



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

**ASSESSMENT OF MOTIVATIONAL PRACTICES: THE
CASE OF COMMERCIAL BANK OF ETHIOPIA**

**BY
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**DECEMBER, 2016
ADDIS ABABA, ETHIOPIA**

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**A THESIS SUBMITTED TO ST.MARY'S UNIVERSITY,
SCHOOL OF GRADUATE STUDIES IN PARTIAL
FULFILLMENT OF THE REQUIREMENTS FOR THE
DEGREE OF MASTER OF GENERAL BUSINESS
ADMINISTRATION**

**DECEMBER, 2016
ADDIS ABABA, ETHIOPIA**

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DECLARATION

I, Elshaday Belete Tilahun, declare that this thesis is my original work, prepared under the guidance of Temesgen Belayneh (PHD). 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

St. Mary's University, Addis Ababa

Signature

December, 2016

ENDORSEMENT

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

Advisor

Signature

St. Mary's University College, Addis Ababa

December, 2016

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ACKNOWLEDGMENTS

I would like to express my gratitude to my advisor, Temesgen Belayneh (PHD) for his guidance and invaluable assistance in the process of preparing this thesis.

Special thanks also goes to Commercial Bank of Ethiopia for giving me the needed material documents necessary for this study. In addition, I would like to express my appreciation to CBE ten branch staff members for filling out my questionnaire.

My sincere thanks also goes to my colleagues, families and friends for their unreserved contribution for the successful accomplishment of my graduate study starting from the very beginning.

LIST OF ACRONYMS

ATM	Automated Teller Machine
CBE	Commercial Bank of Ethiopia
CSM	Customer Service Manager
CSO	Customer Service Officer
HR	Human Resource
SPSS 20	Statistical Software Package for Social Science Version 20

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ABSTRACT

The aim of this research paper is assessing the current motivational practice implemented by the case organization, Commercial Bank of Ethiopia. Motivational factors (Payment/ Salary, Promotion, Employee Benefit, Recognition, Work Content, and Working Condition) are assessed using different dimensions. The study was conducted based on the data gathered from ten branches of commercial bank of Ethiopia. A quantitative research approach was used to answer the research questions that emerged through the review of existing literature and the experiences of the researcher in respect to motivational practices of CBE. The study statistically analyzed data obtained from the survey questionnaire. A research framework developed based on Herzberg Two Factor Theory and modified by the researcher is used to guide the study. The result of the study indicated that employees are not satisfied and motivated with the current procedure carried out by the bank. It revealed that they are mostly not satisfied with the payment/ salary practice of the bank. The study suggests a series of measures which could be taken by Commercial Bank of Ethiopia to address various challenges identified in the study. These measures include: adjusting its payment package, drafting and implementing clear and appropriate career advancement procedures, providing proper and timely recognition as part of the system, the basis of motivational procedures taken up by the organization should follow the interest of employees, and crafting and implementing appropriate motivational techniques.

Key words: Payment/ Salary, Promotion, Recognition, Employee Benefit, Work Content, and Working Condition

CHAPTER - ONE

INTRODUCTION

This chapter includes the background of the study, Background of the organization, Statement of the problem, General and specific objectives of the study, Definition of terms, Significance of the study, Scope of the study, Limitations of the Study, and Organization of the Study. The researcher has identified and clearly indicated the major problem which is focused on the assessment of motivational practices in the case of Commercial Bank of Ethiopia.

1.1. Background of the Study

Trends in management practices point to a direct relationship between a company's success and its practice of treating people as assets. In order to increase HR's contribution to organizational effectiveness in the future, organizations must rethink its basic value proposition, structure, services, and programs in order to address how it can add value in its human resource. (Lawyer, Boudreau, & Mohrman, 2006). People have always been essential to organization, because they provide inspiration, creativity, vision, and motivation that keeps an organization alive. They provide the skills and competencies necessary to make an organization work. And of course they provide the labor that produces the goods and services that an organization supplies. They are a major and often the most important resource that an organization has. Human capital plays pivotal role in an organizational effectiveness compared to financial capital (Carnegie, 1987). In this modern world, People rather than finance are observed as the primary source of a company competitive advantage. A motivated employee has his/her goals aligned with those of the organization and directs his/her efforts in that direction (Kalimullah 2010).

People play an important role in the functioning of the organization, but it is a well-known fact that they participate in the organization when they are going to gain something out of them. Rewarding employees properly plays an important role by reducing turnover of workers, which has a negative impact on organizational effectiveness or keeping it at a manageable level. (Philips, 2007). With that being said, many organizations are coming to the realization that motivation and performance of their employees are essential tools for the success of any organization in the long run. Many organizations are concerned with what should be done to achieve sustained high levels of performance through people.

This means giving close attention to how individuals can best be motivated through such means as incentives, rewards, leadership and, importantly, the work they do and the organization context within which they carry out that work (Armstrong, 2006). The key factor here is knowing and understanding your employees and what actually motivates them. Hiring and managing diverse, talented employees won't mean much to your organization's performance unless your people feel motivated to give their best on the job (Keller, 2007). Clear motivational strategies and policies should be formulated in order to create a good working environment and motivated employees that would in turn lead to productivity.

Commercial banks play important roles in worldwide economies and their employees are the best sources of delivering good services to their customers. Excellent services provided and offered by employees can create a positive perception and ever lasting image in the eyes of banks' customers. The motivation of a banks' employee plays a major role in achieving high level of satisfaction among its customers (Petcharak, 2004).

Commercial Bank of Ethiopia is the largest government owned commercial bank in Ethiopia. The bank provides a variety of integrated services ranging from deposit, credit, trade services, card banking, and foreign banking to the new and modern internet and mobile banking services. The Commercial Bank of Ethiopia has opened its 1000th branch recently, making it the first bank to achieve this grand number. Commercial Bank of Ethiopia has more than 20,000 full time employees. Out of which, the majority of them are employed in the 1000 branches and have direct contact with the banks customers. Productivity and profitability is a major concern for the organization and these factors can be maximized by identifying and efficiently managing the human resource of the organization by applying appropriate motivational techniques. Service industry jobs are generally high stress and low pay; these are facts that work against employee motivation (Stamper & Van Dyne, 2003). However, motivation must come from within the individual (Zacarelli, 1985; Simons & Enz, 1995; Nicholson, 2003). The challenge for today's management is to administer motivational programs which will encourage employees to improve their work performance and productivity. Managers of companies in the financial services industries are therefore adopting various kind of motivational packages not only to retain employees but also help them to achieve competitive advantage in the market. The management of Commercial Bank of Ethiopia has a

traditional way of managing the labor force. The organization faces a number of challenges related to human resource including problem with employee work motivation which has a direct impact on employee performance. The objective of this study is to assess the current motivational practices and strategies implemented in the case of Commercial Bank of Ethiopia.

In this study, the researcher used relevant theories in the field of employee motivation and work performance and assess whether or not these theories are in check with actual human resource situations with in Commercial Bank of Ethiopia. Motivational factors like Payment/salary, promotion, recognition, employee benefits, work content, and working condition are applied to assess the motivational.

1.2. Background of the Organization (Commercial Bank of Ethiopia)

Commercial Bank of Ethiopia was established in August 1942 G.C as a state bank of Ethiopia by proclamation with the aim of providing commercial banking service to the public. But a year later, in addition to its commercial banking functions, the bank was entrusted with three basic duties of a central bank i.e. controlling the issuance of currency, holding the foreign reserves of the country and acting as fiscal agent of the government. Since its creation up to 1963 GC CBE combined these official and private functions acting at the same time as a Central Bank of Issue and the only important deposit Bank operating in the country.

CBE was incorporated as a share company in December 1963 GC, to take over the commercial banking activities of the former state bank of Ethiopia and carry on all types of banking business and operations. It's the commercial successor of the former state bank of Ethiopia to whom all the branch network and established business of its predecessor were transferred in 1963 GC.

Now a day, CBE carries a comprehensive banking business such as, providing different types of loans for borrowers, Internet Banking, Mobile Banking, ATM/Visa Card , Interest Free Banking, different types of saving deposits, providing local and foreign money transfer and facilitating domestic and international trade in and between the country with the help of its above 841 (eight hundred and forty one) branches as of September 6 , 2014 and around 18,000 employees all over the country and one abroad to

its corporate, business, commercial and retail customer which makes it a truly national as well as the largest and dominant commercial bank in Ethiopia.

The CBE is expected to play a pivotal role in financing the development efforts of the country and national priority areas. Driven by the ambitious and ever-growing demand of stakeholders, the Bank has been working hard to become a World-Class Commercial Bank that meets the expectations of all stakeholders. To this end, CBE has re-engineered its business process and is being transformed from a functionally-oriented bank into a process based institution that strives for efficient and effective service delivery. This paradigm shift has radically changed the bank in general and its human resources management system in particular.

(Source: CBE HR manuals)

1.3. Statement of the Problem

Motivation is crucial for organizations to function; without motivation employees will not put up their best and the company's performance would be less efficient (Halepota, 2005). Motivating employees requires a profound understanding of individual differences, human nature and perceptions (Armstrong, 2010). Understanding exactly what motivation is will help managers decide what actions to take to motivate their employees. Most employers today would like to have their employee's motivated, but do not understand what truly motivates them. In order to overcome these challenges, companies should create a strong and positive relationship with its employees and direct them towards task fulfillment. If the employees are not satisfied with their jobs and not motivated to fulfill their tasks and achieve their goals, the organization cannot attain success.

Employees want to earn reasonable salaries, as money represents the most important incentive, when speaking of its influential value (Sara, 2004). According to this statement, pay has a significant impact in establishing employees' diligence and commitment, and is a key motivator for employees. But there are many contradicting ideas, studies have shown that pay does not boost productivity on the long term and money does not improve performance significantly (Whitley, 2002).

In the case of many organizations in Ethiopia, we can observe that implementation of appropriate motivational strategies and techniques are very much neglected. This lack of motivational strategies and techniques may lead to a higher level of turnover rate, absenteeism, and job dissatisfaction, which are all directly related to productivity of employees (employee performance). And when employees are not productive and not using their full potential, it will highly affect the profitability of the organization.

From the researchers' judgment, Commercial Bank of Ethiopia is not exercising any formal motivational techniques and strategies to enhance employee's work motivation. It is the researcher's interest to assess the motivational practices that is being implemented in Commercial Bank of Ethiopia. In today's competitive and challenging business environment the management must try to acquire or retain a well-educated, motivated and experienced workers so as to be competitive in that market and to make the organization profitable. The question then is what must top management do to ensure that employees perform well in the bank? Therefore, in this study the researcher will identify the motivational practices used by CBE by quantitatively testing variables such as pay/salary, employee benefit, promotion, recognition, work content and working condition.

1.4. Basic Research Questions

Organizations could be more efficient if the employees had an invested interest in the future of the company but that is possible if employers understand what truly motivates employees. This research is conducted to shed light on the current motivational practices that are being practiced by the organization. Throughout this study, the following basic questions are answered:

Q1. How motivated are employees of Commercial Bank of Ethiopia?

Q2. What type of motivational practices are being implemented in Commercial Bank of Ethiopia?

Q3. What is employee's perception towards the six motivational factors (payment, promotion, employee benefit, work content, and working condition) of the organization?

1.5. Objective of the Study

The general objective of this study is to assess employee motivation in the case of Commercial Bank of Ethiopia.

The specific objective of this study are:

1. To analyze the current motivational techniques used by Commercial Bank of Ethiopia,
2. To determine the workplace motivational factors for CBE employees, and
3. To assess employee's perception or attitude towards the current motivational techniques used by Commercial Bank of Ethiopia,

1.6. Definition of Terms

Motivation: refers to the result of processes, internal or external to the individual that arouse enthusiasm and persistence to pursue a certain course of action.

Work Motivation: is a set of energetic forces that originate both within as well as beyond an individual's being, to initiate work-related behavior, and to determine its form, direction, intensity, and duration.

Pay/salary: refers to the amount of pay (the fixed salary or wage) that constitutes the rate for the job.

Promotion: refers to opportunities that organizations offer for advancement. It create the opportunity for personal growth, increased levels of responsibility and an increase on social standing. (Robbins & Judge, 2013)

Recognition: acknowledgement one received from his/her supervisor. Are special awards for employee achievement, is less common and is associated with performance but usually operated separately and where many of the rewards are non-cash. (Stredwick, 2005)

Employee Benefits: financial and non-financial other than base pay one receive for services rendered to employers

Work Content: task identity, task variety, task significance, autonomy and feedback (Robertson and Smith, 1985).

Working Condition: includes working hours, relationship with coworkers, and quantity of work and availability of resources.

1.7. Significance of the Study

This study aims at assessing and creating a good understanding of the current motivational practices that are practiced in Commercial Bank of Ethiopia. The results of this research will have a potential value to many organizations to have a good understanding of what really motivates employees and how management can strategically maximize the human resource potentials of the organization to the fullest.

This study is expected to be used as a source of document by providing useful information for researchers who will be interested to conduct further study on the area under investigation. But most importantly, the study aims to provide a significant result about the motivational practices of Commercial Bank of Ethiopia and provides recommendation to take remedial action.

1.8. Scope of the Study

The study is narrowed to the matter of an assessment of the motivational practice in the case of Commercial Bank of Ethiopia. It is also bordered to branch outlets and offices located in Addis Ababa so as to make information being easily and precisely available. The researcher addressed ten branches from the four different districts under Addis Ababa city branches. These 10 bank branches are selected due to time constraint face by the researcher to cover the whole population. It is difficult to involve the whole population in a research study because it consumes time and resource. Thus, selecting a representative sample out of the population was important. The ten bank branches consists of 309 employees and it was considered as a research population. The representative population (171 employees) are selected out of this population.

The study is conceptually constrained to examining the motivational practices within CBE by considering selected types of motivational factors namely; Payment/ Salary, Promotion, Employee Benefit, Recognition, Work Content, and Working Condition.

1.9. Limitation of the study

The researchers encountered the following challenges while conducting this study.

1. Shortage of time to conduct the research using a large sample size
2. Budget constraints
3. Lack of experience of researcher
4. Lack of willingness of the respondent to fill out the questionnaire in due time

1.10. Organization of the Study

The study is divided into five chapters. The first chapter is the introductory part which includes; background of the study, statement of the problem, basic research questions, objective of the study, significance of the study, and delimitation of the study. The second chapter deals with review of related literature from different sources that are organized and presented. Chapter three covers the research methodology segment. Design of the study, population, sample size, sampling instrument and so on are discussed on this chapter. Chapter four covers the data presentation, analysis and interpretation segment where the major findings of the study based on the data collected from questionnaires are summarized, analyzed, and interpreted. The last chapter of this study presents the summary of major findings, conclusions and make recommendations.

CHAPTER - TWO

LITERATURE REVIEW

This chapter covers and explains the concepts, models and theories that are relevant in the field of motivation and necessary to facilitate a comprehensive analysis and understanding of the research question.

2.1. Motivation: An Overview

Motivation is an interesting, challenging, and complex area of Human Resource Management studies which is rapidly changing both in terms of its nature, understanding, functions, purpose, as well as mode of application. It is generally agreed that managers need employees to work with. These employees do not only have to show up at work but more importantly they need to be motivated to perform their duties.

The term “motivation” is derived from the word “motive” which means a reason for action. A vast array of literature exists examining the concept of motivation within organizations. During the early 1400’s, a lot of research were done with regards to employee motivation and performance management such as; monitoring of the pace of work being set by management, which is found in the records of the Arsenal of Venice, where wages and quality of work (performance) were closely controlled in the manufacturing and assembly shops and both piecework and day rates were applied as required to compensate employees (George, 1972).

Experts have not yet agreed on a single definition of motivation (Reid & Parsons, 1995). Perhaps this is because every person is motivated differently. Motivation is defined as a willingness of an individual to put forth high levels of effort toward organization goals while simultaneously satisfying his or her needs (E. Lightfoot, personal communication, 2002). Motivation is related to both performance and enjoyment of one’s work life (Reid & Parsons, 1995). Different things motivate different people. Some people are motivated by praise. Others are motivated by knowing they did a good job. Still others are highly motivated by being able to cross off all of the items on their to-do list at the end of each week.

Work motivation may be regarded as a set of internal and external forces that initiate work-related behavior, and determine its form, direction, intensity and duration (Pinder,

1998). The concept relates to the work context specifically, and includes the influence on work behaviour of both environmental forces, and those inherent in the person.

Motivation is a set of psychological processes that causes the arousal, direction, and persistence of individual's behavior towards attaining a goal. (Robinson and Judge, 2013). According to this definition, motivation has three pillars: arousal, direction, and persistence. Arousal is the intensity of the behavior, direction indicates whether the behavior is in accordance with organizational goals, and persistence entails lastingness of the behavior.

People who are well motivated take action that they expect will achieve their clearly defined goals (Armstrong, 2007). Kanfer (1990, as cited in Bjorklund, 2001) stressed that motivation is a phenomenon which cannot be directly observed. The only way to infer motivational processes is to analyze streams of behavior caused by environmental or inherited factors which can be observed through their effects on abilities, beliefs, knowledge and personality.

There are many definitions of motivation. However, there are some features of motivation that are common for most definitions. It can be observed from the examples presented above that when authors describe motivation they mention an action or behavior that is directed and sustained as a result of motivation. In other words motivation is usually described as an invisible force that pushes people to behave in a certain way.

2.2. Historical Development of the Employee Motivation Concept

Early explanations of motivation focused on instincts. Psychologist writing in the late 19th and early 20th centuries suggested tht human beings were basically programmed to behave in certain ways, depending upon the behavioral cues to which they were exposed. Sigmund Freud, for example, argued that the most powerful determinants of individual behavior were those of which the individual was not consciously aware. (<http://www.referenceforbusiness.com>)

Interest in motivational phenomena is dated back to Darwin and Freud, and it is probably true that the form of the early dominant motivation questions stemmed largely from concepts relating to Darwinian evolution. Freud, and various others, were influenced by these concepts. However, most of the concepts in vogue have pre-Darwinian origins,

such as the notion of evolution, instinct, hedonism, rationality and irrationality, unconscious processes, active mental forces, and mechanism and determinism. (Cofer and Appley, 1968)

Motivation was in the beginning of the 1900s thought only to be monetary. However, it was discovered during the 20th century that to motivate employees, there are more factors than just money (Latham and Ernest, 2006). In their view, employees' satisfaction with their job is an important indicator for a good job performance and happy employees are productive. To them, motivation is a psychological factor and is affected by the workers' mental attitude and health. Therefore, in order to be motivated, a person needs to have certain basic needs fulfilled. If these needs are lacking, a person's self-esteem and self-actualization cannot develop. This could result in lack of interest to progress and develop, both professionally and personally.

The traditional model of thought on motivation dominated during the period 1900 to 1930. This manner of conceptualizing motivation is connected mostly to the thinking of Frederick Winslow Taylor and the scientific school of management. Their rather mechanistic point of departure was that workers generally do not want to work, and need to be motivated by financial reward. In other words, people are willing to work, but only if they get paid for it.

The traditional model made way for the human relations model that dominated between 1930 and 1960. Over time it became evident that the traditional model of motivation was not applicable to all circumstances or people, as workers appeared to be able to motivate themselves in many cases, and to not require constant supervision and control. At the same time, workers became increasingly suspicious of management, as their remuneration started losing equitability with their productivity. Worker dissatisfaction led to the establishment of the first trade and labor unions. Gradually, the mechanistic 'man-machine' idea of the previous movement made way for a better understanding of the nature of people, and especially of the importance of social relationships in the workplace on people's motivation to work, and the human relations model of motivation was established.

Around the 1960s it became popular to look upon motivation in terms of human potential. Although the human relations school represented a considerable advancement on

traditional thinking, it could also not provide a complete explanation for all the nuances of behavior in the workplace. It gradually made way for the human potential model. According to theorists like McGregor, Maslow, Argyris and Likert, the human relations view simply allowed for a more sophisticated way than financial reward to manipulate the worker. They maintained that a worker is motivated by much more than just money or satisfying social relationships, and that especially a sense of achievement resulting from performing meaningful and challenging work is a potent employee need. They also argued that people are already motivated to perform their tasks effectively, and do not necessarily regard work as unwanted or unpleasant. This school of thought remains dominant in motivation theorizing and application today.

2.3. Factors Affecting Motivation in an Organizational Setting

Factors affecting motivation in an organizational setting can be classified into three levels as shown in Table 2.1 (Steers and Porter, 1987).

Table 2.1. Variables Affecting the Motivational Process in Organizational Settings

1. Individual Characteristics	2. Job Characteristics	3. Work Environment Characteristics
1. Interest 2. Attitude e.g. <ul style="list-style-type: none"> • Towards self • Towards job • Towards aspects of the work situation 3. Needs e.g. <ul style="list-style-type: none"> • Security • Social • achievement 	Types of intrinsic rewards Degree of autonomy Amount of direct work performance feedback Degree of variety in tasks performed	1. Immediate work environment <ul style="list-style-type: none"> • Peers • Supervisor(s) 2. Organizational actions <ul style="list-style-type: none"> • Reward practice • System wide rewards • Individual rewards • Organizational climate

Source: Steers and Porter 1987

As it is seen in the table, first, there are variables related with the uniqueness of individual (e.g. attitudes, interests, needs etc.). Second, there are variables originating from the nature of the job (e.g. autonomy, level of responsibility in the job etc.). Third, there are some impacts from the work environment (e.g. peer group relations, supervisory practices, salary and reward systems, openness of communication etc.).

It is important to consider the role of individual characteristics because different individual needs and interests have to be compromised with the organizations'. People are motivated by unmet needs and these varies from person to person according to their particular circumstances, values and beliefs, family, education, personality, and work experience etc. While some individuals may value a job with more creativity over a high-salaried job, others may seek to work more to earn more money. These demonstrate that differences in individuals can affect their work behaviors. Variables originating from the nature of the job affect motivation in the sense that job related characteristics such as increased autonomy, the significance of the tasks, variety of activities and teamwork may result in improved motivation for some individuals. But here, it is important to consider the influence of individual characteristics at the same time, since everyone does not want -to the same degree- to have an enriched job, nor perform better when assigned to such a job.

As a third level of influence, work environment is important for motivation regarding the quality of peer-group interactions, leadership styles and salary and reward systems. As shown in Hawthorne studies (Roethlisberger & Dickson, 1939) peer-group influence can affect an employee's effort. In addition to this, supervisors can have a considerable influence in the motivational process. They have role in the structuring of work activities and the ability and freedom of employees to pursue their own personal goals on the job. Supervisors can provide feedback about the employees' performance, as well as letting them to participate in the decision making process by asking their ideas. The nature of relationship between the superior and subordinates, effectiveness of communication among them also affects the motivational process. Finally, as part of the work environment, the existence and the degree of utilization of recognition systems can also affect how employees behave at work.

2.4. Theories of Motivation

Motivation research draws on a large number of theoretical perspectives. Although some of these appear to be less influential than when they were originally postulated, such as Maslow's hierarchy of needs theory (Wicker & Wiehe, 1999), their contributions as foundation layers and inspirations for subsequent theories are still evident and acknowledged.

Theories of motivation fall into two categories namely; content theories (Need-based theories) and process theories. Content theories are concerned with the identification of important internal elements and the explanation of how these elements may be prioritized within the individual. This theory propose that internal states within individuals energize and direct their behavior. These internal states are typically referred to as drives, needs or motives in these theories, of which those of Maslow, McGregor and Herzberg are well-known examples. While on the other hand, process theories focuses on certain psychological processes underlying action and place heavy emphasis on describing the functioning of the individual's decision system as it relates to behavior (Kini and Hobson, 2002). Cognitive theories do not focus directly on work as a potential source of motivation, but rather on the cognitive processes, such as thoughts, beliefs and values, which people use to make choices regarding their behavior at work (Schultz & Schultz, 1998).

2.4.1. Content Theory

Content theory of motivation states that unsatisfied needs create tension and disequilibrium (Armstrong, 2006). In order to restore the balance individuals identify goals and behavioral path ways that make them to satisfy their needs. The content theories are characterized by emphasis on what motivates people. They concern with individual goals and needs which are said to be the same for every person. Although, they assume that all people possess a similar set of needs, they differ in defining those needs. Content theory of motivation incorporates four theories under it:

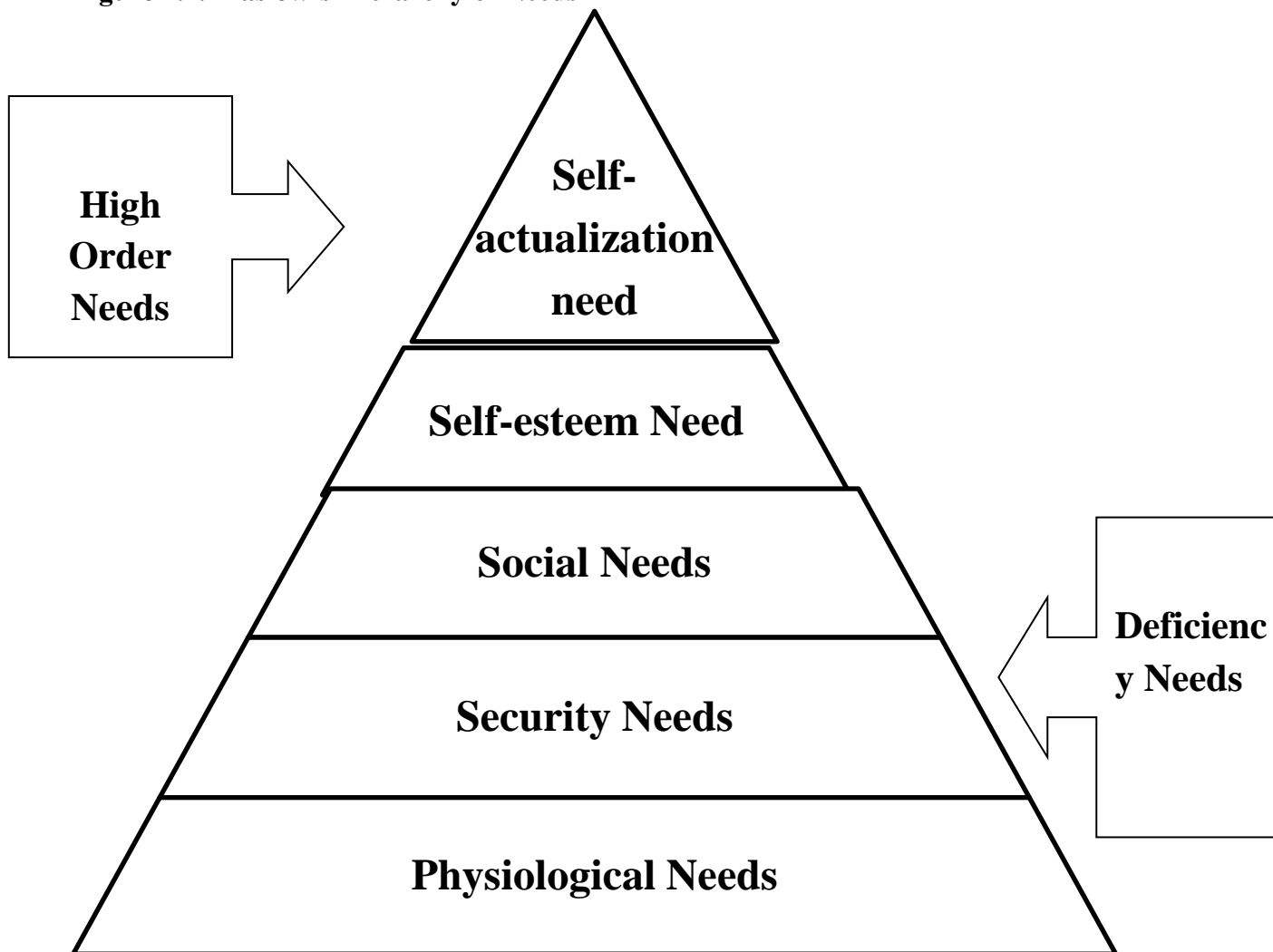
1. Maslow's hierarchy of needs
2. Herzberg's two-factor theory
3. Alderfer's ERG theory

4. McClelland’s three needs theory

2.5.1.1. Maslow’s Hierarchy of Needs

Maslow divided needs into two categories: deficiency needs and high-order needs. Deficiency needs include basic needs such as hunger or thirst and a need for shelter and protection. When these needs are satisfied people become motivated by high order needs such as the need for supportive and satisfactory relationships with others, needs for freedom, independence, recognition and achievement and finally the need to develop one’s potential. The self-actualization which is the highest step in Maslow’s pyramid can be described as the ending point of gradual psychological maturation process. This final level is achieved by few people and unlike other needs is never fully satisfied (Fincham & Rhodes, 2005).

Figure 2.1. Maslow’s Hierarchy of Needs



Source: www.Maslowneedtheory

Every person starts at the bottom of the pyramid and works to achieve the goals of the next layer working to the top sector. One is not able to move on to the next level of the pyramid until the needs of the first level are met. Once they move to the next level, those needs must be met and if they are not, then it is possible to fall back down the pyramid.

The first level is the physiological needs. These needs represent the ground of a theory. Unsatisfied needs, like a hunger or thirst, influence our behavior. On the other side, satisfied needs do not influence our behavior. They are not motivators. The next step is security, which means that the person's surroundings are not threatening to them or their family. If the environment seems to be safe, then it means that there is a sense of predictability or stability in the surroundings. Security could also include financial security so that there is no financial uncertainty in the future. This could be achieved by creating a retirement package, securing job position, and insurance. The third level is social needs, which is the need to feel a sense of belonging or to be loved. In the workplace, this means to feel as though they are a part of the group and included in the work. People have the urge to be accepted by others, especially the people they are around the most. The fourth level is explained as self-esteem needs. This is the view that one has of themselves. In order to fully understand this level, the person must have a high image of themselves and encompass self-respect. This level has two components: feelings of self-worth, and the need for respect from others. The last and final stage of the hierarchy of needs is self-actualization. This level is defined as someone being all they can be and they have met each of the previous stages. In this particular level, the person's talents are being completely utilized. Maslow believes that no one is ever completely self-actualized. People are always striving to be better and use their talents in new ways. This is important to motivation because a person must be motivated to fulfill their needs and strive for the next level until they reach self-actualization.

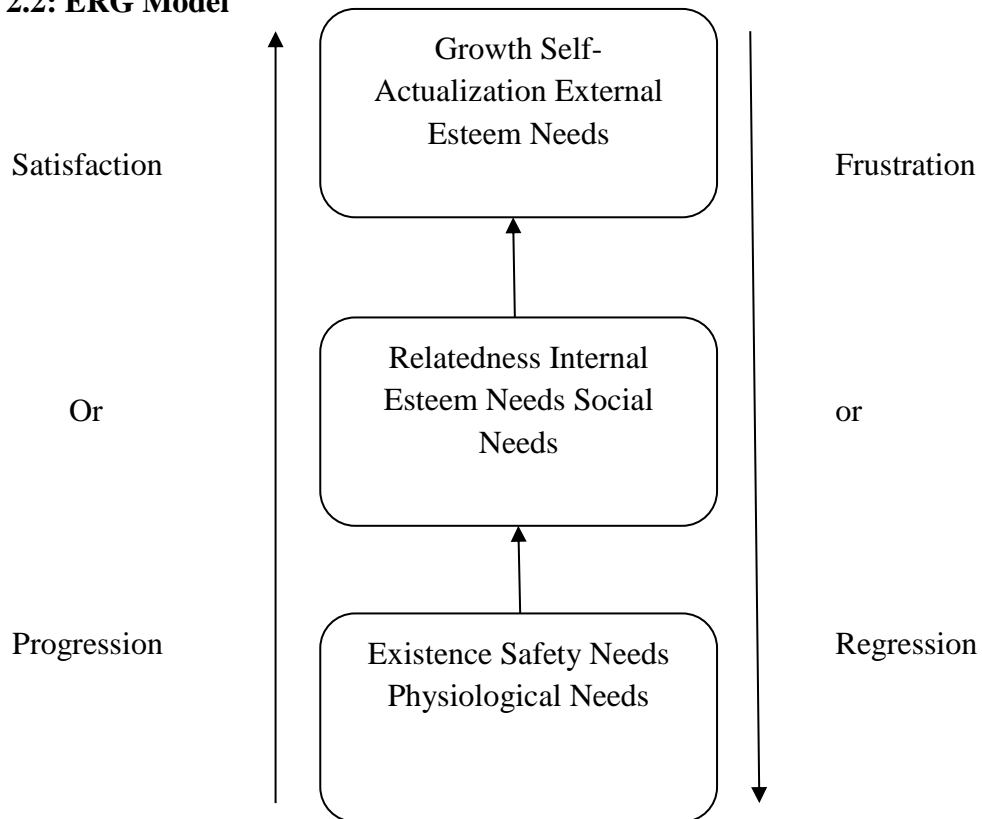
2.5.1.2. Alderfer's ERG Theory

Maslow's work on the theory of needs has been followed by other authors who took an attempt to improve it. One of modifications was presented in 1973 by Alderfer, who developed and tested model with fewer needs levels (Pinder, 1998). Clayton P. Alderfer proposed the EGR (Existence, Relatedness, and Growth) Theory of motivation in 1972 which can be seen as a review of Abraham Maslow's Hierarchy of Needs. His study,

unlike Maslow's, was based on empirical research in organizational settings. The theory suggests three general categories of human needs which are partly based on Maslow's model but are not the same. Alderfer's model is named ERG and consists of existence needs, relatedness needs and growth needs. The first group is closely related to Maslow's physiological needs and partly to security needs (only physical security). Existence needs are concrete in nature and are usually limited. Relatedness needs basically consist of the interpersonal security needs, the need for prestige and esteem from others. Satisfying relatedness needs requires development of relations and interactions with other people. The last group of needs in Alderfer's theory contains growth needs. Although, growth needs are corresponding to Maslow's self-esteem and self-actualization needs there are some major differences in a point of view of those two authors. Maslow suggested that self-actualization consist of a fulfillment of unique, innate potential, whereas Alderfer's growth needs contain desire to interact with environment by investigating, exploring and mastering it. In Alderfer's model growth needs change if one's environment changes (Pinder, 1998). He notes that managers need to understand that each employee operates with the need to satisfy several motivators simultaneously. Based on the ERG theory, managers who focus exclusively on one need at a time do not effectively motivate their employees.

Alderfer (1972) uses the frustration-regression principle (See Figure 2.2) to explain the impact of motivation on employee performance in the workplace. He notes that regression in employee performance is a result of restricted growth within the work setting and therefore employees tend to regress to fulfilling related needs. Employees may also exhibit the desire for more money or better working condition when managers fail to satisfy the need for social interaction.

Figure 2.2: ERG Model



Source: www.ERG model of motivation

2.5.1.3. Herzberg’s Two-Factor Theory

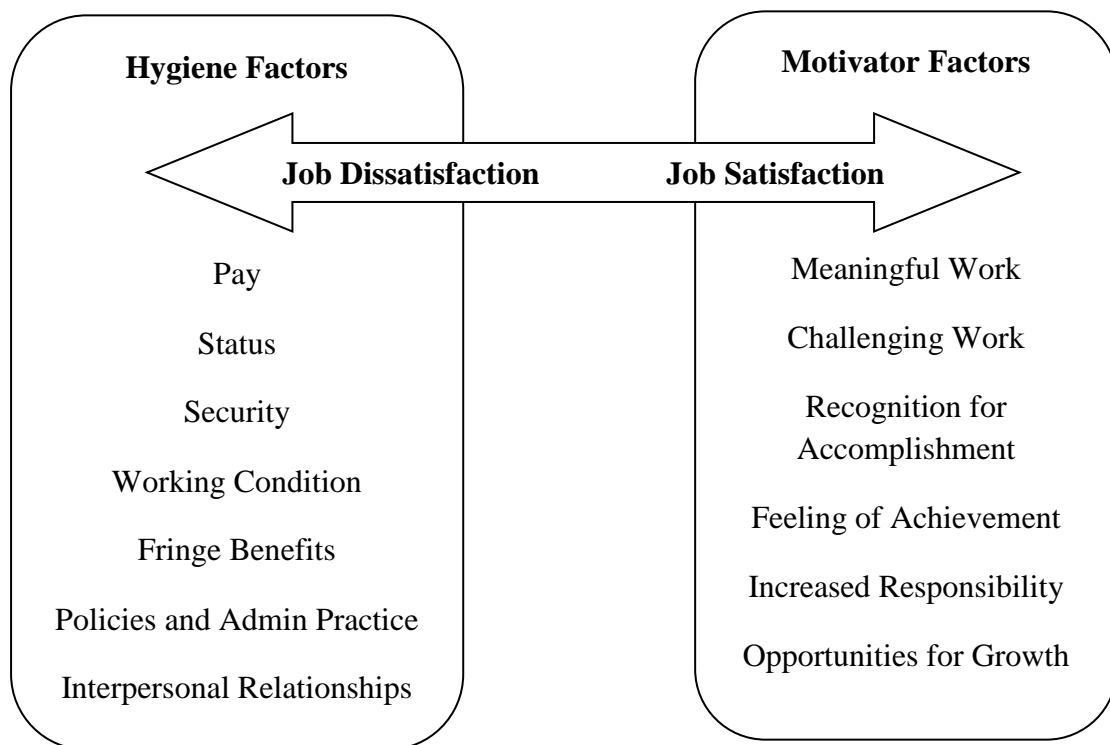
In 1959 Herzberg, Mausner and Snyderman processed a research concerning motivation to work. They chose similar companies situated in Pittsburgh Industry area. They interviewed approximately 200 engineers and accountants working for those companies. The theory developed from this research concerns hygiene factors, which are necessary for the employee to experience but do not motivate them to work. The explanation for hygiene factors could be a person’s relationship with the environment in which one operates.

Herzberg argues that intrinsic job factors are motivating, whereas extrinsic factors only placate employees. In this theory, there are two group factors. The first one is motivating factors or satisfaction and the second one is hygiene factors or dissatisfaction. According to Herzberg, the workers get motivated when they are responsible for their work. People are satisfied at their work by factors related to content of that work. Those factors are

called intrinsic motivators and contain achievement, recognition, interesting work, responsibility, advancement and growth. Factors that make people unhappy with their work are called dissatisfiers or hygiene factors. Herzberg found following dissatisfiers: company policy, supervision, working conditions, interpersonal relationships, salary, status, security. What makes them different from motivators is the fact that they are not related to the content of the work but to the context of the job (Herzberg, 1974). He also proposed that managers can give their employees more authority to their job and offer them direct and individual feedback in order to motivate and help employees to connect to their work (Wirralmet, 2007).

Furthermore, Herzberg also recommended that the job should have sufficient challenges to utilize the full ability of the employee. If the job is not sufficiently challenging enough and not used for an employee’s full abilities, the company should replace the employee with the one who has a lower level of skill to do the job (Shah and Shah, 2007).

Figure 2.3. Herzberg’s Motivator-Hygiene Theory



Source: www, Herzberg’s motivator-hygiene model

2.5.1.4. McClelland's Three Needs Theory

McClelland's theory focuses on three motives that are relevant in an organizational context (Miner, 2006). Maslow differentiated between any certain transitions among the needs, whereas McClelland indicates that some people have higher needs than others. Moreover, needs in McClelland's point of view change over a life as they are shaped by peoples' experience. That is why in some sources his theory is called "acquired needs theory". McClelland (1990) suggested that most of acquired needs can be classified to one of three groups: achievement needs, power needs or affiliation needs. In his opinion some people have a strong need for achievement others for power and finally there is a group that desire affiliation. High achievers tend to perform better for the intrinsic satisfaction for doing something better or just to show that they are more capable of doing something. They prefer to work with tasks which are moderately challenging and they actually perform better with those kinds of tasks.

McClelland's research develops a different set of needs as the basis of motivation. He notes that some people have a need to achieve whilst other do not. He focused his attention on studying the urge for individuals to achieve. He asserts that the basis of employee motivation includes such factors as:

- a. Achievement
- b. Affiliation
- c. Power

According to McClelland (1961), achievement-motivated people are those individuals who have an imbibed desire to always improve upon their status. He notes that such individuals are people who focus on getting things done. These people have the potential of becoming managers but most often are not able to live up to expectation because they are mostly job oriented; they work to their full capacity. There is likelihood that such job-oriented people, lack interpersonal or human skills which are necessary for effective management. Even though people may have the competence and ability to be productive, they tend to require a high need of affiliation towards their job, and if this is not present, then effective management cannot be achieved. In this case, overemphasis on productivity alone frustrates people and prevents them from exhibiting their maximum

potential. Without developing their human skills, achievement-oriented people might not make the best managers in an organization. McClelland (1961), asserts that being a job-oriented individual and a good producer do not necessarily make you an effective manager if you lack human skills.

According to McClelland, achievement-motivated people have certain unique characteristics which include;

- A. the capacity to set high personal but obtainable goals,
- B. the concern for personal achievement rather than the rewards of success, and
- C. the desire for job-relevant feedback rather than for attitudinal feedback (McClelland, 1961).

2.5.2. Process Theory

Process theories, also known as Cognitive theories do not focus directly on work as a potential source of motivation, but rather on the cognitive processes, such as thoughts, beliefs and values, which people use to make choices regarding their behavior at work (Schultz & Schultz, 1998). The main concern is not what motivates people but how motivation occurs. Process theories try to explain how and why peoples' behavior is directed to certain choices. The focus of all process theories is put on "the role of individual's cognitive processes in determining his or her level of motivation" (Fincham & Rhodes, 2005). There are many process theories of motivation and the following theories have been selected for this paper.

- 1. Expectancy theory
- 2. Goal setting theory
- 3. Equity theory

2.5.2.1. Expectancy Theory

Victor H. Vroom (1964) looked at the whole paradigm of motivation in a slightly different perspective. He introduced the expectancy theory of motivation as a function of desirability of the outcome of behavior. This is also referred to as the path-goal-theory; which indicates that rewards are attributed to certain behaviors, thus; if an individual

believes that behaving in a particular way will generate rewards that the individual values or seek, they will be motivated to behave in line with what is expected of them.

Vroom's Expectancy theory comprises three factors:

1. **Valence:** Vroom notes that Valence is the importance or value that the individual places on the outcome. Valence is positive if the individual wants to acquire or achieve the outcome and negative is what the individual will like to avoid. If the individual does not place much value on the outcome, then their level of effort might change. Thus effort is directly proportional to the outcome.

According to Vroom (1964), if an employee perceives that:

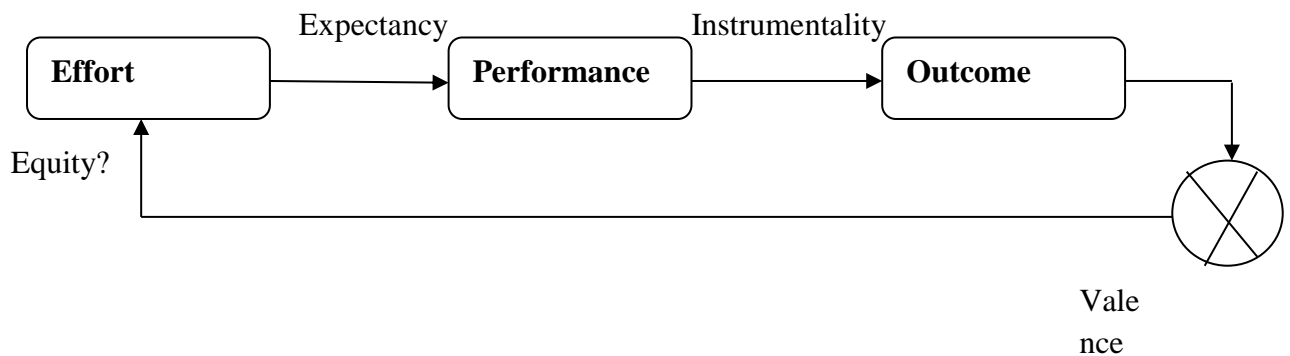
- a. An increased effort will not increase performance
- b. An increased performance will not increase their rewards and/or
- c. He/ She does not value the rewards on offer,

Then there is a negative valence. Thus for a positive valence; all three perceptions must be cleared by the employee. If any one of the perception possible, then the employee will still not be motivated, all three doubts must be cleared before a positive valence will be achieved.

2. **Instrumentality:** Vroom notes that Instrumentality deals with what you get from what you deliver; that is, receiving a valued outcome after one delivers an expected performance. According to him, instrumentality is affected by such things as:
 - a. Clear understanding of the relationship between performance and outcomes – e.g. the rules of the reward 'game'
 - b. Trust in the people who will take the decisions on who gets what outcome
 - c. Transparency of the process that decides who gets what outcome
3. **Expectancy:** deals with the probability that an outcome will be achieved; that is, putting in more effort will result in an increase in reward. According to Vroom, expectancy is affected by such things as:
 - a. Having the right resources available, such as; raw materials and time
 - b. Having the right skills to do the job
 - c. Having the necessary support to get the job done, such as; supervisor support, or correct working procedures (Vroom, 1964).

Vroom describes valence in a relation to peoples’ affecting preferences toward particular outcomes. The valence of outcome is positive if a person prefers attaining it instead of not attaining. Oppositely, the negative valence of outcomes characterize situation when a person prefers not attaining it instead of attaining. The third possibility is zero valence of outcome, which means that a person is indifferent between attaining outcome or not. The instrumentality is a belief that one action lead to another. Finally, the expectancy is defined as a belief about likelihood that a particular behavior will be followed by a particular outcome (Vroom, 1964). Values of those three factors can be used to calculate the motivational force of the job. Summarizing, Vroom’s theory suggests that a job is motivating for employees when they can see a relation between performance and outcome, if they have abilities to do the job and if they see outcome as satisfying their needs. Vroom’s theory can be a suggestion for managers to focus on main aspects of their subordinates perceptions. As well as that, it is helpful in explaining occupational choices and in predicting tasks that people will work most and least hard at (Fincham & Rhodes, 2005).

Figure 2.4. Vroom’s Expectancy Model



Source: www.vroom’s expectancy model

2.5.2.2. Goal-setting Theory

Locke and Latham introduced the goal setting motivation technique which, according to them, is not only more effective than other methods, but also can be treated as a support for them (Locke & Latham, 1979). In their approach a goal is defined as an object or aim

of an action that is attained in a specific limit of time. The one of their core findings is that the highest level of performance and effort are produced when the difficulty level of attaining goals is also very high. The only limit here is an ability of a person who tries to attain a goal. Authors found that people perform better if a specific difficult goal is set than if they are asked to perform as well as they can (Locke & Latham, 2002). What was surprising in Locke and Latham (1990) results was that performance does not differ regardless goals are assigned to people or if people participate in choosing their own goals. Authors explain it by the fact that usually superior that assigns the goal is treated like an authority. Moreover, the act of assigning a goal means that superior believes that subordinate has ability to fulfill that goal. In a result people became motivated to prove their competences. Finally, the assigned goals are helpful with defining peoples' standards used to attain their personal satisfaction from performance (Locke & Latham, 2002).

There are several prerequisites for the goal-directed behavior to effectively improve job performance (Locke & Henne, 1986): - a thorough commitment to the specific goal; - regular feedback on the person's performance towards attaining the goal; - the more challenging the goal is perceived to be, the better the person's performance is likely to be; - specific goals are more effective than vague goals, e.g. "do your best"; - self-set goals are preferred over organizationally set goals. If this is not entirely possible, a person needs to at least have input into his own goals.

This theory has an intuitive appeal because of its clear relevance to the workplace (Schultz & Schultz, 1998).

2.5.2.3. Equity Theory

The most influential and often cited in the literature of motivation is the Equity Theory, which was put forward in 1963 by Adams. The theory distinguishes between employee's inputs and outputs. Inputs are understood as the number and value of contributions that person make to his or her work. Outputs are described as the nature and quantity of received rewards for doing the job (Pinder, 1998). Equity theories, are related to the distribution of resources. There are three main aspects that are common for all equity theories. Firstly, they suggest that employee perceive a fair return for his contribution at work. Secondly, they imply that employees compare the return they received to the return

received by other for the same job. Finally, they assume that employees who are in inequitable position comparing to others will try to do something to reduce the difference (Carrell & Dittrich, 1978).

Adam states that there are two types of equality namely distributive equality and procedural equality. Distributive equality focus on the fairness that people feel they are rewarded according to their contribution and in comparison with others. On other hand, procedural equity concerned with the perceptions employees have about the fairness with which the procedure. (Armstrong, 2006).

Individuals who feel that they are treated unfairly, will engage one or more of the following activities:

1. Change the work input
2. Change the outcomes
3. Take action to change the inputs and outputs of the comparison person. (Robbins, 2002)

According to Adam's theory different employees stress different inputs and outcomes as the most important for them. However, all people evaluate their outcomes in a relation to their inputs and judge a fairness of this relation. What is suggested by the theory is the fact that people not only evaluate the equity by comparing the amount of their inputs and outputs but additionally they make social comparisons with other people. They feel that they are not treated fairly if other people receive better outputs for the same job. Employees who encounter inequity try to do something to reduce it. The equity theory presents the most common consequences of perceived inequity. The first and the most common behavior is changing employee's own effort to increase or reduce performance. If it is not possible to solve the problem of unfairness by changing effort then employee try to cognitively reevaluate outcomes and inputs. That means for example reconsideration of own credentials or effort in a comparison to credentials or effort of a person who was chosen as a referent. The inequity may lead to some dysfunctional reactions such as stealing from employer. Finally, employee may simply decide to withdraw from a company (Pinder, 1998).

2.5. Motivational Factors

Employees are the most important assets of an organization. The organizations with more motivated employees tend to be more effective than organizations with fewer motivated employees. There are many motivation factors that can be used to encourage employees to work, for the purpose the study the following motivation factors are selected from Herzberg's Two Factors Theories:

2.5.1. Payment/ Salary

Salary and wage plays decisive part in employee motivation. Employee wages and salary must ensure him the social status and should be able to fulfill the expectations. According to Herzberg theory, it is identified that in order to prevent dissatisfaction, management needs to continue to observe competitors salaries and keep their staff's salaries in line with competitors.

2.5.2. Promotion

It involves a competitive selection process, and results in the employee's movement in to a different role in a higher pay band. If it is done fairly it enhance employee motivation and competitiveness. Promotion contributes significantly to the dissatisfaction of employees.

2.5.3. Benefit

From the above theories we can say that organizations should understand the needs of their employees and create conducive working environment. Managers should understand what motivate their employees. Organizations should develop and handle proper motivational practices.

2.5.4. Recognition

Recognition schemes enable appreciation to be shown to individuals for their achievements either informally on a day-to-day basis or through formal recognition arrangements. They can take place quietly between managers and individuals (Armstrong, 2007). Recognition of work is the essence of securing good work. It is one of the most powerful motivators. Efficient people would naturally like to get recognition for their skill and excellence in their work. Such recognition can do many things that what

a cash reward can do. Armstrong and Murlis (2005), underlined on the point that, recognition is supposed to be given judiciously. That is, it must be related to real achievements of employees. The recognition given will have a great impact if it is followed by provision of achievement bonuses awards. Organization can also give other forms of recognitions such as long service awards, status symbols of one kind or another, sabbaticals and work related trips abroad.

2.5.5. Work content

Content of the work itself is a major source of satisfaction. The content of the work should be encouraging and interesting and have variety inbuilt in it so that it is not boring. Positive feedback from the job and autonomy has been considered to be important for motivation of employees (Kondalkar, 2007). He also adds that too tough or job having too little challenge brings frustration and feeling of failure hence the job should be moderately tough so that the individual has to stretch his ability, imagination and skills.

2.5.6. Working Condition

Good working condition consists healthy, safe and pleasant working environment. Working conditions have a modest but lasting effect on job satisfaction. According to Pearson (1991), jobs that are both motivating and satisfying are said to be those that provide skill variety, task identity, task significance, autonomy and feedback. The type of job individuals do influences their satisfaction.

2.6. Empirical Evidence

There are numerous studies conducted on issues related to employee motivation and employee performance in different part of the world and here in Ethiopia. This alone shows nature of motivation is very complex and there are no simple answers to the question what motivate employees more. Something that motivates one person may not motivate the other.

John Jurgle (2005) conducted a research titled reward and recognition programs, the secret to maintaining a high morale and motivated work force in Pompano Beach fire department (Florida). The purpose of the research was to evaluate the current employee recognition and reward problem and develop a program that will be valued by employees.

The results of the project indicated members of the department didn't believe that the current employee recognition/reward program was effective and did not offer any value.

Patcharak (2002) from USA has conducted a study on employees of Saint Paul hotel. The title of the study was assessment of motivation. The motivating factors such as salary, job security, flexible hour, advancement, work environment and benefit were used to execute the study. The result indicated that these factors had significance and positive relationship with work motivation. Especially salary and work content had strong relationship with work motivation.

Hafiza, Shah, Humera Jamsheed (2011) indicate that there is significant and positive relationship between extrinsic rewards and employee motivation but organizations are not offering right amount of financial rewards (extrinsic rewards) to their employees. Pay is a significant factor which affects employee motivation.

A study by Ashgar Ali and Mohammed (2012) pointed out that there is positive impact of financial rewards on employee's motivation and satisfaction. That is, financial rewards lead to employee's motivation. It is also discovered that new entrants in to an industry are highly motivated and the working conditions, environment and superior's behavior plays a vital role in determination of their satisfaction level

Ovidiu-Iliuta (2013) conducted a study titled employee motivation and organizational performance. The study shows that employee participation and empowerment do not only enhance efficiency, growth, and innovation but they also increase employee motivation and trust in the organization. If employees feel appreciated for their work and are involved in decision making, their enhanced enthusiasm and motivation will lead to a better productivity and loyalty.

Kahn (2010) has examined the influence of on payment, recognition, promotion on employee work motivation. The statistical analysis result shows that there is strong relationship between reward and employee motivation. This study has greatly contributed in revealing the fact that different tactics and policies would have different motivational impact on diverse people.

Pamela Akinyi omollo (2015) from Kenya conducted a study on the effect of motivation on employee performance of commercial banks in Kenya. The study shows that monetary

rewards significantly affect the performance of the employee in the organization. A number of parameters were considered under job enrichment like workload, work environment. It significantly affected job performance and that a good working environment and an average workload would highly motivate the employees to perform their duties.

Cynthia and Frank (2012) from Ghana conducted a research on reward as a motivational tool. The findings of the research suggest that while the use of rewards, especially monetary ones is pervasive in most organizations they don't end up fulfilling the purpose of its use; which is to motivate employees. The respondents noted that in most cases because monetary rewards and benefits are given at the end of the year to everyone; it becomes an entitlement which they look up to regardless of their level of performance.

Boamah Richard (2014) from Ghana conducted a study on the effect of motivation on employees' performance in education directorate examined the effect of motivation on employees to identify factors that motivate employees; to determine the employees' performance and to assess the effect of motivation on the employees' performance in Asunafo North Municipal Education Directorate. The study has revealed that promotion and opportunity for advancement are the major motivation factors and the study has also revealed that motivation level is low in the area of wages and salaries. It was recommended that Ghana Education Service should consider as a matter of urgency, the need to make upward adjustment in wages and salaries which will go a long way to reduce the high incidence of labor turnover.

Lemessa Duffera(2012) conducted a research on the compensation management practices of CBE , Data were collected through questionnaire prepared based on various scholar work. The result of the study showed that CBE employees' perceive they are on treated equally both internally and externally. In addition, majority of the employees are motivated with CBE non-financial compensation than financial compensation. Besides, majority of the employees perceive that CBE labor union has been acting as nominal figure and it is inactive in most compensation management decision of the organization.

Yitbarek Gochel (2012) conducted a research on reward management practices in Ethiopian airlines the pay, promotion, and benefit practices of the airline are assessed from varied reward management dimensions. In doing this, the alignment, transparency,

equity, fairness, competitiveness, flexibility, and some other aspects of the existing reward practices are valued based on employees' opinion. The result of the research work revealed that many aspects of the reward management practices of the airline are exercised poorly except some aspects in relation to promotion and benefit administration.

Mahlet (2012) conducted a study titled reward and motivation for health care professionals in Addis Ababa. Her study focused on two governmental hospitals which found in Addis Ababa namely Tikur Anbesa hospital and Alert hospital. She has examined the influence of intrinsic and extrinsic rewards such as promotion, acknowledgment, task autonomy, work hour and so on. There was a significant and positive relationship between these variables and work motivation. The study highlighted the various dimensions necessary for motivating employees to improve the quality of care in health sector which is the concern of all.

Abinet (2015) conducted a study titled basement of motivational practice in the case of Ethio-telecom. The main findings of this study indicated that there is motivational practice in Ethio-Telecom even though it is not formal and appropriate. The results have shown that respondents have felt unfair and injustice in the company's motivational practices.

Tamene (2015) conducted a study with the title of "The Relationship between Reward Practices and Motivation: (The Case of Co-Operative Bank of Oromia S.C). The study examines the association between rewards and employee motivation in Cooperative Bank of Oromia S.C. The results showed that promotion is much important factor for employee motivation as compared to other variables factors like, working condition, work content and benefits.

2.7. The Research Framework

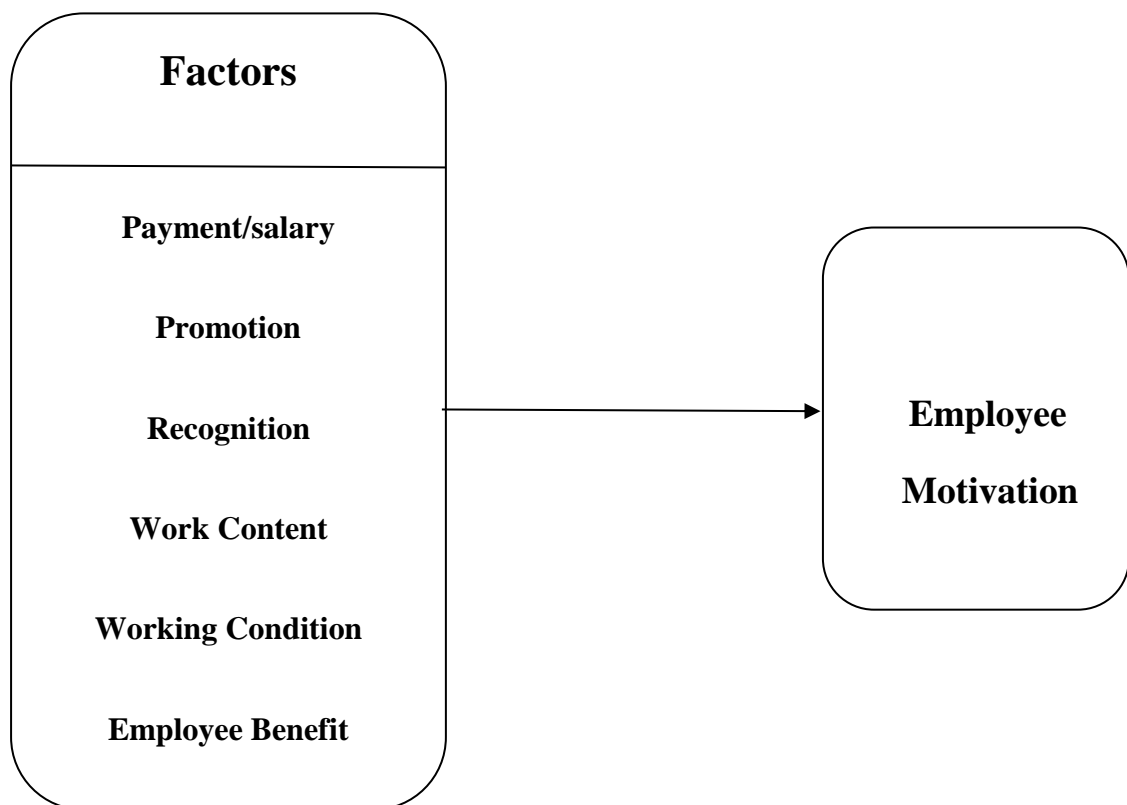
In this research paper; six motivational factors are used to assess the motivational practice in the case of Commercial Bank of Ethiopia. These motivational factors are adopted from Herzberg's two factor theory. A motivational practice of an organization reflects what an organization sees as important. The bank's motivational practices will be assessed based on the following variables:

- 1. Payment/salary**
- 2. Promotion**

3. Recognition
4. Work Content
5. Working Condition
6. Employee Benefit

The theoretical framework of this study is based on: Maslows hierarchy of need applied to work situations implies that managers have the responsibility, firstly, to make sure their people’s deficiency need are met; Alderfer’s model implies that managers must recognize their employees’ multiple simultaneous needs. Focusing exclusively on one need at a time will not motivate your employee. Adams’ Equity theory of motivation which states that employees expect fairness when being rewarded and Vroom’s expectancy theory which states that individuals make choices based on their perceived expectancy that certain rewards will follow.

Figure 2. 5: Conceptual Framework (Models of motivational factor)



Source: Herzberg Two Factor Theory and modified by the researcher

CHAPTER – THREE

RESEARCH DESIGN AND METHODOLOGY

Methodology of the research defines the means of achieving the predetermined objectives. In this study, the methodology addresses the research design, study population, sampling techniques, data collection procedures and data source and analysis approaches. Accordingly the methodology deployed in this study with the consideration of assessing motivational practice in the case of CBE and draw appropriate recommendation.

3.1. Research Approach

There has been widespread debate in recent years within many of the social sciences regarding the relative merits of quantitative and qualitative strategies for research. The positions taken by individual researchers vary considerably, from those who see the two strategies as entirely separate and based on alternative views of the world, to those who are happy to mix these strategies within their research projects (Hughes, 1997).

There are three basic types of research approaches, quantitative, qualitative, and mixed approach. Quantitative research consists of those studies in which the data concerned can be analyzed in terms of numbers. Research can also be qualitative, that is, it can describe events, persons and so forth scientifically without the use of numerical data. Quantitative research is based more directly on its original plans and its results are more readily analyzed and interpreted. Qualitative research is more open and responsive to its subject. Both types of research are valid and useful. They are not mutually exclusive. It is possible for a single investigation to use both method. A quantitative methods approach is one in which the researcher tends to base knowledge claims on pragmatic grounds (e.g. consequence-oriented, problem centered, and pluralistic). It employs strategies of inquiry that involve collecting data either simultaneously or sequentially to best understand research problems. Data collection also involves gathering numeric information (e.g. on instruments).

When deciding the approach to be taken to the research, a further consideration to the purposes and research questions is given, bearing in mind that the way questions are asked influences what needs to be done to answer them. In order to achieve the objective

of this study and answer the research questions, quantitative research approach is adopted and examine motivational practice in the case of Commercial Bank of Ethiopia. The researcher bases the inquiry on the assumption that collecting diverse types of data best provides an understanding of a research problem. The study begins with a broad survey in order to generalize results to a population and then focuses on analyzing, interpreting, giving conclusions and recommendations for the survey.

3.2. Research Design

The purpose of this paper is to describe the current motivational practices within Commercial Bank of Ethiopia. In order to satisfy this purpose, descriptive research design is used. To describe the characteristics of a particular Phenomenon, descriptive research is preferable (C.R. Kothari, 2004). Descriptive research is concerned with conditions or relationships that exist, practices that prevail, beliefs, points of views, or attitudes that are held, processes that are going on, effects that are being felt, or trends that are developing. By gathering data on a large group of people, descriptive research enables the researcher to describe the average member, or the average performance of a member, of the particular group being studied (Best, 1970). Descriptive research design is used in order to understand and systematically describe the motivational practice of the case organizations since it is used to obtain information concerning the current status of the phenomena and to describe "what exists" with respect to variables or conditions in a situation, and is aimed at collecting both primary and secondary data to analyze and then draw the valid conclusions based on the meanings derived from the data.

3.3. Research Population

The study area for this research is ten branches from the four districts of Commercial Bank of Ethiopia. These selected branches are all found in the capital city, Addis Ababa. These 10 bank branches are selected due to time constraint face by the researcher to cover the whole population. It is difficult to involve the whole population in a research study because it consumes time, resource and so on. So, selecting a representative sample out of the population was important. The ten bank branches consists of 309 employees and it was considered as a research population. The representative was selected out of this population.

3.4. Sampling and Sampling Techniques

Sampling essentially involves a system of selecting a population representation from the general population depending on the objective of the study, availability of money, time, and effort in gathering research data (David, 2005). Based on this definition, we may define sampling as a way of identifying, selecting, and gathering data from the individuals that will represent population in order to attain the purpose of research with the proper utilization of money, time, and effort. Sample size determination is the act of choosing the number of observations or replicates to include in a statistical sample. The sample size is an important features of an empirical study in which the goal is to make inferences about population from sample (Barlett, 2001).

In choosing the research participants, stratified simple random sampling techniques is applied in determining the participants that enabled the researcher to answer the research questions and to meet the research objectives. Since each stratum is more homogeneous than the total population, we are able to get more precise estimates for each stratum and by estimating more accurately each of the component parts, we get a better estimate of the whole(Kothari, 2004). In brief, stratified sampling results is more reliable and detailed information. Under this method, the researcher categorized the staff of Commercial Bank of Ethiopia according to their already existing branches, then to select the appropriate sample under each strata simple random sampling was used. Random sampling is a process of selecting sample cases of subset of sample cases from a population giving all the sampling units equal chances of being included as a sample (David, 2005). It is a type of sampling where each individual is chosen randomly and entirely by chance, such that each individual has the same probability of being chosen at any stage during the sampling process, and each subject of k individuals have the same probability of being chosen for the sample as any other subset of k individuals. In distributing the questionnaires; ten branches which are located in Addis Ababa city under the four districts were considered.

Sample Size Determination

Cochran’s sample size formula for categorical population is used.

$$N_0 = \frac{z^2 * (p) (1-p)}{e^2} \quad , \quad n_1 = \frac{n_0}{k}$$

$$e^2 \qquad (1+n_0/\text{population})$$

Where, n_0 = Sample error size,

Z = standard normal distribution which is 1.96 (a confident interval of 95% sample estimates,

P = sample proportion of successes (0.5), thus the variance of $P * (1-P)$ gives the maximum possible sample size = 0.25,

e = Acceptable margin of error for proportion being estimated which is 0.05 % (error the researcher is willing to accept)

$$\begin{aligned} N_0 &= \frac{z^2 * (p) (1-p)}{e^2} = \frac{(1.96)^2 * (0.5) (1-0.5)}{0.05^2} \\ &= \mathbf{384} \end{aligned}$$

Therefore; for a population of 309, the required sample size is calculated as follows:

$$n_1 = \frac{n_0}{(1+n_0 / \text{population})} = \frac{384}{(1+384/309)}$$

Sample size

$$n_1 = \mathbf{171}$$

Proportionate Sampling - sizes based on their proportion in the population.

In the present study, since each branch of the bank varies in its number of employees, the number of subjects taken from each is proportionate to the size of the branch or strata/segment. Accordingly,

By using the sample size obtained from the above formula, the proportion or the strata sample size is determined for each branch. The strata sample size is determined based the following equation:

$$n_h = (N_h / N) * n$$

Where;

n_h - is the sample size for stratum h;

N_h - the population size for stratum h;

N -is the total population size;

n -is the total sample size.

Table 3.1. List of Sample Branches

Branch Names	Number of Employees	Sample Size
Paulos	43	23
Africa Avenue	60	33
Finfine	48	26
Kebena	10	10
Arat Kilo	68	37
Gerji	12	6
Sheger	34	18
Bole Medhanialem	10	5
Bole Michael	13	7
Bole Ruanda	11	6
Total	309	171

3.5. Data Source

Based on the objective of the study and criteria used in the research process, the research deployed both primary and secondary data as per their necessity. Mainly primary data is used in this study. The data is collected through questionnaires.

The secondary data for the research is primarily gathered from data available in the bank including; documents, magazines, annual reports, brochures, Medias and other documents that are related to the topic.

3.6. Data Collection Instrument

Data collection is the process of gathering and measuring information on targeted variables in an established systematic fashion, which then enables one to answer relevant questions and evaluate outcomes. The goal for all data collection is to capture quality evidence that then translates to rich data analysis and allow the building of a convincing and credible answer to questions that have been posed. With the objective of the research and the research questions in mind, questionnaires are deployed as data collection method of the study. The questionnaire method as instrument of data collection was used because it provides wider coverage to the sample and also facilitates collection of a large amount of data. The questionnaire contained closed ended questions and it was administered by the researcher. In addition, a related survey document, magazines, annual reports, brochures, Medias and other documents undertaken at different time in different process of the bank were reviewed and used.

The questionnaire was collected using a questionnaire developed based on standard questionnaire (Minnesota satisfaction questionnaire) specifically designed to capture responses to assess the practices of the organization. The first segment the questionnaire is the demographic data such as gender, age category, monthly income, and educational level. The second part consists of general questions on the subject matter. A five point Likert scale that has five different levels of conformity; strongly agree, agree, neutral, disagree, and strongly disagree is used to tackle the main questions regarding the motivational practices used within CBE.

3.7. Data Analysis Method

Analysis of data is a process of inspecting, cleaning, transforming, and modeling data with the goal of discovering useful information, suggesting conclusions, and supporting decision making. Data analysis has multiple facets and approaches, encompassing diverse techniques under a variety of names, in different business, science, and social science domains (<https://en.m.wikipedia.org>).

Descriptive statistics is employed for the data analysis process. The data collected via questionnaires is analyzed with descriptive statistics using Statistical Package for Social Science (SPSS version 20). Frequencies, arithmetic mean, standard deviation and percentage were computed to generate the required result.

3.8. Validity and Reliability

3.8.1. Reliability

Reliability of the primary data is very important because the study mainly depend upon the respondent’s opinion. Research instruments are designed using a simple and clear language to ensure respondents have a clear understanding of what each questions are meant to ask and sequence of questions are requested to increase the probability of consistent respond. Standard questionnaire which has slightly been customized to suit the research has been selected with a strong base from the literature in order to be relevant to the subject matter.

To ensure the reliability of the response (internal consistency of items measuring the level of homogeneity of measures in the instrument and reliability over and over groups of respondents). The study measured the reliability of the questionnaire deployed by calculating Cronbach’s alpha with all variable using SPSS. As a result the Cronbach’s alpha of the questionnaire revealed 0.847. As per (Walsh, 1995) recommendation a minimum level of Cronbach’s alpha should be 70%. Hence the reliability of the response was able to be ensured.

Reliability Statistics

Cronbach's Alpha	N of Items
.847	31

3.8.2. Validity

To make sure the research is valid, the study used reliable sources such as published books and recent articles written by highly praised authors in the employee motivation field. Several measures were employed to ensure that the results are free from material errors from the design of the questionnaire to interpretation of the results. The bank's employee motivational practice was assessed based on questionnaire which is adopted from standard questionnaire (Minnesota Satisfaction Questionnaire). Then, the questionnaire was presented in a suitable manner by making minor modification to be applicable on the current scenario. The questionnaire was forwarded to my advisor and as soon as appraisal was gathered, the survey questionnaire was distributed to the sample population.

3.9. Ethical Considerations

Respondents who were involved in the study were entitled the right of privacy and dignity of treatment. Respondents were not required to mention their name and identification number in the questionnaire in which it is believed that it will help them express their idea and opinion in an unrestricted manner. Information obtained from respondents was handled confidentially. Willingness of the participants in the data gathering process was a prerequisite for the study. The data that was obtained from the participants will not be used for other purposes. All Source of data that were used and cited in this study are properly cited.

CHPATER – FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

Under this chapter the data that was gathered from the questionnaire that was distributed to the ten bank branches of CBE is analyzed and interpreted.

4.1. Response Rate

As explained in the methodology part of this thesis, for 309 population 171 sample size was taken and questionnaire was distributed accordingly. However, out of the total sample size only 142 responses were collected making the response rate 83% which is acceptable to make this study rigorous and generalizable.

4.2. Respondents Profile

Presentation of respondents profile gives readers a chance to analyze the background information of respondents. It also helps person who reads this paper to assess mix in terms of age and sex, respondents.

Table 4.1: Frequency Distribution of Demographic Variables

Respondents Profile			
Demographic Characteristics	Category	Frequency	Percentage
Gender	Male	91	64.1
	Female	51	35.9
Age	18 – 28	59	41.5
	29 – 39	48	33.8
	40 – 50	26	18.3
	Over 50	9	6.3
Education Status	1st Degree	77	54.2
	2nd Degree	52	36.6
	College Diploma	13	9.2

	Certificate	-	-
	Other	-	-
Current Position	Branch Manager	7	4.9
	Customer Service Manager	17	12.0
	Accountant	2	1.4
	Customer Service Officer	116	81.7
Work Experience in CBE	< 2 years	17	12.0
	2 – 5 years	40	28.2
	5 – 10 years	45	31.7
	>10 years	40	28.2
Salary range	< 2000	-	-
	2001 – 6000	116	81.7
	6001 – 10000	-	-
	10001 – 14000	17	12.0
	>14000	9	6.3

Source: Researcher’s Survey, 2016

Table 4.1 shows that from a total of 142 respondents 91 were male while 51 were female. When we look at the percentages, 64.1% were male respondents while 35.9 % were female respondents. This shows that, both genders are represented well in the sample size as 35.1% of the total population of the study constitutes female.

As can be seen from the table 4.1, majority (41.5%) of the respondents fall in the age group of 18 – 28. The second highest percentage being 33.8% for the age group of 29-39. The Remaining 18.3% and 6.3% are for age groups of 40 -45 and over 50 respectively. It also shows that 77(54.2%) of the respondents are 1st degree holders while 17(36.6%) are 2nd degree holders. 13 (9.2%) are college diploma holders. From this, one can easily understand that the people taken as subjects of the study are capable of understanding and answering the questions provided to them.

Table 4.1 also represents the distribution of current job position of respondents that ranges from Managers to customer service officers. 116 (81.7%) which is the majority of the respondents are CSO (Customer Service Officer). The second highest percentage is 12.0% representing the CSM (Customer Service Manager). The remaining 4.9% and 1.4% of the respondents are Managers and Accountants respectively. From this data one can recognize that the majority of the staffs front line officers having a direct contact with customers.

As seen from Table 4.1 above, the majority (31.7%) of the respondents fall in between 5 - 10 years. 40 (28.2%) of the respondents have worked in the bank 2 – 5 and more than 10 years each. While the remaining 12.0% of the respondent have been working for the bank for less than 2 years. This shows that the company is mainly staffed with mid - level to experienced employees.

4.3. Descriptive Analysis of Employee Responses

In order to grasp the general perception of respondents on the issue of motivational practices in CBE, the researcher has included the measures stated the frequency, percentage, mean, and standard deviation for each response which is again analyzed and interpreted.

4.3.1. Payment or Salary

Table 4.2: Employees Response on Pay/Salary

Particular	Level of Agreement	Frequency	%	Mean	Std. Deviation
I feel I am being paid a fair amount for the work I do	Strongly Agree	2	1.4	3.4225	1.06074
	Agree	39	27.5		
	Neutral	15	10.6		
	Disagree	69	48.6		
	Strongly Disagree	14	12		
	Total		142		

The amount of basic pay I receive is fair relative to industry's average	Strongly Agree	20	14.1	2.5634	1.20557
	Agree	72	50.7		
	Neutral	15	10.6		
	Disagree	20	14.1		
	Strongly Disagree	15	10.6		
	Total	142	100		
I earn the same salary with others doing the same job in the bank	Strongly Agree	32	22.5	1.9930	0.85466
	Agree	96	67.6		
	Neutral	-	-		
	Disagree	11	7.7		
	Strongly Disagree	3	2.1		
	Total	142	100		
I feel the existing pay motivates me to perform	Strongly Agree	2	1.4	3.7817	0.82614
	Agree	12	8.5		
	Neutral	19	13.4		
	Disagree	91	64.1		
	Strongly Disagree	18	12.7		
	Total	142	100		
Salary increments are made based on the performance result of workers	Strongly Agree	4	2.8	3.8451	0.93244
	Agree	12	8.5		
	Neutral	14	9.9		
	Disagree	84	59.2		
	Strongly Disagree	28	19.7		
	Total	142	100		

Performance related incentives improve my work motivation	Strongly Agree	90	63.4	1.4718	0.73121
	Agree	42	29.6		
	Neutral	5	3.5		
	Disagree	5	3.5		
	Strongly Disagree	-	-		
	Total	142	100		

Source: Researcher’s Survey, 2016

As shown on table 4.2, the respondents were asked to give answers to six questions related to payment or salary practice of the bank. The first question being employees perception of fair payment for the amount of work they do; 69 (48.6%) of the respondents disagree/ don’t think that they are paid a fair amount for the work they do adding to that, 12% of the respondents strongly disagree to the idea of fair payment. 15 (10.6%) of the respondents were neutral and 27.5% and 1.4 % of the respondents agree and strongly agree with the statement of being paid a fair amount for the work done. The mean (3.42) and SD (1.06) show that more than half of the respondents disagree that they are being paid a fair amount for the work they perform. Equity theory states that employees expect fairness when being rewarded indicating that if this fairness is not provided, it may lead to employee lack of motivation which will affect the productivity of an organization

Respondents were asked to rate their perception of fairness of the basic pay they receive to the industry’s average. 50.7% and 14.1% of the respondent agree and strongly agree respectively as to being paid fair salary relative to the industry’s average. 14.1% of the respondents disagree to the fairness of the statement and 10.6% strongly disagreed to it. The remaining 10.6% of the respondents were neutral to the statement. The mean (2.56) and SD (1.205) shows that the majority of the respondent believe that they are being paid a fair salary relative to the industry’s average. Employees expect fairness and equity when being rewarded to behave in a certain way that is parallel to organizational goals and the numbers above conform to this theory.

Respondents were asked to rate their agreement/ disagreement on the subject of earning the same salary with others doing the same job in the bank. 96 (67.6%) of the

respondents agree that they are being paid the same salary with others doing the same job in the bank and 22.5 (32%) also strongly agree to the statement. Only 7.7% and 2.1% of the respondents disagree and strongly disagree on being paid the same salary with others doing the same job within the bank. The mean and SD with a respective score of 1.99 and 0.82 conform that employees agreement as to being paid the same salary to others doing the same job within the bank. Employees should have the perception of being paid the same salary as to those doing the same job, if not employees may reduce their effort to perform their job due to their unsatisfied need.

The Respondents were also asked if the current pay motivates them or not. More than half of the respondents didn't find the current pay motivating (64.1% Disagree and 12.7% strongly disagree) while 19 (13.4%) of the respondents are neutral to the statement. Only 8.5% and 2.8% of the respondents agree and strongly agree to the statement. The mean and SD; 3.78 and 0.82 show that more the majority of the respondents didn't find the current pay motivating them enough to perform well. If employees are not motivated by the current pay the organization is providing.

In order to know their perception about the salary increment basis of the bank, the respondents were asked if they agree that salary increments are made based on the performance results of worker. The majority of the respondent which is 84 (59.2%) of the respondents disagree to the statement and 28 (19.7%) strongly disagreed. And only 8.5% and 2.8% of the respondents agree and disagree to the statement. The remaining 13.4% are neutral. The mean and SD for this question shows 3.84 and 0.93 value respectively showing that employees disagreement to the statement. If an organizations salary increments are not based on the performance of workers, employees won't be motivated to exert more effort to their work because a reward is not going to follow and according to expectancy theory individuals make choices based on their perceived expectancy that certain rewards will follow.

The respondents were asked if performance related incentive motivates them. 90 (63.4%) of the respondents strongly agree that performance related incentive will motivate them and adding to that 42 (29.6) of the respondents agree to the statement and only 3.5% of them disagree. The majority of the respondents which is evident by the mean (1.47) stated that performance related incentives motivates them. But as it can be observed from the previous numbers, the employees' perception of payment the

organization offers is not well perceived. This leads having a pool of unmotivated employees with a high level of absenteeism and turnover rate.

4.3.2. Promotion

Table 4.3. Employees Response on Promotion

Particular	Level of Agreement	Frequency	%	Mean	Std. Deviation
There are opportunities to advance to a better position	Strongly Agree	4	2.8	3.2324	0.97242
	Agree	35	24.6		
	Neutral	34	23.9		
	Disagree	62	43.7		
	Strongly Disagree	6	4.9		
	Total	142	100		
Everyone has an equal chance to be promoted	Strongly Agree	8	5.6	3.6761	1.07551
	Agree	15	10.6		
	Neutral	19	13.4		
	Disagree	73	51.4		
	Strongly Disagree	27	19		
	Total	142	100		
Promotions are performance related	Strongly Agree	9	6.3	3.7606	1.05810
	Agree	11	7.7		
	Neutral	13	9.2		
	Disagree	81	5.7		
	Strongly Disagree	28	9.7		
	Total	142	100		
There are good promotion opportunities for employees within the bank	Strongly Agree	14	9.9	3.2465	1.13104
	Agree	26	18.3		
	Neutral	22	15.5		
	Disagree	71	50		
	Strongly Disagree	9	6.3		
	Total	142	100		

The organization's promotion is clearly communicated to all employees	Strongly Agree	10	7	3.7606	1.20830
	Agree	10	7		
	Neutral	34	23.9		
	Disagree	38	26.8		
	Strongly Disagree	50	35.2		
	Total	142	100		
Promotion is very important to improve my work motivation	Strongly Agree	90	63.4	1.6197	1.00165
	Agree	31	21.8		
	Neutral	9	6.3		
	Disagree	9	6.3		
	Strongly Disagree	3	2.1		
	Total	142	100		

Source: Researcher's Survey, 2016

With the aim of understanding CBE employee's perception of the promotion scheme. A series of six questions were asked and the result is presented for each items.

When asked whether they believe that there are opportunities to advance to a better position within the bank, the majority 62 (43.7%) and 7 (4.9%) of the respondents disagree to the statement. 35 (24.6%) of the respondents agree that there are opportunities to advance to a better position while 23.9% of the respondents are neutral. The mean and SD with a score of 3.23 and 0.97 respectively showing that a slightly greater number of respondents don't believe that there are opportunities to advance to a better position within the bank. If there are no opportunities to advance to a better position, employees may lose their motivation to put more effort in their job. Employees need to perceive that their efforts for the contribution to the productivity of the organization will help them in-turn forward a reward of one form.

The second question is asking if everyone has an equal chance to be promoted. 73 (51.4%) of the respondents disagree to the statement and adding to that 27 (19%) strongly disagree to the statement. 15 (10.6%) of the respondents agree to the statement and adding to that 8 (5.6%) of the respondents strongly agree. The majority of the respondents which is evident from the mean (3.67) indicates that not everyone has an equal chance to be promoted. If fairness is not perceived in the promotion process, it will lead to workplace demotivation. Employees' expect fairness when being rewarded,

if not it may lead to a negative workplace attitude directly affecting employee motivation and productivity of the organization as a whole.

The third question is asking employees their perception of performance being the basis of promotions in the case of CBE. 81 (57%) of the respondents don't agree that performance is the basis for promotion and 28 (19.7%) strongly disagree. Only 7.7% and 6.3% believe that performance is the basis of promotion and the remaining 9.2% are neutral. The mean score and SD shows 3.76 and 1.05 respectively showing that the majority of the respondent have a perception that promotions are not given with the basis of performance implying that promotional practice of the organization is not performance related.

71 (50%) of the respondents disagree that there are good promotion opportunities within the bank and 9 (6.3%) strongly disagree to the statement. 26 (18.3%) of the respondent agree to the statement and adding to that 14 (9.9%) of the respondents strongly agree. The remaining 22 (15.5%) of the respondents are neutral. The mean (3.24) and SD (1.13) also indicates that more than half of the respondents don't have a positive perception on the career advancement opportunities within the bank.

Employees perform well when they think that they have the perception that a reward will follow, if this expectation is not met employees may not exert their full potential for the work they perform and may lead higher number of unmotivated employees within the bank.

For the statement 'The organization's promotion policy is clearly communicated to all employees' 50 (35.2%) strongly disagree and adding to that 38 (26.8%) of the respondents disagree. only 7% agree and strongly agree each. The mean and SD score show the value of 3.76 and 1.2 respectively signifying that a greater majority of the respondents don't believe that the organization's promotion policy is clearly communicated to all employees showing that the organization doesn't have a clear communication policy with in the bank. Communication of the promotion policy of an organization plays a significant role in the work morale of employees. Employees perform well when they know what will follow and accordingly if the promotion policy is not communicated, they wouldn't know their career advancement procedures which is important in motivating employees.

Last of all, respondents were asked if promotion is very important to improve their work motivation; 90 (63.4%) strongly agree that promotion plays a significant role in improving their work motivation. The second highest 31 (21.8%) agree to the statement showing how promotion is important in motivating employees to put up their best. 1.61 and 1.00 are the mean and SD score showing that employees of CBE are highly motivated through promotion. The respondents indicated that promotion is important to improve their motivation. This signifies that promotion is a high work place motivational factor for employees of CBE.

4.3.3. Employee Benefit

Table 4.4. Employees Response on Employee Benefit

Particular	Level of Agreement	Frequency	%	Mean	Std. Deviation
I am satisfied with the benefits I receive	Strongly Agree	16	11.3	3.0563	1.15945
	Agree	27	19		
	Neutral	48	33.8		
	Disagree	35	24.6		
	Strongly Disagree	16	11.3		
	Total	142	100		
There is equal treatment of each staff in the benefit system of the bank	Strongly Agree	5	3.5	3.5986	1.18537
	Agree	33	23.2		
	Neutral	10	7		
	Disagree	60	42.3		
	Strongly Disagree	34	23.9		
	Total	142	100		
The leave arrangement of the organization is fair	Strongly Agree	18	12.7	2.2535	0.95603
	Agree	96	67.6		
	Neutral	9	6.3		
	Disagree	12	8.5		
	Strongly Disagree	7	4.9		
	Total	142	100		

Benefit packages are modified as necessary to ensure organization's competitiveness	Strongly Agree	9	6.3	3.9437	1.18366
	Agree	12	8.5		
	Neutral	13	9.2		
	Disagree	52	36.6		
	Strongly Disagree	56	39.4		
	Total	142	100		

Source: Researcher's Survey, 2016

As presented on table 4.4; 35(24.6.7%) of respondents indicated they are not satisfied with the benefit that is provided by the company and adding to that percentage another 16 (11.3%) of the respondents are strongly disagreeing to the statement of being satisfied with the benefit they receive. 33.8% of them are neutral to the statement and 19% and 11.3% of the respondents agree and strongly agree to the statement that they are satisfied with the benefits they are receiving. The mean and SD value show 3.05 and 1.15 respectively indicating that the half of the respondents are not satisfied with the benefit package provided by the organization while another half show that they are satisfied with the benefit package of the organization.

When asked to rate whether there is equal treatment of each staff in the benefit system of the bank 60 (42.3%) and 34 (23.9%) the respondents disagree and strongly disagree respectively that there is equal treatment of each staff in the benefit system and 33 (23.2%) and 5 (3.5%) of the respondents agree and disagree respectively that there is equal treatment. The remaining 7% are neutral. Here, we can observe that the majority of the respondents don't believe there is an equal treatment of each staff in the benefit system. 3.59 (mean) and 1.18 (SD) show that there is not an equal treatment of each staff in the benefit system of the bank. Employees should have the perception of being treated equally in terms of benefit distribution within the bank in order to motivate them to exert enough effort into their work but this numbers shows otherwise.

On the subject of leave arrangement, 96(67.6%) of respondents agree that the leave arrangement of the organization is fair and adding to that 18 (12.7%) strongly agree to the statement. 12(8.5%) of respondents disagree with the fairness of the leave arrangement and 18(12.7%) of respondents disagree. The numbers show that the majority of the respondents perceives that the leave arrangement of the organization is

fair. The mean and SD 2.25 and 0.95 respectively show majority of the respondents agree that the leave arrangement of the bank is fair.

56% (39.4%) and 52 (36.6%) of the respondents strongly disagree and disagree respectively for the statement that benefit packages are modified as necessary to ensure organization’s competitiveness. 13 (9.2%) of the respondents are neutral to it and 8.5% and 6.3% agree and strongly agree respectively. The mean and SD 3.94 and 1.18 respectively show that the bank’s benefit packages are not modified as necessary to ensure organization’s competitiveness. If the bank’s benefit package is not up to date and modified to meet the current competitive mark, it will be hard to hire and retain a pool of talent in the bank. If employees are not satisfied with the benefit packages they are gaining, they may look for another organization to fulfill this need. Motivated employees would be less and a higher level of turnover rate will occur.

In general, the benefit package of the organization needs improvement except the leave arrangement. Most of respondents perceive that the leave arrangement offered by the bank is good. The case organization should evaluate its benefit package and take the necessary action to improve the practice.

4.3.4. Recognition

Table 4.5. Employee Response on Recognition

Particular	Level of Agreement	Frequency	%	Mean	Std. Deviation
I receive recognition from my supervisor for work well done	Strongly Agree	15	10.6	3.4296	1.8140
	Agree	17	12		
	Neutral	21	14.8		
	Disagree	70	49.3		
	Strongly Disagree	19	13.4		
	Total	142	100		
I get credit for the work I do	Strongly Agree	4	2.8	3.5423	1.09560
	Agree	27	19		
	Neutral	27	19		
	Disagree	56	39.4		

	Strongly Disagree	28	19.7		
	Total	142	100		
The acknowledgment I get for my accomplishment will make me exert more	Strongly Agree	31	21.8	2.4507	1.24671
	Agree	64	45.5		
	Neutral	12	8.5		
	Disagree	22	15.5		
	Strongly Disagree	13	9.2		
	Total	142	100		
I receive feedback on making progresses	Strongly Agree	15	10.6	3.1901	1.12945
	Agree	24	16.9		
	Neutral	32	22.5		
	Disagree	61	43		
	Strongly Disagree	10	7		
	Total	142	100		

Source: Researcher’s Survey, 2016

In order to measure the perception of toward recognition, respondents were asked to rate whether they receive recognition from their supervisor for work well done and 70(49.3%) of respondents disagree that they receive recognition from their supervisor for work well done while 17(12%) of respondents argue that they do receive recognition from their supervisor and 21 (14.8%) of respondents are neutral. 19(13.4%) of respondents strongly disagree that they get recognition for their work while 15(10.6%) of respondents strongly agree. The mean and SD value of 3.42 and 1.81 show that more than half of the respondents stated that they don’t receive recognition from their supervisors for work well done.

As presented on table 4.5, 56 (39.8%) and 28 (19.7%) of the respondents strongly disagree and disagree respectively that they get credit for the work they do while 27.4% agree that they get credit for the work they do. Again 27.4% remain neutral. The mean and SD value 3.54 and 1.09 respectively signify that more than half of the respondents disagree that they get credit for the work they perform

64 (45.5%) and 31 (21.8%) of the respondents agree and strongly agree respectively that the acknowledgement they get for accomplishment will make them exert more on the work they perform while 22 (15.5%) and 13 (9.2%) of the respondents disagree and

strongly disagree respectively on the statement, getting acknowledgement for accomplishment will not make them exert more and the remaining 12 (8.5%) of the respondents are neutral. The mean and SD value of 2.45 and 1.24 respectively signify that the majority of the respondents would be motivated if they get acknowledgement for the accomplishment.

In general, the recognition practice of the organization is very lacking and needs a momentous change. More than half of the respondents believe that they don't receive recognition for the work they perform supervisor. There is also a very lacking praise giving practices in the organization. All the cases presented above indicate that there is a big gap filling procedure that the case organization have to do regarding recognition. Whether formal or informal, recognition programs acknowledge employee contributions immediately after the fact, usually without predetermined goals or performance levels that the employee is expected to achieve. It is vital that an organization understands what types of recognition are most meaningful to its teams and individual employees and should be applied consistently and equitably.

4.3.5. Work Content

Table 4.6. Employees Response on Work Content

Particular	Level of Agreement	Frequency	%	Mean	Std. Deviation
I am interested in my work	Strongly Agree	16	11.3	3.3451	1.23797
	Agree	20	14.1		
	Neutral	29	20.4		
	Disagree	53	37.3		
	Strongly Disagree	24	16.9		
	Total	142	100		
My job has variety	Strongly Agree	11	7.7	3.7958	1.24649
	Agree	16	11.3		
	Neutral	13	9.2		
	Disagree	53	37.3		
	Strongly Disagree	49	34.5		

	Total	142	100		
I am trained related to my work	Strongly Agree	26	18.3	2.5423	1.25265
	Agree	63	44.4		
	Neutral	20	14.1		
	Disagree	16	11.3		
	Strongly Disagree	17	12		
	Total	142	100		
I have a certain degree of autonomy in my work	Strongly Agree	19	13.4	3.2958	1.36204
	Agree	25	17.6		
	Neutral	27	19		
	Disagree	37	26.1		
	Strongly Disagree	34	23.9		
	Total	142	100		
My work has of great value in my branch	Strongly Agree	42	29.6	2.2676	1.14802
	Agree	53	37.3		
	Neutral	18	12.7		
	Disagree	25	17.6		
	Strongly Disagree	4	2.8		
	Total	142	100		

Source: Researcher’s Survey, 2016

With the aim of gathering employee’s perception, a series of five questions were included in the questionnaire distributed with the specific concept of work content. The first question enables us to understand the level of interest the respondents have in their work. 53 (37.7%) and 24 (16.9%) of the respondents disagree and strongly disagree respectively of being interested in their work. 25.4% of the respondents stated that they are interested in their work while the remaining 20.4% of the respondents remain neutral. The mean and SD value of 3.34 and 1.23 respectively show that more than half of the respondents are not interested in their work.

On the other hand, respondents were asked the level of variety in their job. The majority of the respondents 53 (37.3%) of the respondents disagree that there is a variety in their job while the second highest percentage 49 (34.5%) strongly disagree to the statement of having variety in their job. 11.3% and 7.7% of the respondent agree and strongly

agree respectively as to having variety in their job while the remaining 9.2% of them are neutral. The mean and SD value of 3.79 and 1.24 respectively show that employees don't have variety in the work they perform.

The majority of the respondents 63 (44.4%) of the respondents agree that they are trained related to the work they perform and 26 (18.3%) of the respondents strongly agree to the statement. While 20 (14.1%) of the respondent are neutral, 12% and 11.3% of the respondents disagree and strongly disagree respectively for the statement of being trained related to their work. The mean and SD value of 2.54 and 1.25 respectively show that the organization trains its employees for the work they perform.

In order to know the level of autonomy in the respondents work, the question of work autonomy was raised. The majority of the respondents 37 (26.1%) of the respondents disagree that they have certain degree of autonomy in their work. Adding to that percentage, 34 (23.9%) of the respondents strongly disagree the statement. 19% of them are neutral to the statement and the remaining 17.6% and 13.4% of the respondents fall in to the agreeing and strongly agreeing segment of the answers respectively. The mean and SD value of 3.29 and 1.36 show that the organization does not give its employees the benefit of autonomy in their work.

To finish, significance of the respondents to their corresponding branches were assessed. The majority percentages are 53 (37.3) and 42 (29.6%) measuring for agree and strongly agree respectively that their work has a great value in their branches. 25 (17.6%) don't think that their work has that much of a significance to their branches while 18 (12.7%) remain neutral. The mean and SD value of 2.26 and 1.14 signify that employees of the bank contribute to the overall success of the bank.

Largely, the work content of the case organization needs a great deal of improvement. The majority in every category except being trained show disagreement to the bank's procedure. The majority of the respondents were agreeable only to the training procedure of the case organization. Employees need to be interested in the work they perform in order to perform well. Lack of autonomy will also induce employee lack of motivation, employees need to feel a sense of ownership in the work they perform but as seen in the numbers above, this is not provided by the bank.

4.3.6. Working Condition

Table 4.7. Employees Response on Working Condition

Particular	Level of Agreement	Frequency	%	Mean	Std. Deviation
I have the necessary equipment and supplies to perform my job	Strongly Agree	16	11.3	2.9085	1.15412
	Agree	44	31.0		
	Neutral	28	19.7		
	Disagree	45	31.7		
	Strongly Disagree	9	6.3		
	Total	142	100		
I have a good working relationship with my supervisor	Strongly Agree	13	10.6	3.1690	1.12969
	Agree	26	32.4		
	Neutral	42	29.6		
	Disagree	46	18.3		
	Strongly Disagree	15	9.2		
	Total	142	100		
I have a good working relationship with my colleagues	Strongly Agree	18	12.7	2.7746	1.18737
	Agree	54	38		
	Neutral	23	16.2		
	Disagree	36	25.4		
	Strongly Disagree	11	7.7		
	Total	142	100		
The amount of work expected from me is reasonable	Strongly Agree	11	7.7	2.8803	1.15152
	Agree	57	40.1		
	Neutral	25	17.6		
	Disagree	36	25.4		
	Strongly Disagree	13	9.2		
	Total	142	100		
My working hours are reasonable	Strongly Agree	33	23.2	2.3099	1.15582
	Agree	70	49.3		
	Neutral	9	6.3		

	Disagree	22	15.5		
	Strongly Disagree	8	5.6		
	Total	142	100		

Source: Researcher’s Survey, 2016

As shown in table 4.7; 45(31.7%) of the respondents disagree that the organization offers them the necessary equipment and supplies to do their job and 44 (31%) of the respondents agree with the statement that they have the necessary equipment and supplies to perform their job while 28(19.7%) of the respondents are neutral. The mean and SD value of 2.9 and 1.15 respectively show that the organization provides employees with the necessary equipment and supplies to perform their job.

When looking into working relationships; 46 (32.4%) of the respondents stated that they don’t have a good relationship with their supervisors, 42 (29.6%) of the respondents are neutral to the issue and 26 (18.3%) of the respondents stated that they have a good relationship with their supervisors. The mean and SD value of 3.16 and 1.12 respectively implies that supervisors don’t necessarily have a good relationship with employees for the most part.

On the other hand, respondents were asked to rate their working relationship with colleagues, 72(50.7%) respondents believe that they have good relationship with their colleagues and 47(33.1%) of the respondents disagree to the statement and 23(16.2%%) respondents are neutral. The mean and SD value of 2.7 and 1.18 indicates that majority of respondents perceive that there is good relationship among employees of the organization.

In order to check the reasonability of work expected from them, respondents were asked to express their level of agreement whether the amount of work expected from them is reasonable Accordingly, 57 (40.1%) of respondents perceive that the work expected from them is reasonable, 36(25.4%) disagree that it is reasonable and 25(17.6%) of respondents are neutral to the statement. The remaining 13 (9.2%) and 11 (7.7%) of the respondents fall in the strongly disagree and strongly agree category of the answers respectively. The mean and SD value of 2.88 and 1.15 show that the organization does not over work its employees. The work expected from employees is reasonable.

Similarly, 93 (72.5%) of the respondents specified that their working hours are reasonable while 30 (21.1%) of the respondents disagree with the statement and the remaining 9(6.3%) of respondents are neutral. The mean and SD value of 2.3 and 1.15 show that the working hours expected from employees is reasonable.

Generally, as the result indicated majority respondents are satisfied particularly with their working relationship with their colleagues but not so much with their supervisors. Maintaining a strong employer and employee relationship can be the key to the ultimate success of an organization, the results are advantageous. It is known that if a strong relationship is in place employees will be more productive, more efficient, and more motivated to perform their work with more effort. The other factors; having reasonable amount of work expectation from the case organization and having a reasonable working hours show a positive sign indicating that the respondents have general agreement with that aspect of the working condition. Having the necessary equipment and supplies to perform their job is more or less with equal agree and disagree categories.

Table 4.8. Descriptive Statistics of Motivational Practice Dimensions Descriptive Statistics

N		Minimum	Maximum	Mean	Std. Deviation
Payment or Salary	142	1.67	3.83	2.8462	.54796
Promotion	142	1.50	4.33	3.2160	.70201
Employee Benefit	142	1.50	5.00	3.2130	.78998
Recognition	142	1.25	5.00	3.1532	.72923
Work Content	142	1.00	5.00	3.0493	.74536
Working Condition	142	1.00	5.00	2.8085	.63105

Valid N (list wise)

142

Source: Researchers' survey, 2016

Table 4.8 indicates that participants' total payment or salary mean score is 2.84. The minimum individual mean score is 1.67 and the maximum is 3.83. When the calculated payment or salary mean score (2.84) with the hypothetical average score (3), the calculated mean score is less than the hypothetical average score. This suggests that the payment/salary made by organization is moderate. But employees are not highly motivated by the payment they are receiving

Concerning the employee promotion practice of the case organization; it can be observed from the above table that participants' total promotion practice mean score was 3.21. The maximum and the minimum individual mean score is 4.33 and 1.50 respectively. It can be seen that the calculated mean score (3.21) is greater than 3. Therefore, in the current study; participants' perceived employee promotion practice in the organization is low. Majority of the respondents are not motivated by the current promotional practice of the organization

Taking our focus to recognition, the table above shows that the recognition mean score was 3.17 with a minimum individual mean score of 1.25 and with a maximum individual mean score of 5. The recognition mean score (3.15) is greater than the hypothetical mean score 3. From this it can be inferred that in the current study; the recognition given by the organization is low. Employees of CBE are not getting recognition for the work they are performing. Respondents are not motivated by the current recognition practice of the organization

Looking at table 7.8. Participants' total work content mean score was 3.04. The minimum and maximum individual mean score is 1.00 and 5.00 respectively. The work content mean score is (3.04) is equal to the hypothetical mean score (3) implying that in this study participants' perception about work content of the organization neither low nor high making it at the exact center. Employees are not very content with the work content of their job.

When we go to participants' total perception of working condition of the case organization. It has a mean score of 2.80. The maximum and minimum mean score is

5.00 and 1.00 respectively. Consequently, since the calculated mean score (2.8) is less than 3; the level of participants working condition is not low.

CHAPTER - FIVE

SUMMARY, CONCLUSION, AND RECOMMENDATIONS

This chapter summarizes the major findings of the data analysis, give conclusion and last but not least make recommendation based on the data analysis and interpretation provided in chapter four.

5.1 Summary of Major Findings

- Majority of the respondents (60.6%) don't believe that they are being paid a fair amount for the work they are doing. 76.8% of the respondents don't feel that the existing pay motivates them to perform well.
- 78.9% of the respondents don't agree that the salary increments are made based on the performance result of workers.
- 48.6% of the respondents don't believe that there are opportunities to advance to better position as in a carrier development adding to that 56.3% of the respondents don't believe that there are good promotion opportunities for employees within the bank.
- Performance: 76.7% of the respondents disagree to the statement that promotions are performance related.
- Motivation: 85.2% of the respondents stated that promotion is very important to improve their work motivation.
- 35.9% of the respondents stated that they are not satisfied with the benefit package provided by the organization. 66.2% of the respondents stated that there is not an equal treatment of each staff in the benefit system of the bank.
- Benefit packages modification: 76% of the respondents disagreed to the question stating that the benefit packages are modified as necessary to ensure organization's competitiveness.
- 62.7% of the respondents noted that they don't receive recognition for work well done. Another 59.1% of the respondents stated that they don't get credit for the work they do.
- 50% of the respondents noted that they don't get feedback on making progresses and the majority from the other half which is 27.5% of the respondents.
- The majority which is 54.2% of the respondents noted that they are not interested in

the work they are doing. Relating to that, another majority of the respondents (71.8%) of the respondents noted that their work does not involve variety.

- 50% of the respondents noted that they don't have any autonomy in their work. 66.9% of the respondents specified that the work they perform has great value to the branch they are currently providing their service to.
- 31.7% of the respondents identified that all the necessary equipment and supplies to perform their job is not provided. Another 31% of contradicting respondents noted that the necessary equipment's and supplies to provide the job is provided.
- Working relationship with supervisor: 43% of the respondents noted that they don't have a good relationship with their supervisor.
- 47.8% of the respondents have a perception that the amount of work expected from them is quite reasonable, adding to that 72.5% of the respondents agreed that their working hours are reasonable.

5.2. Conclusion

- Employees of CBE are not pleased with the payment/ salary they are paid and it is not motivating them to exert more for the work they perform. The case organization is highly suggested to investigate this issue further and take immediate action accordingly. The organization should think about the ways and commit to improve its practices in this regard.
- Employees of CBE are not satisfied with the current promotional practices of the organization. They felt some kind of unfairness and injustice in the organization's advancement opportunities which might lead to negative perception among employees because promotion seems to be a huge motivational factor for the majority of the respondents.
- Employees of CBE are not satisfied with the employee benefit arrangement of the case organization. The benefit arrangement of the organization needs improvement except the medical scheme.
- The recognition practice of the organization show that the culture of giving recognition for the supervisor's side for work well done is very lacking. Adding to that, it can also be concluded that getting credit for the work employees perform is quite low. The culture of giving feedback on employees making progress in their work also shows a low number of agreeableness. Recognition presents to be a high motivator according to the respondents but it also shows that the case organization is not doing much in this department.
- Employees of CBE are not interested in the work they perform. The analysis also shows that the work they perform does not have variety which is also very important for work place motivation. Employees of CBE don't have a degree of autonomy in the work they perform.
- Employees of CBE don't have a favorable working relationship with their supervisors though they have a good relationship with their colleagues.
- The survey revealed that employees are not satisfied and motivated with the current motivational procedure carried out by the bank. It revealed that they are mostly not satisfied with the promotion and employee benefit practice of the bank. The result of this survey gives us the privilege to conclude that the existing motivational practices of the case organization fail to satisfy the need of employees.

5.3. Recommendation

The researcher having all the findings the base for recommendations to improve the case organization's motivational factors so as to boost its employees' work motivation, advises the following:

- Salary increment should be based on merit and performance. The case organization needs to adjust its payment package since majority of the respondents disagree that they are paid a fair amount for the work they perform. This can be done by using KPI (Key Performance Indicator). Key Performance Indicators (KPIs) are a company's measurable goals, typically tied to an organization's strategy, as revealed through performance management tools such as the Balanced Scorecard. CBE should translate its corporate vision into measurable operational goals and communicate it to employees and link them to individual performance. Individual employees then would have salary increments based on merit and their performance.
- The organization should analyze, draft, and implement clear and appropriate career advancement procedures that could be applied consistently. The current career path trend should be evaluated and redesigned by considering the competencies of employees. Establishing fair, workable and consistently administered promotion policies and procedures. This includes establishing policies for posting or not posting available positions and the content and timing of promotion announcements, by facilitating promotions within their organizations by providing employees with career coaching, helping managers develop clear selection criteria and mitigating the setback for those not selected for promotion.
- Employee benefit packages should not be prejudicial within the organization. This can be done by eliminating unequitable benefit packages or since the organization has grade and benefit packages are divided using that grade, the bank should communicate those reasons to its employees so that the unequitable benefit packages are justifiable.
- Proper and timely recognition should be part of the system for continuous motivation of employees. The organization should try to incorporate formal and informal employee recognition programs to elude this problem. This can be done

by being specific when giving recognition, being specific helps employees relate the recognition to their behavior, encouraging continued strong performance and by going beyond a bonus or a raise and considering personal gifts, tickets to events, or other purchases that show employees their reward is personalized to them.

- Work content of the organization should be studied to include attributes which will make employees feel fulfilled and satisfied of the job. Bank jobs are known to be repetitive and the study indicates that their job does not allow them to use their knowledge and skills since their job lacks variety in nature. The bank can exert significant amount of effort by having trainings and workshops to broaden employee's knowledge about their job and generate job variety by instigating job rotation, job enlargement and job enrichment within the branches.
- The organization should craft and implement appropriate motivational techniques. The result of the findings needs attention by the organization to make corrective actions so as to improve employee work motivation. This can be done by recognizing employees' performance and making it the basis for reward, recognition, and promotion. Assessing employees' interest to get an insight as to what motivates them and instigating that practically. Knowing its employees will allow the case organization know what will actually motivate them.

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Appendix A: Questionnaire

Dear Sir/Madam

My name is Elshaday Belete, a student at St. Mary University, department of general MBA. The aim of this questionnaire is to gather data on the motivational practices in CBE. The information you provide in response to the items in the questionnaire will be used as part of the data needed for a study of assessing the motivational practices of CBE. I would like to assure you that the information you provide will be used only for the purpose of achieving academic award. Your involvement is regarded as a great input to the quality of the research results. Hence, I believe that you will enlarge your assistance by participating in the study. Your honest and thoughtful response is invaluable.

Thank you for your participation.

Best regards,

Elshaday Belete Tilahun,

MSc student at St. Mary University

Department of General MBA

December, 2016

Part One: Profile of Participants

1. Gender

- a) Male
- b) Female

2. Age

- a) 18-28
- b) 29-39
- c) 40-50
- d) Over 50

3. Education status

- a) 1st Degree
- b) 2nd Degree
- c) College Diploma
- d) Certificate
- e) Other _____

4. What is your current position?

- a) Branch manager
- b) Customer Service Manager
- c) Accountant
- d) Customer Service Officer

5. How long have you been working in the bank?

- a) Less than 2 years
- b) 2-5 years
- c) 5-10 years
- d) 10 years or more

6. In which salary range is your salary level?

- a) Under 2000
- b) 2001 - 6000
- c) 6001 –10,000
- d) 10,001 – 14,000
- e) Above 14,000

Part Two: Motivational Factors Questionnaire

S/N		Strongly agree	Agree	Neutral	Disagree	Strongly disagree
1	Payment/ Salary					
	I feel am being paid a fair amount for the work I do					
	The amount of basic pay I receive is fair relative to the industry's average					
	I earn the same salary with others doing the same job in the bank					
	I feel that the existing pay motivates me to perform					
	Salary increments are made based on the performance results of workers					
	Performance related incentives improve my work motivation					
2	Promotion					
	There are opportunities to advance to a better position					
	Everyone has an equal chance to be promoted					
	promotions are performance related					
	There are good promotion opportunities for employees within the bank					
	The organization's promotion policy is clearly communicated to all employees					
	Promotion is very important to improve my work motivation					

3	Employee Benefit					
	I am satisfied with the benefits I receive					
	There is equal treatment of each staff in the benefit system of the bank					
	The leave arrangement of the organization is fair					
	Benefit packages are modified as necessary to ensure organization's competitiveness					
4	Recognition					
	I receive recognition from my supervisor for work well done					
	I get credit for the work I do					
	The acknowledgment I get for my accomplishment will make me exert more					
	I receive feedback on making progresses					
5	Work Content					
	I'm interested in my work					
	My job has variety					
	I'm trained related to my work					
	I have certain degree of autonomy in my work					
	My work has of great value in my branch					
6	Working Condition					
	I have the necessary equipment and supplies to perform my job					
	I have good working relationship with my supervisor					

	I have a good working relationship with my colleagues					
	The amount of work expected from me is reasonable					
	My working hours are reasonable					