

**ST. MARY'S UNIVERSITY COLLEGE
BUSINESS FACULTY
DEPARTMENT OF MANAGEMENT**

**AN ASSESMENT OF
MOTIVATIONAL PRACTICES
IN METAHARA SUGAR FACTORY**

**BY
ALAZAR FULAS**

**JUNE2010
SMUC
ADDIS ABABA**

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APPROVED BY THE COMMITTEE OF EXAMINERS

Department Head

Signature

Advisor

Signature

Internal Examiner

Signature

External Examiner

Signature

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ABBREVIATIONS AND ACRONYMS

MSF : Metahara Sugar Factory

TCD : Tone of Cane per Day

I. INTRODUCTION

1.1 Background of the Study

The primary objective of any business company is generating profit successfully. The successes of these objectives depend up on good management and the ability of the managers to accomplish results through the effort of their employees. Though the knowledge and skills possessed by the employees are important in determining their job performance, these factors alone are not sufficient. Managers should be able to motivate their employees either by themselves or through external stimulus (Accel-Team, 2009). Thus, motivation is needed to activate these abilities and skills of employees to release their potential and it is the tool for performance.

Motivation is concerned with the human behavior. It is the act of stimulating someone or oneself to get a desired course of action, to put the right button to get desired action (Gupta R.S., BD Sharma and NS Bhalla 2003). Why does one find happiness in performing a job while another is not willing to do it? There are much similar questions that help us to understand the motives of human behavior. It is difficult, however, to understand what motives are operating within an individual at particular moment. An individual himself usually doesn't fully understand the cause of his behavior.

There is a gap between an individual's actual state and some desired state and the Manager tries to reduce this gap. Motivation is a means to reduce and manipulate this gap. (Accel-Team, 2009). Therefore, motivation is a management responsibility to establish the motivational systems and practices to attain the organizational objective through motivated workers. However, the motivation system varies from a work place situation and it must be conformed to the policy of the organization, (Accel-Team, 2009) and Failure to understand the impact of motivation on employee performance will result in job dissatisfaction and

as result job dissatisfaction lead to absenteeism, employee turnover and decreasing performance of employees.

The increasing demand for sugar in Ethiopia and suitability of land and climate for sugar cane cultivation urged the Dutch company H.V.A. to extended the sugar industry from Wonji to Metahara plains, which is located some 200 KM south east of Addis Ababa on the Addis Ababa – Dire Dawa – Djibouti road with in the upper Awash Valley.

The factory started producing plantation white sugar on 9th of November 1969 with an initial crushing capacity of 1700 tons of sugar cane per day (TCD). Since then, the factory had under gone successive phases of expansions. The first Expansion was made in 1973 to raise the crushing capacity of the factory to 2450 TCD. The third expansion took place in 1976 and in 1981 which increased its crushing capacity to 3000 and 5000 TCD respectively.

The Factory was nationalized in 1975 and until now it is state owned enterprise; currently it has a total concession area of 14,733 hectares out of which 10300 hectare is conversed with cane plantation.

Metahara Sugar Factory is one of the largest state owned sugar factories, and its product target is an average output of 5,000 daily and 1.3 million quintals annually. Since, employers' motivation is a key factor to fulfill the product target. This research focuses on employees' motivational practice in Metahara Sugar Factory.

1.2 Statement of the Problem

In the free market economy, any Company or business enterprise is facing the challenges of business competition of other organizations in the industry and new entrants. The competition is mainly based on the cost and quality of product or services that it gives. Both quality of product and cost effectiveness are directly associated with employees

good performance, which is a result of motivated workers. Thus, motivation plays an important role to build up the competitive image of an organization and it is indispensable for better performance.

Therefore, it is the function of management to give emphasis for motivational practices. However Motivational practices are not give due attention in relation to the following areas:

- MSF gives salary increment and incentives to all workers annually as motivation based on their performance appraisal. However, it is a group incentive system and does not consider and motivate workers who exert high level effort for better achievement of the factory.
- Today most of organizations attempt to develop the outlook and performance of employees by using training and educational programs. The factory does not give much attention for employee's educational improvement and training. However, providing such facilities are some of motivational factors.
- The factory does not create or practice any type of motivational system such as hardship allowance considering work load and hardship of the working area.

1.3 Basic Research Question

- What are the motivational systems and practices that the factory is using now in general to increase the performance of employee?
- What type of motivational system the factory uses for better achievers in addition to group incentive?
- What are the factors that affect the implementation of the motivational methods currently?
- Does the factory facilitate training program to all workers and considering it as motivational factor for employee's better performance?
- Does the factory apply different motivational practices considering the hardship of the working area?

1.4 Objectives of the Study

1.4.1 General Objective

The main purpose of this study is to assess the motivational practices that are applied by MSF management.

1.4.2 Specific Objectives

The specific Objectives are: -

- To identify the purpose of motivational practices that the factory is using now.
- To identify the motivational methods which are currently applied by the factory?
- To evaluate employees satisfaction in relation to motivational practices employed by the factory.
- To identify the weaknesses through this study and to show the corrective action to be taken.

1.5 Significance of the study

The study has the following importance:

- To draw attention of different levels of management bodies of MSF, to give due consideration to the motivational concept and practices as the key factor for the better performance of the employees and for the achievement of organizational objectives through them.
- To highlight how motivational concepts and practices can be used to gain competitive advantage.
- To identify the major problems on the issue and to suggest possible recommendation.
- This paper may serve as reference for students, researchers, and policy makers.

1.6 Scope of the Study (Delimitation of the Study)

The scope of this study is to assess the motivational practices that are used for productivity of employees which are practiced in Metahara Sugar Factory. In order to find out these motivational practices, all permanent employees of the factory are included in this study.

1.7 Definition of Terms or Operational

- **Motivation** : It is financial and non-financial reward given by the Factory
- **Assessment** : Finding of motivational practices in Metahara Sugar Factory
- **White sugar** : Plantation Cane Sugar
- **Employee** : All permanent workers
- **Staff members** : Supervisors, unit, section, department and managers from group 12-23
- **Non staff members** : All employees from group 1-11

1.8 Research Design and Methodology

1.8.1 Research Design

As it is mentioned in objectives of the study part, the aim of this study is to assess the factory motivational practice and its effect in the performance of employees. Thus, descriptive type of research is used.

1.8.2 Population and Sampling Technique

The population frame for this study is 2,417 permanent employees of Metahara Sugar Factory. In order to get reliable and dependable information, the total population was taken as population of the study.

The total population (sample frame) is classified in to four operation groups; agricultural, factory, overhead and production improvement and the total number of sample is 120 employees.

In order to obtain representative of all type of operation of employees, this study used proportionate stratified sampling technique.

Manpower Distribution by Operation

Operation	Total Employees in Number	Sample Size in Number
Agriculture (FES,Civil work, LPCD)	424	21
Factory	947	47
Over Head	908	45
Production improvement	138	7
Total	2417	120

1.8.3 Types of Data Used

In this study, to dig out the actual practice of all the above mentioned ideas, the researcher used both primary and secondary data from primary and secondary source.

1.8.4 Methods of Data Collection

The data were collected through questionnaires which were filled by employee and unstructured interview was conducted with specific management group members.

Primary data collection was carried out through questionnaire and unstructured interview with management officials in order to obtain information about human resources policies and procedures in the implementation of the motivational practices. The student researcher used questionnaire to assess the reaction of employees toward motivational instruments.

The student researcher used available publications, different reports that are helpful for the study as secondary source for the analysis of the data. Other different texts and journals from different disciplines and web sites were used to make the study factual.

1.8.5 Methods of Data Analysis

The data that were collected through questionnaire were analyzed by using tables that are used for summarizing the data and percentage method. Those data that were collected through interview and open ended question of the questioner were analyzed quantitatively.

1.9 Limitation of the Study

The major limitation faced during the study was the location of the factory which is 200km far from AddisAbaba so it was difficult to distribute and collect questionnaire with minimum time and less cost.

The student researcher had also learnt that no study had been done previously regarding motivation in the factory. So that it was difficult to compare this study with other studies previously made.

1.10 Organization of the Study

The research paper has four chapters. The first chapter describes the introduction, background of the study, statement of the problem, objectives, scope, definition, design and methodology of the study. The second chapter deals with literature on motivational theories and practices. The third chapter deals with the analysis and interpretation of the collected data. The final chapter summarizes the major findings accompanied by conclusion and recommendation.

II. LITERATURE REVIEW

This part of the study deals with the theoretical background of motivation which is published by different authors.

2.1 Definition of Motivation

The term motivation comes from the Latin root word 'mover' which means "To move". Motivation is related to the motives of people by what they are moved and activated to achieve their goal. (Mishara, 2003, 149)

In the study of human resource management or organizational behavior, motivation has got substantially great concern by many scholars because it is a key factor in determining an effective and productive manpower. Most of them have their own definition of motivation.

According to Robbins (2001, 155), motivation defined as the willingness to exert high level of effort toward certain goal, conditioned by the efforts ability to satisfy some individual need. In addition to that Shane and Von Glinow (2000, 66) defined as the forces within a person that affect his or her direction, intensity and persistence of voluntary behavior willing to exert a particular level of effort (intensity) for certain amount of time and (Persistent to words a particular goal (direction). To add one more, according to Mishara (2003, 149) motivation is spirit of the people which is ignited by something such as a message, appeal and so on since the level of self-realization, spirit and power is different in different people. From the above sayings we can observe that some key elements are common in the definitions of motivation. Like desire, aim, goal, need, drive, motive, effort and direction. Therefore the meaning of motivation or understanding of the concept lies mainly in the meaning and relationship of these elements.

Another looking from the definitions focuses on arousing the motives or the drives, which is mainly seen as emanating by internal or external activities. Nelson and Quick (2000, 146) explain on their research that, motivation is the process of arousing and sustaining goal directed behavior

As Singh (2000, 76) stated, motivation is a psychological force which is more related with working behavior of employees. They can be motivated by providing necessary stimuli, by molding the pattern of behavior, modifying their perception and values and inspiring them.

In general Motivation is always directed towards achievement of high level of work, favorable jobs and high performance and quality of work, employee level of performance and quality of work and their qualifications are considered for motivation.

2.2 Theoretical Development of Work Motivation

Traditional theories of motivation at work have placed little emphasis of course; indirect attempts have been made to apply that elementary psychological process to the practice of management.

According to Singh (2000, 71), the earlier development as took place in the motivation assumptions provided by traditional models and later replaced by human relations models, the assumptions are:

- People, as is their natural instinct want to feel useful and important
- People crave for belongingness and want to be recognized as individuals and
- These needs carry more weight and importance than money in motivating people to work.

This leads to the need to revise the approach by implementing new ideas, which had never been considered.

As Singh described this concept, relying on these assumptions, the realization came about in managements, that their policies should undergo a change and in pursuance thereof impress upon their managers that their fundamental task was to provide a feeling to each worker (ibid).

2.3 Theories of Motivation

2.3.1 Early Theories

According to Mishra (2003, 153), motivation theories can be found in the early history of civilization when people started living in groups and in society; they searched for methods of helping and inspiring each other.

Early theories of motivation are the result of new thinking over the traditional human relation approach. Here again the dynamic environmental and organizational variables gave rise to the emergency of new way of thinking or new understanding about motivational techniques. These theories have new ideas or they included other side looking that could not be considered before.

Early theories of motivation are the hierarchy of needs theory, theory of X and Y and the two factor theory. These theories were formulated in 1950s. Robbins (2001, 156) suggests that we should know these theories, though more valid explanations of motivation have developed after them. Because first, they represent a foundation from which contemporary theories have grown. Second, practically managers still regularly use these theories and their terminology in explaining employee motivation. All of these theories have focused on different aspects of human needs as a factor for motivation.

2.3.2 Modern /Contemporary Approach of Motivation

The early theories of motivation have laid foundation for the creation and development of new and contemporary approaches. This doesn't mean that those early theories should be discarded out now this time. There are a number of contemporary theories that have one thing in common with the earlier. Each of the modern theories has a reasonable degree of valid supporting documentation. But the current approaches are contemporary theories not only because they are developed recently but also according to Robbins(2001, 160), they represent the current state of Art in explaining employee motivation. Some humanistic concerns served as a transition to the modern approaches to work motivation. Some of contemporary theories are:

- The ERG theory, the McClelland's theory of needs, cognitive evaluation theory, task characteristics theories, etc.

2.3.2.1 Content Theories of Work Motivation

Content theories of motivation explain why people have different needs at different time, thus, motivation begins with individual needs. According to Singh(2000, 84), human behavior is basically a need-based phenomenon and it is therefore generally influenced by the needs. These theories are based on the assumption that an individual behaves in a particular manner to satisfy his needs.

Thus, these need theories are called content theories and it consists "higher level" needs or motivates such as esteem and self-actualization (Maslow), responsibility, recognition, achievement and advancement (Hertzberg), and growth and personal development (Alderfer) and McClelland's theory of learned needs.

Understanding of the major contents models contributes to the understanding of work motivation and leads to specific application techniques.

(a) Maslow's hierarchy of needs theory

It is the most well-known theory of motivation. According to Shane Steven and Von Glinow(2000, 61), one of the earliest and best known content theories to explain why people have different needs at different time. Abraham Maslow hypothesized that with in every human being; there exist a hierarchy of five needs. These needs are: -

- **Physiological need:** - Includes the most basic needs like food, air water and shelter.
- **Safety need:** - Includes security and protection from physical and emotional harm.
- **Social need:-** Includes affiliation, belongingness, acceptance, and friendship.
- **Esteem need:-** Internal esteem factors like self-respect, autonomy achievement and:
 - External esteem factors like status, recognition, attention, appreciation, status etc...
- **Self-actualization need:** - the drive to become what one is capable of becoming includes growth, achieving one's potential and self-fulfillment.

As each of these needs becomes substantially satisfied, the rest need becomes dominant. A satisfied need no longer motivate. So, to motivate a person need to know the level of satisfied need

(b) Herzberg's two -factors theory of motivation

According to Sudan Amrik and Naveen Kumar(2004, 182), Herzberg's theory differs from Maslow's need hierarchy. The hygiene factors are preventive and environmental in nature, and they are roughly equivalent to Maslow's lower level need. Thus hygienic factors prevent dissatisfaction. But, they don't lead to satisfaction. In effect, they bring

motivation up to a theoretical zero level and are a necessary Floor to prevent dissatisfaction. The two factors are called dissatisfies- satisfiers or the hygiene – Motivators or the extrinsic - intrinsic factors. His researches give rise to specific conclusion. First, there is a set of extrinsic conditions (the job context) which result in dissatisfaction among employees when conditions are not present. If these conditions are present they don't motivate employees these conditions are the dissatisfied or hygiene factors, since they are needed to maintain at least a level of "no dissatisfaction". They include:

- Salary
- Job security
- Company procedures
- Quality of technical supervision
- Status
- Good working conditions
- Quality of interpersonal relation among peers, with superiors and subordinates

Second, motivational factors when a set of intrinsic conditions present in the job, they build Strong levels of motivation that can result in good job performance. If these conditions are not present, they do not provide highly dissatisfying. The factors in this set are called the satisfiers or motivators and include:

- Achievement
- Recognition
- Responsibility
- Advancement
- The work itself
- The possibility of growth.

One appealing aspect of Herzberg's explanation of motivation is that the terminology is work oriented. Despite this important feature, Herzberg's work has been criticized for a number of reasons. Here are some of them:

- When things are going well, people tend to take credit themselves. Contrarily, they blame failure on the external environment.
- The theory provides an explanation of job satisfaction. It is not really a theory of motivation and no overall measure of satisfaction was utilized i.e. a person may dislike part of his job, yet still think the job is acceptable.
- The motivation hygiene theory ignores situational variables.

(c) Alderfer's ERG theory.

Clayton Alderfer argues that there are three groups of core needs existence, related and growth needs

Existence needs: Concerned with providing our basic material existence requirement they include the items that Maslow considered to be physiological and safety needs.

Relatedness needs: The desire we have for maintaining important interpersonal relationships. These social and status desires require interaction with others if they are to be satisfied, and they align with Maslow's social need and the external component of Maslow esteem classification.

Growth needs: An intrinsic desire for personal development. These include the intrinsic components from Maslow's esteem category and the characteristics included under self-actualization.

- Need is stifled, the desire to satisfy a lower-level need increases. But, Maslow's need hierarchy is a rigid like a step like progression (a lower need must be substantially gratified before one can move on. A person can, for instance, be working on growth, even though existence or relatedness needs are unsatisfied or all three needs categories could be operating at the same time.

Generally ERG theory is more consistent with our knowledge of individual difference among people. Variables such as education, family background and culture can alter the importance of driving force that a group of needs holds for a particular individual (ibid).

(d) McClelland's theory of needs

McClelland has proposed a theory of Motivation that focuses three needs:

Need for achievement: the drive to excel, to achieve in relation to a set standards, to strive to succeed in a competitive situations.

Need for power: The needs to wake others behave in the way that they would not have behaved and manipulate the surroundings.

Need for affiliation: The desire for friendly and close interpersonal relationships to be liked by them.

He explains that when a need is strong in person, its effect is to motivate the person to use behavior that leads to its satisfaction. For example, having a high need of achievement encourages an individual to set challenging goals, to work hard to achieve the goals, and to use the skills and abilities needed to achieve them. He extends his research and developed a set of factors that reflect high needs for achievement are the person likes to take responsibility for solving problems. A person with a high need of power concentrates on obtaining and exercising power and authority. He/she is concerned with influencing others and winning arguments. According to his research power has two dimensions either negative (unsocial zed) or positive (socialized).

McClelland's theory concludes that all these needs are learned from the environment. Since they are learned, behavior that is rewarded tends to recur at a higher frequency. In a learning process, individual develop unique configurations of needs that affect behaviors and performance.

2.3.2.2 Process Theories of Work Motivation

According to Singh(2000, 64), every manager has a responsibility to get things done by the subordinates. To discharge this responsibility in satisfactory manner he performs the management function and creates healthy interpersonal relationship with subordinates. For doing this the manager has to find out what makes people do the things.

Process theories are concerned with identifying such variables that go into motivation and more importantly, how they relate to one another the process theories of motivation are concerned with answering the questions of how individual behavior is energized, directed, maintained and stopped.

Some of researchers called these theories as cognitive evaluation theories and they are relevant to that of organizational jobs. Some of the theories included under this category.

(a) Expectancy Theory of Motivation

According to Robbins(2003, 171), expectancy theory of motivation is the strength of a tendency to act in a certain way depends on the strength of an expectation that the act will be followed by a given outcome and on the attractiveness of that outcome to the individual.

Therefore, the attractiveness of the rewards will satisfy employee's personal goals, thus, the theory focuses on the following relationships.

- 1. Effort-performance relationship:** The probability perceived by individual that exerting a given amount of effort will lead to performance.
- 2. Performance-reward relationship:** The degree to which the individual believes that performing at a particular level will lead to the attainment of desired outcome.

3. Reward-personal goals relationship: The degree to which organizational rewards satisfy individual personal goals (Ibid).

(b) Equity Theory

Equity theory of motivation is based on the assumption that individuals are motivated when they are equitably treated. According to Gupta's and et al (2000, 222) definition, a worker always compared his performance with his co-workers. If one worker is slow and less active, he may make his fellow workers also like him

(c) Goal Setting

According to Robbins(2001, 166), the theory specifies that specific and difficult goals with goal/feedback lead to higher performance. Intentions to work toward a goal are a major source of work motivation. That is goals tell an employee what needs to be done and how much effort will need to be expended. Specific hard goals produce a higher level of output than does a generalized goal of "do your best" (ibid). An individual's conscious goals and intentions are the primary determinants of behavior. Once a person starts something (e.g. a job, new project), he/she pushes on until a goal is achieved. A goal is the object of an action. The attributes or the mental (cognitive) processes of goal setting are: -

- **Goal specify:** - the degree of quantitative precision (clarity) of the goal.
- **Goal difficulty:** - is the degree of proficiency or the level of performance.
- **Goal intensity:** - the process of setting a goal or of determining how to reach it.
- **Goal commitment:** - the amount of effort used to achieve a goal.

People do better when they get feedback on how well they done. Because feedback helps to see the discrepancy between what they have done and what they want to do. That feedback acts to guide behavior. But all

feedbacks are not equally important. Self-generated feedback (by monitoring own progress) is more powerful motivator than external feedback.

2.4 Importance of Motivation in Work Performance

The development of the “will to work” as industry’s core problem in the utilization of its manpower creates the need for greater attention to problems of motivation. A workers level of performance on his job is dependent both on his ability and on his motivation (the capacity to work and the will to work). According to RamasamyT. (2001, 284), two important things are necessary to perform any job. People have ability to work and willingness to work. Unwillingness to work is of no use. Accordingly, he expressed performance in the following formula:

$$\text{Performance} = \text{ability X motivation (willingness)}$$

The effects of motivation on performance are dependent on the level of the ability of the worker, and the relationship of ability to performance is dependent on the motivation of the worker. The effects of ability and motivation on performance are not additive but interactive i.e. performance (ability motivation). More is to be gained from increasing the motivation of those who are high in ability than from increasing the motivation of those who are low is ability. Similarly, more is to be gained from increasing the ability of those who are highly motivated than increasing the ability of those who are relatively unmotivated. This will suggest that managerial efforts to obtain and develop persons with skill and ability and motivate these persons must proceed concurrently.

2.5 Factors to be Considered in the Application of Motivational Theories

We have assessed different types of motivational theories so far. The sole advantage of going through these theories and concepts is to develop a flexible and scientifically proved motivational practice in use. But, it is

here the difficult question appear for the manager-the how question. How we select one among the theories? Which theory shall we prefer? Which one is better? The answer for these questions reveals the difficulties with the Manager in the application.

According to Mishara (2003, 181), motivation theories are applied in different organizations differently. Integrating theories have incorporated all the theories for managing organizations. Many theories are theoretical sound and practically non feasible. It becomes essential to evaluate the feasibility of these theories.

Therefore, we have to consider the following factors when we want to apply motivational practices.

1. Economic
2. Management by objectives
3. Employee involvement programmers
4. Performance appraisal

➤ **Economic Considerations**

In economic consideration money is greatly contributed as primary motivation, and it is associated with position power and prestige. Rao and Narayana (2000, 574) summarize the following rules regarding the money as motivation.

1. Money should not be considered the primary motivator at the expense of other factories.
2. Money will always have a central place in motivation programmed
3. Merit increase should be based on reliable and valid performance.
4. The amount of money should be directly related to performance.
5. Money and other financial rewards should be received as equitable in comparison to one's own effects.

6. Money tends to be a potent motivator when it is used to reduce the tension and worry.

There are different type of performance is used for motivating employees.

- **Variable pay program:** It refers to a system of payment of same portion of the total remuneration and the basis of an individual performance.
- **Piece rate play plan:** Piece rate payment is based on the actual performance. The wage is linked within production.
- **Wage incentives:** More pay for more production is an incentive to employee for higher production. Normally, Workers devote routine time and energy towards performing their job, but they exert themselves more when some incentives are given for higher production.
- **Profit Sharing:** Profit sharing practical type of motivation to monitor employees for better performance. An organization declares bonus on additional profitability at an agreed rate of sharing, because the increase in profitability is not only the outcome of employees but is also due to organizational structure, machines, method and management.
- **Gain sharing:** Gain sharing is formula-based group incentive plan improvement in group productivity is aimed for under gain sharing which is an incentive plan by which the total is allotted to employees.
- **Skill-based plan:** A skill – based plan refers to payment for knowledge and skills possessed by employees. It is totally different from profit sharing and wage incentives employees are paid for their skills, depth of knowledge, range of capabilities and experience based skills. For

examples, a university professor gets higher salary, although life takes less class.

- **Flexible Benefits:** Flexible benefits provide combinations of benefits from which the employees have to select the benefits of their respective choice. It is also called a cafeteria benefit program, as employees are allowed to pick and choose benefits of their own from a menu of benefit options.
- **Management by objectives (MBO):** - is a program that encompasses specific goals, participative bet, for an explicit time period with feedback on goal progress. It emphasizes on goals that are tangible, verifiable, and measurable. It is not an idea. It is emphasis is on converting overall organization objectives into specific objectives for organizational units and individual members so that it gives a specific personal performance objective. When individuals achieve their objectives, organizational objective becomes realize. It has four variables.
 - Goal Specificity.
 - Participative decision making
 - Explicit time period
 - Performance feedback.

The objectives in MBO are concise statements of expected accomplishment. The superiors and subordinate jointly choose the goals and agree on how they will be measured.

- **Participative management:** is a process where subordinates share significant degree of decision making power with their immediate superiors. Ruling power is good for many reasons. First, when jobs have become more complex, managers may not know everything their employee do and if here participation allows those who know the most to contribute and better decisions. Second, participation increases

commitment to decision. Third, it provides intrinsic reward for employees and can make their job more interesting and meaningful. The most widely used form of participative management is quality circles. It is a work group of employees who meet regularly to discuss their quality problems, investigate causes, recommend solutions, and take corrective actions. Quality Circle draws on employees to identify and solve quality problems in their area.

- **Performance based Compensation:** According to Mishra(2003, 189) performance appraisal is an important tool for rewarding employees, It has become a common practice to consider the factors of performance of employees maintain a fair relationship, develop employees and accept feedback from employee. Paying employees on the basis of some performance measure. Instead of paying for the time on the job, pay is adjusted to reflect some performance measure. It needs individual productivity, work group or departmental productivity, unit profitability, or the overall organization's profit performance. This may probably be most compatible with expectancy theory. Individuals should perceive a strong relationship between their performance and the rewards they receive if motivation is to be maximized. If rewards are allocated completely on non-performance factors-such as seniority or job title, then employees would like to reduce their effort.

2.6 Importance of Motivation

To accomplish the objective of any organization, motivation is an important and indispensable management responsibility. Thus to understand the importance of motivation, management can measure or judge from different angles. According to Gupta R.S, BD Sharma and NS Bhalla(2003, 216) motivation is the process which influences people to act and determine the organizational efficiency. All facilities may go waste if

employees are not properly motivated. The importance of motivation can be judged from the following factors:

Need Satisfaction: Motivation helps in satisfying individual as well as group needs of employees. It results in the voluntary co-operation and co-ordination of employees and the goals of the organization can be easily achieved.

Job Satisfaction: When employees are properly motivated, they use their skill and knowledge up to their maximum ability to show better results to the management. This promotes the feeling of job satisfaction among the employees. Thus the policies and plans of the organization are effectively implemented.

Productivity: Motivation results in increased productivity since its basic object is to achieve the goals of the enterprise. The workers give their best performance which helps in increasing the productivity of the organization.

Reduction in Labour Turnover and Absenteeism: One of the most important contributions of motivation is that employees prefer to stay in the organization thereby bringing the labour turnover to the minimum. Similarly motivated employees tend to be regular and the problem of absenteeism is also minimized.

Acceptance of Organizational Changes: The technological changes taking place in the world have brought about revolutionary changes on the production side. Generally employees resist these changes but with proper motivation, they accept these changes thereby keeping the organization in line with the other competing concerns.

Increasing All-round Efficiency: The friction between the workers themselves and also between the management and workers is decreased resulting in the all-round efficiency. It helps in decreasing the wastages, accidents, complaints and grievances. The motivation circle which helps in overall efficiency works as follows:

Wants → Needs → Motives → Helped by motivation →
Actions → Goals → Performance

2.7 Methods of Motivation

We have seen different types of motivators advocated by various authors. Some of the important motivators are explained below:

- A. Financial Motivators (incentives)
- B. Non-financial Motivators (incentives)

A. Financial Motivators or Incentives

Money is a basic motivator for all employees as the primary needs are to be met only with money. However, money is not an end; it only serves as a means for achieving the minimum standard of living. Financial incentives are of two types:

- (a) *Individual* financial incentives and
- (b) *Collective* financial incentives.

All financial incentives which induce an individual to produce more (e.g. Halsey, Rowan and Taylor's incentive plans) are individual financial incentives whereas collective incentive are given to a group (e.g. bonus, profit sharing etc.)

B. Non-Financial Incentives

According to Gupta R.S, BD Sharma and NS Bhalla(2000, 225) these methods of motivation include the following:

Participation: Subordinate staff should be associated with the decision making process. Employees should be encouraged to participate in the decision making process.

Job Enrichment: Workers should have a hand in setting their goals so that they have a feeling of personal responsibility for their task. They should be given more latitude in deciding about certain routine things. An effort should be to create pride in the job among staff members all this results in job enrichment.

Integrating the Communication Flow: If there is a proper communication among the employees or between the management and employees it acts as a motivator. Let all employees be given adequate information to solve their problems. It is very essential that employees should know as to what is going on in the enterprise. Upward communication is very essential as it reflects response to various policies and programs.

Positive Reinforcement: The performance of works increases manifold when there is a positive reinforcement among the workers by the management. Such guidance from time to time enhances vitality and efficiency of workers. Sometimes, praise of work is a great motivator for an employee.

Terms of Employment: In addition to pay, other terms of employment also act as a motivator e.g., status, chances of promotion, responsibility, job security etc.

Favorable work Environment: Both physical and mental environment should be searched that there is a conducive work environment. The

management should try to remove the irritants which creep in and spoil the work environment.

Building Morale: High morale and low morale are directly related to higher production and low production respectively. When physiological and psychological needs of the workers are satisfied, the morale is high. When the morale is low the management should analyze the factors responsible and proper action should be immediately taken.

Stimulating Leadership: Leadership may be defined in terms of totality of functions performed by executives as individuals and as a group.

III. DATA PRESENTATION, ANALYSIS AND INTERPRETATION

This chapter of the study summarizes the primary data collected through questionnaires and unstructured interview. In addition to that secondary data obtained from human recourse department and collective agreement with the interpretation of the primary data.

To collect data Questionnaires were distributed to selected employees in all departments to obtain representative of all type of operation employees. Thus, distribution of the questionnaires in the factory held as per the following.

1. Factory employees	47
2. Agricultural “	21
3. Overhead “	45
4. Project and Research	7

Questionnaires were distributed to 120 employees randomly and all distributed questionnaires collected back.

3.1 Characteristics of the Study Population

The following table presents the general characteristics of respondents concerning their sex, age, educational level, work experience and their working operation unit at the factory.

Table 1: Characteristics of the Respondents

NO	Characteristics of the respondents	Item	Respondents	
			No	Percent (%)
1	Sex	Male	102	85.0
		Female	18	15.0
	Total	120	100.0	
2	Age	18-30	31	25.8
		31-40	35	29.2
		41-50	39	32.5
		51-60	15	12.5
	Total	120	100.0	
3	Level of Education	1-8	6	5.0
		9-12	28	23.3
		Certificate	21	17.5
		Diploma	51	42.5
		Degree	14	11.7
	Total	120	100.0	
4	work experience in MSF	1-5	24	20.0
		6-10	25	20.8
		11-15	15	12.5
		16-20	8	6.7
		above 20	48	40.0
	Total	120	100.0	
5	Respondent work unit	Agriculture	20	16.7
		Factory	48	40.0
		Overhead	45	37.5
		Project and Research	7	5.8
	Total	120	100.0	

According to the data summarized in Table 1, out of 120 respondents 85.0% of the employees are male and 15.0% are female, most of the jobs are occupied with male employees.

The data in terms of age indicates that 25.8% respondents fall under the age group of 18-30, 29.2% under age group of 31-40, 32.5% under age group of 41-50 and 12.5% under the age group of 51-60. This data shows that most of the workers are above the age of 30.

When we look at the employees' work experience, 80% of employees are having more than five years' experience while only 20.0% having five and less than five years' experience. It is possible to conclude from the information that the factory has employees of high work experience.

Regarding the educational level of the respondents as indicated in the Table 1, No 4, 17.5% are certificate holders, 42.5% are diploma holders, 11.7% have their first degree and 28.3% are grade 12 and less than grade 12. This shows that most of the employees (71.7 %) are trained in certificate, diploma and degree. It shows most of the employees are able to understand their work or to learn.

In general as shown in Table 1 about characteristics of the respondents most respondents have stayed in the factory for more than 5 years and they are Certificate and Diploma holders can provide adequate information about the factory and can understand the items in the questionnaire to fill them in the appropriate way.

3.2 Analysis of Finding of the Study

Table 2: Resource Allocation

Item	Alternatives	Respondents	
		No	Percent (%)
Do you have sufficient resources to perform your job?	Yes, it is sufficient	39	32.5
	Partially sufficient	67	55.8
	Not sufficient	14	11.7
	Total	120	100

Sufficient resources are very important for employees to perform their duty. As indicated in Table 2, 32.5% respondents only have sufficient resources, 55.8% revealed that they have partially sufficient resources and 11.7% of the respondents have responded that the resource provided by the factory is not sufficient to perform their duties. This

indicates that the organization does not provide sufficient resources to all employees.

Table 3: Performance Evaluation Related to the Evaluators

Item No.	Item	Alternatives	Respondents	
			No	Percent (%)
1	Do you have any problem faced or observed from your performance evaluator?	Yes	28	23.3
		No	88	73.3
		I don't know	4	3.3
		Total	120	100
2	On what basis does your evaluator evaluates you?	Personal Basis	21	17.5
		Comparing with other employee	26	21.7
		Based on past performance	18	15.0
		Average rating	6	5.0
		Current performance	47	39.2
		Other	2	1.7
		Total	120	100

Regarding performance appraisal system and employees relation with their performance evaluator 23.3% of the employees have faced problem with evaluators, 73.3% of the employees have good relation and the remaining 3.3% of the employees did not recognized their relations with evaluators regarding to performance evaluation. Generally most of the employees believed that they are evaluated free of personal problem with their immediate supervisors and it contributes more for productivity.

As indicated in Table 3 - Item No. 2 respondents believe that they are evaluated based on different methods, that is 17.5% of the employees believe that they are evaluated on personal basis, 21.7% evaluated by comparing with other employees, 15.0% evaluated based on past performance, 5.0% evaluated on average rating, 39.2% evaluated on current performance and 1.7% evaluated based on other evaluation methods.

Performance evaluation is made in every six months to evaluate the current performance of the employees. However, 39.2% of respondents only relived that they evaluated based on their current performance. This indicates that the objective of the performance evaluation is not fulfilling the intended objective. Performance evaluation process shall be free from any bias and should be conducted based on the performance of the employee. If evaluators using different methods, it will affect motivation of employees as the result reduces productivity.

Table 4: Performance Evaluation and Importance

Item No.	Item	Alternatives	Respondents	
			No	Percent (%)
1	Does the management tell everyone what is being done wrong and right based on the performance evaluation?	Yes	41	34.2
		No	65	54.2
		I don't know	14	11.7
		Total	120	100
2	To what extent does your performance evaluation result helps you?	Promotion	11	9.1
		Transfer	11	9.1
		Salary increment	50	41.7
		Award	4	3.4
		Incentive	38	31.7
		Nothing	4	3.3
		Other	2	1.7
		Total	120	100.0

Table 4 - Item No. 1 reveals that 34.2% of the respondents replied that the management tells the employees what is wrong and right but 54.2% of respondents assure that the evaluator did not tell everyone and 11.7% don't know whether their evaluators tell them what is being done wrong and right. This will develop a reluctant sense on employees and its effect can be extended to their future performance.

Employees' response concerning importance of performance evaluation is indicated in Table 4 - Item No. 2. Most of employees believe that performance evaluation helps them for promotion 9.1%, transfer 9.1%,

salary increment 41.7%, award 3.4%, incentive 31.7%, nothing 3.3% and others 1.7%. Most of the respondents revealed that the performance evaluation helped them for annual salary increment and incentive which is currently have been implemented by the factory to motivate employees. This shows the factory uses financial incentives to motivate employees.

Table 5: Policies and Procedures for Better Performance

Item No.	Item	Alternatives	Respondents	
			No	Percent (%)
1	How policies and procedures are attractive to initiate employees for better performance?	Highly attractive	19	15.8
		Attractive	37	30.8
		Moderately attractive	37	30.8
		Unattractive	15	12.5
		Low attractive	12	10.0
		Total	120	100
2	Do you agree the management treats every employee equally in accordance with the rules and procedures?	Strongly agree	5	4.2
		Agree	15	12.5
		Moderately agree	58	48.3
		Disagree	30	25.0
		Strongly disagree	12	10.0
		Total	120	100

Regarding policies and procedures attractiveness for better performance and motivation 15.8% respondents believe that the policies and procedures are highly attractive, 30.8%, attractive 30.8%, moderately attractive 12.5%, unattractive and 10.0% low attractive as the result indicated in the Table 5 - Item No. 1, totally 22.5% workers do not believe that the policies and procedures are attractive. In general most of the employees agreed the factory policies and procedures are attractive. If most of employees feel the factory polices are attractive it will help them for better performance.

Table 5 - Item No. 2 indicates that 4.2% of the respondents strongly agree and 12.5% agree that the factory management treats every employee equally in accordance with the rules and procedures. On the other hand 25.0% of the respondent's disagree and 10.0 % strongly disagrees about

equal treatment of management according to the rules and procedures of the factory. In general this data shows 35% of respondents are dissatisfied comparing to the agreed ones. Moreover, 48.3% moderately agree it shows they are not well satisfied.

If employees feel that there is impartial treatment, they will lose their confidence and it will frustrate them and not to be initiated to exert their maximum effort towards the accomplishment of organizational objectives.

Table 6: Motivation Systems Employed by the Factory

Item No.	Item	Alternatives	Respondents	
			No	Percent (%)
1	Is their motivational systems employed by the factory?	Yes	98	81.7
		No	9	7.5
		I don't know	13	10.8
		Total	120	100
2	If your answer is 'yes' what type of motivational systems employed by the factory for motivating employees?	Salary increment	28	28.6
		Training and education	10	10.2
		Incentive	30	30.6
		Promotion	12	12.3
		Recognition	5	5.1
		Bonus	9	9.1
		Other benefits	4	4.1
		Total	98	100.0
3	How much are you satisfied with currently implemented motivational system?	Very satisfied	27	22.5
		Satisfied	39	32.5
		Average	41	34.2
		Dissatisfied	6	5.0
		Very dissatisfied	7	5.8
		Total	120	100

According to Table 6 - Item No. 1, 81.7% of the respondents assured that the factory employed motivational systems to motivate employees but 10.8% of the respondents believe that there is no motivational systems employed by the factory and 11.9% of the respondents even don't know whether the factory employed motivational systems or not. This shows that these respondents will not exert their maximum effort to perform their job unless they do not know the motivational systems.

As indicated in Table 6 – Item No. 1, among 120 respondents 98 of them indicated that the factory employed motivational system. Accordingly in Table 6 – Item No. 2, these respondents revealed that the factory uses the following incentive systems, 28.6% salary increment, 10.2% training and education, 30.6% incentive, 12.3% promotion, 5.1% recognition, 9.1% bonus and 4.1% other benefits. Salary increment and incentive are indicated by most of the respondents. As respondents indicated that the factory uses annual salary increment and incentive, that is one or two months' salary is paid as incentive based on the performance of the factory as well as employees.

As it is shown in Table 6 – Item No. 3, 11 out of the total respondents 22.5% are very satisfied, 32.5% satisfied, 5.0% dissatisfied, 5.8% very dissatisfied and 34.2% moderately satisfied with the current motivational system has been implemented by the factory. As the result indicated most of the employees are satisfied with the current motivational system employed by the factory.

Table 7: Effort of Employees and Awarding System

Item No.	Item	Alternatives	Respondents	
			No	Percent (%)
1	Do you exert your maximum effort to achieve your duties?	Never	2	1.6
		Often	41	34.2
		Almost always	68	56.7
		Sometimes	9	7.5
		Total	120	100
2	Is there awarding system to motivate those workers especially who exert their maximum effort to achieve more result?	Yes	18	15.0
		No	50	41.7
		I don't know	52	43.3
		Total	120	100

According to Table 7 – Item No. 1, 56.7% of the respondent revealed that they have exerted their maximum effort almost always to achieve their duties, 7.5% of them sometimes, 34.2% of them often exert their

maximum effort to achieve their work. This unexploited effort of employee is very important for the factory since they are ready to exert their maximum effort through motivational practices.

As indicated in Table 7 – Item No. 2, 41.7% of respondents disclosed that there is no awarding system employed by the factory, 43.3% do not know whether there is award or not and 15.0% believed there is awarding system.

Awarding to high performers will encourage and motivate other workers to work hard and it creates competition between employees and this will help to be productive. Thus, award is one of the motivational tools to increase productivity award can be financial and non-financial

Table 8: Type of Awarding Systems

		1 st	2 nd	3 rd	4 th	5 th	6 th	7 th
Which type of motivational system is better to motivate for high performance achievers? (please give rank from 1-7)	Salary increment	19%	24%	29%	12%	14%	2%	0
	Promotion	25%	32%	20%	10%	9%	4%	0
	Bonus	1%	5%	10%	16%	14%	51%	3%
	Recognition	14%	11%	9%	14%	31%	20%	1%
	Incentive	2%	9%	15%	32%	26%	13%	3%
	Training and edu.	39%	19%	17%	16%	6%	3%	0
	Other	0	0	0	0	0	7%	93%
Total	100%	100%	100%	100%	100%	100%	100%	100%

Table 8 shows the direction to which employee needs to be given as award for best performance achievers, and this table tries to show the motivational types that are assumed by the employees of the respondents to have higher value from the alternative given as motivational factors.

Accordingly, most of respondents selected or ranked:

- 1) training and education,
- 2) promotion,
- 3) salary increment,
- 4) incentive,

- 5) recognition,
- 6) bonus and
- 7) other.

Table 9: Training and Education

Item	Alternatives	Respondents	
		No	Percent (%)
To what extent does the factory give chance to employees to develop their skills through training and education?	To very great extent	13	10.8
	To great extent	24	20.0
	To some extent	63	52.5
	Not at all	9	7.5
	I don't know	11	9.2
	Total	120	100

In Table 9 presented that to what extent the factory gives chance to employees to develop their skills through training and education. Accordingly, 10.8% respondents said that the factory gives chances to very great extent, 20.0% great extent, 52.5% to some extent, and 7.5% not at all and 9.2% don't know whether the factory gives chance or not.

Training and education is one of the motivational tools for productivity of employees which helpsthem to fulfill their personal and organizational objectives.

Table 10: Support for Education and Training

Item	Alternatives	Respondents	
		No	Percent (%)
What type of support does your factory provides you to improve your educational level by your own effort?	Financial and material support	33	27.5
	Morally and consultation	8	6.7
	Reduction of the work load	19	15.8
	In all aspect	9	7.5
	No support	51	42.5
	Total	120	100.0

As shown in the above Table 10, 27.5% respondents revealed that the factory supported them financial and materially to improve their educational level, 42.5% respondents said that the factory does not support them by any means, 6.7% supported morally, 15.8% of them replied that they are supported through reduction of load and 7.5% the factory support them in all aspects.

This data implies that the factory does not support all employees for education specially those who tries to learn by themselves.

Table 11: Climatical and Hazardous Conditions

Item	Alternatives	Respondents	
		No	Percent (%)
Do you believe your productivity is affected by climatical and hazardous conditions?	Yes	61	50.8
	No	39	32.5
	I don't know	20	16.7
	Total	120	100

According to the above table 50.8% of the respondents reveals that the working environment regarding climatical and hazardous conditions affects their productivity, 32.5% believes that it does not affect their productivity and 16.7% do not recognized whether these factors affect their productivity or not.

Most of the respondents stated the factors that affected their productivities are:

- hot weather of the factory area,
- air pollution by sulfur oxide gas and lime,
- dust from boiler baggas.

Table 12: Types of Incentive Implemented for Climatical and Hazardous Conditions

Item	Alternatives	Respondents	
		No	Percent (%)
What type of incentive implemented for climatical and hazardous conditions?	Transfer	14	11.7
	Allowance	17	14.2
	Better salary	18	15.0
	Nothing	7	5.8
	Protective device	51	42.5
	Other	13	10.8
	Total	120	100

The factory that have been implemented to motivate employees working in hazardous conditions are as asserted by respondents that 42.9% the factory provide them protective devices, 11.6% transfer to other, 14.6% better salary, 11.5% other benefits and 5.6% noting.

Table 13: Employees' Satisfaction

Item No.	Item	Respondents	Very satisfied	Satisfied	Neutral	Very dissatisfied	Dissatisfied	I don't know	Total
1	Salary	No.	5	28	57	10	20	0	120
		%	4.2	23.3	47.5	8.3	16.7	0	100
2	Promotion	No.	5	22	30	24	30	9	120
		%	4.2	18.3	25.0	20.0	25.0	7.5	100
3	Award	No.	5	3	9	11	28	64	120
		%	4.2	2.5	7.5	9.2	23.3	53.3	100
4	Job itself	No.	29	39	36	7	9	0	120
		%	24.2	32.5	30.0	5.8	7.5	0.0	100
5	Company procedure	No.	9	20	53	11	24	3	120
		%	7.5	16.7	44.2	9.2	20.0	2.5	100
6	Benefits	No.	7	19	50	22	21	1	120
		%	5.8	15.8	41.7	18.3	17.5	0.8	100
7	Job security	No.	19	33	32	18	16	2	120
		%	15.8	27.5	26.7	15.0	13.3	1.7	100
8	Insurance coverage	No.	18	31	28	9	17	17	120
		%	15.0	25.8	23.3	7.5	14.2	14.2	100
9	Medical service	No.	25	22	32	23	17	1	120
		%	20.8	18.3	26.7	19.2	14.2	0.8	100

Table 13 show summarized employees' level of satisfaction for different motivational factors like salary,promotion, award,job itself,company procedure, benefits, job security, insurance coverage and medical service.

As we have seen from the above table item No. 1 majority of respondents (47.5%) replied that they are neutral which means not satisfied as well as dissatisfied with salary they obtained, 4.2 are very satisfied and 23.3% are satisfied on the other hand 8.3% and 16.7% are very dissatisfied and dissatisfied respectively. Money or salary is the primary motivator as indicated in the table most of the workers are not satisfied or dissatisfied with their salary.

Item No. 2 of this Table13 indicates 4.2% of respondents are very satisfied, 18.3% satisfied, 25.0% neutral, 20.0% very dissatisfied and 25.0% are dissatisfied with promotion. Promotion is related with structure of the factory and performance each employees. However, most of the workers are not satisfied with promotion.

As in item no 3 of table 13, indicated 53.3% of respondents replied that they do not know whether the factory gives award or not, 4.2% are very satisfied, 2.5 satisfied, 7.5% moderately satisfied, 9.2 % very dissatisfied. The data shows that most of the employees have never been informed whether they are award or not.

Item No 4 shows employees satisfaction towards their specific duties. Majority of respondents that is 24.2% are very satisfied, 32.5% satisfied, 30% moderately satisfied, 5.8% very dissatisfied and 7.5% dissatisfied with their job. From this we can conclude that the employees are able to perform their duty since they like the job.

Regarding company procedure as indicated Table 13, of Item No. 5, 44.2% replied that they are moderately satisfied, 5.8% very satisfied, 16.7% satisfied, 9.2% very dissatisfied, 20.0% dissatisfied and 2.5 % said they do not know the company procedure. Generally most of the respondents are satisfied with the factory procedures.

Table 13, Item No. 6 shows that 41.7% of respondents are moderately satisfied with the factory benefits, generally 21.6% respondents are satisfied on the other hand 35.8% dissatisfied with different level. Different type benefits are provided by the factory however most of respondents selected neutral.

As far as job security concerned respondents have answered that 15.8% of respondents said it is very satisfied, 27.5% satisfied, 26.7% moderately satisfied, 15.0% very dissatisfied and 13.3% dissatisfied. Since, it is state owned factory relatively job security is better than other organizations. However, the job security depends up on performance of each employees.

In connection to insurance coverage as shown in item 8 of Table 13, generally 40.8% of respondents satisfied with the current insurance coverage to employees, 21.7% have replied with the insurance coverage, 23.3% moderately satisfied and 14.25% of respondents do not know the insurance policy of the factory.

Medical service is given to all employees with its own medical center and other government and private medical hospitals. The response of respondents related to medical service is shown that 20.8% respondents are very satisfied, 18.3% satisfied, 26.7%, moderately satisfied, 19.2% very dissatisfied and 14.2% dissatisfied.

In general Table 13 shows employees' attitude towards these motivational factors is clear indicators for the management to understand employees' needs and thereby to reconsider the existing motivational systems which have been employed by the factory.

IV. SUMMARY, CONCLUSION AND RECOMMENDATIONS

4.1 Summary

The main objective of this study is to identify and examine the motivational practices that are currently applied by the factory and whether they are attaining the desired goals. In addition to that to answer the basic research questions raised in chapter one of this study and to give possible recommendations based on the research carried out which may increase the productivity of workers.

In line with findings the following summary of findings, conclusion and Recommendations are drawn:-

Summary of Finding

The primary data collected through questionnaire is summarized and presented as follows.

- Regarding employees background most of the workers are male and have long year experience, most of them have certificate and diploma and considerable employees are approaching to their retirement age.
- Most the employees assure that the factory provided them insufficient recourses even though most the employees are interested to exert their maximum effort to perform their duty.
- In relation to performance evaluation more than half of the employees believe that they are not evaluated based on their current performance. However, they believe that performance evaluation helps them for financial incentive which is paid annually.
- Above half of employees feel that the factory rules and regulations have been implemented by the management equitably. However, Considerable numbers of respondents did not agree.

- One of the motivational systems is awarding employees who exert their maximum effort, making computation among employees increases productivity but currently the factory did not implement this incentive method and most of employees have recommended that it is better to implement the system and give training and education opportunity for best performers.
- Most of the respondents believed that to some extent the factory support the employees to develop their skill through training and education; on the other hand,it is found that the factory does not give financial and other supports for those who are learning in different institutions by them.
- Most of the employees believed that the factory area hotness and some other like baggas dust andair pollution because of chemicalgas affected their productivity. To protect them the factory provided the workers protective devices as asserted by respondents.
- As far as the employees level of satisfaction to different type of motivational factors like salary, promotion, award, job satisfaction, company procedure, benefits, job security, insurance coverage and medical service most of respondents are moderately satisfied.

4.2 Conclusion

- The factory uses financial incentive method which is annual salary increment and pays 1-2 months' salary as incentive.But the factory does not consider non-financial incentivesystems to motivate workers in a way they are to be productive.

- The incentive system of the factory has related with employee performance. This annual incentive is paid based on group performance who scored the same result will get the stated amount of money which is stated in the criteria. However, this method of evaluation does not motivate the best performers, outstanding and creative workers.
- Giving training and education is one of the best motivational systems to motivate workers for better performance. But the factory does not apply education and training opportunity for employees as an incentive rather it gives education and training for those selected employees when it is necessary and decided by the management.
- The productivity of some of the factory and field workers is affected by climatically and hazardous conditions. In order to protect them from these hazardous conditions, the factory provides them different protective devices.

4.3 Recommendations

From the data collected and analyzed, the student researcher would like to forward the following recommendations that are useful for the factory to improve the problems raised in relation to the employee motivational practices.

- In order to make all the rewards to be effective to their motivational value, the management should link rewards with job performance. To show a clear linkage between them, each criterion should be seen that they have a clear correlation with the performance and should be known to the employees accordingly.

- Currently the factory has applied group based performance incentive, however, this type of incentive does not encourage those workers who exert their maximum effort and dissatisfied individuals personal goals. Therefore, the factory management should revise and incorporate awarding system for better achievers in the in the factory incentive practices since it is the base for maximizing employee motivation.
- Today many organizations understand the importance of training and education which will help for improvement of workers thereby it increases productivity. As it is asserted by most of the respondent workers those who try to improve their educational level by themselves does not financially supported. But supporting these workers can motivate them. Thus, training and education opportunity should be given as award to motivate workers as most of the respondents suggested it.
- The factory is providing protective devices to those workers working in hazardous working area. This is very important and it is a key factor to protect and to make them productive. However, currently the factory paid immaterial amount of money as incentive or premium stated in the collective agreement. Moreover, these workers should be motivated through financial incentive that is allowance, enough amount of money or better payment. They should also motivate with non-financial incentive methods, like transfer to other working areas generally physical and mental conducive working environment should be created.

In general as many of scholars agreed motivation is a human behavior and act of stimulating someone to get the desired goals. Thus, the factory management better to redesign the existing motivational system to get things done as desired, by which the

management could manage all motivational issues under its limit. So that, to motivate employees in better way the factory management considered different types of motivational practices like management by objective, employ involvement program and performance appraisal. In addition to this before applying these motivational models management also take into consideration and assess the motivational factors that can be applied and feasible as well as increases the productivity of workers. Therefore, the factory can fulfill its objective as well as its mission.

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APPENDICES

St. Mary's University College
Department of Management
QUESTIONNAIRE

This questionnaire is designed to collect relevant data for senior paper in partial fulfilment of the requirement for the BA Degree in Management at St. Mary's University College. The research topic is Motivational practices in the case of Metahara Sugar Factory.

Please take few minutes of your time to complete this questionnaire. The data you provide will be used for academic purpose. Thus you are encouraged to freely express your views, honest response and concern will have a positive contribution to success of the research. Moreover, your response will be kept confidentially.

I kindly request you to fill and return it as soon as possible.

NB There no need of writing name
Put \surd mark on the box provided

PART I

Background of Respondents

1. Age
18-30 31-40 41-50 51-60

2. Sex
Male Female

3. Level of Education
1-8 9-12 Certificate
Diploma Degree

4. Work experience at MSF
1-5 6-10 11-15
16-20 above 20

5. What is your work unit operation?

Agriculture

Factory

Overhead

Research

PART II

Data Related to Research Question

1. Does the factory fulfil all essential resources to perform your job?

Yes, it does

Partially fulfil

No, it doesn't

2. Do you have any problem faced or observed from your performance evaluator?

Yes

No

I don't know

3. On what basis does your evaluator evaluates you?

Personel Basis

Average rating

Comparing with other employee

Current performance

Based on past performance

Other

4. Does the evaluator tells everyone what is being done wrong and right based on the performance evaluation ?

Yes

No

I don't know

5. To what extent you think your performance evaluation result helps you?

(you can choose more than one)

Promotion

Salary increment

Incentive

Transfer

Award

Nothing

Other

6. Are the factory's policies and procedures attractive to initiate employees for better performance?

Highly attractive

Low attractive

Attractive

Unattractive

Moderately attractive

7. Do you agree the management treats every employee equally in accordance with the rules and procedures?

Strongly agree Agree
Moderately agree Strongly disagree
Disagree

8. Is their motivational systems employed by the factory?

Yes No I don't know

9. If your answer is 'yes' what type of motivational systems employed by the factory for motivating employees?*(you can choose more than one)*

Salary increment Promotion Bonus
Training and education Recognition
Incentive
Other benefits

10. How much are you satisfied with currently implemented motivational system?

Very satisfied Satisfied Average
Dissatisfied Very dissatisfied

11. Do you exert your maximum effort to achieve your duties?

Never Sometime Often
Almost always Not at all

12. Is there rewarding system to motivate those workers especially who exert their maximum effort to achieve more result?

Yes No I don't know

13. Which type of motivational system is better to motivate for high performance achievers? *(please give rank from 1-7)*

Salary increment Promotion
Insurance Incentive
Recognition Bonus Other

14. To what extent does the factory give chance to employees to develop their skills through training and education?

To very great extent To great extent
To some extent Not at all

15. What type of support does your factory provides you to improve your educational level by your own effort ?(you can choose more than one)

Financial and material support Reduction of the work load
Morally & consultation In all aspect
No support

16. Do you believe your productivity affected by climatical and hazardios conditions?

Yes No

If yes please specify it_____.

17. What type of incentive system is implemented by the factory for climatical and hazardios conditions?

Transfer Additional payment
Allowance Protective device
Other Nothing

18. What type of incentive do you expect for climatical and hazardios conditions?

(please give rank from 1-5)

Transfer Additional payment
Allowance Protective device Other

19. How much are you satisfied with:-

	Very Satisfied	Very Satisfied	Neutral	Dissatisfied	dissatisfied	I don't know
Salary	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Promotion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Award	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Job itself	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Company procedure	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Benefits	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Job Security	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Insurance coverage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Medical service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

20. Please give your comment, suggestion or recommendation if you have any.

DECLARATION

I, the undersigned, declare that this senior essay/project is my original work, prepared under the guidance of Ato Biruk G/Michael. All sources of materials used for the manuscript have been duly acknowledged.

Name _____

Signature _____

Place of submission _____

Date of submission _____

SUBMISSION APPROVAL SHEET

This senior research paper has been submitted to the Department of Management in partial fulfillment of the requirements of BA Degree in management with my approval as an advisor.

Name_____

Signature_____

Date of submission _____