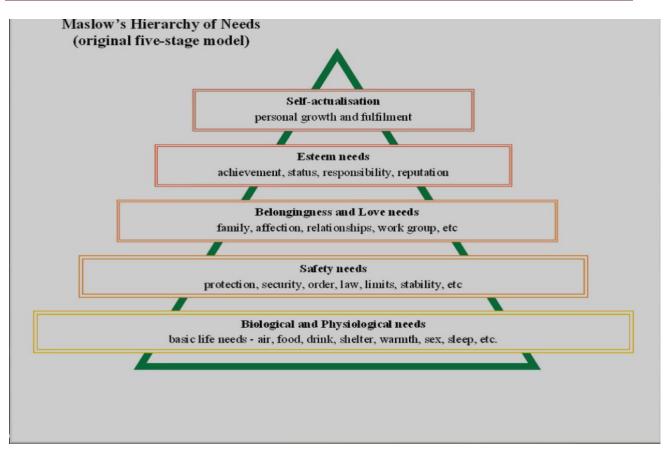
2.5.1 Content Theories

Content theories explain why people have different needs at different times. These needs ("deficiencies that an individual experiences at a particular point in time") (Gibson et al (1997) usually fall into three groups: physiological needs (food, shelter), need for social interaction, and psychological needs (self-esteem, self-fulfillment). This section will look at Maslow's need hierarchy theory, Alderfer's ERG theory, and Herzberg's two-factor theory

A. Abraham Maslow's Theory

Maslow's theory on the hierarchy of needs is one of the most popular theories of motivation. Maslow (1943) stated that employees had five levels of needs and that human needs were in the form of a hierarchy ascending from the lowest to the highest. According to this theory, once the needs at a particular level in the hierarchy of needs are satisfied, they are no longer a motivating factor for an individual. The five levels of hierarchy are Physiological needs, security needs, social needs, esteem needs and self-actualization needs. As each of these needs become substantially satisfied, the next need becomes dominant and the individual moves up the hierarchy. A good pay and interesting work are keys to higher motivation (Shafiq, 2011)

Figure: 2.1 Maslow's Hierarchy of Needs Theories



Source: http://www.businessballs.com/images/maslow hierarchy.htm

B. Alderfer's ERG Theory

Similar to Maslow, Alderfer (1969) clusters and more simplified needs into three categories: existence (E: food, shelter, pay), relatedness (R: meaningful social relationships), and growth (G: individual self-fulfillment). Alderfer's needs do not need to be fulfilled sequentially. He stated that in addition to the progression satisfaction process a frustration-regression process exist. Thus, if a person is constantly frustrated in fulfilling its growth needs she/he will turn 'back' to the level of relatedness and relatedness needs will become the major motivation force. If employee's needs are blocked by company policy or lack of resources, managers can attempt to redirect subordinates efforts to relatedness or existence needs (Gibson et al 2000). Relatedness needs is a factor that is likely to be of different importance in different organizational and geographic cultures. Therefore it was specifically included in the list of motivation factors that were tested. Secondly, the specific constellation of international organizations allow to test if interest in promotion is equal between national and international staff and if there is a higher rating of relatedness needs in one group

C. Herzberg's two-factor theory

According to Ruthankoon and Ogunlana (2003), the main concept of the Herzberg's two-factor theory is the distinction between two groups of factors called motivation factors and hygiene factors. According to the theory, the motivation factors operate to decrease job dissatisfaction. Herzberg et al. (1959) stated thus: Among the factors of hygiene, when the factors deteriorate to a level below that which the employee considers acceptable, then job dissatisfaction ensues. However, the reverse does not hold true. When job context can be characterized as optimal, we will not get dissatisfaction but neither will we get much in the way of positive attitudes. It should be understood that both kinds of factors meet the needs of the employees; but it is primarily the "motivators" that serve to bring about the kind of job satisfaction which makes the kind of improvement in performance that the industry is seeking from its work force

According to Herzberg, motivation factors are the six "job content" factors that include achievement, recognition, work itself, responsibility, advancement, and possibility of growth. Hygiene factors are "job context" factors, which include company policy, supervision, and relationship with supervisors, work conditions, relationship with peers, salary, and personal life relationship with subordinates, status, and job security. Brief explanations on the factors are given as follow:

Achievement: Positive achievement events are stories of success on jobs or solutions to problems *Recognition:* Positive recognition occurs when employees are praised or their ideas are accepted Negative recognition includes blame, criticism or when good ideas are overlooked. Recognition may come from supervisors, peers, and subordinates.

Work Itself: Events related to tasks and assignments being too easy or too difficult, interesting or boring tasks are included here

Responsibility: This factor relates to whether or not the individual is given the responsibility or freedom to make decisions

Advancement: Promotion whether expected or not is positive advancement, whereas failure to receive expected promotion and demotion are negative advancement

Possibility of growth: This includes the chance that a person can be promoted and opportunities to learn new skills

Company Policy and administration: Satisfaction and dissatisfaction caused by good or bad organizational policies affect the employee

Supervision-technical: Statement about supervisors' willingness or unwillingness to delegate responsibility or teach, supervisors' competence or incompetence and fairness of supervisors are classified under supervision

Interpersonal relations: These categories are limited to personal and working interactions between the respondent and other people he/she works with

Working conditions: Even in the category related to physical surroundings on job, good or bad facilities, and too much or too little work

Salary: Increase and decrease in salary or wages

Personal life: Personal situations affected by jobs

Status: Any mentions about some signs or appurtenance of stature (e.g. Secretary, personal office, cars, etc.) are categorized as stature

Job security: This includes events related to signs of presence or absence of job security. Herzberg et al. (1959)

2.5.2 Process Theories

This second group of theories attempts to describe the process through which need (deficiencies) are translated into behavior. That means, process theories focus on "why" and "how" of motivation, investigating formally into the thinking process through which people choose one action versus another in the workplace. The following theories include Vroom's expectancy theory, Locke's goal setting theory and Adam's equity theory on job motivation, since they can be directly linked to components of the human resource system that are reviewed in profit and nonprofit organizations

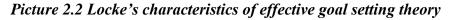
A. Vroom's Expectancy Theory

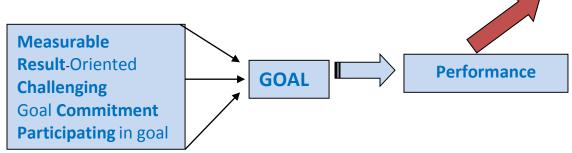
This theory, mostly attributed to Victor Vroom (Vroom, 1964), describes the expectation that work effort leads to certain performance that in turn leads to certain outcomes (first and second level).

The first level refers to an immediate outcome of behavior. For example the immediate outcome is the completion of a hand book on personnel management. The secondary outcome refers to the reward/punishment that the first level outcome is likely to cause, e.g. praise of peers or editor. Human resource systems apply this through transparent appraisal, reward, and promotion systems where cause and consequence are clearly related (Vroom, 1964)

B. Locke's Goal Setting Theory

Of all Motivation Theories, Locke's is probably the one with the biggest impact on contemporary management. Goal setting is the process of motivating employees and clarifying their role perceptions by establishing performance objectives (Locke, 1990). The idea is that goal setting improves the intensity and persistency of efforts and gives staff the assurance that behavior will lead to the desired performance outcomes





Sources: https://www.mindtools.com/pages/article/newHTE_87.htm

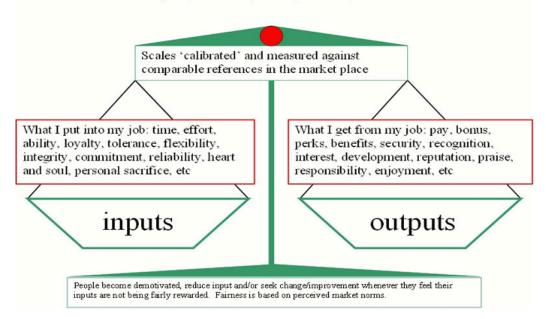
C. Adam's Equity Theory on Job Motivation

According to Adam's Theory, different employees stress different inputs and outcomes as the most important for them. However, all people evaluate their outcomes in a relation to their inputs and judge a fairness of this relation. What is suggested by the theory is the fact that people not only evaluate the equity by comparing the amount of their inputs and outputs but additionally they make social comparisons with other people. They feel that they are not treated fairly if other people receive better outputs for the same job. As was stated before, employees who encounter inequity try to do something to reduce it. The equity theory presents the most common consequences of perceived inequity.

The first and the most common behavior is changing employee's own effort to increase or reduce performance. If it is not possible to solve the problem of unfairness by changing effort then

employee try to cognitively reevaluate outcomes and inputs. That means for example reconsideration of own credentials or effort in a comparison to credentials or effort of a person who was chosen as a referent. The inequity may lead to some dysfunctional reactions such as stealing from employer. Finally, employee may simply decide to withdraw from a company (Pinder, 1998)

Figure: 2.3 Adam's equity theory on job motivation



Adams' Equity Theory diagram - job motivation

Source: http:// www.businessballs.com > leadership/management

In general, although, many theories have been developed and a plenty of research has been conducted, factors that motivates people to perform well at work are still a controversial topic. Many researchers as a starting point for their work in the field of motivation used the most known theories and models of motivation (Kirstein, 2010). For example, Armstrong (2007) in his book about employee reward management summarized those theories in a clear and useful way. According to him, Taylor's theory of motivation to work is related to rewards and penalties which are directly connected to performance. Maslow's concept of hierarchy of needs is less instrumental approach. It defines motivation as a result of peoples unsatisfied needs. Herzberg focused on a distinction between extrinsic and intrinsic motivators. In addition, Armstrong presents modern,

process theories which approach motivation from different perspective. As an example, Vroom's expectancy theory explains that motivation exists only when relationship between performance and outcome is clear and usable. Goal theory emphasizes the role of a feedback and setting goals in relation to motivation and performance. Finally, Equity theory says that people are more motivated if they are treated equally

2.6 Theoretical framework

Motivated employees are very important for an organization to be successful. Fitting HR practices enhance motivational levels and organizational performance, because they influence employee satisfaction in meeting their expectations and encourage high work performance (Ahmedabad, 2005; Daft, 2006). In addition, Schuler and MacMillan (1984) argue that "effective HRM results in an enhanced ability to attract and retain qualified employees who are motivated to perform." When employees are motivated to perform there are many positive effects, like greater profitability, low employee turnover and high product quality. An organization can create competitive advantage over its competitors by using HR practices to improve employee motivation, especially when their employees are less motivated (Schuler & MacMillan, 1984)

2.7 Human resource Management

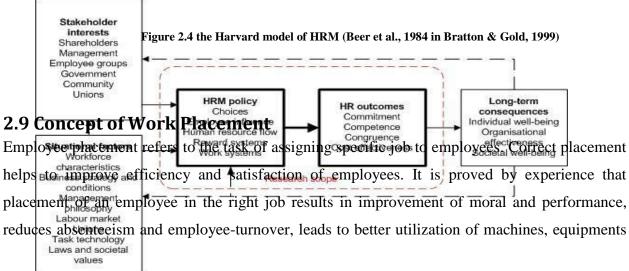
There are many definitions of HRM. One of the first definitions of HRM comes from Graham (1978, in Hiltrop, 1996). According to him 'the purpose of HRM is to ensure that the employees of an organization are used in such a way that the employer obtains the greatest possible benefit from their abilities and the employees obtain both material and psychological rewards from their work' (Graham, 1978 in Hiltrop, 1996)A more recent definition is given by Bratton and Gold (2007): 'HRM is a strategic approach to managing employment relations which emphasizes that leveraging people's capabilities is critical to achieving competitive advantage, this being achieved through a distinctive set of integrated employment policies, programs and practices' (Bratton & Gold, 2007, p. 7 in Senyucel, 2009). The first definition is focused on the advantages for the employer as well as for the employee, while the second is more focused on relationships within the company resulting in advantages for the organization alone. However, regarding both definitions, HRM comprises people oriented management practices, employees who are seen as

assets and creating and maintaining a skillful and committed workforce, which must be used to gain competitive advantage (Senyucel, 2009)

Regarding HRM, two frequently described schools of thought emerged; the soft and hard variants of HRM (Guest, 1987; Storey, 1992; Truss et al., 1997). Approaches in the soft model, also called the Harvard model, intend to increase employees' commitment, quality and flexibility (Truss et al., 1997) via communication, motivation and leadership (Storey, 1987, in Storey, 1992). In the hard approach, the so called Michigan model, employees are used to achieve the organizational goals, just as other resources. Hard HRM is also related to limiting costs and lean production. In practice companies use a combination of hard and soft elements in their HRM strategy (Truss et al., 1997). Because this research aims to make recommendations on HR practices for improving employee motivation, the focus lies on the Harvard model instead of the Michigan model

2.8 The Harvard Model

The Harvard model, developed by Beer et al. (1984), is a broad causal description of the determinants and consequences of HRM policies. Figure 4 shows the different components of this model and how these components are related to each other. Although this model provides a focus and framework for thinking about real-life HRM, Beer et al. (1984) do not provide measurement tools to evaluate the impact of the HRM policies on the organization (Bratton & Gold, 1999). To identify areas where employee motivation can be improved within a company, the research scope must be on the HRM policy and the HR outcomes of the model. Because this model only provides a general overview on HR policies and motivation



and materials and keeps the employee satisfied (Soumya Singh http://www.preservearticles.com). While placing employees on jobs, the requirements of both the organization and the employees should be considered. A good and effective system of follow-up helps to avoid wrong placement. That is, follow-up is a process in which the work of the employee is assessed at frequent intervals and the performance is recorded in his service record (Soumya Singh http://www.preservearticles.com).

This will help the management to locate cases of wrong placement and to take corrective action by way of transfers. On the other hand, supervisors can do much in locating the wrong placements. A proper placement of employee results in; better motivation resulting in better performance, lower rate of absenteeism, lower rate of labor turnover, better utilization of materials and machines, reduced cost of supervision and Keeps the employee satisfied, etc. (Soumya Singh) http://www.preservearticles.com)

2.10 Organizational Policy on Work Placement

Many executives are under the mistaken impression that the level of employee performance on the job is proportional to the size of the employee's compensation package. Although compensation package is one of the extrinsic motivation tool (Ryan and Deci, 2000) it has a limited short term effect on employees' performance. A widely accepted assumption is that better work placement motivates employees and produces better results. Employee placement is often carried out through recruitment & selection and job enlargement & enrichment

2.11 Reasons for Motivating Employees

According to Diamond and Diamond (2010), motivated employees contribute to a positive work environment, affect the moral of those around them, team players, willing (if able) to go the extra mile in a crisis, motivate clients and customers to return, put a friendly face to your good name, care about their company's image and success, self-starters and innovators, have strong personal goals, want to keep their jobs or move within the company, have a healthy work ethic, committed to problem solving and good for business

On the contrary, unmotivated employees do not attract or retain clients, negatively affect the morale of those around them, often quit or get themselves fired at the company's expense, do not

care about the company's image and success, and it shows, call in sick more often than satisfied employees in order to do anything else (and may even become ill from the anxiety of going to a work environment where they feel unappreciated, even mistreated), will "punch out" in the middle of a crisis and may do what is asked of them but will rarely do more (Diamond and Eve, 2010).

2.12 Challenges of Motivating the People

Identifying what motivates each employee is very difficult task for managers. According to Kumar (2012), motivating employees to contribute their best efforts to achieve organizational goals and objectives require that managers make it possible for employees to satisfy their needs by making such contributions. However, this is one of the most challenging tasks for the managers of an organization because they have to first identify the needs that the employees try to satisfy at work. Identifying a list of needs that is both sufficiently comprehensive and workable is not easy. There are no defined rules or guidelines whereby the managers can identify those needs. Moreover, different employees have different needs to satisfy through their work which further complicates the manager's task to identify these needs. It requires a high degree of human skill and creativity on the part of managers to identify them. Then, they have to create conditions and work environment which facilitate the employees to satisfy their needs at the work place. Managers have to be innovative and participative in the approach to create such conditions and work environment. Furthermore, all the needs cannot be satisfied as some of them may be against the interest of the organization as a whole and therefore, must be discouraged, but without de-motivating the employees having such needs which itself is a challenging task (Kumar 2012)

2.13 Earlier Research Results on Job Placement and Work Motivation

A few researchers have tried to investigate the differences in the motivation of core and support (administrative) employees. For instance, Kusku (2003), find out the existence of difference between the satisfaction level of academic and administrative staff members in higher education institutions in Turkey. Most specifically, the research emphasizes the differences in the satisfaction level between core and support staff members in the areas of colleague relation satisfaction, colleague's competition level satisfaction, other work group satisfaction, work environment satisfaction and salary satisfaction

R.Lindner (1998), conducted a survey topic "Understanding employees motivation" and it tells us that highest motivation through interesting work and good wages. From this, we conclude that if an organization assign employee on their interesting working area then employees will be more motivated

In addition, Rutherford (2005), identifies that different factors are very important for better performance of any company; but effective and efficient organization is depends upon the employees' motivation. Motivation is a factor which has influence on organization performance and effectiveness. So it is important for every management to understand how organization influence the motivation of their individual employees

Similarly, Ali and Ahmed (2009) conducted a study on employee motivation by using De Beer (1987) model of work satisfaction and motivation. Hence, the independent variables taken are work content, payment, promotion, recognition, working condition, benefits, and leadership or supervision. From the study we understand that, there is positive and significant relationship between work content and working condition (which has directly related with employee place of assignment) and employee satisfaction

Generally, the aforementioned research studies indicate that benefit; promotion, recognition, working condition, empowerment, autonomy and challenging tasks are taken as frequently cited factors for evaluating employee motivation. Therefore, to some extent the entire previous research undertakings underscored that there is a significant relationship between employee work placement and their motivation.

2.14 Conceptual Framework

After careful study of literature review, the following conceptual model is formulated (See figure below) to illustrate association of employee motivation with various variables. Motivational orientation can be quantified with the help of its variables (work content, payment, promotion, recognition, working conditions, benefits, and supervisor) (Sharma and Sharma, 2011). Hence, the following conceptual framework is constructed and tested in this study

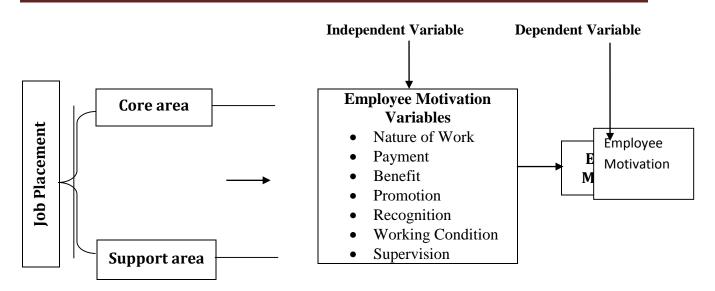


Figure: 2.5 Conceptual Model Formulated

2.14.1 Dimensions of Job Satisfaction Impacting on Motivation

According to Sharma and Sharma (2011), there are about nine variables (Pay, Work Content, Promotion, Working Condition, Supervision, Recognition, General, Benefits and Personal) of which the following are identified for the purpose of this research paper

A. Payment

Salaries do play a significant role in determining job satisfaction. Pay is an instrument in fulfilling so many needs. Money facilitates the obtaining of food, shelter, and clothing and provides the means to enjoy valued leisure interest outside of work. Moreover, pay can serve as symbol of achievement and a source of recognition. Employees often see pay as a reflection of organization. Fringe benefits have not been found to have strong influence on job satisfaction as salaries do (Sharma and Sharma, 2011).

B. The Content of Work

Along with pay, the content of the work itself plays a very major role in determining how satisfied employees are with their jobs. By and large, employees want jobs that are challenging; they do want to be doing mindless jobs day after day. The two most important aspect of the work itself that influence job satisfaction are variety and control over work methods and work place. In general, jobs with a moderate amount of variety produce the most job satisfaction. Jobs with too

little variety cause employees to feel bored and fatigue. Jobs with too much variety and stimulation on the other hand cause workers to feel psychologically stressed and "burnout" (Sharma and Sharma, 2011).

C. Promotion

Promotional opportunities have a moderate impact on job satisfaction. A promotion to a higher level in an organization typically involves positive changes, supervision, job content and pay. Jobs that are at the higher level of an organization usually provide employees with more freedom, more challenging work assignments and high salary (Sharma and Sharma 2011)

D. Supervision

Two dimensions of supervisor styles are there that are being followed in an organization (Sharma and Sharma (2011)

- 1. Employee centered or consideration supervisors who establish a supportive personal relationship with subordinates and take a personal interest in them
- The other dimension of supervisory style influence participation in decision making, employee who participates in decision that affect their job, display a much higher level of satisfaction with supervisor and overall work situation

E. Working Condition/Environment

Definitions of the work environment vary. They include health and safety in the physical work environment (De Greef and Van den Broek, 2004, cited in Azasu, 2012), the physical layout of the workplace and employees'' emotional/psychological experience of the workplace The latter includes employee involvement in decision making, extent of and promotion of and respect for diversity, encouragement of a balance between life and work, as well as organizational culture. As quoted in the works of Azasu (2012), Gherson and Todd pointed out that the right work environment promotes effective decision making as well as creating avenues for employees to make meaningful contributions. It also creates an atmosphere in which employees are valued for

their different skills, abilities and perspectives. That would also then include performance appraisal and feedback schemes. The right work environment promotes a good balance between work and life, an element that has been shown to serve as an important motivator for older workers. The right work environment would also offer non-financial recognition to its employees, making it "a great place to work" (Ibid, 460). The employees desire good working condition because they lead to greater physical comfort. The working conditions are important to employees because that can influence life outside of work. If people are require working for long hours and / or overtime, they will have very little felt for their families, friends and recreation outside work

F. Recognition

Recognition indicates assigning the employees with new roles and responsibilities as per their experience and willingness to perform that task (Sharma and Sharma, 2011). These authors assert that recognition needs to be given regularly and frequently, but it also needs to be warranted and genuine. Constant recognition for trivial achievements will come across as insincere and patronizing, and will undermine the impact of true recognition

G. Benefits

Benefits include both monetary and non-monetary reimbursements to the employees such as pension benefits, medical benefits etc. Armstrong (2007) defines benefits as indirect pay and includes pensions, sick pay, various types of loans, insurance, company cars and annual vacation. Beardwell and Holden (1997) cite a number of reasons for firms" use of benefits. As Azasu (2012), most fringe benefits are tax-exempt and mutually beneficial to both the employer and especially the highly paid employee. Firms also enjoy economies of scale in providing them. Benefits like company cars for sales representatives and special clothes are necessary for employees in discharging their duties. More importantly, benefits can also serve as an important retention tool; pension rights as a seniority benefit serve as a deterrent since it imposes large economic costs on employees who quit early Beardwell and Holden (1997).

Beardwell and Holden (1997, cited in Azasu, 2012) also identify "cafeteria benefits", which entail allocating the employee a budget to spend on a menu of selected benefits. Employees are given

the freedom to choose the specific benefit items they prefer and the precise balance between benefits and cash. The advantage is to ensure benefits are sufficiently customized to meet employee needs in order to increase retention as well as motivate them. This approach to benefit administration recognizes that all employees are not alike; it is therefore imperative to allow some degree of flexibility in benefit administration to ensure motivation. One potential problem with such schemes could be costs of administration due to loss of economies of scale (Beardwell and Holden, 1997).

2.15 Empirical Concepts on Employees Motivation

If any person has to come up with the question that is there any need for employees motivation? The answer to this type of question of-course should be simple-the basic survival of every organization be it public or private limited before, today and in the foreseeable future lies in how well its work force is motivated to meet the objectives of the organization. This explains why the human resource department in today's organization is became a focus of its core functions. I think that motivated employees are needed in this rapidly Business world where the principal-agent conflict is the issue confronting most managers. Most organizations now consider their human resources as their most valuable assets (a strategic or competitive advantage). Therefore, in order to effectively and efficiently utilize this strategic asset, I believe managers and the organization as a whole, must be able and willing to understand and hopefully provide the factors that motivate its employees are the cause of high productivity levels and hence higher profits for the organization. Having noted this rationale the next question one may ask is what factors motivate today's employees'?

According to Wiley (1997, p265) at some point during our lives, virtually every person may have to work. He claims that working is such a common phenomenon that the question "what motivates people to work is seldom asked. Wiley went on to say that "we are much more likely to wonder why people climb mountains or commit suicide than to question the motivational basis of their

work". Therefore, exploring the altitudes that employees hold concerning factors that motivate them to work is important to creating an environment that encourages employee motivation

From the much amount of literature available on employee motivation, it is clearly evident that a lot of surveys regarding employees and what motivates them have been undertaking. These employee motivation surveys have been conducted in many different job situations, among different categories of employees using different research methods and applications. One of the very first survey to be conducted was on industrial workers by (Hershey &Blanchard, 1969) over the years, similar or different survey employees have been carried out see (Kovach, 1987, 1993) (Wiley, 1995), (Lindner, 1998, 1999)

According to a research carried out by Kovach on industrial employees who were asked to rank ten "job rewards" factors based on personal preferences where the value 1 represented most preferred and 10 being the least preferred. The results were as follows (1) full appreciation of work done (2) feeling of being (3) sympathetic help with personal problems(4) job security (5) Good wages and salaries (6) interesting work (7) promotion & Growth (8)employees loyalty (9) Good working conditions (10) tactful discipline

During the periods of (1946, 1981 & 1986) when employee surveys were carried out supervisors were at the time asked to rank job rewards, as they taught employees would rank them. The rankings by the supervisors were relatively consistent for each of the years. These rankings were as follows: (1) Good wages (2) Job security (3) promotion and Growth (4)working conditions (5) interesting work (6) personal loyalty to employees (7) tactful discipline (8) full appreciation (9) sympathetic help with personal problems (10) recognition (Kovach 1987 p.49-54)

The results from the supervisor survey indicated that their ranking had not changed over the study period with regards their collective perception of factors that motivate employees. This shows that they had a very inaccurate perception of what motivates employees but also that they did not realize the importance of the need theory

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

Research methodology is the philosophy or general principle which will guide the research (Dawson, 2002) whereas decisions regarding what, where, when, how much, by what means concerning an inquiry or a research study constitute a research design (Kothari, 2004). Thus, this section presents research approach to be followed in the study. The research design, sampling technique, data sources, and data analysis are discussed

3.2 Research Design

The study was made to examine the practice of employee motivation of private commercial banks in Ethiopia. It is a comparative study conducted on employees of two groups, core and

support employees. As such an assessment was made to measure how various variables motivate employees in core and support area in the industry. Therefore, this study provides a benchmark for banks to find out where they are standing in terms of motivation of their employee in both groups

3.3 Population of the Study

The study was undertaken in eight different private commercial banks that joined the industry in a relatively different time and operating for more than five years. On top of this, the researcher focus on two main categories of departments' employees – basic core department employees (expert working in the Credit Operation, International banking Operation and Branch Operation Department) and basic support department (expert working in the Human Resource Management, Planning & Business Development, Accounting & Finance, Information Technology and Legal Service Department) at their headquarters. Hence, the total number of experts working in selected departments at headquarters constituted the population of the study

3.4 Sampling Technique

There are several ways in which potential participants can be selected for inclusion in a research study. The manner in which participants are selected is determined by several factors, including the research question being investigated, the research design being used, and the availability of appropriate numbers and types of study participants (Marczyk, DeMatteo, and Festinger 2005)

Currently, there are eighteen commercial banks in the country (<u>http://www.nbe.gov.et</u>). An attempt was made to collect data from all the private commercial banks which have entered the industry at various periods in order to ensure the representation of the banks. However, those banks that join the industry in the last five years excluded because the researcher believed that these banks have less experiences and it would take a bit long time to evaluate the motivational level of employees. The researcher is interested in considering private banks since they are operating under the similar ownership status and similar political, economic, and social environments. In addition, the private banks operate to serve the interest of their shareholders in general and they have the same motive.

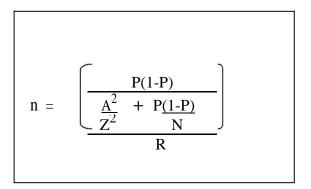
Accordingly, Awash International Bank Share Company (AIB), Wegagen Bank Share Company (WB), United Bank Share Company (UB), Nib International Bank Share Company (NIB), Dashen Bank Share Company (DB), Cooperative Bank of Oromia Share Company (CBO), Lion International Bank Share Company (LIB), and Oromia International Bank Share Company (OIB) were selected for the study. This was followed by selecting the basic core operational, units of the bank which are International Banking, Credit Management and Domestic Banking, and basic support department which are Human Resource Management, Planning & Business Development, and Accounting & Finance. Other departments were not included in the study due to unavailability of time and financial resources. For a clear picture of how the sample size was reached look at the table below

Department			Ban	ks					
Total									
	AIB	WB	DB 1	UB N	IB I	LIB	CBO	OIB	
Credit Management	18	30	30	24	35	17	13	39	206
International Banking	34	21	28	29	37	30	21	45	245
Domestic Banking	20	17	16	14	10	9	6	17	109
Human Resource Management	10	13	19	16	19	15	12	28	132
Planning & Business Developmen	nt 11	6	19	13	11	. 14	8	6	88
Accounting & Finance	35	20	31	29	23	29	35	32	234
Total	128	107	143	125	135	114	95	167	1014

Table 3.1: Sample size and sample frame

Source: Survey questionnaire, 2015

This information was obtained after getting the list of employees in these departments from the Human Resource Management department of the eight banks. Based on the population size the sample was determined using the following formula



Source: Pennstate cooperative extension

Where:

- n = sample size required
- N =number of people in the population =1014
- P =estimated variance in population, as decimal = 0.3 for 70-30 variance which population with moderate variance
- A = precision desired expressed as decimal 0.05 for 5%
- Z = based on the confidence level 1.96 for 95% confidence
- R= estimated response rate as decimal

Accordingly, the sample size was calculated to be 180 employees. On top of this, the data were obtained from all of the selected banks with response rate 89.4%. The following table shows the respond rate of the participant:

Banks	Sample Taken	Responded	Respond rate (%)
Awash International Banks S.C	22	17	77
Wegagen Bank S.C	22	20	91
Dashen Bank S.C	23	21	91
Nib International Bank S.C	23	22	96
United Bank S.C	22	19	86

Table: 3.2: Participants response rate

Lion International Bank S.C	22	21	95
Cooperative Bank of Oromia S.C	23	20	87
Oromia International Bank S.C	23	21	91
Total	180	161	89.4

Source: Survey questionnaire, 2015

3.5 Method of Data Collection

To undertake the study, primary data was collected from the participants using close-ended structured questionnaires (see Appendix). DeBeer's (1987, cited in Sharma and Sharma, 2011) structured questionnaire, for work satisfaction and motivation with a five point Laker scale was used to collect data.

The tool has been widely used by various researchers for studying employee motivation. For example, Sharma and Sharma (2011) used this well-known questionnaire in studying "Motivational orientation of employees in Nationalized Banks at Agartala". The tool was administered individually, with minor modifications, to all selected respondents

The inferential statistics tools like Pearson Product Moment Correlation was used to determine the relationship between different variables of motivation (payment, benefit, promotion, recognition, work content, working condition and supervisor/leadership) with employee motivation. In addition, independent-samples t-tests was used to compare the mean scores of two different groups (motivational dimensions of core and support employees) to check if there were significant mean difference in their motivation. The report was presented using table, graph and a detailed explanation on the findings

3.6 Reliability and Validity

The instrument was tasted for their reliability using the Cronbach's Alpha reliability test. This is commonly used as a measure of the internal consistency or reliability of psychometric test score for a sample of examinees. Coefficient of .90 or greater are nearly always acceptable, .80 or greater is most situations and .70 may be appropriate in some explanatory studies for some induces. By tracing this literature the researcher tested the reliability of the items which were developed for respondents. Therefore, the following table shows the reliability of the study

	Table 5.5 Case Trocessing Summary										
	Case	Number	Percentage (%)								
	Valid	161	100								
	Excluded*	0	0								
	Total	161	100.0								
*list wise deletion based on all variables in the procedure											

Table 3.3 Case Processing Summary

Source: Survey questionnaire, 2015

Table	Table 3.4 Reliability Statistics								
Cronbach's Alpha		Cronbach's Alpha Based	N of						
		on Standardized Items	Items						
.910		.910	56						
	7								

Source: Survey questionnaire, 2015

Thus, according to reliability statistics, Cronbach''s Alpha coefficient in Table 3.4 is 0.910 which is acceptable. On the other hands, to appraise the validity of the instrument, the questionnaire was given to the advisor of this research and approved before distributing to the respondents. Moreover, this questionnaire is used by researchers like Roshan Levina Roberts, (2005) at university of the Western Cape, South Africa, and Reena Ali and M. Shakil Ahmed, Kali Mullah Kahan, Syed Umer Farooq and Muhammed Imran Ullah at Lahor University at Pakista

3.7 Method of Data Analysis and Presentation

In analyzing the data collected, Statistical Software for Social Sciences (SPSS) was used. In this study, both descriptive and inferential statistical tools were used to measure the variables. The descriptive statistics was used for frequency tables to provide information on key demographic variables, as well as the means and standard deviations for the response on the Work Motivation and Satisfaction Questionnaire

CHAPTER FOUR

RESULTS AND DISCUSSSIONS

4.1 Introduction

In this section, Statistical Package for the Social Sciences (SPSS) version 20 was used for the purpose of analysis and presentation of results. Descriptive statistics based on frequency tables were used to provide information on demographic variables. For the purposes of this study, the Pearson Product-Moment Correlation Coefficient was used to determine the relationship between independent variables (payment, promotion, benefits, and recognition, working condition, work content and Supervision) and dependent variable (employee work motivation) to test the hypotheses and interpret the result for of eight private commercial banks in Ethiopia. In addition, independent-samples t-tests were used to compare the mean scores of two different groups of employees (core process employees and support process employees of those banks) based on the job placement and motivation variables mentioned above

In this study, a total of 180 questionnaires were distributed to the respondents of eight private commercial banks out of which 161(with the response rate of 89%) were returned. The following table shows the banks the respondents participate in this study

	Table 4.1 Frequency d	istributions of rea	spondents and their res	spective banks
Bank	Frequency	Percent	Valid Percent	Cumulative Percent
AIB	17	10.6	10.6	10.6
OIB	21	13.0	13.0	23.6
NIB	22	13.7	13.7	37.3
DB	21	13.0	13.0	50.3
WB	20	12.4	12.4	62.7
CBO	20	12.4	12.4	75.2
LIB	21	13.0	13.0	88.2
UB	19	11.8	11.8	100.0
Total	161	100.0	100.0	

Source: Survey questionnaire, 2015

4.2 Demography of Respondents

In this section the demography of respondents is presented. As such, it includes the respondent's gender, age, educational level, working department and year of service

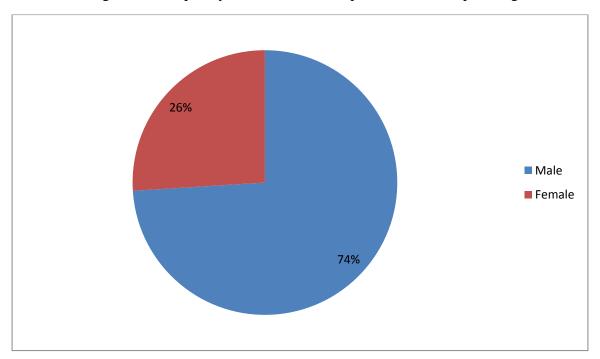
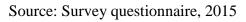


Figure 4.1 Frequency distributions of respondents with respect of gender



As indicate in Figure 4.1 above, the number of male respondents is 119(74%) and the remaining 42(26%) are female. The majority of the respondents are male reflecting the real context of gender distributions in the commercial banks in the country

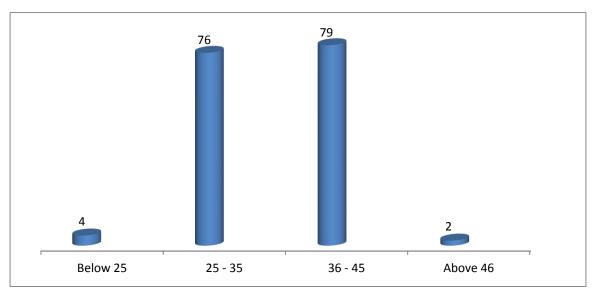


Figure 4.2 Frequency distribution of respondents' age

Source: Survey questionnaire, 2015

The age of participants were divided into four groups. Figure 4.2 above indicates that majority of the sample 79(49%) were of age between 36 to 45 years old while only 2(1%) of the sample is above 46 years old and the rest 4(3%) were below 25 years old, 47% of the respondents are between 25 to 35 years old. This indicates that majority of the employees participated in the study are at middle age and can be more productive if motivated properly

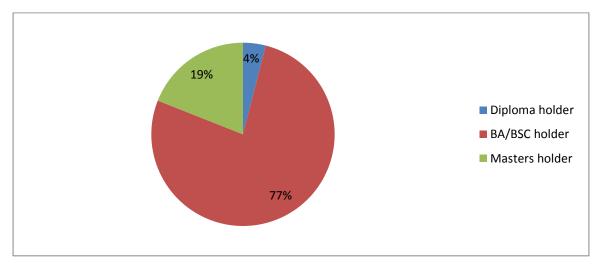
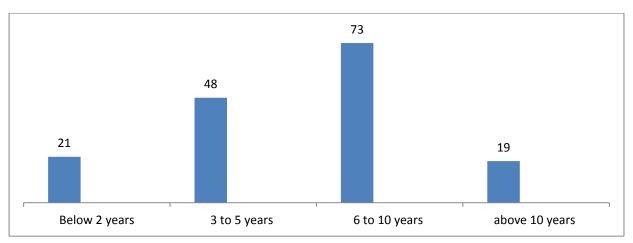
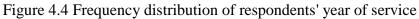


Figure 4.3 Frequency distribution of respondents' educational background

Source: Survey questionnaire, 2015

As shown in Figure 4.3 above, the respondents' educational qualification was categorized into three groups with the majority of 124 (77%) being holders of first degree in their respective field of studies. The remaining 31(19%) and 6(4%) of the respondents are second degree and diploma holders respectively





Source: Survey questionnaire, 2015

Pursuant to Figure 4.4, about 21(13%) of the respondents have work experiences of less than 2 years, 48(30%) of the respondents have work experience of between 3 to 5 years, 73(45%) of the employees have 6 to 10 years of work experience and the rest have above 10 years of work experience. This indicates that the majority of the respondents are sound work experiences if they are well motivated

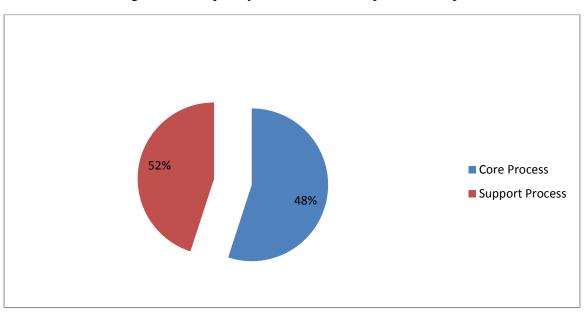


Figure 4.5 Frequency distribution of respondents' department

Source: Survey questionnaire, 2015

In line with Figure 4.5 above, more than 50% of the participants are working in support processes of the banks while 48% of the respondents were working at core process

4.3 Job Placement and Employee Motivation

Table 4.2 shows the arithmetic means and standard deviations of independent and dependent variables of eight private banks under study

	1							1	· ·						1	
VARAIBLE	A	IB	0	IB	N	IB	E	B	W	/B	CI	30	LI	B	UB	
	Х	Y	Х	Y	Х	Y	Х	Y	Х	Y	X	Y	X	Y	Х	Y
Work Content	4.05	0.42	3.58	0.55	3.92	0.36	3.94	.46	3.52	.61	3.58	.54	3.80	0.43	3.80	0.25
Working Condition	3.87	0.50	3.53	0.61	3.61	0.51	3.91	.56	3.51	0.57	3.64	.80	3.77	.61	3.67	0.33
Payment	3.70	.37	3.29	0.71	3.32	0.69	3.22	065	2.59	0.74	3.14	.80	3.23	.56	3.62	.50
Benefit	3.72	.39	3.24	.79	3.58	.58	3.65	.68	3.07	.61	3.34	.72	3.23	.59	3.68	.44
Promotion	3.70	.60	2.83	.93	3.17	1.05	2.98	1.07	2.38	.95	3.01	1.00	2.68	.90	3.30	.66
Recognition	3.54	.67	3.11	.97	3.35	.84	3.58	.91	3.01	.89	2.86	1.11	3.29	1.19	3.46	.64

 Table 4.2 Descriptive statistics of employee work motivation

Supervision	3.80	.63	3.76	.58	3.89	.68	4.14	1.96	3.47	.63	3.19	1.10	3.61	.81	3.98	.31
Motivation	3.32	.61	3.45	.96	3.34	.64	3.40	.98	2.60	1.21	3.15	1.06	3.38	.79	3.66	.69
X = Mean	$\mathbf{Y} = \mathbf{Sta}$	andard]	Deviatio	on												

Source: Survey questionnaire, 2015

Descriptive statistics in the form of arithmetic means and standard deviations for the independent variables and dependent variable for the respondents were computed and presented in Table 4.2 above with respect to the dimensions of work motivation assessed by the work motivation and satisfaction questionnaire

According to the data presented in Table 4.2, the mean scores for payment (3.70), benefit (3.72) and promotion (3.70) are above 3 in AIB. Since 3 is the mid-scale, it can be concluded that employees in AIB are satisfied. The mean score of promotion and payment variables are below 3 (2.38 and 2.59) respectively in WB indicating that employees in WB do not see the chance for promotion as satisfying and demotivated for what they earned from the bank. Likewise, mean scores of payment and promotion are 3.22 and 2.98 respectively indicating that employees in DB satisfied with the amount of financial compensation that they get from the bank however not enjoy with the chance for promotion to the higher managerial hierarchy since mean score of the former is greater and the latter is less than the mid-scale. In the same way, the mean scores of payment (3.14), promotion (3.01) and benefit (3.34), are more than 3 and shows employees of CBO satisfied with these variables while recognition (2.86) is less than 3 implies they are unsatisfied with the way they recognized by the employer for their good work. In OIB, the mean score for payment (3.29), benefit (3.24), promotion (2.83) and recognition (3.11), supervision (3.76) indicates that the bank's employees satisfied with all variables except promotion which its mid-scale is below 3

To this end, one can conclude that employees in OIB, WB, DB, and LIB are not satisfied in the presence of the chance for promotion. In addition to promotion employees in WB have expressed their dissatisfaction in the amount of financial compensation they received from their employers. Meanwhile, employees in CBO have further expressed their dissatisfaction to the chance for being recognized for their contribution in their daily business activities to the bank

4.4 Correlation

Correlation analysis provides insight into the extent to which variables are associated, and whether they are positively or negatively associated. The strength of the association is indicated by an r value, or correlation coefficient, which ranges between -1 and 1. A perfect negative relationship is denoted by a correlation coefficient of -1, and a perfect positive relationship by 1. A positive

relationship indicates that the values of one variable increase as those of the other variable increase, and vice versa. For a negative relationship the opposite is true (Sham, 2002). A significant relationship is denoted by a p-value smaller than or equal to 0.05 (StatSoft, 2002)

On the top of this, the Pearson's Product Moment Correlation Coefficient was computed for the purpose of determining the relationship between variables in private commercial banks. In order to obtain the relationship between the variables (Payment, promotion, benefits, recognition, work content, working condition and supervision) with that of employee motivation correlation were computed and presented below

BANKS	EMPLOYEE				VARIAE	BLES		
	WORK MOTIVATION	WORK CONTENT	WORKING CONDITION	PAYMENT	BENEFIT	PROMOTION	RECOGINITION	SUPERVISION
AIB	Pearson Correlation	296	.241	.702**	.151	.676**	.447	.864*
	Sig. (2-tailed)	.248	.351	.002	.562	.003	.072	.000
OIB	Pearson Correlation	.338	.174	.176	.012	.414	.581**	.698**
	Sig. (2-tailed)	.146	.479	.445	.958	.062	.006	.000
NIB	Pearson Correlation	.118	.545*	093	.152	210	.475*	048
	Sig. (2-tailed)	.599	087	.680	.501	.348	.026	.834
DB	Pearson Correlation	.171	.504*	093	.505*	.506*	.757**	.351
	Sig. (2-tailed)	.458	.020	.689	.020	.019	.000	.119
WB	Pearson Correlation	.331	.227	.523*	.343	.372	.444*	492*
	Sig. (2-tailed)	.154	.237	.018	.139	.106	.050	.028
СВО	Pearson Correlation	.508*	.209	.270	.599* *	.589**	.652**	.840**
	Sig. (2-tailed)	.022	.377	.250	.005	.006	.002	.000

Table 4.3 Correlation of Work Content, Working Condition, Payment, Benefits, Promotion, Recognition and Supervision with Employee Motivation

LIB	Pearson Correlation	.575	.240	.311	.146	.467*	.077	.736**
	Sig. (2-tailed)	.006	.295	.171	.528	.033	.739	.000
UB	Pearson Correlation	.117	.439	067	427	.198	.569*	.323
	Sig. (2-tailed)	.634	.067	.785	.069	.416	.011	.177
** Corre	elation is significant	at the 0.01 leve	el (2 tailed)	1	11			1
* Correla	ation is significant a	t the 0.05 level	(2 tailed)					

Source: Survey questionnaire, 2015

H1: Payment is correlated positively and significantly with work motivation

Table 4.3 shows that payment is significantly and positively correlated with employee work motivation and hypothesized in AIB(r=.702, P<0.01), WB(r=.523, P<0.05), LIB(r=.311, P<0.01), CBO(r=270, P<0.01) and OIB (r=.445, P<0.05). Hence, the null hypothesis is rejected. It means that increase or decrease in payment will bring corresponding change in employee work motivation however, payment is a significantly and negatively correlated with employee work motivation in NIB, UB and UB, it implies that the hypothesis is rejected

H2: Benefit is correlated positively and significantly with work motivation

Result reported in the above table shows that benefit is also significantly and positively correlated with work motivation of the employees except in UB bank which is a significantly and negatively correlated (r= -.427, p<0.05) which reject by hypothesis and inverse relationship and (r=.562, P<0.01) in AIB, (r=958, P<0.05) in OIB, (r=.501 P<0.05) in NIB, (r=.689, P<0.01) in DB, (r=.343, P<0.01) in WB, (r=.599, P<0.01) in CBO, (r=.528, P<0.05) in LIB and which support the hypothesis that benefit is positively and significantly correlated with employee work motivation rejecting the null hypothesis. This indicates that both benefit and employee work motivation has direct relationship

H3: Promotional opportunities are correlated positively and significantly with work motivation

According to the result in Table 4.3, promotional opportunity is also correlated positively and significantly with employee motivation and it plays very important role in employee work motivation. As can be seen in the above table (r=.676, P<0.01) in AIB, (r=.372, P<0.01) in WB, (r=.506, P<0.05) in DB, (r=.416, P<0.01) in UB, (r=.506, P<0.01) in DB, (r=.589, P<0.01) in CBO and (r=.414, P<0.01) in OIB, (r=467,P<0.01) in LIB and so that the null hypothesis is rejected. This implies that promotional opportunity has strong relationship with employee motivation in both companies while promotion is significant and inverse relationship with employee motivation in NIB (r=-.210, p<0.05) which implies indirect relationship

H4: Recognition is correlated positively and significantly with work motivation

A statistically significant and positive correlation was also observed between recognition and work motivation (r=.447, P<0.05) in AIB, (r=.444, P<0.05) in WB, (r=.757, P<0.01) in DB, (r=.475, P<0.01) in NIB, (r=.652, P<0.05) in CBO and (r=.581, P<0.01) in OIB, rejecting the null hypothesis. As a result, one can conclude that recognition and employee motivation have positive relationship. On the other hand, though there is a positive relationship between the chance for recognition and employee work motivation in UB and NIB, the association is not significant (r = .569, p>.05) and (r=.475, r>.05) in UB and NIB, respectively

H5: Work content is correlated positively and significantly with work motivation

Work content is significant and negative relationship with work motivation in AIB (r=.296,p<0.05) Hence, as indicated in the table 4.3 above, work content has a positive and significant relationship with work motivation with coefficient (r=.331, P<0.05) in WB, (r=.171, P<0.01) in DB, (r=.118, P<0.05) in NIB, (r=.117, P<0.01) in UB, (r=.575, P<0.05) in LIB, (r=.508, P<0.05) in CBO and (r=.388, P<0.05) in OIB and hence the null hypothesis is rejected

H6: Working condition is correlated positively and significantly with work motivation

A statistically significant and positive correlation was also observed between working condition and work motivation as hypothesized (r=.241 P<0.05) in AIB, (r=.504, P<0.05) in DB, (r=.439, P<0.05) in UB, (r=.240, P<0.01) in LIB, (r=.209 P<0.01) in CBO and (r=.174, P<0.01) in OIB and the null hypothesis is rejected. On the other hands, working condition and employee work motivation is significant and inverse relationship with work motivation in NIB (r=-.087, P<0.05) which implies the hypothesis rejected

H7: Supervision is correlated positively and significantly with work motivation

Result reported in the table 4.3 above showed that supervision is also positively and significantly correlated with work motivation of the employees (r=.864, P<0.05) in AIB, (r=.834, P<0.01), (r=.736, P<0.01) in LIB, (r=.840, P<0.01) in CBO and (r=.698, P<0.01) in OIB,(r=.351,p<0.01) in DB, (r=.492, P<0.05) and (r=.323,P<0.01) which support the hypothesis that supervision is significantly related with employee work motivation, rejecting the null hypothesis. It means, change in supervision style results in change in work motivation. However, supervision is a significant and negative relationship with employee work motivation in NIB (r=-.048, P<0.05) and demonstrates that the hypothesis is rejected

Generally, recognition is significantly and positively correlated with employee work motivation in all banks. However, except in AIB which is significant and negative relationship, work content,

is significant and positive relationship with employee work motivation in all banks, payment is also significant and inverse relationship in UB, DB and NIB and significant and positive relationship in rest banks, promotion and supervision are significant and negative relationship with employee work motivation in NIB while significantly and positively correlated in AIB, OIB, DB, WB, CBO, LIB and UB. In addition to payment, benefit is significantly and negatively correlated in UB while significant and positive correlation observed in AIB, OIB, DB, WB, CBO, LIB, and NIB as hypothesized and resulting in the rejection of all null hypotheses

Table 4.4 Correlation of Job Placement (Core and Support Process) with Employee Work Motivation

JOB PLACEMENT	EMPLOYEE WORK	MOTIVATIONAL VARIABLES									
	MOTIVATION	WORK CONTENT	WORKING CONDITION	PAYMENT	BENEFIT	PROMOTION	RECOGNITION	SUPERVISION			
CORE PROCESS	Pearson Correlation	.493**	.288*	.359**	.448**	.564**	.635**	.655**			
	Sig. (2-tailed)	.000	.011	.001	.000	.000	.000	.000			
	N	78	78	78	78	78	78	78			
SUPPORT PROCESS	Pearson Correlation	.148	.280*	.223*	.129	.262*	.403**	.399**			
	Sig. (2-tailed)	.180	.010	.042	.246	.017	.000	.000			
	N	83	83	83	83	83	83	83			
** Correlation	is significant at the	0.01 level (2-	-tailed)								
*Correlation is	significant at the 0	.05 level (2-ta	iled)								

Source: Survey questionnaire, 2015

H8: Employee job placement at core process is correlated positively and significantly with work motivation

As indicated in the table 4.4 above, job placement of core process has a positive and significant relationship with employee work motivation as hypothesized. Accordingly, the result for core process with coefficient of work content (r=.493, P<0.01), working condition (r=.288, P<0.05), payment (r=.359, P<0.01), benefits (r=.448 P<0.01), promotion (r=564, p<0.01), recognition (r=.635, P<0.01) and supervision (r=.655, P<0.01)

H9: Employee job placement at support process is correlated positively and significantly with work motivation

Table 4.4 implies that, job placement of support process has a positive and significant relationship with employee work motivation and hypothesized with the coefficient of work content (r=.223, P<0.01), payment (r=.246, P<0.05), benefits (r=.262, P<0.01), promotion (r=403, p<0.01), recognition (r=.399, P<0.01), supervision (r=180, P<0.01) and working condition there is no significant relation with motivation (r=.280, P>0.05). To conclude, both placement and motivation are directly proportional; as placement is favorable or unfavorable and so does the employee motivation

4.5 Independent Sample T-Test

An independent-samples t-test is used to compare the mean score for two different groups (core and support process) to investigate if there is a significance difference between the mean scores of the employees working in two groups

Table 4.5 Significance of difference in mean score of Work Content of Core and Support employee group

DEPARTMENT	Ν	MEAN	Std. Deviation	Std. Error Mean
CORE PROCESS	78	3.7134	.45912	.05199
SUPPORT PROCESS	83	3.8228	.51499	.05653

Group Statistics

Independent Sample Test

	Levene's Equality Variance	of	t-test for Equality of Means						
Construct	F	Sig.	t df Sig.(2 Mean Std. 95% Conf tailed difference Error Interval o Difference Difference					l of the	
								Lower	Upper
Equal variances assumed	.603	.439	1.419	159	.158	.10940	.07707	.26161	.04282

Equal variances not assumed	1.424	158.569	.156	.10940	.07680	.26107	.04228		
Source: Survey questionneire 2015									

Source: Survey questionnaire, 2015

As indicated in the table 4.5 above, the Sig. (2-tailed) value is .158. Since this value is over the required cut-off point of 0.05, it can be concluded that there is no statistically significant difference in the mean work content scores for core and support process employee. This implies that the mean score for both groups of employee are different. This indicates that the average work content score in core process is less than that of support process

Table 4.6 Significance of difference in mean score of Working Condition of Core and Support employee group

Group Statistics

DEPARTMENT	Ν	MEAN	Std. Deviation	Std. Error Mean
CORE PROCESS	78	3.6667	.62889	.07121
SUPPORT PROCESS	83	3.7060	.51261	.05627

Independent Sample Test

	Levene's Equality Variance		t-test for Equality of Means							
Construct	F	Sig.						Interva	95% Confidence Interval of the Difference	
								Lower	Upper	
Equal variances assumed	1.509	.221	.436	159	.663	.03936	.09018	21747	.13876	
Equal variances not assumed			.434	148.727	.665	.03936	.09075	21869	.13998	

Source: Survey questionnaire, 2015

As indicated in the table 4.6 above, the Sig. (2-tailed) value is .663. Since this value is above the required cut-off point of 0.05, it can be concluded that there is not statistically significant difference in the mean working condition scores for core and support process employee. This implies that the mean score of support employees is greater than that of core

Table 4.7 Significance of difference in mean score of Payment of Core and Support employee group

Group Statistics

DEPARTMENT	N	MEAN	Std. Deviation	Std. Error Mean
CORE PROCESS	78	3.2026	.73802	.08356
SUPPORT PROCESS	83	3.3012	.67109	.07366

Independent Sample Test

	Levene's Equality Variance	of	t-test for Equality of Means						
Construct	F	Sig.	t	df	Sig.(2 tailed	Mean difference	Std. Error Difference	Interva Diffe	nfidence al of the rence
Equal variances	.822	.366	888	159	.376	09864	.11107	Lower 31800	Upper .12071
assumed	.022	.500	000	157	.570	07004	.11107	51000	.12071
Equal variances not assumed			885	155.176	.377	09864	.11140	31869	.12141

Source: Survey questionnaire, 2015

As indicated in the Table 4.7 above, the Sig. (2-tailed) value is .376. Since this value is above the required cut-off point of 0.05, it can be concluded that there is not a statistically significant difference in the mean payment scores for core and support process employee. This implies that the mean score for both groups of employee are similar

Table 4.8 Significance of difference in mean score of Benefits of Core and Support employee group

Group Statistics

DEPARTMENT	Ν	MEAN	Std. Deviation	Std. Error Mean
CORE PROCESS	78	3.3535	.73341	.08304

83	3.5077	.55069	.06045
	×	83 3.5077	83 3.5077 .55069

Independent Sample Test

	Levene's Equality Variance	of	t-test for Equality of Means						
Construct	F	Sig.	t	df	Sig.(2 tailed	Mean difference	Std. Error Difference	Interva	nfidence al of the rence
								Lower	Upper
Equal variances assumed	7.468	.007	-1.515	159	.132	15427	.10182	35536	.04683
Equal variances not assumed			-1.502	142.616	.135	15427	.10271	35730	.04877

Source: Survey questionnaire, 2015

As indicated in the Table 4.8 above, the Sig. (2-tailed) value is .132 and the value is above the required cut-off point of 0.05. As a result, it can be concluded that there is no a statistically significant difference in the mean benefits scores for core and support process employees. Thus, the average scores of benefits for the two groups approximately similar

Table 4.9 Significance of difference in mean score of Promotion of Core and Support employee group

Group Statistics

DEPARTMENT	Ν	MEAN	Std. Deviation	Std. Error Mean
CORE PROCESS	78	2.7201	1.02722	.11631
SUPPORT PROCESS	83	3.2410	.83790	.09197

Independent Sample Test

	Levene's Equality Variance	of	t-test for Equality of Means						
Construct	F	Sig.	t	df	Sig.(2 tailed	Mean difference	Std. Error Difference	Interva	nfidence al of the rence
								Lower	Upper
Equal variances assumed	6.999	.009	-3.535	159	.001	52088	.14735	81190	.22986
Equal variances not assumed			-3.513	148.776	.001	-52088	.14828	81388	.22787

Source: Survey questionnaire, 2015

As per the result obtained in the Table 4.9 above, the Sig. (2-tailed) value is .001 and the value is below the required cut-off point. Hence, one can be concluded that there is a statistically significant difference in the mean promotion scores for core and support process employees and which implies, the average promotion score of core employees is greater that of support group of employees

Table 4.10 Significance of difference in mean score of Recognition of Core and Support employee group

Group Statistics

DEPARTMENT	Ν	MEAN	Std. Deviation	Std. Error Mean
CORE PROCESS	78	3.1058	.96658	.10944
SUPPORT PROCESS	83	3.4277	.89078	.09778

Independent Sample Test

	Levene's Equality Variance	of	t-test for Equality of Means						
Construct	F	Sig.	t	df	Sig.(2 tailed	Mean difference	Std. Error Difference	Interva	nfidence 11 of the rence
								Lower	Upper
Equal variances assumed	4.160	.043	-2.199	159	.029	32194	.14639	61105	03283
Equal variances not assumed			-2.194	155.780	.030	32194	.14676	61184	03205

Source: Survey questionnaire, 2015

As per the result shown in the Table 4.10 above, the Sig. (2-tailed) value is .029 and the value is below the required cut-off point. Hence, one can conclude that there is statistically significant difference in the mean recognition scores for core and support process employees which shows, the average recognition mean score of support group employees is greater that of core group of employees

Table 4.11 Significance of difference in mean score of Supervision of Core and Support employee group

Group Statistics

DEPARTMENT	Ν	MEAN	Std. Deviation	Std. Error Mean
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CORE PROCESS	78	3.5205	.74230	.08405
SUPPORT PROCESS	83	3.9301	1.15206	12646

Independent Sample Test

	Levene's Equality Variance	of	t-test for Equality of Means						
Construct	F	Sig.	t	df	Sig.(2 tailed	Mean difference	Std. Error Difference	95% Confidence Interval of the Difference	
								Lower	Upper
Equal variances assumed	.001	.975	-2.663	159	.009	40961	.15381	71339	10583
Equal variances not assumed			-2.698	141.122	.008	40961	.15184	70978	10943

Source: Survey questionnaire, 2015

As per the result shown in the Table 4.11 above, the Sig. (2-tailed) value is .009 and the value is below the required cut-off point. Hence, one can conclude that there is a statistically significant difference in the mean supervision scores for core and support process employee and this implies that the mean score for both groups of employees are different. Thus, the average score of supervision support process is higher than that of core process.

Table 4.12 Significance of difference in mean score of Employee Motivation of Core and Support process group

Group Statistics

DEPARTMENT	Ν	MEAN	Std. Deviation	Std. Error Mean
CORE PROCESS	78	3.1282	.95834	.10851
SUPPORT PROCESS	83	3.4398	.86742	.09521

Independent Sample Test

	Levene's Equality Variance	of			t-test fo	or Equality	of Means			
Construct	F	Sig.	t	df	Sig.(2 tailed	Mean difference	Std. Error Difference	95% Co Interva Diffe	l of the	
								Lower	Upper	
Equal variances assumed	1.879	.172	-2.265	159	.032	31155	.14391	59578	02733	

Equal variances not assumed	-2	2.158	154.957	.032	31155	.14436	59672	02639		
Source: Survey questionnaire 2015										

Source: Survey questionnaire, 2015

Table 4.12 above indicates that there is statistically significant difference in the mean motivation scores employees in core and support process because the Sig. (2-tailed) value of .032 is below the cut-off of the required .05. This implies that the average employee motivation support process is greater that of core process

CHAPTER FIVE

SUMMARY FINDING, CONCUSSION AND RECOMMENDATION

5.1 SUMMARY OF FINDINDS

In this section, the main findings of the studies are discussed. In investigating work motivation level of the employees in private commercial banks, with a comparative study of core and support process employee, by quantitatively testing the effects of variables such as work content, working condition, payment, promotion, benefits, recognition and supervision the following findings were achieved

A total of 180 questionnaires were distributed to the respondents of eight private commercial banks (AIB, WB, DB, UB, LIB, NIB, CBO and OIB) with the response rate of 89.4%

About 73.9% of the respondents were males while the remaining proportions were females. Regarding the age categories of the respondents, 2.5% were of age below 25 years while 47.2% were age group 25 to 35 years, 49.1% were between 36 to 45 years and the remaining 1.2% was in age group of above 46 years. As for educational qualification, 3.7% of the respondents were

diploma holders, whereas 77% were BA/BSC degree holders and the remaining 19.3% were master's degree holders. Majority of the respondents (45.3%) have work experience of 6 to 10 years followed by work experience of 3 to 5 years (29.8%) even 13.0% of them have below 2 years and remaining few, 11.9% have above 10years of work experiences. Regarding to respondent working area, 51.6% were working in support process and the remaining 48.4% were in core process departments

Arithmetic means and standard deviations of descriptive statistics for the independent variables and dependent variable for the respondents were computed and presented with respect to the dimensions of work motivation assessed by the work motivation and satisfaction questionnaire. Hence, the arithmetic means for the work content, working condition, benefits, payment, promotion, recognition, supervision and employee motivation ranges from lower of 3.32 to higher of 4.05 for AIB, ranges from 2.83 to 3.76 for OIB, ranges from 3.17 to 3.92 for NIB, ranges from 2.38 to 3.52 for WB, ranges from 2.98 to 4.14 for DB, ranges from 2.86 to 3.64 for CBO, while it ranges from 2.68 to 3.80 and 3.30 to 3.98 for LIB and UB respectively. Therefore, it showed that the employees in the sample of DB, AIB, UB, NIB and LIB relatively motivated. Their mean values for supervision, work content and working condition were relatively better as compared to other variables. On the other hand, the mean value for promotion, benefits, payment and recognition indicated lowest result and shown the areas that employees were most likely to be demotivated

Correlation coefficients were computed for the purpose of determining the relationship between job placement and employee work motivation of eight private banks. In view of that, both positive and negative statistically significant relationships between the hypothesized variables in all selected banks were obtained. Hence, the result reported showed that recognition is significantly and positively correlated with employee work motivation in all banks. Work content, is significant and inverse relationship with employee work motivation in AIB while positively correlated in the rest banks. Payment is significant and positive correlation in OIB, WB, AIB, CBO, and CBO while significantly and inversely correlated in three banks (UB, DB, and NIB). Benefit is significantly and negatively correlated with employee work motivation only in UB for others it is positive. Therefore, increase or decrease in these variables will bring corresponding change in employee

work motivation for significant and positive correlation and the reverse is true for statistically significant negative correlation

An independent t-test was also conducted to observe the significance of difference in mean scores of two groups (core and support process) of the selected banks. The result shows that (work motivation's Sig. 2-tailed value=.032; recognition = .029; supervision = .009; promotion = .001) have significant difference between the two groups of employees. Conversely, there is no significant different among core and support process employees in working content, working condition, payment, and benefits

5.2 CONCLUSSIONS

In general, the arithmetic result shows that, the employees in the AIB, NIB, and UB, are more motivated since mean value of all variables are greater than 3. On the other hand, the mean value of WB (for payment and promotion), of OIB, DB, and LIB (for promotion), of CBO (for recognition) their variables indicated lowest result which is below 3, demonstrates the employees were most likely to be de-motivated

As per the correlation coefficient result shows, recognition is significantly and positively correlated with employee work motivation in all banks. However, except in AIB which is significant and negative relationship, work content, is significant and positive relationship with employee work motivation in all banks, payment is also significant and inverse relationship in UB, DB and NIB and significant and positive relationship in rest banks, promotion and supervision are significant and negative relationship with employee work motivation in NIB while significantly and positively correlated in AIB, OIB, DB, WB, CBO, LIB and UB. In addition to payment, benefit is significantly and negatively correlated in UB while significant and positive correlation observed in AIB, OIB, DB, WB, CBO, LIB, and NIB as hypothesized and resulting in the rejection of all null hypotheses

An independent t-test result shows that there are significant difference between the mean scores of the two groups of employees in work motivation (Sig. 2-tailed value=.032), recognition (Sig. 2-tailed value=.029), supervision (Sig. 2-tailed value=.009), and promotion (Sig. 2-tailed

value=.001). Conversely, there is no significant different among core and support process employees in work content, working condition, payment, and benefits

5.3 RECOMMENDATIONS

As the mean score result of payment is below average in WB so that the management of the bank expected to improve the payment package of the employees to retain employees who are desatisfied, keep their staff motivated and improve their productivity and also the bank must revised salary structure of staff annually and there should be proper structure of compensation that offer general increases, bonuses/incentives, fringe benefits equally at all levels. Moreover, the mean score of promotion is below average in OIB, DB, WB, and LIB thus, the management of these banks should be expected to improve the promotional policy and design transparent system of promoting staff members and provide an equal chance of promotion in a fair and honest way. In addition, the chance for employee recognition in CBO is low calling on the management of the bank to design appropriate system that ensure recognition of employees for their good deeds

Work motivation results in encouraging employees to accept responsibility by carefully placing people in jobs, standardizing the performance of the job, providing the worker with the information needed to control his/her own performance, and opportunities for participation in decisions that will give the employee managerial vision

Generally, it is better if the management of those banks who unsatisfied their employees should clearly state well-articulated reward policy by involving some employees in the process of developing it, human resources management of the banks further consider strongly the consequence of not motivated employee seriously and should take drastic measure before it is too late because it means tasks are not well done, since this study for employee motivational practice in private commercial banks, particularly in core and support process departments, further researches should be encouraged to investigate or study if some other factors affect the motivation level of employees of private commercial banks in Ethiopia and lastly not least management of these banks should not ignore the idea of rewards and their theories but study them and apply them accordingly to motivate and retain employees in their respective banks

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Appendix - Questionnaires

Dear Participant,

I am conducting a research on "Employees motivation practice in private commercial banks of Ethiopia: A comparative study of core and support employees". This research is conducted in partial fulfillment of the Masters of Arts in Business Administration (MBA). The survey is intended to study the extent to which groups of employees (core or support) are motivated

Please note that the survey is developed to be anonymous and 1, the researcher will have no way of connecting the information to you personally. The questionnaire will not take more than 20 minutes of your time. The study will keep any individual information provide herein confidential and only grouped data will be presented for academic purpose. It would be greatly appreciated if you would assist by completing the questionnaire listed below. I thank you in advance for sharing your valuable experience and time in completing the questionnaire. The questionnaire has two parts-questions on biographic data profile of the respondents and questions on the work motivation and satisfaction of respondents.

If you require any further information or want feedback on the study, please contact me through the address given hereunder.

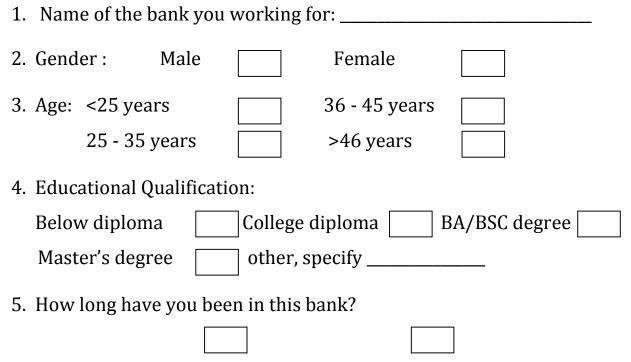
Kind regards,

Getahun Abera

Cell Phone (0912 20 26 36), E-mail address (abera1976@yahoo.com)

Part One: - Demographic and related Question

Please put a tick ($\sqrt{}$) mark inside the box given or write on the space provided.



	< 2 years	3 - 5 yea	ars	
	6 -10 years	>10 yea	rs	
6.	What is job category of	your curre	nt position?	
	Non-professional/Non	clerical		
	Professional /Clerical			
	Managerial			
7.	What is your current w	orking Dep	artment?	

Part Two: - Work Motivation and Satisfaction Questionnaire Please put ($\sqrt{}$) mark inside the box that indicate your level of agreement for each question.

Questions	Strongly agree	Agree	Neutral	Disagree	Strongly Diceared
1.WORK CONTENT	5	4	3	2	1
I am interested in my work					
My work consists of a variety of work					
I receive new trainings which are related with my work					
The amount of my work is easy to handle					
I handle the amount of work I do myself					
I am completely independent of others					
My work creates a sense of responsibility					
I know exactly what my mistakes are					
I am allowed to decide on the methods for doing the work					
I am proud to say what kind of work I do					

My work is the way to future success					
I will not be dismissed without good reason					
I have the opportunity to take part when decisions are made					
I feel that my work has great value in my department					
There is no time for idleness in our department					
I have a certain degree of authority in my work					
My job offers me the opportunity to mature					
2.WORKING CONDITIONS	5	4	3	2	1
My working hours are reasonable					
I am never overworked in this company					
I get the opportunity to mix with my colleagues and to communicate on aspects of our work					
I am satisfied with the way my co-workers get along with each other					
The arrangements of office layout is convenient for employee					
3.PAYMENT	5	4	3	2	1
The payment system is clearly stated and communicated to the employee					
The existing salary is satisfactory in relation to what I do					
I learn the same as or more than other people in a similar job					
The basis for payment is clear and easily understand by the employee					
The existing salary increment structure was being decided on a fair manner					
The pay scale and benefits of our company treat each employee equitably					
Bonuses which are at the special day/new year have a great role to enhance the motivation level of the employee.					
Employee who are better performers receive higher pay increase than poor performers					
All tasks to be accomplished are associated with incentives					
The way bonus payment distribution is fair and based on performance					
4.BENEFITS	5	4	3	2	1

My pensions/provident fund benefits are good					
My medical scheme is satisfactory					
I never have problems with my arrangements for leave In case of needs, it is effective to give short period vacation					
times instead of financial rewards to increase performance					
Transportation allowance are fair					
Telephone allowance insist an employee to enjoy a lot					
Company insurance schemes enhance the motivation of employee					
5.PROMOTION	5	4	3	2	1
The promotion paths are clearly stated and communication to the employee					
The opportunity for promotion exists in this organization					
I will be promoted within the next two years					
Everyone has an equal chance to be promoted in the Company					
The criteria for promotion is acceptable and clearly stated for employee					
Staffs are promoted in a fair and transparent way					
6.RECOGNITION	5	4	3	2	1
I am praised regularly for my work					
I receive constructive criticism about my work					
I get credit for what I do					
I am told that I am making progress					
7.MY SUPERIOR/MANAGER/LEADER	5	4	3	2	1
Is satisfied easily with my working result					
Will support me if there are problems					
Can be convinced and persuaded with my work					
Is a warm-hearted person and capable					
Observes the talents of his subordinate and directs them to improve their talents					

8.MOTIVATION: Your overall level of motivation on:	5	4	3	2	1
Financial Rewards of your organization					
Non-Financial Rewards of your organization					

Thank for your cooperation!!!!