

# ST. MARY'S UNIVERSITY SCHOOL OF GRADUATE STUDIES

# IMPACT OF MOTIVATION ON THE JOB PERFORMANCE OF EMPLOYEE (A CASE STUDY IN RELEVANCE TO MOHA SOFTDRINKS INDUSTRY S.C)

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JUNE, 2014 ADDIS ABABA, ETHIOPIA

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## ST. MARY'S UNIVERSITY SCHOOL OF GRADUATE STUDIES FACULTY OF BUSINESS

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BY NATNAEL FIKADU

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## ABSTRACT

The main purpose of this study was to assess the impact of motivation on the job performance of employee and to alleviate thesnags that the researcher has identified regarding the motivational program in Moha Soft Drinks industry Share Company. If a staff member fails to improve in his/her work performance, escape the organization if given the opportunity and produce low quality of work is a signal of lack of motivation among itseffects. A survey-based descriptive research design was used to make the research complete. The primary data for this study was collected through a structured questionnaire that was tailored with the helpof literature, the sample has been selected from different departments and the questionnaires have been filled out by the staffs. The study was intended to get the responses of employees on the managerial approach of the industry that could motivate them to perform their job well. In this light the study sets to identify the upshot among different motivational factors. Generally though Moha Soft Drink industry is one of the biggest beverage manufacturing industries that exist in our country, the research still shows a number of significant hitches prevailed in the company regarding the motivational approach that the industry is applying. The analysis from the empirical findings evidently showed that there were some considerable differences in the consent of various motivational mechanisms. This study therefore can be seen as an introduction to a more detailed study to be carried out by future researchers on the field of employee's motivation.

# **CHAPTER I**

# **INTRODUCTION**

### 1.1 Back ground of the study

People within an organization are harmoniously working together to satisfy one certain goal, whether short or long-term goal. The organization, as the collection of people, are expected to be deliver the best assets that they have which are the people bearing the knowledge and skills suitable to their position in the organization. Through the desirable performances of the employees, the organization can realize the competitive advantage in the market and among their competitors. It's very optimistic to assume that every organization can compete according to their strategies and obtaining the competitive advantage.

The most appreciated approach in an industry is the use of motivational approaches that almost all of the organizations, in whatever size or type, used to apply. With the help of the valuable players, who are the employees, the organization still has their option and chance towards the future success.

Employees are motivated in different ways and that encouraging employees to work effectively is contingent upon the nature of the organization. Effective managers who get employees to put forth maximum effort know how and why those employees are motivated and tailor motivational practices to satisfy their needs and wants. Individual's different motivational drive and their overall motivation vary from situation to situation. Probably what motivate one person may not inspire others.

This research emphasized on identifying motivational approach that the managers used viz a vie the impact of motivation on the job performance of the employee who are working in one of soft drink beverage company which is known as Moha Soft Drinks industry, one of the group member of Mederco Company.

### 1.2Statement of the problem

Motivating and rewarding employees are one of the most important and most challenging activities that managers perform. Successful managers understand that what motivates their employee. Managers who want their employees to put forth maximum effort recognize that they need to know how and why employees are motivated and to tailor their motivational practices to satisfy the needs and wants of those employees.

This research as a result triesto reveal what it is that motivates employees in Moha Soft Drinks Company to perform at their best and achieve optimal business results at all times. The inherent problem the researcher has identified was that the managershave attempted several different incentive programs to motivate their employees, yet they have not worked for every employee in Moha Soft DrinksCompany. Hencethis trouble is likely to lead to spend little or no effort in their jobs, exit the organization if given the opportunity and produce low quality of work.

### **1.3 Research Question**

These are the basic questions that can help the investigation of the research

1. What are the objective and role of motivational approaches within MohaSoft

Drinks Company?

**2.**What are the identified benefits and drawbacks brought by the motivational approaches in the entire company, particularly among the employees?

**3.**What are the perceptions of the employees within the aspect of motivation?

**4.**What is the impact of the motivational approaches based on MohaSoft Drinks Company that implemented the practice

## 1.4 Objective of the study

#### General Objective of the study

The General objective of this research is to identify the motivational approach that the managers used viz -a - viz the impact of motivation on the job performance of an employee inMoha Soft Drinkscompany in order to attain the intended objective.

### Specific Objective of the study

#### The specific objectives of the study are:-

- 1. To identify the motivational approach that Moha Soft DrinksCompany is using.
- 2. To assess the technique Moha Soft Drinks companyfollows to inspire the employee Since individuals differ in motivational drive and their overall motivation varies from situation to situation,
- **3.** To analyze among different motivational factors the financialaspects (bonus, incentive, commission) plus non-financial aspect recognition, promotion, &advancement.
- **4.** To determine the benefits and drawbacks brought by the motivational approach in Moha Soft DrinksCompany.

### **1.5 Definition of Terms**

**Motivation:** - Motivation is defined as the willingness to exert high levels of effort to reach organizational goals, conditioned by the effort's ability to satisfy some individual need. Although, in general, motivation refers to effort exerted toward any goal. (Stephen P. Robbins 2012)

**Financial Motivation:** -Financial motivation relates to the way in which an organization uses compensation structure to motivate workers to high performance. Companies use a variety of pay

structures depending on the type of work environment and the nature of the work being performed. <u>http://www.ehow.com/info</u>

**Non-Financial Motivation**: - Non financial motivation refers to non-monetary rewards/benefits. These types of rewards do not involve direct payment of cash and they can be tangible or intangible e.g. encouraging the employees by providing them with autonomy in their job andparticipation in decision making, assigning challenging duties, improving working conditions and recognizing good work.

**Reward Management:-** Reward management is concerned with the formulation and implementation of strategies and policies the purpose of which are to reward people fairly, equitably and consistently in accordance with their value to the organization and to help the organization to achieve its strategies goals .( Armstrong and Tina Stephens,2005:3)

**Performance**:the act of performing; of doing something successfully; using knowledge asdistinguished from merely possessing it; A performance comprises an event in which generally one group of people (the performer or performers) behave in a particular way for another group of people.

**Employee satisfaction:** This refers to the positive or negative aspects of employee's altitudetowards their jobs or some features of the job.(Ivancevichetal.)

**Managerial Approach:** -The managerial approach to motivating employee focuses on the behaviors of managers, in particular their use of goals and rewards. (Hellriegel and Susan E, 2002:376)

## **1.6Significance of the study**

This study is significant because:-

- It helps the management ofMoha Soft Drinks Company to review the impact ofmotivation on the job performance.
- It also provide an insight into the fact that how job satisfaction can be enhances in Moha via different motivational practices.
- It helps the management and the employee to have an overall idea about the motivational approach of the company.
- It helps the management of Moha Soft Drinks Company to improve problems that exist in the job Performance of the employee in relation to motivation.
- It is significant to deal with motivation that can be developed to increase the productivity of employees and thus of the company as well.

## **1.7Delimitation of the Study**

Employee Work Motivation may have direct or indirect effect on the job performance of the employee as a result this study was delimited to the following situation. The population of the researcher study was only taken from Tekelehaimanot Pepsi Cola Plant that the researcher had access forplenty source of data.

### **1.8 Organization of the study**

The paper contains five main chapters. The first chapter provides a general back ground of the study. The second chapter deals with the theoretical frame work about general approaches along with the current issues of motivation while the third chapter encompasses the research design and methodology. The fourth Chapter analyzes different findings and examines issues in the objectives and statement of the problem. Finally the last chapter provides conclusion and forward constructive recommendation for the problem raised.

# **CHAPTER II**

# THEORETICAL FRAME WORK 2.1 Definition and Conceptual Frame Work What is Motivation?

According to Robbins (2012:430)motivation is defined as the willingness to exert high levels of effort to reach organizational goals, conditioned by the effort's ability to satisfy some individual need. Although, in general, motivation refers to effort exerted toward any goal.

According to Greenberg and Baron (2000:190) the definition could be divided into threemain parts. The first part looks at arousal that deals with the drive, or energy behindindividual (s) action. People turn to be guided by their interest in making a good impression others, doing interesting work and being successful in what they do. The second partreferring to the choice people make and the direction their behavior takes. The last part deals with maintaining behavior clearly defining how long people have to persist at attempting tomeet their goals.

Antomioni (1999: 29) defines motivation as "the amount of effort people are willing to put in their work depends on the degree to which they feel their motivational needs will be satisfied. On the other hand, individuals become de-motivated if they feel something in the organization prevents them from attaining good outcomes.

Luthans (1998) asserts that motivation is the process that arouses, energizes, directs, and sustains behavior and performance. Motivation encourage people internally towards the actions which helps them to achieve apreferred task employ effectiveness is a way which can inspire people to their work and can bring more workmotivation to their commitment of their jobs.

In the first definition of Motivation the key elements can be seen as effort, organizational goals, and needs. While in the second one, the three key elements are energy, direction, and persistence.

If we try to view critically the first definition, the effort element is a measure of intensity or drive. A motivated person tries hard. But high levels of effort are unlikely to lead to favorable job performance unless the effort is channeled in a direction that benefits the organization. Effort that is directed toward, and consistent with, organizational goals is the kind of effort that we should be seeking. Finally, motivation is treat as a need-satisfying process,

Even though there is no as such gap between the definitions the second and the fourth one can be explained as effort that is directed toward, and consistent with, organizational goals is the kind of effort that we should be seeking. Finally, we will treat motivation as a need-satisfying process.

In generalit can be observed from the above definitions that, motivation, is more or less basically concern with factors or events that moves, leads, and drives certain human action orinaction over a given period of time given the prevailing conditions.

Motivating high levels of employee performance is an important organizational concern and managers keep looking for answers. Both academic researchers and practicing managers have been trying to understand and explain employee motivation for years.

Hellriegel and Susan (2002:376-377) articulated that there are many different theories of motivation that can be easily grouped into three general approaches. These are

- ✤ Managerial Approach
- ✤ Job and organization Approach
- Individual Difference Approach

### **2.1.1Managerial Approach**

Hellriegel and Susan (2002:376) the managerial approach to motivating employee focus on the behaviors of managers, in particular their use of goals and rewards. According to this approach, Paula Lawlor's management practices for holding employees accountable for performance explain the high motivation levels of employees.

The managers that employees work with on a day to day basis can directly motivate employees through personal, one to one communication. For instance they can work with employees through to set realistic goals and then use recognition, praise and monetary means to reward employees for achieving those goals.

# 2.1.2Job and Organization Approach

Hellriegel and Susan (2002:376) clarify that the second approach to motivating employees emphasizes on the design of jobs and the general organizational environment. In Particular, employees appreciate the flexible work arrangements. Human Resource management policies and practices are generally an important aspect of the organizational context. The appropriate benefits like paid vacation, sick leave & insurance, reward structure like incentive pay and development opportunities like education & mentoring may attract new employees to the organization. Whether such polices serve to increase employee effort and desire to stay with the company depends partly on whether employees perceive them to be fair and equitable.

### 2.1.3 Individual Differences Approaches

Hellriegel and Susan (2002:377)justify that the third approach to motivating employees treats motivation as a characteristic of the individual. Individual differences are the unique needs, values, competences, and other personal characteristics that employees bring to their jobs. These characteristics vary from person to person. One person may motivate to earn more money and prefer a job that offers such an opportunity. Another may be motivated by security, preferring a job that involves less risk of unemployment. Yet another may thrive on challenges and seek a position that stretches the person's competences to the limit and helps the person develop new ones. Effective managers understand the individual differencethat shape each employee's unique view of work and use this understanding to maximize each employee's effectiveness.

Having a clear idea about the most useful approaches of motivation, let's turn our attention to some of the early motivation theories that are articulated by different scholars.

### **2.2 Early Theories of Motivation**

For this thesis the researcher adopted thetwo most known early theories of motivations. These are

- > Maslow's Hierarchy of Needs Theory
- Herzberg's Motivation-Hygiene Theory

Let's try to see each theory in detail,

### 2.2.1Maslow's Hierarchy of Needs Theory

According to Hellriegel and Susan (2002:390) people differ from each other in many ways, having different abilities, personalities, values and needs. Individual differences affect employee motivation in the work place. A need is a strong feeling of deficiency in some aspect of a person's life that creates an uncomfortable tension. That tension becomes a motivating force, causing the individual to take actions to satisfy the need, reduce the tension and diminish the intensity of the motivating force.

According to Robbins (2012:432)the best-known theory of motivation is probably Abraham Maslow's **hierarchy ofneeds theory**. Maslow was a psychologist who proposed that within every person is a hierarchy of five needs.

Greenberg and Baron (2003:192) explained the five needs identified by Maslow.

- 1. **Physiological needs**: are the needs at the bottom of the triangle and include the lowest orderneed and most basic. This includes the need to satisfy the fundamental biological drivessuch as food, air, water and shelter. According to Maslow organizations must provide employees with a salary that enable them to afford adequate living conditions. Therationale here is that any hungry employee will hardly be able to make much of anycontribution to his organization.
- 2. **Safety needs:** This occupies the second level of needs. Safety needs are activated afterphysiological needs are met. They refer to the need for a secure working environment free from any threats or harms. Organizations can provide these need by

providing employees with safety working equipment e.g. hardhats, health insurance plans, fire protection etc. The rationale is that employees working in an environment free of harm do their jobs without fear of harm.

- 3. **Social needs:** This represents the third level of needs. They are activated after safety needsare met. Social needs refer to the need to be affiliated that is (the needed to be loved andaccepted by other people). To meet these needs organizations encourage employee'sparticipation in social events such as picnics, organizations bowling etc.
- 4. **Esteem needs:** This represents the fourth level of needs. It includes the need for selfrespectand approval of others. Organizations introduce awards banquets to recognize

distinguished achievements.

5. **Self-actualization:** This occupies the last level at the top of the triangle. This refers to the need to become all that one is capable of being to develop ones fullest potential.

The rationale here holds to the point that self-actualized employees represent valuable assets to the organization human resource.

Figure 2.1Maslow's Hierarchyof Needs



Source: Abraham H. Maslow, Robert D. Frager, Robert D., and James Fadiman, *Motivation and Personality*, 3rd Edition, © 1987. According to Robbins (2012:432) Maslow argued that each level in the needs hierarchy must be substantially satisfied beforethe next need becomes dominant. An individual moves up the needs hierarchy from one level to the next. In addition, Maslow separated the five needs into higher and lower levels. Physiological and safety needs were considered *lower-order needs*; social, esteem, and self-actualization needs were considered higher-order needs. Lower-order needs are predominantly satisfied externally while higher-order needs are satisfied internally.

Managers using Maslow's hierarchy to motivate employees do things to satisfy employees' needs. But the theory also says that once a need is substantially satisfied, an individual is no longer motivated to satisfy that need. Therefore, to motivate someone, you need to understand what need level that person is on in the hierarchy and focus on satisfying needs at or above that level. Maslow's need theory was widely recognized during the 1960s and 1970s, especially among practicing managers, probably because it was intuitively logical and easy to understand.

#### 2.2.2Limitations of Maslow's Hierarchy of Needs Theory:

According to Jonathan there is some limitations Of Maslow's Hierarchy of Needs Theory. The most important are listed below:-

- The Theory is lacking about the motivators of extrinsically driven individuals: At stage 4 and stage 5 of the chart (Esteem Needs and Self-Actualization Needs), the theory is of questionable relevance to individuals that are driven by extrinsic rewards. The reason being that it is not common nowadays for people to be unhappy about their co-workers and bosses yet can still maintain high and consistent performances as they are being promised a promotion, higher pay, or a lavish vacation which the company will pay for. So an individual might be stuck at the third stage (The social needs phase) for having a bad relationship overall with his/her peers, but is motivated by the unlisted motivator on the chart, which is money.
- Difficult for manager to identify the need level for employees- There will be some difficulty for managers in deciding which need level employees are on, and this might curb the motivation of employees at the workplace. Take for example a particular employee that is

moving from stage 3 (Social Needs) to Stage 4 (Esteem Needs). In simpler words, said employee feels the need for his contributions to be accepted by someone within the company. If the manager of the company does not give sufficient appraisal towards his efforts soon, then the employee's efforts motivation will go into decline. Because different managers view efforts subjectively, it might be that his best effort was perceived as insufficient and motivation goes down.

Basic Needs may not need to be satisfied to acknowledge higher needs- Based on the theory, we assume that if an individual that is lacking in basic amenities or in a questionable working environment, he/she willnever unlock the higher needs in the hierarchy.However the 'starving artist' scenario says otherwise. The scenario is about an artist whose base needs in the hierarchy are not fulfilled, but yet he will still strive for fame and recognition. This scenario proves that Maslow's theory might not work in certain cases.it is not impossible for someone who is desperate for fame and recognition to neglect his/her own well-being.

### 2.2.3 Herzberg's Motivation-Hygiene Theory

According to Robbins (2012:433) Frederick Herzberg's **two-factor theory** (also called motivationhygiene theory) proposes that intrinsic factors are related to job satisfaction, while extrinsic factors are associated with job dissatisfaction. Herzberg wanted to know when people felt exceptionally good (satisfied) or bad (dissatisfied) about their jobs. He concluded that the replies people gave when they felt good about their jobs were significantly different from the replies they gave when they felt badly. Certain characteristics were consistently related to job satisfaction and others to job dissatisfaction (factors on the right side). When people felt good about their work, they tended to cite intrinsic factors arising from the job itself. On the other hand, when they were dissatisfied, they tended to cite extrinsic factors arising from the job context. In addition, Herzberg believed that the data suggested that the opposite of satisfaction was not dissatisfaction, as traditionally had been believed. Removing dissatisfying characteristics from a job would not necessarily make that job more satisfying (or motivating).

Herzberg believed that the factors that led to job satisfaction were separate and distinct from those that led to job dissatisfaction. Therefore, managers who sought to eliminate factors that created job dissatisfaction could keep people from being dissatisfied but not necessarily motivate them. The extrinsic factors that create job dissatisfaction were called **hygiene factors**.

According to Stredwick(2005) Hygiene factors (or dissatisfaction avoidance factors) include pay, company policy, method of supervision and administration, all of which he called extrinsic factors. They rarely in themselves motivate employees to work harder or better but can cause the employee to work less hard if they are not satisfied. When these factors are adequate, people won't be dissatisfied, but they won't be satisfied (or motivated) either.

According to Robbins (2012:434) to motivate people, Herzberg suggested emphasizing **motivators**, the intrinsic factors having to do with the job itself.Stredwick, 2005 cited **Satisfiers**, which include achievement, recognition and the nature of the work itself, are the major motivating force. The implications here are clearly that reward schemes based on performance are unlikely to motivate and can be the cause of considerable de-motivation.

 Table 1 Herzberg's Two - Factor Theory

Hygiene factors	Satisfiers
Pay	Achievement
Company Policy	Recognition
Working conditions	Advancement
Supervision	Responsibility
Company Policy and administration	Personal growth
Security	Advancement
Relationship with subordinates	

Herzberg's Two-Factor Theory (*Source*: Herzberg, 1968)

### 2.2.4 Limitations of Herzberg's Motivation-Hygiene Theory

According to Stredwick (2005) the Two Factor Theory or Herzberg's theory of Motivation is still to this day, holding to the test of time. However, through its existence there have been many critiques.

Among the criticism of the theory, the list below is representative of the most cited ones:

The Two Factor Theory assumes that happy employees produce more. What motivates one individual might be a de-motivator for another individual. It doesn't account for individual personality traits that could provide a different response to a motivator or hygiene factor.

The theory lacks in the understanding of the inter-relations between some of the motivators. For example, one might receive adequate job recognition, but he or she may not be satisfied with the level of responsibility. As a result, he/she would question the internal motivational value of job recognition for the individual.

### 2.3An overview of Reward management

According to Armstrong and Stephens (2005:3) Reward management is concerned with the formulation and implementation of strategies and policies the purpose of which are to reward people fairly, equitably and consistently in accordance with their value to the organization and to help the organization to achieve its strategies goals. It deals with the design, implementation and maintenance of reward systems (reward processes, practices and procedures) which aim to meet the needs of both the organization and its stakeholders.

Rewards programs come within the overall concept of compensation strategies which are defined as the "deliberate utilization of thepay system as an essential integrating mechanism through which the efforts of various sub-units or individuals are directed towards the achievement of anorganization's strategic objectives" (Gomez-Mejia and Balkin, 1992). They aremanagement tools that hopefully contribute to a firm's effectiveness byinfluencing individual or group behavior (Lawler and Cohen, 1992). Allbusinesses use pay, promotion, bonuses or other types of rewards toencourage high levels of performance (Cameron and Pierce, 1977).

At a minimum, employees expect the organization to provide fair pay, safeworking conditions, and fair treatment. Like management, employees oftenexpect more, depending on the strength of their needs for security, status, involvement, challenge, power, and responsibility. Just how ambitious the expectations of each party are vary from organization to organization.

The aims of Reward management are to:-

- Reward people according to what the organization values and wants to pay for;
- Reward people for the value they create;
- Develop a performance culture;
- Motivate people and obtain their commitment and engagement;
- Help to attract and retain high the high quality people the organization needs;
- Create total reward processes which recognize the importance of both financial and nonfinancial rewards. (Michael Armstrong and Tina Stephens,2005:3)

# **2.3.1The purpose of reward policies**

Based on Armstrong and Stephens (2005:41) reward policies set guidelines for decision making and action. They indicate what the organization and its management are expected to do about managing reward and how they will behave in given circumstances when dealing with reward issues.

Reward policies address the following broad issues:-

- The level of rewards;
- Achieving equal pay;
- The relative importance attached to external competitiveness and internal equity;
- The approach to total reward;
- The scope for the use of contingent rewards related to performance, competence contribution or skill;
- The role of line manages;
- Transparency- the publication of information on reward structures and process to employees.

The more specific issues that may be covered by reward policies include assimilation, the use of job evaluation, the guidelines governing decisions on the rate ofpay offered to staff on appointment or promotion and assimilation in to new pay structure.

### 2.3.2 Motivation and reward

Human resource is one of the most important resources of gaining competitive advantage over competitors for a firm. And this resource can be retained and optimally utilized through motivating it. Using different techniques among which reward is of significance importance. Carraher et al (2006) advocates that there should be an effective reward system to retain the high performers in the organization and reward should be related to their productivity.

A lot of work has been done on evaluating the relationship between rewards and employee motivation and there exist a large number of studies in the literature describing impact of reward on employee motivation. In order to maximize the performance of the employees organization must make such policies and procedures and formulate such reward system under those policies and procedures which increase employee satisfaction and motivation. Bishop (1987) suggested that pay is directly related with productivity and reward system depends upon the size of an organization. Organizations in today's competitive environment want to determine the reasonable balance between employee loyalty and commitment, and performance of the organization.

According to Armstrong and Stephens (2005:70) one of the most fundamental concerns of reward management is how it can help to motivate people so that they achieve high level of performance. The development of performance culture is a typical aim ofreward strategy. It is therefore necessary to understand the factors that motivate people and how in the light of these factors, reward process and practices that will enhance motivation, commitment, job engagement and positive discretionary behavior can be developed. Motivation theories provide essential guidance on the practical steps required to develop effective reward systems.

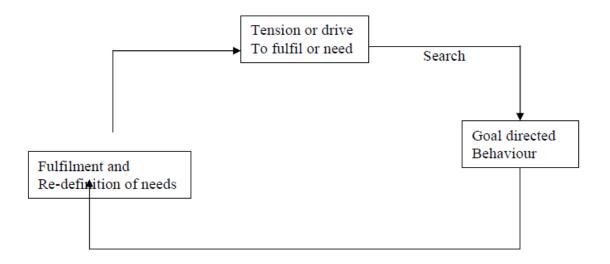
### 2.3.3 How motivation works

Citing what was proposed by Armstrong and Stephens (2005:70) a model of motivation based on reinforcement, needs and goal theory suggests that the process of motivation is initiated by the conscious or unconscious recognition of unsatisfied needs. These needs create wants, which are desires to achieve or attain something. Goals are then established which it is believed will satisfy

these needs and a behavior pathway is selected which it is believed will achieve the goal. If the goal is achieved, the need is satisfied and the behavior is likely to be repeated the next time a similar need emerges. If the goal is not achieved, the same action is less likely to be repeated. However, as some needs are satisfied new needs emerge and the process continues. As Maslow says, it is unsatisfied needs that motivate behavior.(Stephen P. Robbins, 2012:432).

Jones (2005), suggested "motivation is concern with how behavior gets started, is energized, is sustained, is directed, is stopped and what kind of subjective re-action is present in the organization while this is going on. The Jones statement can be converted into a diagram which shows the employee motivational process as it influences performance.

#### **Figure 2.2 Employee motivational processes**



Source:Basset-Jones, N. & Lloyd, G.C. "Does Herzberg's Motivational Theory Have staying power"?, 2005

The figure illustrates that the process begins because of tension within drives or needs of an employee. Next there is a search within the company or groups or within employee to fulfill his desires. When the employee is satisfied with his financial motivation he redefines hisdesires and needs and the process are initiated again.

### 2.4 Types of Motivation

According to Armstrong and Stephens (2005:71) there are two types of motivation as originally described by Herzberg et al;

- Intrinsic motivation This was described by Herzberg as 'motivation through the work itself'. It takes place when people feel the work they do is intrinsically interesting, challenging and important and involves the exercise of responsibility (having control over one resource), autonomy or freedom to ac, scope to use and develop skills and abilities and opportunities for advancement and growth.
- Extrinsic motivation what is done to or for people to motivate them. This includes rewards such as increased pay, recognition, praise or promotion.

Extrinsic motivators can have an immediate and powerful effect, but it will not necessarily last long. The intrinsic motivators, which are concerned with the quality of working life (a phrase and a movement promoted by proponents of the notion of intrinsic motivation), are likely to have a deeper and longer term effect because they are inherent in individuals and not imposed from outside. But it should not be assumed that intrinsic motivation is good and extrinsic motivation is bad. They both have part to play.

#### 2.4.1 Grasping Vision and Mission of the organization for the rationale of motivation

"If you don't know where you are going, any road will take you ....." Lewis Carroll.

According to Mackay (2007:127) each person needs to feel that they 'fit", that they have a role, that they have a future, and that they make a difference. All managers and subordinate claim that the values of their organization motivate them to a great extent but that there is a distinct difference according to level. Managers largely concur with need to be customer driven, professional and quality focused – values that are seen to be present in many organizations. However, there is a serious misalignment in terms of how managers' personal values correlate with organizational values. Managers are also keenly seeking environments that are innovative,

committed to staff, proactive, trusting and open. Individuals may need to have a path way or steps along the way defined for them so that they can see a way forward. And these steps need to lead to that defined picture of the future.

Mackay continues, everyone has responsibility for the contribution to the overall vision or goal, but people cannot be held solely responsible for the quality of their work. Around 80 percent of problems are not caused by people but by failures in systems- particularly information and communication systems, absence of tools or training, inadequate procedures or documentation, or unclear requirements. To do a job properly and to perform well people need to:

- Know what to do
- Know how to do it
- Have the means to do it
- Measure performance
- Take corrective action
- Have confidence

It is every manager's responsibility to ensure that their people have all therequirements they need to do their job effectively. Only then they be truly considered to be responsible for the quality of their output, building towards the organization's vision, and only then can they be truly held accountable if things go wrong!

### 2.4.2 Motivation and Financial incentives

According toArmstrong (2005:76)financial incentive and rewards can motivate. People need money and therefore want money. It can motivate but it is not the only motivator. It has been suggested by Wallace and Szilagyi (1982) that money can serve the following reward function:

- ♦ It can act as a goal that people generally strive for, although to a different degree
- ✤ It can act as an instrument which provides valued outcomes.
- ◆ It can be a symbol which indicates the recipient's value to the organization.
- It can act as a general reinforce because it is associated with valued rewards so often that it takes on rewards value itself.

Money motivates because it is linked directly or indirectly with the satisfaction of many needs. It satisfies the basic needs for survival and security, if income is regular. It can also satisfy the need for self – esteem (it is a viable mark of appreciation) and status money can set you in a grade apart from your fellows and can buy you things they cannot afford. Money satisfies the less desirable but nevertheless prevalent drives of acquisitiveness and cupidity. So money may in itself have no intrinsic meaning but acquires significant motivating power because it comes to symbolize so many intangible goals. It acts as a symbol in different ways for different peoples and for the same person at different times. Pay is often a dominant factor in the choice of employer and pay is important consideration when people are deciding whether or not to say with an organization.

Armstrong (2005:76) carries on about doubts that have been cast on the effectiveness of money as a motivator by Herzberg. As noted above, he claimed that while the lack of it may cause dis – satisfaction, money does not result in lasting satisfaction. There is something in this especially for people on fixed salaries or rates of pay who do not benefit directly from an incentive scheme. They may feel good when they get an increase, as, part from the extra money, it a highly effective way of making people feel they are valued. But the feeling of euphoria can rapidly die away. However, it must be re-emphized that different people have different needs, and Herzberg two factor theories have not been validated. Some will be much more motivated by money than others. What cannot be assumed is that money motivates everyone in the same way and to the same extent.

Pfeffer (1998) contends that, 'people do work for money but they work even more meaning in their lives. In Fact, they work to have fun. Companies that ignore these facts are essentially bribing their employees and will pay the price in lack of loyalty and commitment. He believes that pay cannot substitute for working environment 'high on trust, fun and meaningful work. In Contrast, Gupta and Shaw (1998) emphasize the instrumental and symbolic meaning of money. The instrumental meaning of money concern what we get for it – better houses, clothes, cars etc. The symbolic meaning of money concerns how it is viewed by ourselves and others. Money signals our status in and worth to society. They take by the basic behaviorist line on money. When certain behaviors are followed by money, then they are more likely to be repeated. According to Armstrong (2005:78) Some people will be more motivated by money than others

and, if handled properly, an incentive scheme can encourage them to perform more effectively as long as they can link their effort to the reward and the reward is worth having. Sometimes cash sums (Bonuses) can be more effective rewards because they can be immediately converted in to things that people want. An increase of 3 percent to someone's basic pay might not have such an effect. But others may be less interested in money and will respond more to intrinsic or non-financial rewards .The majority are likely to react positively to a judicious mix of both financial and non-financial rewards.

What is clear that simplistic assumptions about the power of money to motivate can lead organizations in to developing simplistic performance related pay schemes or other forms of incentives. And we can be reasonably certain that multiplicities of interdependent factors are involved in motivating people. Money is only one of those factors that may work for some people in some circumstances, but may not work for other people in other circumstances.

It should also be remembered that while an increase in pay arising from a contingent Pay scheme may motivate people who get it, for a limited period perhaps, it will almost certainly demotivated those who don't get it or feel that they are not getting enough compared with other people. The likely hood is that the number of people de-motivated in this way is likely to be larger than the numbers who have been motivated. Paradoxically, therefore, contingent pay schemes are in danger of increasing the amount of de-motivation existing in the organization rather than enhancing motivation (Michael Armstrong, 2005:79).

#### **Factors Affecting satisfaction with pay**

As Lawler (1998) Points out, people's feelings about the adequacy of their pay are based up on comparison they make between their own and others. External market comparisons are most critical because they are the ones that strongly influence whether individuals want to stay with the organization. Many people, however, are unlikely to leave for pay reasons alone unless the increase they expect from a move is substantial.

Lawler also suggests, 'sometimes it seems that individuals are never satisfied with pay.' One of

the reasons suggested by Lawler for low pay satisfaction seems to be that individuals seek out unfavorable comparisons. First they look externally: if comparisons there are favorable, they focus on internal comparisons. Only if these are favorable as well as they likely to be satisfied. He comments that:' a finding that employees are dissatisfied with pay is, in effect, a non-finding. It is to be expected. The key thing that the organization needs to focus on is whether employees are more dissatisfied with their pay than are employees in other organizations.'

According to Armstrong (2005:78) reactions to reward policies and practices will depend largely on the values and needs of individuals and on their employment conditions. It is therefore to generalize about the causes of satisfaction or dissatisfaction. However, it seems reasonable to believe that, as mentioned above, feeling about external and internal equity (the 'felt fair' principle) will strongly influence most people. Research by porter and Lawler (1968) and others has also shown that higher paid employees are likely to be more satisfied with their rewards but satisfaction resulting from a large pay increase may short lived. People tend to want more of the same. In this respect, at least, the views of Maslow and Herzberg have been supported by research. Others factors that may affect satisfaction or dis-satisfaction with pay include degree to which:

- ✤ Individuals feel their rate of pay or increase has been determined fairly;
- Rewards are commensurate with the perceptions of individuals about their ability, contribution and value to the organization (but this perception is likely to be founded on information or beliefs about what other people, inside and outside the organization, are paid);
- Individuals are satisfied with other aspects of their employment- for example their, status, promotion prospects, opportunity to use and develop skills and relations with their managers.

### **2.4.3The role of promotion in motivation**

According toHannagan (2005:332) apart from improvements in Pay and conditions of work, the most immediate incentives available to employees are opportunities for promotion. If Organization has trained its staff adequately and ensured that employees' work experiences are sufficiently wide, internal promotion should be feasible. Thus, external recruitment will be necessary for specialist positions, or when no one within the organization possesses appropriate qualifications for a post, or the organization needs or wants to increase the diversity of its staff at all levels. Prospects of promotion often represent significant motivators (Van Ham et al., 1986). Promotion methods are worthy, therefore, of serious discussion.

The criteria used in selecting individuals for promotion may be based on ability or seniority. Ability related systems accelerate the careers of staffs that are exceptionally competent, whereas seniority based procedures have the advantage of ensuring steady progression for all employees; and knowledge that promotion is reasonably assured can improve morale throughout the organization. Promotion follows logically from training, performance appraisal, management development and management by objectives programs.

People can be selected for promotion directly – management simply appointing chosen employees to higher posts or vacancies can be advertised within the firm. Direct selection is quick, inexpensive and suitable where management knows the abilities of all its subordinates. Internal advertisement is appropriate in organization where several candidates of about the same level of ability might apply.

Hannagen in his book Management concepts &Practices (2005:332) also suggested that unfair discrimination in promotion will upset and demotivate staff: it should be avoided at all costs. Organizations that operate in sensitive multi-cultural or multi ethnic environments sometimes monitor the consequences of their promotion policies by checking whether certain groups are over presented among those who do not achieve promotion. Hence, if it is found that females, ethnic minorities or certain religious groups are prominent in the non- promoted category,

reasons for this can be identified and remedial measures applied. Specifically, the following questions can be asked of any promotion system:

- What are the characteristics of non- promoted groups, and are there valid reasons explain why individuals in these groups are not promoted?
- What contributions have non-promoted groups made to the work of the organization? Have they been adequately rewarded for their contributions?
- Why do non-promoted individuals remain with the organization?
- What help can be given to non-promoted groups in order to help them qualify for promotion? What are the obstacles confronting non-promoted categories, and how can they are removed?
- What can management itself do to improve its knowledge of the backgrounds and difficulties experienced by non-promoted groups? How does management feel about these people?

Citing what Hannagan (2005:333) articulated about promotion, a non-discriminatory promotion policy has numerous benefits. Internal personal relations between managers and subordinates are improved; labor turn over will fall, since able staff do not need to leave the organization to do higher level work. Efficiency should increase through utilization in senior positions of the accumulated experience of long serving employees. Additionally, there is little risk of the individuals promoted possessing unknown deficiencies, as can occur with externally recruited senior staff. On the other hand, outsiders can inject fresh ideas and apply new perspectives to existing problems. External recruits may be of much higher caliber than internal candidate.

#### 2.4.4Designing Motivating Jobs

According to Robbins (2012:438) managers want to motivate individuals on the job, we need to look at ways to design motivating jobs. If we look closely at what an organization is and how it works, we'll find that it's composed of thousands of tasks. These tasks are, in turn, aggregated into jobs. The term job design refers to the way tasks are combined to form complete jobs. The jobs that people perform in an organization should not evolve by chance. Managers should design jobs deliberately and thoughtfully to reflect the demands of the changing environment, the organization's technology, and employees' skills, abilities, and preferences. When jobs are

designed like that, employees are motivated to work hard.

#### Let's look at some ways that managers can design motivating jobs.

- JOB ENLARGEMENT: -Job design historically has been to make jobs smaller and more specialized. It's difficult to motivate employees when jobs are like this. An early effort at overcoming the drawbacks of job specialization involved horizontally expanding a job through increasing job scope. The number of different tasks required in a job and the frequency with which these tasks are repeated. Most job enlargement efforts that focused solely on increasing the number of tasks don't seem to work. However, researchhas shown that knowledge enlargement activities (expanding the scope of knowledgeused in a job) lead to more job satisfaction, enhanced customer service, and fewer errors.
- JOB ENRICHMENT: Another approach to job design according to Robbins (2012) is the vertical expansion of a job byadding planning and evaluating responsibilities. Job enrichmentincreases job depth, which is the degree of control employees have over their work. Inother words, employees are empowered to assume some of the tasks typically done by theirmanagers. Thus, an enriched job allows workers to do an entire activity with increasedfreedom, independence, and responsibility. In addition, workers get feedback so they canassess and correct their own performance.

#### The role of Job Design

According to Armstrong (2005:71)intrinsic motivation is provided when jobs are well designed. This takes place when the job has the following characteristic:

- Autonomy, discretion, self-control and responsibility ;
- Variety ;
- Use of abilities ;
- Availability of constrictive feedback ;
- Belief that the work is significant.

Robbins (2012:438-439) in his managementbook identifiesfive core job dimensions, their interrelationships, and their impact on employee productivity, motivation, and satisfaction. These

five core job dimensions are:

- i. **Skill variety:** -The degree to which a job requires a variety of activities so that anemployee can use a number of different skills and talents.
- ii. **Task identity**: The degree to which a job requires completion of a whole and identifiablepiece of work.
- iii. **Task significance:** -The degree to which a job has a substantial impact on the lives orWork of other people.
- iv. **Autonomy**: The degree to which a job provides substantial freedom, independence, and discretion to the individual in scheduling the work and determining the procedures to be used in carrying it out.
- v. **Feedback**: The degree to which doing work activities required by a job results in individual obtaining direct and clear information about the effectiveness of his or herPerformance.

J. R. Hackman and J. L. Suttle (eds.), Improving Life at Work (Glenview, IL: Scott, Foresman, 1977)explain the Job Characteristic model as shown in the figure below, how the first three dimensions—skill variety, task identity, and task significance—combine to create meaningful work. In other words, if thesethree characteristics exist in a job, we can predict that the person will view his or her job asbeing important, valuable, and worthwhile. Notice, too, that jobs that possess autonomygive the jobholder a feeling of personal responsibility for the results and that if a job providesfeedback, the employee will know how effectively he or she is performing.

According to J. R. Hackman and J. L. Suttle (eds.), the JCM also suggests that employees are likely to be motivated when they *learn* (knowledge of results through feedback) that they *personally* (experienced responsibility through autonomyof work) performed well on tasks that they *care about* (experienced meaningfulnessthrough skill variety, task identity, or task significance). The more a job is designed aroundthese three elements, the greater the employee's motivation, performance, and satisfaction andthe lower his or her absenteeism and likelihood of resigning. As the model shows, the linksbetween the job dimensions and the outcomes are moderated by the strength of the individual'sgrowth need (the person's desire for self-esteem and self-actualization). Individualswith a high growth need are more likely to experience the critical psychological states andrespond positively when their jobs include the core dimensions than are

low-growth need individuals. This distinction may explain the mixed results with job enrichment: Individuals with low growth need aren't likely to achieve high performance or satisfaction by having their jobs enriched.

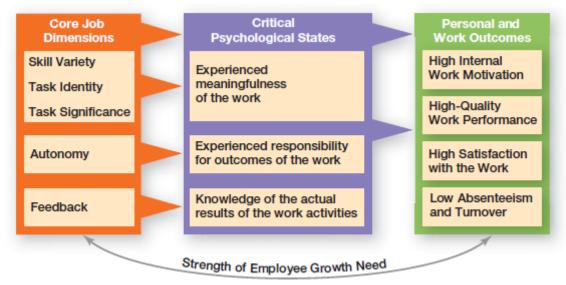


Figure 2.3

# Job Characteristics Model

Source: J. R. Hackman and J. L. Suttle (eds.), *Improving Life at Work* (Glenview, IL: Scott, Foresman, 1977). With permission of authors.

#### 2.4.5Supervisors' Behavior and its Effect:

It's usually believed that supervisors have a lot of influence on organizations they lead.Low level of supervisor conscientiousness along with high level of supervisor trust, kindness, agreeableness, extraversion and emotional stability are directly related to employee motivation, job satisfaction, job commitment, satisfaction with supervisor, innovative attitude and turnover intensions (Smith &Canger, 2004).

Mintzberg (1973) identified three role categories which are interpersonal, informational and decisional roles. It had been identified that to manage knowledge workers a manager is required to possess interpersonal skills with the ability to communicate with subordinates sinceknowledge workers look for timely communication with their supervisors. But unfortunately organizations are found to promote technically-skilled workers who lack in interpersonal skills and behavioral attributes.

Knoll and Gill (2011) studied the development of workplace trust in upward, downward, and lateral relationships and examined the relative importance of capability, integrity and benevolence in predicting trust in supervisor, subordinate, and peer. Hsu, et al (2010) also articulated that the supportive behavior of a supervisor towards work-family conflict of its subordinates results in job satisfaction/dissatisfaction. He investigated and found that supervisor with a higher level expressive ties to their subordinates generally offers higher level of supervisory support. On the other hand leaders with higher level of instrumental ties to their subordinates tend to offer lower levels of support. It is studied that job roles pressure is related to work-family conflict that can be reduced through social support.

DelVecchio (1996) examine that in the social exchange theorywhich argues about the imbalances occurring in vertical dyad (subordinate-superior) may affect job-related outcomes such as performance, satisfaction, motivation etc. If the supervisor-subordinate association is described in terms of exchanges, then comparing each member's perceptions of what has been exchanged should be revealed. Since if these perceptions do not agree, the relationships of supervisor-subordinate will suffer.

As a job-related outcome, the satisfaction level is affected by incongruent supervisor-subordinate perceptions. Dimarco (1975) has indicated that supervisor-subordinate similarity in terms of biographical and personality attributes, is found to be linked with increased job satisfaction of subordinate. He examined the compatibility between life style of supervisor and subordinates and its implications on satisfaction of subordinates. It was concluded that supervisor should be assigned to a workgroup that is based on degree of compatibility between subordinates' personality and his own personality. The following dimensions of Supervisors' behavior have been identified :-

#### ✤ Value Congruity:

The discussion of job satisfaction and values indicates that usually employees desire to work with those leaders and supervisors who make them available with several opportunities during their job to attain important values such as achievement, innovation etc. As value-congruity between supervisor and subordinate enables them to have same point of view, the subordinate feels comfortable and satisfied with his supervisor behavior and job as a whole (Kemelgor, 1982).

Value-congruity affects the relationship of supervisor and subordinate. Employees having value structures somewhat similar to their supervisors are found to be highly satisfied and motivated with their jobs. Also valuesystem relationship affects employee job satisfaction and motivation significantly, where Value is defined as "a hierarchy of fundamental interacting life directions that act as the criteria for psychological behavior". It is suggested that similarity of values improves communication, demolish conflicts, promotes cooperation, higher morale and thus results in individual's satisfaction (Kemelgor, 1982).

#### Perceptual Discrepancy:

When supervisor and subordinate have different perception of job requirement, the expected result of this discrepancy is likelihood that subordinate quits. Perceptual discrepancy's path leads to job dissatisfaction resulting increased turnover intension of subordinate. The disparity between the perception of supervisor and subordinate related to Job perception then it resulted in job dissatisfaction of subordinate and in some cases it converted as turnover intension. To decrease this practice it is therefore suggested thatsupervisors should promote open environment where subordinate may feel free to

reveal their ideas and perceptions. This practice will decrease the likelihood of occurrence of the discrepancy between the perceptions of supervisor and subordinate (Chiu, Lai, & Snape, 1996).

#### **\*** Trustworthiness:

Trust in supervisors and influences of supervisors arepredictors of job performance and job satisfaction of subordinates. They help in achieving Organizational goals and enforcing positive relationships at work. Trust in superior is directly related to the subordinate's motivation, job satisfaction, commitment and honesty. And positive influence of supervisor also helps in obtaining the same results with learning attitude of employees and commendable performance. (Goris, Vaught, & Pettit Jr., 2003).

#### **Supportive Behavior:**

It is investigated thatSupervisor support, stress, perceived stressors etc. influence the intention of an employee to quit job by dissatisfying him. Lack of job satisfaction and Job stressors leads an employee to quit his job. It is found that support of supervisor is a factor that reduces the impact of job stressors, reduces stress; increases job satisfaction, organizational commitment and thus lead to reduction of turnover intention. Impact of Job stressors can be reduced in number of ways such as dividing the workloadequally, making the job related tasks more clear and achievable (Firth, Mellor, Moore, &Loquet, 2004).

#### 2.4.6Performance Management as a motivating factor

Based on Armstrong (2005:275) Performance management is defined as a strategic and integrated process which delivers sustained success to organization by improving the performance of the people who work in them and by developing the capabilities of individual, contributors and team. It is strategic in the sense that it is concerned with the broader issues facing the business if it is to function effectively in its environment, and with the general direction in which it intends to go achieve longer term goals. It is integrated in two senses:

Vertical Integration:- Linking or aligning business, team and individual objectives and core competences, and

**Horizontal integration**: - Linking different aspects of human resource management, especially organizational development, human resource development and reward, to achieve a coherent approach to the management, development and motivation of people.

The fundamental aim of performance management is articulated by Armstrong (2005:276) by his book Employee reward management and practice, as to get better results from theorganization, teams and individuals by understanding and managing performance within an agreed frame work of planned goals, standards and competence requirements. It is a process for establishing shared understanding about what is to be achieved and an approach to managing and developing people in a way that increases the probability that it will be achieved in the short and longer term. It is owned and driven by line management.

Performance management can also make a major contribution to the motivation of people by providing the foundation upon which many non-financial motivation approaches can be built. Essentially, performance management is concerned with the encouragement of productive discretionary behavior. As defined by Purcell (2003) and his team at Bath University, "Discretionary behavior refers to the choices that people make about how they carry out their work and the amount of effort, care, innovation and productive behavior they display. It is the difference between people just doing a job and people doing a great job".

Performance management, if carried out properly, can motivate people by functioning as a key component of the total reward process. It provides rewards in the form of recognition through feedback, opportunities to achieve, the scope to develop skills, and guidance on career paths. It can encourage job engagement and promote commitment. All these are non-financial motivation which can make a longer- lasting and powerful impact than financial motivation. (Michel Armstrong, 2005: 280).

Performance management is, of course, also associated with pay by generating the information required to decide on pay increase related to performance, competence or contribution. In some organization this is its main purpose, but performance management is or should be, much more about developing people and rewarding tem in the broadest sense.

Timm& Peterson (2000:68) also cited about the regular performance reviews which can provide a basis for employee motivation if handled well. Often, however, these reviews become uncomfortable rituals for employees and managers alike, leading to satirical "guides" An effective appraisal session with employees can clarify expectations and objectives for both supervisors and workers and can provide a base for supportive, mutually beneficial relationships. A poorly prepared or improperly conducted performance review can undo in an hour all the good manager- employee relationships that have developed over a period of months or even years.

Ideally periodic performance reviews combine information giving with information getting. They are not talking to subordinates, they are talking with subordinates. The manager's role is, and must be, that an evaluator. An effective performance review can accomplish the following, according to Timm& Peterson (2000:69);

- ✤ Let employees know where they stand.
- Recognize and commend good work.
- Provide workers with directions on how they could best improve their work.
- Develop employees in their present jobs by suggesting ways to enrich or enlarge their tasks.
- Let subordinates know the direction in which they may progress in the organization.
- Record results of the department or unit as a whole and show where each person fits in to the larger picture.
- Officially warn certain employees that they must improve.

While employees receive valuable information from an effective performance appraisal, leaders also gain. Unfortunately, some people responsible for performance appraisals often assign low priority to them because they are unaware of the benefits. Managers and supervisors report the following advantages of effective appraisals.

The advantages of effective performance reviews were explained by Timm& Peterson on their book people at work: Human behavior in organization;

- Performance appraisal gives valuable insights into the work being done and those who are doing it.
- Maintain good communication with others about job expectations and results, opportunities are crated for new ideas and improved methods.
- Anxiety is reduced because employees know how they are doing.
- Increase productivity when employees receive timely corrective feedback on their performance.
- It reinforces sound work practices and encourages good performance.
- It also encourages two way communications with employees, goals are clarified so they can be achieved or exceeded.
- Regular appraisal sessions remove surprises about how the quality of work is being perceived.
- Learning to do professional performance appraisals is excellent preparation for advancement and increased responsibility.

#### 2.4.7 Extent of training and its Impact on employee motivation

According to Hannagan (2005:325) the purpose of training is to improve employees' performances in their current jobs and/or equip them for more demanding roles or a change in their role in the future. It seeks to improve and develop the knowledge, skills and/or attitudes of employees. Apart from the benefits accruing to the individual worker (greater versatility, extra skills, etc.), many advantages accrue to the organization. Employees become more flexible, the productivity and quality of work should improve, job satisfaction might increase (with consequent reductions in absenteeism and staff turnover rates) and the organization need not fearthe consequence of new technology.

So many studies are available on the subject, which seek to determine the impact of training on the motivation and commitment. Some are provided hereafter:Cooper et al. (1989) found a positive relationship between training programs and employee's job involvement. He argued that if there are some recognitions and financial benefits for the high performers at the training programs, the feelings of reciprocity emerges in the high performing employees as well as in other ones which motivate them to extend themselves in many ways such as adapting new skills, knowledge and competencies which ultimately leads to improved organizational performance.

Miller et al. (1996)examined the need and impact of training and development on employees. Training needs assessment is the first step of an organization's training and development program. It identifies the needs or performance requirements of the organization. It determines whether there is gap between the actual performance and the standard performance set by the organization and if there is any discrepancy between the two, then training is required. After the needs assessment, the training objectives are determined .i.e. who needs training and what training is needed. Then the training is designed and implemented accordingly. At the end it isdetermined whether the training objectives were met. The evaluation system includes identifying participant reactions to the training process, how much participants learned and how well the participants transfer the training back on their respective jobs. If employees subsequent Performance would be better than the previous, then it can be said that the training has a positive impact(most of the time) on employee's performance otherwise not.

Hughey and Mussnug (1997) found a positive correlation between the employee training and employee & job motivation. Today, every organization provides some type of training to their employees after some intervals. Some companies provide formal trainings such as initial and ongoing training programs, some hire outside training consultants according to their requirements. So motivation for implementing training programs varies from company to company. A very few organizations provide effective trainings to their employees in order to improve their knowledge, abilities and skills, and the correlation of such training programs with motivation is high. On theother hand, some companies provide trainings to meet health and safety regulations and some firms provide training only for appearance sake and the correlation of such type of trainings with motivation is not so high. Stephenson (1999) rely on that there are two basic factors which are very crucial to be present in the employees in this new changing economy i.e. ability to learn and adapt and understanding of the new corporate environment which can be utilized by the corporations through continuous training programs in order to increase their motivation as well as involvement towards their jobs. He argued that continuous training and professional development is not a luxury but a necessity of today's changing economy, as employees can better understand that in order to cope with the changing corporate environment and to exploit the future job opportunities training programs are very useful to make them up to date. So most of the time there is a positive correlation betweentraining and professional development programs and the motivation of employees.

Gregory (2001) concluded that training has a great impact on employee's subsequent job performance and the lack of training and development results in managers not familiar with thetask requirements as well as the core competencies such as knowledge, skills and abilities whichmanagers must possess to perform well the organization's tasks, as a result their performance aswell as motivation level decrease. He suggested that the managers in an organization mustbe knowledgeable in all newer functions that apply to their departments so that overallorganizational objectives can be achieved effectively and efficiently in accordance with the newdemands possess by the corporate environment.

#### 2.4.8Creating a Motivational Environment

Timm& Peterson (2000:63) cited that the nature of motivation and some of its effects on people is very useful, even more important in knowing how to create situations where motivation can work for managers and for their organization. Managers cannot force people to be motivated. Their input to the motivating situation is limited, and, at best, bears indirectly on the performance of others. This does not mean that they should ignore opportunities to help people motivate themselves. What managers can most profitably do is seek to understand what motivates the individual employee at a particular time. And there is only one realistic way to do thatcommunication. Blanchard and Johnson (1982:34) described that the effective managers seeks to understand what motivates others through listening and encouraging free expression of employee wants. Because motivation is goal oriented, managers and their employees must clarify organizational and work group goals, as well as the individual objective of the employee. Managers need to see where each person fits. In most cases, individual wants and goals can mesh effectively with the needs of the organization.

Frederick Herzberg put forth a two- factor theory of motivation. He suggested that the things that can motivate people appeal to the higher order needs as described by Maslow. These include opportunities for achievement, recognition, challenging work, responsibility and advancement. Many mangers however spend a great deal of time trying to motivate people by appealing to their lower levels needs. For instance, providing people with more comfortable wok environments, an office with a view, or even pleasant relationship with supervisors and employees can and probably will, lead to worker satisfaction. The two factor theory identifies motivation and satisfaction as two different and often unrelated, things. Where working conditions are tolerable or better, managers waste a great deal of time trying to motivate people using satisfiers. If minimum satisfiers are not met, however, workers can be highly dissatisfied, and this can have disastrous effects on their productivity.

According to Timm& Peterson (2000:66) to create a motivational climate, there must be openness between managers and subordinates. Each must have a clear understanding of both the organization's goals and, to the degree possible, the individual employee's goals. The manager must be flexible, creative, and receptive to new ideas from subordinates. The only way this can be conveyed is through effective communication and positive interpersonal relationships. Sometimes employees find it difficult to express personal goals. Effective supervisors will help employees formulate their goals through discussion. These efforts can pay off handsomely in motivating organizational members. The manager's primary task is to create a climate of trust, so that a subordinate will feel comfortable in offering suggestions about the nature and scope of the worker's job. Once the trust is created, the supervisor and worker can systematically discuss the nature and duties of the subordinate's job. (Timm& Peterson, 2000:67)

#### 2.4.9The role of Feedback in Motivation

According to Mackay (2007:105) feedback is essential to motivate people to perform well. If they are never told how they are doing they may not really know and will soon become demotivated. Feedback must be rapid both positive to praise good performance and constrictive to correct performance. Invent occasions to give feedback if necessary, e.g. an informal chat with an individual, praise in front of the individual's peers, corrective behind closed doors, praise the individual, criticize the act. Team meeting can be held regularly to give feedback to a group. Feedback to a group in praise of good performance can generate good team spirit.

For a performance-oriented individual, though, praise and acknowledgement of met goals by the supervisor is necessary, and it is a motivator for setting higher goals for the next round of work. Like it or not, though, telling individuals that they didn't meet a goal is a de motivator, and it actually decreases future performance (Dweck and Leggett, 1988). Rather than using criticism, a better strategy is to help the employee find strategies to succeed in meeting the goal or to reduce the goal so it is in fact possible to achieve. People seek out situations in which they can excel, and they avoid situations where they won't. If the manager wants to motivate of individual to greater performance, the best way to do it is to identify ways that the individual can achieve a series of smaller successes that lead to the larger goal.

Mackay (2007:302) concluded that feedback is all about communicating openly about someone's performance or the effect on other people and is therefore a vital part of job as a manager. It essential that creating a general atmosphere of habitual occurrence, not just the dreaded annual appraisal! Giving or receiving feedback is not always easy but, if done properly, the rewards can be great: open communication plus clear understanding leads to continuous improvement.

### **2.5Current Issues in Motivation**

Understanding and predicting employee motivation is one of the most popular areas inmanagement research. The contemporary theories of employee motivation are influenced by some significant workplace issues. {Steven P. Robbins Mary coulter}These are:-

- Motivating in tough economic circumstances,
- Managing cross-cultural challenges,
- > Motivating unique groups of workers, and designing appropriate rewards programs.

## 2.5.1 Motivating in tough economic circumstances,

Managers came to realize that in an uncertain economy, they had to be creative in keeping their employees' efforts energized, directed, and sustained toward achieving goals. They were forced to look at ways to motivate employees that didn't involve money or that were relatively inexpensive. So they relied on actions such as holding meetings with employees to keep the lines of communication open and to get their input on issues; establishing a common goal, such as maintaining excellent customer service, to keep everyone focused; creating a community feel so employees could see that managers cared about them and their work; and giving employees opportunities to continue to learn and grow. And, of course, an encouraging word always went a long way.(http://www.insightlink.com/)

# 2.5.2Managing cross-cultural challenges,

According to Robbins, Mary Coulter. (2012:446-447) in today's global business environment, managers can't automatically assume that motivational programs that work in one geographic location are going to work in others. Most current motivation theories were developed in the United States by Americans and about Americans. Maybe the most blatant pro-American characteristic in these theories is the strong emphasis on individualism and achievement. For instance, both goal-setting and expectancy theories emphasize goal accomplishment as well as rational and individual thought. Maslow's need hierarchy argues that people start at the

physiological level and then move progressively up the hierarchy in order. This hierarchy, if it has any application at all, aligns with American culture.

Another motivation concept that clearly has an American bias is the achievement need. The view that a high achievement need acts as an internal motivator presupposes two cultural characteristics—a willingness to accept a moderate degree of risk (which excludes countries with strong uncertainty avoidance characteristics) and a concern with performance (which applies almost singularly to countries with strong achievement characteristics).

Employees around the world examined two cultural characteristics from the GLOBE framework—individualism and masculinity in relation to motivation. In individualistic cultures like individual initiative, individual freedom, and individual achievement are highly valued. Employees may be less interested in receiving individual praise but place a greater emphasis on harmony, belonging, and consensus. Despite the cross-cultural differences in motivation, some cross-cultural consistencies are evident. For instance, the desire for interesting work seems important to almost all workers, regardless of their national culture.

# 2.5.3 Motivating unique groups of workers

Motivating employees has never been easy! Employees come into organizations with different needs, personalities, skills, abilities, interests, and aptitudes. They have different expectations of their employers and different views of what they think their employer has a right to expect of them. And they vary widely in what they want from their jobs. For instance, some employees get more satisfaction out of their personal interests and pursuits and only want a weekly paycheck— nothing more. They're not interested in making their work more challenging or interesting or in "winning" performance contests. Others derive a great deal of satisfaction in their jobs and are motivated to exert high levels of effort.

# 2.6Contingency Approach to Motivation

Patrick O.Yalokwu (2002:361) tries to explain the frustration of employees in relation to motivation. Motivating employees is a tricky problem because of individual differences in need patterns, and also not possible for any organization to satisfy all the needs of even one employee, let alone of all the employees. Moreover, an organization has its own needs for goal achievement, which it seeks to fulfill through its employees. This requires integration of individualand organizational needs. The integration is also a dynamic phenomenon as both organizational and individual needs are in a state of continual change in response to an increasingly dynamic environment in which they operate. That is to say, managers should adopt contingency approach to employee motivation Since need of the organization as well as of individuals are situation bound; the managerial approach to their integration will have to be situational.

# Frustration

If a person's motivational driving force is blocked before reaching a desired goal, the outcome may be frustration. Frustration is a negative response to the blockage of a desired goal and results in a defensive form of behavior. There are many possible reactions to frustration caused by failure to achieve the desired goal.

AccordingtoBrown (1980)they include aggregation, fixation and withdrawal.

### \* Aggression

This physical or verbal attack on some person or object e.g.Striking a supervisor, using abusive language or malicious gossip about a supervisor. This kind of behavior may be directed at the person or object that is perceived as the source of frustration. Where such a direct attack cannot be made because of, for instance, the source of frustration is not clear or where the source of frustration is feared, such as a powerful superior, then the aggression may be displaced towards some other person or object. With displaced aggression, the person may find an easier, safer person as a scapegoat for an outlet of frustration.

# \* Regression

This means when people or things regress, they return to an earlier and less advanced stage of development.

# **\*** Fixation

This is persisting in a form of behavior which has no adaptive value and containing to repeat actions which have no positive results e.g. inability to accept change, corrections or new ideas, or insisting on applying for promotion when one is not qualified.

## **\*** Withdrawal

This is apathy, giving up or resignation e.g. arriving at work late and leaving early, absenteeism, refusal to accept responsibility, passing work over to colleagues.

According to Don Hellriegel and Susan E (2002:397) describe how understanding the dynamic of motivation can help managers improve employee performance. Managers who understand what motivates employees and what detracts from employee motivation have a good basis for diagnosing and rectifying the causes of performance problems.

#### Summary

It is appropriate at this level to give a concise summary of this research.Possible explanations were carried out using different theoretical frame works and theories that was articulated by different scholars. The literature used in this thesis covers a wide range of issue that is related to the statement of the problem and the researcher believed that they are valuablefor addressing the purpose of this thesis. The literature that shows where the theory was lacking or have limitation (short comings or criticized for), has been greatly taken into consideration.

# CHAPTER III RESEARCH DESIGN AND METHODOLOGY

## **3.1Research Design**

The study was involved in evaluating the impact of motivation on the job performance of employee in the specified company. Consequently, descriptive research were designed to obtain pertinent and precise information concerning the past and current status of phenomena and draw conclusions from the facts discovered to achieve the objective set out by the researcher.

# **3.2Population & Sampling Techniques**

Taking in to account the time and budget availability to conduct this research a sample of 70 elements were selected in simple random sampling method from different departments of Teklehiamanot Pepsi cola plant.Out of the total population the researcher didn't take into consideration the contract employees who are not benefited from some of the motivational approach of the company.

# **3.3Types of Data and Tools/Instruments/ of Data Collection**

This research was basically designed to identify the motivational approach that the managers used in relation with the job performance of the employee. As a primary data questionnaire was designed, this contains both closed and semi-closed questions to collect the required data about motivational approach and its impact on the job performance of the employee. In Addition to this interview with the designated employees were conducted.

As a source of secondary data books, internet, annual report and procedural manuals of the company which can supplement the evidence of written document and other related material on the subject matter were used to make the research complete.

# **3.4Description of the Instrumentation**

- Questionnaire to find the response of employees regarding impact of motivation on the job performance of employee.
- ↔ Work Motivation The Independent Variable.
- ✤ Performance The Dependent Variable.
- ✤ Case Employees.

## **3.5 Procedures of Data Collection**

Pre testing of the structured questionnaire had been carried out using 20 respondents and based on the feedback necessaryamendments were incorporated on the ultimate version of the researcher's instruments of data collection.

# **3.6Methods of Data Analysis**

Descriptive data analysis method will be used to make the research complete and the responses to the structured close-ended questions were rated in percentages. The percentage of respondents for each alternative were given and analyzed. The data collected were analyzed using the computer software known as Statistical Package for Service Solution (SPSS) and Microsoft Excel 2010.

# **CHAPTER IV**

# Findings of the study

# 4.1 Company Profile

# **4.1.1 Company History**

Moha Soft Drinks Industry Share company was formed on the 15<sup>th</sup> of May 1996.The company was formed after the acquisition of four Pepsi cola plants located at Addis Ababa (Nefas Silk & T/Haimanot), Gonder and Dessie which were purchased by Sheik Mohammed H. Al-Amoudi in the 18<sup>th</sup> of January 1996. Currently, with new factory in Awassa (Awassa Millennium plant). Moha is engaged in the production of Pepsi cola, 7 up, Mirinda Orange, Mirinda Tonic and Mirinda Apple. The products are available in 300 ml returnable bottle, 1 liter PET plastic bottle and in keg or barrel container. In addition to this Moha is engaged in the production of bottled water in 0.5 liter pet plastic bottle and returnable glass bottle by the name "Kool".

Tekelehaimanot Pepsi cola plant was established in 1961 as "SABA TEJ" share company, but nationalized in 1975 replacing the old line and started producing Pepsi cola, Mirinda and Team brands in January 1978. Currently, T/Haimanot plant is manufacturing Pepsi Cola, 7 up, Mirinda Orange, Mirinda Tonic and Mirinda Apple in 300ml returnable glass bottles.

# 4.1.2 Vision, mission and Statement of commitment to Food Safety and Quality

# Vision :-

Moha Soft Drinks Industry Share company Tekelehaimanot Pepsi cola plant's vision is to make each of the products to be a drink of first choice among consumers and obtainable throughout the Ethiopian market. The company intends to crate superior value for shareholders, customers and employees.

### **Mission :-**

The mission of the company is to be the best soft drink industry in the country by continuously improving the responsiveness to the needs and concerns of its customers, employees, partners, and the communities in which it serve. This will be accomplished through the continuous development of employees, an emphasis on cost efficiency, market expansion, and profitability.

#### Statement of commitment to Food Safety and Quality

Management and employees of Tekelehaimanot Pepsi cola plant are committed to producing safe, legal and quality beverage products and services that continue to satisfy the growing needs and requirements of its customers and interested parties.

Product safety, legality and quality is the responsibility of everyone in the plant and all are totally committed to meeting food safety and product quality requirement and continual improvement at all levels and within all the functions of plant. This commitment is consistently achieved through the implementation and maintenance of food safety and quality management system that addresses any relevant legal, corporate, customer or other obligation.

# **4.2 Empirical findings**

# **4.2.1 Demographic profile of Respondents**

In the previous chapter the conceptual approach of work motivation on the job performance of employee were discussed. Here in this chapter the data analysis of the study obtained from the company had been presented.

Category	Description	Number of respondents	Percentage share
Sex	Male	41	58.57 %
	Female	29	41.43 %
Age	20-25	2	2.86 %
	25-30	21	30 %
	30-35	16	22.86 %
	35-40	19	27.14 %
	Above 40	12	17.14 %
Education	Up to Grade 8	2	2.86 %
	9 up to 12	4	5.71 %
	Diploma	23	32.86 %
	Degree	37	52.86 %
	2 <sup>nd</sup> Degree	4	5.71 %
Work	1 -3 Years	9	12.86 %
Experience	3 - 6 Years	17	24.29 %
Experience	6 -9 Years	10	14.29 %
	9-12 Years	11	15.71 %
	Above 12 years	23	32.86 %
	Above 12 years	23	52.00 /0

 Table 2 Description of Respondents profile

Based on the data collected from 70 respondents which were dived into various categories, a proportion of 58.57 % were male and 41.43 % female with an age series of 20 to 40 and above. The education back ground of respondents indicates that 2.86 % were up to Grade 8 level while 5.71 % accomplished their secondary school whereas 32.86 % were having diploma and the majority 52.86 % were degree holders along with those of 5.71 % who had their second degree. The work experience of the respondents' showed that 12.86 % had an experience that range from 1-3 years, 24.29 % were in the range of 3-6 years, 14.29 % were having 6 up to 9 years work experience whereas 15.71 % were in the category of 9-12 years and the rest 32.86 % had an experience more than 12 years.

#### 4.2.2 Vision, Mission & Objective of the company

Table 3 Attitude of respondents towa	rds theVision, Mission &	: Objective of the company

Do you feel that you are	well informed of the co objective?	mpany vision, mission &
	No of respondents	Percentage share
Strongly agree	9	12.86 %
Agree		52.86 %

	37	
Neutral	18	25.71 %
Dis agree	4	5.71 %
Strongly dis agree	2	2.86 %
Total		
	70	100 %

Setting of organizational objectives is the starting point of any managerial actions. It serves as a guide line for the entire employeewithin the company to know what decisions and tasks best align with the mission of the company. As table 3 indicates that 12.86 % of the respondents were strongly agree in well-informed of the company vision , mission & objective while 52.86 % were agree, besides 25.71 % were neutralwhereas the rest 5.71 % and 2.86 % were dis agree and strongly disagree respectively.

### 4.2.3 Financial Motivation

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	well satisfied with the pa he company for your Jol	ay & benefit you get from b?
	No of respondents	Percentage share
Strongly agree		8.57 %

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	6	
Agree	13	18.57 %
Neutral	16	22.86 %
Dis agree	30	42.86 %
Strongly dis agree	5	7.14 %
Total	70	100 %

Organizational interest in compensation aims to facilitate performance and retain competent and dedicated employees. As it can be observed from the table below, only 8.57 % of the respondents were strongly agree with the pay and benefit they get, 18.57% agree whereas 22.86 % of the respondent were neutral and the majority 42.86 % were disagree and the remaining 7.14 % strongly disagree.

The impact of different categories of pay and rewards programs on engagement of employee, discovered that the pay and benefits showed weakest relationship with the managerial approach of the company.

Furthermore the respondents consent regarding the imagination of the pay they get corresponds to their responsibility exhibited that 11.43 % were strongly agree, 18.57 % of the respondents agree, yet again 18.57 % were neutral while the majority 48.57 % were disagree with the rest 2.86 % of the respondents who were strongly disagree. Table 5 below shows their stance concerning this subject matter.

# Table 5 Outlook of respondents towards their responsibility

Do you believe that the pay you get from the company matches your responsibility?		
	No of respondents	Percentage share
Strongly agree	8	11.43 %
Agree	13	18.57 %
Neutral	13	18.57 %
Dis agree	34	48.57 %
Strongly dis agree	2	2.86 %
Total	70	100 %

# 4.2.4 Non - Financial Motivation

# Table 6 Rate of respondents towards the Non-Financial compensation

How do you rate the pro	omotion and recognition y	you get from your work?
	No of respondents	Percentage share
Very Satisfactory		

		5.71 %
	4	
Satisfactory	21	30%
Somewhat satisfactory	15	21.43 %
Indifferent	12	17.14 %
Unsatisfactory	18	25.71 %
	70	100 %
Total		

Employees are motivated to work hard when they are provided a fair compensation for work rendered to the organization. It is presumed that employees are willing and cooperative to do their jobs to the best of their abilities if they believe that the promotion and recognition is relatively equitable to their performance. As we can see above on the table the response of the bulk of the respondents pleasing level positioned on somewhat satisfactory, indifferent and unsatisfactory even though the Small proportion of 5.71 % & 30 % of the percentage share are very satisfactory and satisfactory respectively concerning the rate of promotion and recognition they get from their work.

There should be an adjustment on employee's promotion, if not the company could not retain the most important workers and also losses the willingness and cooperative of doing their jobs to the best of their abilities.

Beside this the chance of promotion in the respective department of the respondents response showed that only 4.29 % rated the opportunity as excellent, 14.29 % as very good while 30 % of the respondents assessed merely as good and the further 21.43 % as average and the rest 30 % ranked as poor.

How do you rate the chance of promotion in your department?		
	No of respondents	Percentage share
Excellent	3	4.29 %
Very good	10	14.29 %
Good	21	30 %
Average	15	21.43 %
Poor	21	30 %
Total	70	100 %

# Table 7 Grading of respondents towards the opportunity of promotion

**Source: Own Survey** 

# **4.2.5Distribution of Work**

# Table 8Perspective of respondents towards distribution of Work

Do you	Do you think that there is fair distribution of work?		
	No of respondents	Percentage share	
Yes	26	37.14 %	
No			

	44	62.86 %
Total	70	100%

Table 8 shows that 37.14 % of the respondents rely on there is fair distribution of work while the left over i.e. 62.86 % had an inclination towards imbalanced distribution of work.

### 4.2.6Task performed

From the above enquiry the researcher analyzed that above half of the respondents believed that there is no fair distribution of work. Having this, the table below depicts the type of task which has a direct effect on the job performance of the employee. The data collected showed that 37.14 % of the respondents perform tasks which are many and the same, likewise 24.29 % carry out many but variesduties, about 15.71 % of the respondent's tasks are little and the same, while the 10 % execute little works which are varies, and the rest 12.86 % of the respondents held that their job is neither many nor little.

What is your comment about the task you are performing?		
	No of respondents	Percentage share
Many & the Same	26	37.14 %
Many but varies		24.29 %

#### Table 9Citation of respondents towards the type of task performed

	17	
Little & the Same	11	15.71 %
Little but Varies	7	10 %
Neither many nor little	9	12.86 %
Total	70	100 %
		20070

The above table shows that there is uneven distribution of task to certain magnitude thus the management team of the company should have to consider these unlike allocation of duties and responsibilitiessince such gaps can create exhaustion and work load stress up on employees.

### **4.2.7Supervision Support**

Table 10 Attitude of respondents towards their Immediate Supervisor

Do you think that you get adequate support from your immediate supervisor at work place?

	No of respondents	Percentage share
Strongly agree	14	20 %
Agree	37	52.86 %
Neutral	8	11.43 %
Dis agree	8	11.43 %
Strongly dis agree	3	4.29 %
Total	70	100 %

The result indicates that most of the employees were having adequate support from their immediate supervisor. Therefore the company should have to keep this prospect as a source of asset to create a positive effect on employee's performance.

More over the response accumulated from the respondents about their immediate supervisor in understanding their problem confronted at the accomplishment of their duties also shows that 21.43 % and the majority 45.71 % of the respondent were strongly agree and agree respectively while 21.43 % were neutral and the remaining 10% disagree along with 1.43 % of the respondents who were strongly disagree.

Table 11Perception of	respondents towards their	Immediate Supervisor sympathy

Do you believe that your immediate supervisor understands the problem you face at work?			
	No of respondents Percentage share		
Strongly agree		21.43 %	

	15	
Agree	32	45.71 %
Neutral	15	21.43 %
Dis agree	7	10 %
Strongly dis agree	1	1.43 %
Total	70	100 %

#### **4.2.8 Job Performance**

The performance evaluation serves as an area where performance improvement is needed. The supervisor provides feedback on how well the employee is performing on employee's job. Thus the fair evaluation notion can help employees to optimize success in their job. Hence the results shows that 12.86 % of the respondents were strongly agree, 37.14 % merely agree and 25.71 % were neutral while 20 % of the respondents disagree and thelimited 4.29 % were strongly disagree. Moreover it could be seen from table 12 below.

Table 12 Review	of respondents	towards evaluation	of their	iob performance
	or respondents	ional us cratuation	or then	Job periormanee

Do you feel that your job performance is fairly evaluated?				
	No of respondents Percentage share			
Strongly agree		12.86 %		

	9	
Agree	26	37.14 %
Neutral	18	25.71 %
Dis agree	14	20 %
Strongly dis agree	3	4.29 %
Total	70	100 %

### 4.2.9 Skill and competence

#### Table 13 Response of respondents towards participation of trainings

Do you particip	Do you participate in trainings to improve your skills and competencies?		
	No of respondents	Percentage share	
Yes	33	47.14 %	
No	37	52.86 %	
Total	70	100%	

Source: Own Survey

Training can enhance employee performance as well as skill and competencies. In addition, training is seen as a useful means of coping with changes fostered by technological innovation; market competition and organizational structuring. It is also necessary to ensure an adequate supply of staff that is technically and socially competent and capable of career development into specialist departments.

Training in Moha is more or less unplanned and unsystematic as it can be observed from the response of the respondents'. The greater percentage of the respondents i.e. 52. 86 % were not participating in trainings, on the other hand the remaining proportion of the respondents' i.e. 47.14 % were participated. It is undeniable fact; training tends to have a positive impact on employee performance.

#### **4.2.10The Outcome of Training**

In order to detect the level of motivation an enquiry is forwarded for those who participated in trainings whether they come up with new and better ideas of doing things. The result shows that almost all of them had a strongconsensus on the subject matter. Since the outcome demonstrates that it advances skills and competence the company should facilitate trainings for those who don't have access so far.

#### 4.2.11Working environment

Working environment is considered to be an important factor that affects performance. Subsequently company's in order to boost productivity should design work environment in a way that satisfy employees. When employees feel their work environment as a comfortable place to work at, they would surely outperform. As it can be observed from the table below 8.57 % of the respondent rated the condition as Excellent, 31.43 % as Very Good along with 35.71 % of the respondent who rated as Good and the remaining 20 % and 4.29 % felt that theworking condition were average and poor respectively.

#### Table 14 Mindset of respondents towards working environment

How do you rate the working condition /environment of your job?				
	No of respondents Percentage share			
Excellent		8.57 %		

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	6	
Very Good	22	31.43 %
Good	25	35.71 %
Good	23	33.71 %
Average	14	20 %
Poor	3	4.29 %
ГООГ	3	4.29 %
	70	100 %
Total		

The result indicates that most of the employees were having affluence in the working condition therefore the company should have to keep this opportunity as source of strength to proceed.

### **4.2.12 Team Sprite of employees**

Effective teamwork among employees creates happiness and more positive benefits to the company. Employees should work pleasantly in order to achieve a better result. The gratification of employees in team sprite is ranked as 18.57 % of the respondent believed that it is excellent, 25.71 % and 32.86 % ranked it as very good and good respectively, and the slightnumber of the respondents that was about 18.57 % and 4.29 % believed that it is average and poor. The table below shows the respondent attitude towards this issue.

How do you rate	How do you rate the team sprite of your working environment?		
	No of respondents	Percentage share	
Excellent		18.57 %	

#### Table 15 Ratingof respondents towards team sprite

	13	
Very Good	18	25.71 %
Good	23	32.86 %
Average	13	18.57 %
Poor	3	4.29 %
Total	70	100 %

4.2.13Involvement of Decisions

Table 16 Attitude of respondents towards involvement of Decisions

Do you think that you have enough involvement in decisions that affect your work?			
	No of respondents	Percentage share	
Yes	51	72.86 %	
No	19	27.14 %	
Total	70	100%	

Source: Own Survey

As it can be observed from table 16 above half of the respondents have enough involvement in decisions that affect their work. This trend in Mohais a sensible practice that can develop the confidence of the employees in their assigned duty. On the other angle there were slight group of respondents without enough opportunity in involvement of decisions.

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#### 4.2.14 Respondents Justifications in the involvement of decisions

Based on the above enquiry those respondents who don't have enough involvement in decisions were requested to justify their reason and some respondents replied as their supervisor didn't give the opportunity whereas the other believed that there is no delegation of power to engage in this kind of activities and while others weren't have the access to decide and had an opinion that decisions are always from top to bottom.

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#### 4.2.15 Department feedback

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	our department uses feedback to make improvement in your performance?			
	No of respondents	Percentage share		
Strongly agree	7	10 %		
Agree	24	34.29 %		
Neutral	20	28.57 %		
Dis agree	13	18.57 %		
Strongly dis agree	6	8.57 %		
Total	70	100 %		

 Table 17 Review of respondents towards departments feedback

#### **Source: Own Survey**

Feedback is essential to motivate people to perform well. If they are never told how they are going tosucceed, afterwards they may not really outperform and will soon become demotivated. The response gathered from the respondents exhibited that 10 % of the respondents were strongly agree inobtaining feedback from their respective departments, likewise 34.29 % of the respondents merely agree and the 28.57 % were neutral while the remaining 18.57 % and 8.57 % were disagree and strongly disagree in getting annotation from their departments.

**4.2.16**Suitability of motivational approach intended for employees

Based on your special skill and creativity do you believe that the motivation forwarded to employee is appropriate?				
	No of respondents	Percentage share		
Strongly agree	8	11.43 %		
Agree	17	24.29 %		
Neutral	15	21.43 %		
Dis agree	26	37.14%		
Strongly dis agree	4	5.71 %		
Total	70	100 %		

#### **Source: Own Survey**

Based on employees special skill and creativity respondents were requested to rate the motivation forwarded to employee, and the extent of their consent portray that only 11.43 % of the respondents were strongly agree along with 24.29 % who were agree and 21.43 % were neutral whereas the remaining 37.14 % and 5.71 % were disagree and strongly disagreesequentially.

#### 4.2.17 Present Job Satisfaction

#### Table 19 Attitude of respondents towards present job satisfaction

Do you feel that you are well satisfied with your present job?				
	No of respondents Percentage share			

8	11.43 %
19	27.14 %
23	32.86 %
16	22.86 %
4	5 71 0/
4	5.71 %
70	100 %
	19 23 16 4

Different factors can determine the job satisfaction of an employee, among others things motivation is the major mechanism. As it is depicted above in the table only 11.43 % Of the respondents were strongly agree with the satisfaction of their present job, 27.14 % agree, whereas the larger proportion (32.86 %) of the respondent had been neutral in their responses and the rest 22.86 % disagree along with the 5.71 % of the respondents who were strongly disagree.

#### 4.2.18 Managerial overall approach

Motivation only works if it is meaningful and if the goals set are realistic, attainable, and measurable. It should be usually effective and appeal to different groups of employees. The managerial approach to motivating employee focuses on the behaviors of managers, in particular their use of goals and rewards. Consequently this practice leads to motivational level of employees that play a great role on the performance of employee. As it can be seen in the table below only 10 % of the respondents Strongly agree with that, the company is successful based on the motivational approach extended to employees, 21.43 % were merely agree, while the widely heldrespondents were neutral, disagree and strongly disagree in distinct percentage share.

#### Table 20Outlook of respondents towards the company motivational approach

How do you feel that the company is successful based on the reward and motivation extended to employees?					
	No of respondents Percentage share				
Strongly agree	7	10 %			
Agree	15	21.43 %			
Neutral	31	44.29 %			
Dis agree	9	12.86 %			
Strongly dis agree	8	11.43 %			
Total	70	100 %			

Lastly at the 3<sup>rd</sup> part of the questionnaire the respondents were requested to indicate the degree of motivation by some selected factors that the researcher wants to address theindividual's differentiation in motivational drive and their overall motivation, which was cited on the specific objective of the study. Thus the outcomeshows that the respondents were marking at distinct level of extent up on the given scale. Moreover it could be seen from the table below.

#### Table 21 Degree of motivation on particular factors

High	Medium	Low

	No of respondents	Percentage share	No of respondents	Percentage share	No of respondents	Percentage share
Good	50	71.43	20	28.57 %	-	-
Salary		%				
Promotion &		58.57 %	26	37.14 %	3	4.29 %
Growth	41					
Interesting Work		41.43 %		47.14 %		11.43 %
	29		33		8	
Good Working	28	40 %	41	58.57 %		1.43 %
Condition					1	
Job Satisfaction		45.71 %		37.14 %		17.14 %
	32		26		12	

The most obvious general observation that could be made from table 21 above is that theentire group of respondents' motivational drivevaries from individual to individual. So managers in Moha soft Drinks company should understand the individual difference that shape each employee's unique view of work and use this understanding to maximize each employee's effectiveness.

#### **INTERVIEW**

#### In your opinion which reward System/action/ do employees prefer? Why?

Regarding the reward system the researcher obtained a response from the management lineup that the employees prefer financial rewards for the reason that the current inflation rate of the country is rising from time to time, hence they feel that monetary reward is the best for them. Concurrently the researcher also conducted an interview with the focus group employees and the response that was accumulated was that the employees prefer basic salary increment and promotion and growth from their post.

# Do you believe the rewards have increased employee performance? Why or Why not?

The reply emanated from the focus group respondents exhibited that the motivational approaches practiced in the company has increased the performance of those employees who has got the chance in their system by being more productive contrary to those who have not got the opportunity.

#### Can the reward systems be improved or developed further? How?

The researcher conducted an interview concerning the above issue with both the management and the focus group subordinate. The management held that the reward systems in the company can be further improved since our emphasis is more on financial rewards, besides, it can be further improved by incorporating and giving much devotion to non-financial rewards for the betterment of employees' further career.

On the other hand in the focus group interview with the subordinates the researcher acquired a suggestion from the respondents on how to improve and develop the reward system. Many of the suggestions were that on the improvement of distinctive treatment of employees who are engaged in the primary activities and support activities of the value chain analysis of the company. While those who are engaged in the primary activities gets certain incentive, yet those who are engaged in the support activities gets none and they believed that subsequently both activities are worked for one mission, there shouldn't be dissimilar treatment.

The response emanated from some of the other respondents in this regards was that the improvement on the issue of promotion. Since Promotion is only made when the senior employee resign. Furthermore they justified that there should be upgrading mechanisms for employees by

giving grades up on his /her stay in the company instead of the above mentioned scheme.

# ✤ What is your comment about your department feedback to improve your performance?

Concerning the department feedback, the reply harvested from the respondents was that the issue of feedback in the company is at its infant stage and different divisions or departments have not effectively and objectively evaluated their employees accordingly.

# ✤ Is there a chance to participate non-management employees in the decision making process of the reward system?

Regarding the participation of non-management employees in the decision making process, the response forwarded from the focus group indicated that they don't have enough involvement in decisions regarding the reward system. Because of the reason that they didn't get the opportunity forwarded by the management and had a faith in that there is no delegation of power to participate in this kind ofendeavors.

## What is your comment about the overall reward and motivation extended to employee by Moha Soft Drink Company?

The overall comment emanated from the respondents about the reward and motivation extended to employees was that, since in this competitive business the human part of any organization is the most valuable assets of the organization, Moha Soft Drinks Industry should coup up with this competition by intensive work on the continuous improvement of its most valuable assets (human) and implementing different types of reward systems, hence the employees can be motivated and work for the achievements of the company and their own objectives too.

### 4.3 Discussion of Empirical findings

In this section the empirical findings or results of this study presented above areconnected to the theoretical framework. It is necessary to make the reader aware at this point that in discussing the responses or results of this study, major emphasis will be placed on the major factors of motivation that more stipulate the statement of the problem.

As Lawler (1998) Points out, people's feelings about the adequacy of their pay are based up on comparison they make between their own and others. External market comparisons are most critical because they are the ones that strongly influence whether individuals want to stay with the organization.

From the study observed, even if the management team of Moha extended financial motivation and rewards, the researcher come to analyze that the employee still have protest about it. Pay is often a dominant factor in the choice of employer and pay is important consideration when people are deciding whether or not to say with an organization. Hence this trouble is likely lead to exist the company if given the opportunity. This can be vividly shown by inferring the number of resigned employees for the last three years from the personnel annual report.

Table 22 Distribution of employees who resigned from different departments

			July 1/2012 –
Department	July 1/2010 – June 30 2011	July 1/2011 – June 30 2012	June 30 2013
	Noofemployees resigned	No of employees resigned	No ofemployee
			resigned
Finance	-	1	3

Human Resource	-	-	1
Procurement	1	1	2
Production	1	5	5
Quality Control	-	1	1
Sales	4	4	12
Technic	2	2	1
	8	14	25
Total			

#### **Source :- Personnel annual report**

The above table demonstrates that he number of employees who left the company is increasing from time to timehence; this leads the company to incur additional hiring cost.

Although thetheory articulates that apartfrom Pay and conditions of work, the most immediate incentives available to employees are opportunities for promotion. (Tim Hannagan 2005). But this doesn't really happening in Moha Soft Drinks company. The collected data and the response from the focus group respondents indicate that their satisfaction level and inclination shows that it was minimal.Consequently this leads to the rise of labor turn over since able staffs leave the organization to do higher level work.

According **Robbins** individuals to (2012)managers motivate on the job, by designingmotivatingjobs. The jobs that people perform in an organization should not evolve by chance. Managers should design jobs deliberately and thoughtfully to reflect the demands of the changing environment, the organization's technology, and employees' skills, abilities, and preferences. The researcher has no any doubt about the fact that no employee will prefer a boring and monotonous job that lives him unsatisfied. Therefore, organizations are faced with the task of making work interesting for their employees. However results reveal that the distribution of work in the company is not fairly scattered and moreover it was uneven.

It was articulated by Mackay (2007) feedback is essential to motivate people to perform well. It must be rapid both positive to praise good performance and constrictive to correct performance. Nonethelessthe reply harvested from the respondents was that the issue of feedback in Moha Soft Drinks company is at its grass root level and different divisions or departments have not effectively and objectively evaluated their employees accordingly. Hence this result does not fully support those reached by Mackay.

## **Chapter V**

#### Summary, Conclusions and Recommendations

#### **5.1 Summary of the findings**

The result of this research evidently shows that there were some considerable differences in the consent of the followingmotivational mechanisms. The respondents had some frustration regarding the issue of promotion and recognition, consequently the company is expected to take some action on it.

The major finding emerging from this research is that the prevalence of imbalanced work which can reduce the inspiration of the employee. A very great attention is expected in the distribution of career since making it interesting and well-adjusted can motivate employees to perform more than obligated to warrant theirduty.

The other outcome of the study vividly showed that the training trend in Moha soft Drinks industry isunplanned and unsystematic. Training should be provided in a formal way and after some interval for all employees sinceit surelydoes has a positive impact on both motivation and job involvement.

Finally given the difficult nature of identifying how and what really motivate employees be it on financial or non-financial bases the company should be willing to continuously and on regular basis, undertake employees surveys in order to understand what employees expects from their current job. Since meeting their expectation can facilitate a mutual working environment for both the employees and its management.

#### **5.2 conclusion**

The concept of motivation alone can never threaten people to work hard. Threats can create fears and resentment for the employees which are likely to be ineffective in the long run. Rather it is better that people should be motivated as it is believed that the driving force which results from motivation will compel people to put in their best out of willingness. Acknowledgment and awarding even a simple thank you may be enough which can build difference in employee's work performance; let alone arranging different motivational approach in work place. Thus Moha soft Drinks company should strive to intensively employ the basic motivational approach by having a good HRM system; which subsequently leads to construct more loyalty, commitment and motivation to utilizeadditional effort for its objectives. Therefore if Moha Soft Drinks company wants to earn furtherit must consider all aspects, to improve the motivational level of employees.

#### **5.3 Limitations of the study**

However data is collected with full level of the researcher effort, yet there remain some flaws in the study. While doing this survey the researcherfaced some problems. The prime difficulties which had been faced in the collection of data in this study were lack of time and other resources as it was not possible to conduct the study at large level. Furthermore While collection of the data some employees were unwilling to fill the questionnaire due to various reasons. Finally since the area for study was limited to specific plant of the company that are quite a small area to judge the impact of motivation.

#### **5.4Recommendations**

Employees are always the vital resource of the organization. And at times, they are often neglected at their jobswhich lead to their failure to perform. As the researcher believed that motivation can raise employee's performance into other level and eventually the positive effect can directly goes to company's success. Hence Moha Soft Drinks Company should take considerable actions on those motivations approach which are not really effective for the staff.

In order to make employees perform their jobs to the best of their abilities and to creategratification, an adjustment on employee'scareer advancement (promotion) should be

programmed for those employees who deserve it so as to retain valuable employees, since it encourages employee loyalty and satisfaction.

Aimed at reducing or overcoming job dissatisfaction and employee inefficiency arising from repetitive and imbalanced tasks, through job design, the company should try to raise productivity levels and can gain the enthusiasm of the employee.

As it can perceived that training is a systemized progression of employee's attitude, skill and knowledge in order to create motivation and increase their performance towards their jobthe company should facilitate trainings for the majority of the staffs.

Finally the researcher recommend that additional research should be carried out to gain a continuous view, insight and knowledge of what motivates employees to perform best on their job. Since it is one of the problem and challenge facing organizations today.

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## **APPENDIX**

### PART I

**Direction: - Please select your answer by encircling the appropriate response.** 

**Demographic Profile of respondents**.

## 1.**Sex**

1.Male

2. Female

#### 2. Age Category

- 1. 20-25
- 2. 25-30

- 3. 30-35
- 4. 35-40
- 5. Above 40

#### 3. Education

- 1. Up to grade 8
- 2.9 up to 12
- 3. Diploma
- 4. Degree
- 5. 2<sup>nd</sup> degree

#### 4. Work Experience

- 1.1 up to 3 years
- 2. 3 up to 6 years
- 3. 6 up to 9 years
- 4. 9 up to 12 years
- 5. Above 12 years

#### PART II:

**Direction**: - Please select your answer by encircling the appropriate response.

- 1. Do you feel that you are well informed of the company's vision, mission & objective?
  - 1. Strongly agree
  - 2. Agree
  - 3. Neutral
  - 4. Dis-agree
  - 5. Strongly dis-agree

2. Do you feel that you are well satisfied with the pay & benefit you get from the company for your Job?

1. Strongly agree

- 2. Agree
- 3. Neutral
- 4. Dis-agree
- 5. Strongly dis-agree
- 3. Do you believe that the pay you get from the company matches your responsibility?
  - 1. Strongly agree
  - 2. Agree
  - 3. Neutral
  - 4. Dis-agree
  - 5. Strongly dis-agree
- 4. How do you rate the promotion and recognition you get from your work?
  - 1. Very Satisfactory
  - 2. Satisfactory
  - 3. Somewhat satisfactory
  - 4. Indifferent
  - 5. Un satisfactory
- 5. How do you rate the chance of promotion in your department? 1. Excellent
  - 2. Very Good
  - 3. Good
  - 4. Average
  - 5. Poor
- 6. Do you think that there is fair distribution of Work?
  - 1. Yes 2. No
- 7. What is your comment about the task you are performing?
  - 1. Many & the Same
  - 2. Many but varies

- 3. Little & the Same
- 4. Little but Varies
- 5. Neither many nor little
- 8. Do you think that you get adequate support from your immediate supervisor at work place?
  - 1. Strongly agree
  - 2. Agree
  - 3. Neutral
  - 4. Dis-agree
  - 5. Strongly dis-agree
- 9. Do you believe that your immediate supervisor understands the problem you face at work?
  - 1. Strongly agree
  - 2. Agree
  - 3. Neutral
  - 4. Dis-agree
  - 5. Strongly dis-agree

10. Do you feel that your job performance is fairly evaluated?

- 1. Strongly agree
- 2. Agree
- 3. Neutral
- 4. Dis-agree
- 5. Strongly dis-agree
- 11. Do you participate in trainings to improve your skills and competencies?
  - 1. Yes 2. No

12. If your answer to question # 11 is "yes" are you encouraged and motivated to come up with

new and better ideas of doing things?

- 1. Strongly agree
- 2. Agree
- 3. Neutrals
- 4. Dis-agree
- 5. Strongly dis-agree
- 13. How do you rate the working condition /environment of your job?
  - 1. Excellent
  - 2. Very Good
  - 3. Good
  - 4. Average
  - 5. Poor

14. How do you rate the team sprite of your working environment?

- 1. Excellent4. Average
- 2. Very Good 5. Poor
- 3. Good

15. Do you think that you have enough involvement in decisions that affect your work?

1. Yes 2. No

16. If your answer is "No" please specify your Reason ------

-----

17. Do you believe that your department uses feedback to make improvement in your performance?

1. Strongly agree

- 2. Agree
- 3. Neutral
- 4. Dis-agree
- 5. Strongly dis-agree

18. Based on your special skill and Creativity do you believe that the motivation forwarded to employee is appropriate?

- 1. Strongly agree
- 2. Agree
- 3. Neutral
- 4. Dis-agree
- 5. Strongly dis-agree
- 19. Do you feel that you are well satisfied with your present job?
  - 1. Strongly agree
  - 2. Agree
  - 3. Neutral
  - 4. Dis-agree
  - 5. Strongly dis-agree

20. How do you feel that the company is successful based on the reward and motivation extended to employees?

- 1. Strongly agree
- 2. Agree
- 3. Neutral
- 4. Dis-agree
- 5. Strongly dis-agree

#### Part III

#### Please indicate the degree you are motivated by the following factors by Putting a Thick

Mark ( $\sqrt{}$ )

		High	Medium	Low
1	Good salary			
2	<b>Promotion</b> andGrowth			
3	Interesting work			
4	Good working Condition			
5	Job satisfaction			

### **INTERVIEW**

- In your opinion which reward System/action/ do employees prefer?
   Why?
- Do you believe the rewards have increased employee performance?
   Why or Why not?
- 3. Can the reward systems be improved or developed further? How?
- 4. What is your comment about your department feedback to improve

your performance?

- 5. Is there a chance to participate non-management employees in the decision making process of the reward system?
- 6. What is your comment about the overall reward and motivation extended to employee by Moha Soft Drink Company?

#### DECLARATION

I, the undersigned, declare that this thesis is my original work, prepared under the guidance of \_\_\_\_\_\_\_. 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 College, School of Graduate

Studies for examination with my approval as a university advisor.

Advisor

Signature & Date

## **Time Schedule**

		Duration in Months						
Ser. No	Activities	January	February	March	April	May	June	

1	<b>Proposal Writing</b>			
2	<b>Review of Related Literature</b>			
3	<b>Data Collection</b>			
4	<b>Research Report Writing</b>			
5	Submission of Draft Report			
6	Submission of Final Report			