

#### ST. MARY'S UNIVERSITY

#### SCHOOL OF GRADUATE STUDIES

# EFFECT OF MOTIVATION ON EMPLOYEE PERFORMANCE: THE CASE OF ADDIS CARDIAC CENTRE

# BY WUBE BELACHEW LEMMA

JUNE, 2019 ADDIS ABABA, ETHIOPIA

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#### WUBE BELACHEW LEMMA

ADVISOR: GOITOM ABRHAM (Asst. Prof.)

A THESIS SUBMITTED TO ST.MARY'S UNIVERSITY SCHOOL OFGRADUATE STUDIES IN PARTIAL FULFILMENT OF THE REQUIREMENTSFORTHE DEGREE OF MASTER OF BUSINESS ADMINISTRATION

JUNE, 2019 ADDIS ABABA, ETHIOPIA

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APPROVED BY BOARD OF EXAMINERS			
DEAN, GRADUATE STUDIES	SIGNATURE	DATE	
ADVISOR	SIGNATURE	DATE	
EXTERNAL EXAMINOR	SIGNATURE	DATE	
INTERNAL EXAMINER	SIGNATURE	 DATE	

#### **DECLARATION**

I, the undersigned, declare that this thesis is my original work, prepared independently under the Guidance and supervision of Goitom Abrham (Asst. Professor, at St. Mary's University). All sources of materials used for the thesis have been duly acknowledged. I, further confirm that the thesis has not been submitted either in part or in full to any other higher learning institution for the purpose of earning any degree.

Name Signature

St. Mary's University, Addis Ababa

JUNE, 2019

#### **ENDORSEMENT**

This thesis has been submitted to St. Mary's U	niversity, School of Graduate Studies for examination v	with
my approval as a university advisor.		
Advisor	Signature	
St. Mary's University, Addis Ababa	JUNE, 2019	

#### ACKNOWLEDGMENTS

My Special praise goes to the almighty God, My creator, my strength and my reason of existence. Secondly, I would like to express my sincere gratitude to my advisor Assistant Professor, Goitom Abraham for his helpful guidance, valuable support, and critical comment for each part of the paper.

I would also like to thank my friends and class mates who contributed for the success of this paper. I also want to express my heartfelt thanks and appreciation to the management of Addis Cardiac Centre for their indispensable willingness and cooperation for the success of this study. My profound thanks also goes to those who supported me in different ways and contributed to the development of this thesis work. I particularly would like to express my gratitude to those who have participated in completing the questionnaire.

Finally, I would like to express my appreciation and love to my families especially my husband and children who are always there for me.

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#### LIST OF ACRONYMS&ABBREVIATIONS

ACC: Addis Cardiac Centre

EP: Employee Performance

FM: Financial Motivation

FMF: Financial Motivational

FMOP: Financial Motivation over Performance

Freq.: Frequency

HRM: Human Resource Department

MP: Motivational preference

NFM: Non-Financial Motivation

NFMF: Non-Financial Motivational Factor

NFMOP: Non-Financial Motivation over Performance

%: Percentage

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#### **ABSTRACT**

The aim of this study was to investigate the effect of motivation on the performance of Addis Cardiac Centre employees, and evaluate the contribution of different motivational techniques towards the performance of Addis Cardiac Centre employees. The motivational factors were categorized in to financial and non-financial motivational factors. The study population comprised a total of 86 employees. Data were generated using both qualitative and quantitative approaches. A structured self-administered questionnaire was distributed to 86 employees for the quantitative data, while key informant interviews were done with 3 top management staffs permanently working in Addis Cardiac Centre. The data were analyzed using two statistical approaches: descriptive analysis of the variables and inferential statistics specifically linear regression analysis was used. For the qualitative data the main themes were extracted and triangulated with the quantitative data. Correlations among the variables were calculated using Statistical Package for Social Science (SPSS) version 20.

that financial motivational schemes that best explain Addis Cardiac employees' motivation are 'Salary increment' and 'health insurance. Non-financial motivational scheme that best explain motivation in this context are 'flexible (employee friendly) schedule', 'job security' and good working environment. Compared to non-financial motivational programs it is found that financial motivational programs have the higher influence on the overall performance of Addis Cardiac Centre employees. The results of multivariable linear regression showed that after adjusting for age and sex of the study participants, financial motivational factors significantly affected the performance of Addis Cardiac Center employees( $\beta$ = 0.369,  $\beta$ =0.004). The study recommends that hospital administrators should optimise their organisational financial policies and strategies to enhance their employees' satisfaction, and performance.

Key Words: motivation, effect, employee performance. Addis Cardiac Centre

#### **CHAPTER ONE**

#### INTRODUCTION

#### 1.1 Background of the study.

Organizations are changing their thinking regarding the employees and started assuming them as an important and integral parts in the health care markets and industrial era. In the past, employees were treated on very least level to just complete the required goals and those days have gone. It has been realized that employees are the core element for the success of organization (Woodruffe, 1995).

One of the most difficult problems managers face is the motivation of the employees. Motivation has been widely and in-depth examined for a great number of years. The fact that, not everyone is motivated by the same rewards forces managers to work towards tailoring the motivational environment to the individual, within the boundaries and policies of the company. Some literature has provided mixed findings regarding the impact of various rewards on performance and other outcome variables, for example, some authors have reported that extrinsic motivation (mainly financial rewards) predicted performance, but intrinsic motivation (mainly non-financial rewards) did not, while others have reported that intrinsic (non-financial) motivators had a greater impact on performance than extrinsic (financial) motivation (Chonko, Tanner & Weeks 1992).

All health care organizations deal with proposed actions for achievement of the goals with the best use of human resources. In that respect, close attention must be paid to motivation of Individuals by means of initiative, rewards, leadership within which the work is being organized. The goal is to develop motivational processes and working environment that would help individuals to show their results in accordance with expectations. Motivation is the process of initiating human activities which is directed to attainment of certain goals. Employees who have unclear objectives tend to work slowly, they have bad results, lack interest and perform less tasks than the employees who have clear and challenging goals. Employees with clearly defined goals are more energetic and productive (Miljkovic, 2007, p.53-62).

Health organizations are faced with external pressures and cut-throat competition that cannot be effectively met without appropriate adjustments to the workforce. The development of highly motivated workforce thus appears to be a crucial part of the health policy development process (Lambrou, Kontodimopoulos & Niakas, *et al*, 2010, p. 26). Employee motivation affects productivity, and part of manager's job is to channel subordinates' motivation towards the accomplishment of the organization's vision or goals (Daft, 2005).

This study focusses on the determination of employee motivational practices of Addis Cardiac Centre which is a private limited company established in Ethiopia with the aim of playing a pivotal role in knowledge and technology transfer, to provide advanced state of the art, and high quality treatment of patients with cardiovascular and related diseases. The Centre has started its full operation in May 2007with 80 % Swedish investment that includes Sewed fund as a major shareholder (ACC company policy manual, 2014). However, there is no any study that documented the association between motivational factors and employee performance using empirical data on Addis Cardiac Centre. Therefore, this study will fill this gap in information.

#### 1.2. Statement of the problem

High performance of the organization always links with the high employee engagement. All organizations, whether public or private, need to motivate employees to be effective and efficient in their functioning, in addition to the other factors. In the current economic environment, organization and its management have to take many decisions like cost cutting, restructuring decision, and downsizing decision. At the same time, they have to take the action which helps to motivate, and enhance loyalty of the employees in their organization (Waqas & Saleem, 2014).

Employees who are motivated to work energetically and creatively toward the accomplishment of organizational goals are among of the most important inputs to organizational success. Consequently, the challenge for organizations is to ensure that their employees are highly motivated.

Studies conducted in Ethiopia, aimed at the effect of motivators, job satisfactions and hygiene on job performance of employees in public and private sectors. Mehari H. and Peteti P. (2017) in their comparative study analyzed the predictive capacity of job satisfaction factors towards

private and public employed workers and job satisfaction differences between the two organizations in Woldia District. The study reveals that there were differences in job satisfaction factors such as salary rate, fringe benefits and insurance benefitsbetween private and public sectors. On the other hand Tizazu (2015) in his study on employee motivation and its effect on employee retention in Ambo mineral water factory identified different motivational factors (reward, recognition, training and development, promotion, salary, security and working environment) that are impactful to retain employees.

Study conducted by Nebiat (2012) on the relationship between rewards and nurses motivation on public hospitals administrated by Addis Ababa Health Bureau shows that nurses were not satisfied by rewards they received while rewards have significant and positive contribution for motivation. The study suggested that, both hospital administrators and Addis Ababa Health Bureau should revise the existing nurses' motivation strategy.

The Population growth and economic development of Ethiopia contribute to huge demand for health care services. The amount of effort health care employees are willing to put in their work depends on the degree to which they feel their motivational needs will be satisfied. On the other hand, individuals become de-motivated if they feel something in the organisation prevents them from attaining good outcomes (Antonioni, 1999). As mentioned by Tulu (2016, P.100) "motivation is key to the creating of an environment where the optimal performance of employees is possible".

The problem that initiated the researcher to conduct this study is that there is an increasing number of employees leaving the organization with a turnover rate of 6.7% per year (HRM, report Dec.2018). According to the researcher's preliminary study, and circumstantial evidences, employees are not satisfied with the current motivational system of the organization. This might occur due to low salary payment, poor balance between effort & reward and lack of attention given from the top management to motivation practices. This has a negative multiplier effect on poor performance, low morale and lack of discipline in the service that led to low level of customer's confidence and respect in the institution. However, the level of motivational factors and their effect on employee performance is not known in Addis Cardiac Centre. Moreover, it is not known as to which motivational factors employees prefer more motivating. Therefore, the

purpose of this study is to determine the effect of different motivational factors on employees of Addis Cardiac Centre.

#### 1.3. Basic research questions

The main question in this research was:

- How do motivational factors affect Addis Cardiac Centre Employees' Performance? The Specific research questions were:
  - What motivational schemes are currently practiced by Addis Cardiac Centre?
  - What are the financial and non- financial factors that motivate employees at Addis Cardiac Centre?
  - Which motivational system financial or non-financial do the employees of Addis Cardiac Centre perceive is more motivating?
  - What is the effect of motivation on employees' performance at Addis Cardiac Centre?

#### 1.4. Objectives of the study

#### 1.4.1. General Objective

The overall objective of this research was to investigate the effect of motivation on the performance of employees of Addis Cardiac Centre.

#### 1.4.2. Specific Objectives

- To examine the motivational Schemes that are practiced at Addis Cardiac Center.
- To investigate what factors motivate employees at Addis Cardiac Centre
- To identify which motivational system employees of Addis Cardiac Centreprefer.
- To determine the effect of motivation on employees' performance of Addis Cardiac Centre.

#### 1.5. Hypothesis of the study

- **H-1** Financial motivation programs positively affect Addis Cardiac Centre employees' performance.
- **H-2** Non-financial motivation programs positively affect Addis Cardiac Centre employees' performance.
- H-3 Financial motivational Programs have greater positive impact on Addis Cardiac Centre

Employees' performance than non-financial incentives.

#### 1.6. Operational Definitions

**Motivation:** is defined as a human psychological characteristic that add to a person's degree of commitment. It is the management process of influencing employees' behavior' (Badu, 2005).

**Employee Performance:** is the contribution of employees to the organization's goals and to the effective functioning of the organization and work groups this contribution can be either positive or negative (Ahearne H, & Lam, S .K, 2011).

#### 1.7. Significance of the Study

- ❖ The study is expected to enable the researcher gain deeper insight into the motivational practices and its effect in Addis cardiac Centre so as to contribute effectively in participatory decision making with respect to staff motivation and performance.
- ❖ By conducting this research progress will be made towards understanding the relationship that exists between motivation and performance of Addis Cardiac centre employees.
- The results of the study informs the hospital administrators to recognize the needs of their employees and then design solutions to improve employee performance.
- ❖ The result can also be used as reference by other researchers and students interested to explore more in health care / hospital employee management.

#### 1.8. Scope of the Study

This study looked at the tasks and some programs or measures designed to motivate and evaluate the performance of employees of Addis Cardiac Center located in Addis Ababa. The study was conducted within the framework of evaluating motivational practices and its effect on both clinical and non-clinical staff performance of Addis Cardiac Centre. The study focuses on staff of Addis Cardiac Centre comprising Doctors, Nurses, Pharmacists, laboratory technologists, and administrative and supportive staffs that comprises 92 employees. The study was carried out at both the clinical and non-clinical directorates of Addis Cardiac Centre. It was a case study that approaches both the Clinical and non-clinical directorates to reflect the general company approach to motivation on corporate staff performance.

In this study, both financial and non-financial motivational factors were studied. The financial motivational factors included in this study were cash reward, salary increment, bonus, and health

insurance. The non-financial motivational factors studied were recognitions, flexible schedule, ample promotion, training and development, job security, working environment, and job enrichment.

#### 1.9. Limitations of the study

This study has limitations. It was limited to Addis Cardiac Centre this makes generalizability of the findings less affirmative. It would have been important to obtain the views and opinions of employees that work in public and private hospitals based within the region. Some of the respondents were skeptical to give information. This is because they thought this could be a plot by hospital administrator to collect and use the information. This challenge was reduced by the researcher assuring them that the information they gave would be treated confidentially and it was to be used purely for academic purposes. Besides this population of the study was small, which might affect the stability of regression analysis.

#### 1.10. Organization of the research report

The research report is organized in to five parts. Chapter 1 presents the background of the study and explains the research problem. It also addresses the research question to be answered, the research objective to be achieved. It also presents the hypothesis, significance, scope and limitations of the study.

Chapter 2 focuses on the literature review of the theoretical arguments from secondary sources such as journal, articles and books etc. The empirical studies will be assessed in this chapter to enable the construct of the conceptual framework of the research. Chapter 3 describes how the research is carried out in terms of research design, population of the study and sources of data, methods of data collection and the methods of data analysis. Chapter 4 documents the results of the research generated form data analysis procedures set in chapter 3. Chapter 5 finally summarizes the overall findings, conclusions and provides recommendations. The thesis also includes list of references and appendices.

#### **CHAPTER TWO**

#### REVIEW OF RELATED LITERATURE

This chapter presents review of literature that forms the basis of this study. The review was from the writings of recognized authors, and of previous research findings relevant to the research problem under investigation. For easy comprehension, the literature review mainly focuses on the following sub-topics: Concept of motivation, factors that affect employee motivation, theories of motivation, types of motivation, importance of motivation, employees' motivational programs, employee performance, and the relationship between employee's motivation and performance.

#### 2.1. Theoretical Review

#### 2.1.1. Overview of Motivation

Motivation of employee is a widely discussed topic among researchers since ages (Kaur, 2014). Daft (2005) stated that "employee motivation affects productivity, and part of manager's job is to channel subordinates' motivation towards the accomplishment of the organization's vision or goals". A poorly motivated employee will be costly to the organization in terms of lower productivity and performance, excessive staff turnover, increased expenses, higher use of manager's time and a negative effect on the morale of colleagues.

#### Why employee motivation is important?

To succeed, managers will need to learn new roles and reinvent others such as applying flexible motivation approaches in working with a multicultural, hybrid, diverse employee. Many organizations invest a great deal of time and money in designing incentive schemes that are failing to achieve their objective of motivating employees. Large amounts of money are spent on financial incentives, while ignoring non-financial incentives. "The goal of motivation is to encourage people to work hard and energetically toward employee goals. If employees work smart and work hard, they will realize their full potential, to their own and the company's benefit." (Kotler & Armstrong, 2008).

#### 2.1.2. Types of Motivation

Motivation is mostly categorized into two types, being intrinsic and extrinsic motivation showing that different incentives have a distinct impact on employee motivation. Intrinsic motivation is initiated by rewards that associated with the context of the job itself, whereas the sources of extrinsic motivation are external controlling variables as explicit rewards (e.g. money, threat) (Herzberg, 2003; Cameron & Pierce, 2002). These types of motivation are briefly discussed below.

#### a. Intrinsic Motivation

Intrinsic motivation is an individuals' need to feel competency and pride in something. Intrinsic motivation comes from rewards inherent to a task or activity itself. One is said to be intrinsically motivated when engaging in an activity with no apparent reward except for the activity itself (McCullagh, 2005, Hennessey & Amabile, 2005).

According to Zhang & Bartol, (2010, p.112) "An employee is inner directed, is interested or fascinated with a task and engages in it for the sake of task itself". Some people are intrinsically motivated for some activities while others do not, thus not everyone can be intrinsically motivated for same specific task (Ryan& Deci, 2000). According to Cooper & Jayatilaka (2006, p.156) "intrinsically motivated employees are always satisfied and get their reward directly from the task they carried out, interesting work, job satisfaction, the sense they help a client or job appreciation".

Strong intrinsic motivation occurs when three psychological states are created, and these are: experienced meaningfulness of the work, experienced responsibility for outcomes of the work, and knowledge of the actual results of the work activities (Hackman & Oldham, 1980).

#### b. Extrinsic Motivation

Extrinsic motivation is defined as a state of affairs when a person is engaged in a task for instrumental reasons that is, for a reward, to avoid a punishment, to increase self-worth, or to achieve a meaningful goal. Examples of extrinsic factors are programs and inducements such as rewards, compensation, remuneration schemes, career systems, public and peers recognition (Galia, 2007). Moreover, extrinsic motivation comes from outside of the performer. Money is the

most obvious example, but coercion and threat of punishment are also common extrinsic motivations (Shih, 2006).

Thus, extrinsic motivation contradicts intrinsic motivation where people carry out an activity because it is interesting to them and for the enjoyment of the activity, rather than its influential value (Ryan & Deci, 2000). Some researchers' belief that extrinsic motivation tends to lessening intrinsic motivation and employee creativity (Ryan & Deci, 2000, Cooper & Jayatilaka 2006) and it is also the easiest and most important way to motivate workers in any organizations (Lazear & Gibbs, 2009).

Every organization should have both extrinsic and intrinsic reward system for their employees, either they belief in the intrinsic or extrinsic motivation. Thus, both intrinsic and extrinsic motivations are much important in every organization in order to add to the values contributed by employees (Zhang, 2010).

#### **2.1.3.** Motivational Theories

Throughout the last century, theories of motivation evolved to deal with different levels of organisational development, with several theses developed along with their respective theories or models of support (Ferreira, 2017), a cursory view of the literature show that there are three central categories of motivation theories: content, process and reinforcement theories.

#### 2.1.3.1. Content theories of motivation

The first categories of theories assume that factors exist within the individuals that energize, direct, and sustain behavior. They are concerned with the identification of important internal elements and the explanation of how these elements motivate persons. According to this perspective, people have needs that they wish to satisfy, which in turn direct their behavior towards satisfying these needs. The various motivational theorists that have looked into this type of theory includes the works of Maslow's hierarchy of needs, Herzberg's motivator-hygiene theory, Alderfer's ERG theory and McClelland need theory (Szilagyi& Wallace19 90)

#### a. Maslow's Hierarchy of Needs Theory

Abraham Maslow, a psychologist, formulated one of the most familiar theories of individual motivation. Maslow based his hierarchy of needs theory on two important assumptions (Nabi, Islam, Dip & Hossain, 2017):

- 1. People always want more, and their needs depend on what they already have. A need that has already been satisfied is not a motivator, only unsatisfied needs can influence behavior.
- 2. People's needs arise in order of importance. When one need has been partially satisfied, the next one will come forward to be satisfied.

According to Maslow's Hierarchy of needs human behavior is goal-directed and motivation cause goal-directed behavior (Maslow, 1943). It is through motivation that needs can be handled and tackled purposely. According to Maslow's Hierarchy, needs were categorized into 5 types/levels from lower to higher order of needs. These needs are physiological needs, safety and security needs, social needs, esteem, and self-actualization (Kaur, 2013).

Individuals must satisfy lower order of needs before they approach higher order. Satisfied needs will no longer motivate. Motivating a person depends on knowing at what level the person is on the hierarchy (Armstrong, 2010).

#### b. Alderfer's ERG Theory

Clayton Alderfer (1969) refined Maslow's theory by dividing Maslow's five needs into three broader categories of needs, namely existence needs, relatedness needs and growth needs (ERG theory).

- i. **Existence needs** correspond to Maslow's physiological and physical safety needs.
- Relatedness needs focus on how people relate to others and correspond to Maslow's social needs.
- iii. **Growth needs** relate to Maslow's esteem and self-actualization needs.

The theory differs from Maslow's theory because Alderfer suggested that more than one level of needs can motivate at the same time, for example, a desire for friendship (relatedness) and the need for a promotion (growth) can simultaneously influence the motivation of an individual (Alderfer, 1969).

The ERG theory also has a 'frustration-regression aspect', which means that if needs remain unsatisfied; an individual may become frustrated and revert to satisfying lower level needs. The ERG theory is more flexible than the rigid hierarchy of needs theory which states that one level of needs must be satisfied before the next level will come to the fore. The management implications of the ERG theory is that employees strive to satisfy various needs and that if their higher-order needs are not met, they may regress to satisfying lower-order needs (Alderfer , 1969).

#### c. Herzberg's two-factor motivation theory

Job satisfaction and dissatisfaction are created by different job factors. Herzberg's two-factor motivation theory distinguishes between hygiene factors (job context) and motivators (job content). The two factor theory divides work factors into motivation factors (those that are strong contributors to job satisfaction) and hygiene factors (those that, though not strong contributors to satisfaction must be present to prevent job dissatisfaction). To increase satisfaction (and motivate someone to perform better), managers must address motivation factors (Herzberg, 2003).

- (i) Motivators: Achievements, recognition, work itself, responsibility, advancement, growth (Ajila&Abiola, 2004).
- (ii) **Hygiene factors:** supervision, company policy, relation with supervisors, working condition, salary status, security, and relation with peers and subordinate (Armstrong, 2010).

#### d. McClelland's theory of acquired needs

In the early 1960s McClelland – built on Maslow's work – described three human motivators. McClelland as cited in Arnold (2005) claimed that humans acquire, learn their motivators over time that is the reason why this theory is sometimes called the 'Learned Needs Theory' and it is also called achievement motivation theory.

McClelland's theory differs from Maslow's and Alderfer's, which focus on satisfying existing needs rather than creating or developing needs. This dominant motivator depends on our culture and life experiences, of course (but the three motivators are permanent). The three motivators are (Osabiya, 2015):

- Achievement: a need to accomplish and demonstrate competence or mastery
- **Affiliation:** a need for love, belonging and relatedness
- **Power:** a need for control over one's own work or the work of others

McClelland's theory of acquired needs has important implications for motivating employees. While someone who has high need for achievement may respond to goals, those with high need for affiliation may be motivated to gain the approval of their peers and supervisors, whereas those who have high need for power may value gaining influence over the supervisor or acquiring a position that has decision-making authority. When it comes to succeeding in managerial positions, individuals who are aware of the drawbacks of their need orientation can take steps to overcome these drawbacks (Osabiya, 2015).

#### e. McGregor's theory X and theory Y

Douglas McGregor proposed two theories by which to view employee motivation. Theory X advanced that average employees' dislike work, avoid responsibility, have little ambition and can only be made to get results at work by supervising the employees closely, and motivating them in short term through financial incentive schemes. They usually prefer to be directed and tend to resist change. Theory Y assumes that average employees' desire self-direction and self-control, seek and accept responsibility, enjoy physical and mental effort, and have the potential to be self-motivating to reach objectives to which they are committed to. People don't naturally dislike work and work is natural part of their lives. People are internally motivated. According to this theory democratic management is preferable (Nabi *et al*, 2017).

MASLOW	ALDERFER	MC CLELLAND	HERZBERG
Self-actualisation		Need for Power	
Esteem or Ego	Growth	Need for Achievement	Motivators
Belongingness and love	Relatedness	Need for Affiliation	
Safety and Security  Physiological	Existence		Hygiene

**Figure 1**. Comparison of needs in four theories of motivation

Source: Gordon R. Judith *et al*, Management and Organizational Behavior, Allyn and Bacon, 1990, p.428.

#### 2.1.3.2. Process theories of motivation

The second categories of theories of motivation attempt to describe how behavior is energized, directed, and sustained. They focus 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. In contrast to the content theories that attempt to identify people's needs, the focus in process theories is on how motivation actually occurs (Nasri, 2012). The emphasis is on the process of individual goal setting and the evaluation of satisfaction after the achievement of goals. Expectancy theories, the goal setting theory, equity theory and reinforcement theory offer compatible frameworks for understanding work motivation (Armstrong, 2010).

#### a. Expectancy theory

Expectancy theory has been recognized as one of the most promising conceptualizations of individual motivation (Ferris, 1977). Vroom explains that motivation is a product of three factors: Valence (how much one wants a reward), Expectancy (one's estimate of the probability that effort will result in successful performance) and Instrumentality (one's estimate that

performance will result in receiving the reward). This motivational relationship is expressed in the form of a formula:

#### Motivation = $V \times E \times I$ (Valence $\times$ Expectancy $\times$ Instrumentality) (Vroom, 1964)

Valence is the strength of a person's preference for a particular outcome. Expectancy refers to a person's perception of the probability that effort will lead to performance. Instrumentality is a person's perception of the probability that certain outcomes are attached to performance. Thus an individual is motivated by the perceived reward available to him for accomplishing a goal.

According to the expectancy theory the choice of the amount of effort people exert is based on a systematic analysis of (a) the values of the rewards from these outcomes, (b) the likelihood that rewards will result from these outcomes, and (c) the likelihood of attaining these outcomes through their actions and efforts (Chen *et al*, 2006).

This theory can be used to predict the motivational consequences not only on pay changes, but also for promotions, changes in working conditions and assignments, use of overtime, training, and recognition of achievements (Warren, 1989)

#### b. The goal setting theory

Locke and Latham provide a well-developed goal-setting theory of motivation. The theory emphasizes the important relationship between goals and performance. Research supports predictions that the most effective performance seems to result when goals are specific and challenging, when they are used to evaluate performance and linked to feedback on results, and create commitment and acceptance. The motivational impact of goals may be affected by moderators such as ability and self-efficacy. Deadlines improve the effectiveness of goals. A learning goal orientation leads to higher performance than a performance goal orientation, and group goal-setting is as important as individual goal-setting (Lunenburg, 2011).

#### c. The equity theory

Adams' equity theory (Adams, 1963) is a prevalent theory of distributive justice that is introduced in most management and nearly all organizational behavior textbooks as a major theory of work motivation. The equity theory speaks about the people perceptions regarding the way they are treated in comparison with others. Actually, the theory states that the people are

higher motivated when they are fairly treated and less motivated when there is no equity between employees. This theory only explains one of the features of the motivational process, but an important one at an ethical and moral level.

As suggested by Adams (1963, as cited in Armstrong (2010, p.170), two forms of equity are also identified which are distributive and procedural equity. Distributive equity is concerned with individual's contribution and in comparison with others; and procedural equity or procedural justice is concerned with the perceptions employees have about the fairness with which procedures in such areas as performance appraisal, promotion and discipline are being operated.

#### 2.1.3.3. Reinforcement theory

Reinforcement theory is based on the work of Ivan Pavlov in behavioral conditioning and the later work B. F. Skinner did on operant conditioning. Reinforcement theory (outcome theories) is a behaviorists' approach which explain what types of consequences motivate different people to work. The basic premise for this theory is that behaviors followed by positive consequences will occur more frequently but behaviors followed by negative consequences will not occur as frequently. It focuses on how environment teaches workers to alter their behaviors so that they maximize positive consequences and minimize adverse consequences. Based on this principle, reinforcement theory describes four contingency methods of shaping behavior these are positive reinforcement, negative reinforcement, punishment and extinction (Komaki, 2003).

Based on the above detail theoretical review of motivational theories Herzberg's two-factor motivation theory, and expectancy theory are the motivational theories that are relevant for this research.

#### 2.1.4. The concept of financial and non-financial motivational programs

Motivation program comprise financial and non-financial programs which together make up total compensation (Zoltners *et al.*, 2012). Organizations have an option of selecting between financial and non-financial motivators of employees to ensure they keep their employees satisfied and willing to go an extra mile to achieve organizational goals. A body of experience, research and theory has been developed to study motivational rewards.

As far back as 1911, Frederick Taylor described money as the most important reward to motivate lower level employees to achieve high productivity. However, there is lack of conclusive evidence on the motivational impact of financial rewards on job performance of employees.

Different researchers concluded money as most considerable motivational strategy (Akintoye, 2000). Financial incentives can increase retention. If the financial compensation employees receive isn't sufficient for the effort that they put in the work, employees will be less motivated to work extra hard for the achievement of organizational goals (DelVecchio & Wagner, 2011). Sinclair *et al.* (2005) on their part show the motivational power of money by using the influence of money in attracting, training, promoting and motivating employees to go an extra mile towards achievement of set organizational goals. Mukokoma (2008) indicated financial rewards as the most important motivators. On the contrary, Arnolds and Venter (2007) indicated that frontline employees and blue collar workers rate recognition as their best rewards hence relying only on money can cause problems because people are motivated by different rewards. Some employees have financial goals, others have professional goals, and others have personal goals as a result the same incentives cannot work for all (Bagraim et al., 2007). Furthermore, Lawler (1969), states that while financial rewards are significant in the short term, non-financial rewards in the form of meaningful work and recognition incline to sustain motivation in the long term.

As it can be seen above, there are debates, misconceptions and empirically unsupported opinions on whether managers should consider money to be the best choice to motivate lower level employees and neglect non-financial rewards. It is therefore important to investigate whether employees are motivated by rewards both financial and non-financial and if so which are the best rewards for them.

#### **Employee performance**

Performance can be defined as the way in which someone does a job, judged by its effectiveness (Encarta, 2009). Performance is a product of ability multiplied by motivation. Ability is the product of aptitude multiplied by training and resources. Motivation is the product of desire (effort) and commitment (Van der Waldt, 2004). Performance management involves having in place systems and methods which translate the goals of strategic management into individual performance terms through human resource. This includes appraisal of individuals as well as

planning and influencing their future performance through targets and development (Van der Waldt, 2004).

The most widely used method of evaluating employee performance is the employee performance appraisal. This is based on what the organization considers as acceptable standard of performance and assesses workers performance based on these standards. Most of the standards do not take the view of clients in to consideration. For service organizations, the output of the service is an objective measure of its outcome. Thus for a hospital, the number of patients that visit the hospital can also be used as an objective measure of its output.

Addis Cardiac Center as an institution has a weak employee measurement system. Performance of health workers are measured based on its correlation with national indicators of the health system performance including maternal mortality, live births, trend in outpatient department utilization, trend in emergency services etc. Since there is no adequate statistics on performance appraisal such as percentage achieving their own set objectives and customer satisfaction survey, for the purpose of this study, complaints on staff performance, views of patients and management as well as number of patients that visit the hospital will be used as indicators of staff performance.

#### **2.2.** Empirical Literature Review

Conflicting results were found as to which factors, whether financial or non-financial, are the most important motivators for employees.

The key driver of the success of any organization is performance of its employee. Every organization wants to identify & evaluate the factors affecting employee performance so as to boost up performance of the organization (Nema, 2015.)

Motivation is one such trigger that works differently with each new day. Motivation is the individual phenomenon, there is not set formula to apply and get the employee motivated. There can be no one factor that can motivate an individual.

The human needs changes with time, one is completed, and another arouses (Kaur, 2014). Lopez, Hopkins & Raymond (2006) suggest that demographical variables could also influence

reward/incentive preferences, and they suggest the need for further research. Gebregzabher (2009) conducted a study focusing determinants of public employees' Performance evidence from Ethiopian public organizations explain by examining the determinant factors of motivation, ability and role perception in seven different public organizations that reengineered their business processes. The finding revealed that overall, motivation positively determines performance until some stage of experience, beyond which performance declines with experience. According to this research at early stages of experience motivated employees have 3.3 percent more probability of higher performance than non-motivated employees. However, through years of experience both motivated and non-motivated employees tend to have similar individual performance.

A different study conducted by Tulu (2016) on the topic boosting Employee Productivity; Impact of Employee Motivation on Productivity: Case study on Commercial Bank of Ethiopia in Ambo with the main aim of assessing the impact of employee motivation on productivity in commercial bank of Ethiopia in Ambo, identified that the bank uses both financial well as non-financial types of employee motivation schemes. Cash rewards, increment of salary within stipulated period of time and provision of loan for house construction or purchase are financial motivation schemes provided to employee. Non-financial mechanisms are like flexible scheduling, knowledge development schemes through short and long term training and education, promotion, appreciation for the best work performance and others. But this study does not elucidate which motivational factors are more impactful as compared to others.

Tizazu (2015) investigated employee motivation and its effect on employee retention in Ambo mineral water factory. This study investigated seven motivational factors including reward, recognition, training and development, promotion, salary, security and working environment have positive and significant effect on employee retention.

According to the descriptive analysis employed on this study employees are highly motivated with reward motivational factors and employees are less motivated with interesting work and training and development and working environment motivational factors of the Ambo mineral water factory.

Beyond the local literature, a study conducted by Amue, Asiegbu & Chukwu (2012) on improving employee Performance through Employee Motivation Strategies on Pharmaceutical Firms in Nigeria. They explore improvement in employee performance from employee motivation strategy. The authors' conceptualized three dimensions of motivation strategy (financial incentives, meetings with employees and involvement of employees in setting quotas) those are critical for superior employee performance in health care industry. The results show a strong relationship between the dimensions of the motivation strategy and employee performance.

Mugbo (2013) investigated the influence of Extrinsic and Intrinsic motivation on employees' performance of selected manufacturing firms in Anambra State. 63 respondents selected from 21 manufacturing firms across the three senatorial zones of Anambra State were sampled. The study reveals extrinsic motivation given to workers in an organization has a significant influence on the workers performance and recommended all firms should adopt extrinsic rewards in their various firms to increase productivity.

Wambua & Nzulwa (2016) seeks to investigate factors affecting sales team motivation in multinational pharmaceuticals companies focusing on AstraZeneca in Kenya. From the findings, Companies that adhere to successful motivational approaches such as working conditions (Management support, effective communication, regulations, & team spirit), Job enrichment (Job rotation, Job opportunity, Independence & Job Matching) and has Compensation programs (Salary, Allowances & adequate pay) influence its sale team greatly.

Malik and Nadeem (2009) conducted a survey intends to address the complex issue of how to motivate employees in Pakistan. The study results indicated that employees identified Pay and fringe benefits, Job security and Promotion opportunities as the three top motivators respectively.

Another study conducted in India by Kaur, Kaur &Nagaich (2014) on factors Motivating Employee attempt to evaluate the factors which affect motivation of employee in pharma industry. The result shows that various factors like job security, wages, interesting work, promotion, appreciation etc are very important to motivate the employee. Researches that were conducted before (Gebrezagbeher, 2009, Muogbo, 2013, Kaur, Kaur &Nagaich, 2014, Tizazu, 2015 & Amue, Asiegbu, Chukwu, 2012) recommended further research into the dynamic nature

of employees' performance. Similarly, future empirical researches in the area in question will be helpful to consider space-time differences and a diverse sector of activity in explaining determinants of employees' performance and relationship between motivation and performance.

All the above mentioned studies conducted at different time, diverse sector and with different objectives in general revealed that variables such as financial factors (Cash Reward, Salary Increment, fringe Benefits, health Insurance) and Non-financial factors (recognition, flexible schedule, promotion, training & development, job Security, working environment and job enrichment) have a significant influence on the level of motivation. As clearly demonstrated above there are limited research conducted on the impact of employee motivation on the performance of health care employees in Ethiopia. This research will explore the relationship between these employee motivational factors with the performance of the employees working in Addis Cardiac center, Addis Ababa, Ethiopia.

#### 2.2.1. Variables

Motivation is independent variable. It is very important in influencing the employees to accomplish individual as well as the organizational goals. This inner drive motivates the employees to form and exhibit the purposive behavior to achieve specific, unmet needs. This little encouragement on the part of organization enables them to accomplish their goals efficiently by acknowledging employees on their work and effort, providing them good work environment, considering their needs and forming pleasant job design. This include financial motivational factors (cash reward, salary increment, bonus, and health insurance) and non-financial motivational factors (recognition, flexible work schedule, promotion, training and development, job security, working environment, and job enrichment.Performance is the dependent variable which depends upon motivation of employees. These different researches tried to identify the effect of motivation on employees' performance.

#### 2.2.2. Conceptual Frame work

Conceptual framework is a set of coherent ideas or concepts organized in a manner that is easy and understandable to others (Schwartz, 2006). Based on the review of related litratures in the research field of employee motivation and its relationship with performance of employees, variables are identified and the following conceptual frame work was developed for this specific

study .As explained in the litratures, financial and non financial motivational factors have significant impact on on employess performance. The Financial motivational factors (performance based cash reward, salary increament, bonus and health insurance) and the non-financial motivational factors (recognition, flexible schedule, job security, training and development, working environment, job enrichment and promotion) has taken as independent variables while, employees performance as dependent variable. Then the following framework framework was developed based on the literature review.

#### **Independent VariablesDependent Variable**

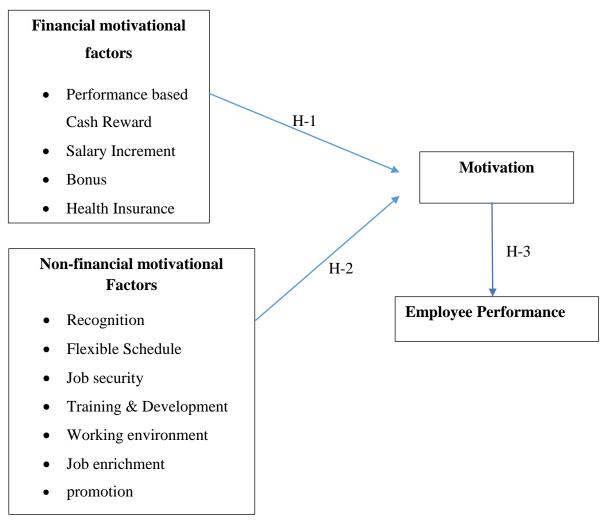


Figure 2. Conceptual Framework

Source: Adapted from the theories of Sayanjit G. (2016), Gebrezagbeher H. (2009), Muogbo U.s, (2013), Kaur N., (2014), Tizazu K., (2015) Wambua&Nzulwa. (2016) &Amue, G.J.et al (2012)

#### CHAPTER THREE

#### RESEARCH DESIGN AND METHODOLOGY

This chapter discusses the research design and methodology that is used in this study. It also presents the population and sampling techniques, data sources and collection procedures, and methods of data analysis that are employed in this particular study. Moreover, reliability, validity and ethical considerations are also included in this chapter.

#### 3.1. Research Design and Approach

#### 3.1.1. Research Design

Research designs are plans and the procedures for research that span the decisions from broad assumptions to detailed methods of data collection and analysis. The research design that was employed in this study was descriptive and explanatory research using cross-sectional survey design. The descriptive type of research involved either identifying the characteristics of an observed phenomenon or exploring possible relations among two or more phenomena. In every case descriptive research examines the situation as it is (Leedy & Ormord, 2010). The explanatory research is ideal to describe the characteristics of the variables and at the same time investigate the cause-effect relationship between variables (Malhotra, et al; 2007). A cross-sectional design is employed because all of the needed data were collected at a single time.

From what has been stated above, in this study, descriptive research design was used to describe the factors considered in motivating theemployees and explanatory study design was used for explaining, understanding and predicting the relationship between motivation and performance of Addis cardiac center employees.

#### 3.1.2. Research Approach

For this study, both qualitative and quantitative approaches were applied to evaluate the effect of motivational factors on Addis Cardiac center employees' performance. Quantitative analysis answers questions through distribution of questionnaires filled by respondents, and qualitative approach was applied through key informant interview to get a more comprehensive analysis and interpretation of the finding of quantitative study.

#### 3.2. Population of the study

The study population refers to the total collection of elements which one would like to study or make inferences. The population aspect however refers to the individual participant on which the measurement is taken (Copper and schindler, 2011). The targeted population for this study comprises 92 employees of Addis Cardiac Center (Physicians, pharmacists, laboratory technologists, nurses, and other supportive and administrative staffs) as they are the pool of the study. The recent data obtained from Addis cardiac centre human resource department on (Dec. 18) indicates that there are a total of 92 employees that are working in Addis Cardiac center.

The survey was made with all employees of Addis Cardiac Center that have the will to take part in the study and they were also assured about the confidentiality of the information.

**Table 1**. population of the study

Departments	population	percentage
Doctors	7	7.6%
Nurses	30	32.6%
Pharmacists	5	5.4%
Laboratory technologists	7	7.6%
Administrative and supportive staffs	43	46.7%
Total	92	100%

Source: ACC HRM department (Dec. 2018)

#### 3.3. Sources of data and data collection instruments

Primary data are original data that are created for the purpose of a study Adams, et al (2007). They are developed by the researcher for the purpose of investigation at hand, and they are

reasonably fitted to the problem defined. They can also, maintain the objectivity and accuracy of the study results.

Secondary data are data used for a project that were originally collected for some other purposes. Saunders et al., (2007). In this study, both primary and secondary sources of data were used. The primary sources of data for this study were questionnaires collected from employees of Addis Cardiac Centre, and interview checklists from the top management of Addis Cardiac Centre. The secondary data used were archives of the organization about the background information and the profile of employees that has been consulted from the human resource manager of the organization.

#### 3.4. Procedures of data collection

A structured questionnaire was adopted from the researches of Sayanjit G. (2016), Gebrezagbeher H. (2009), Muogbo U.s, (2013), Kaur N., (2014), Tizazu K., (2015) Wambua&Nzulwa. (2016) &Amue, G.J. et al (2012) by making modification to fit for this study. The questionnaire has included closed-ended questions that has been measured by a five-point level Likert-scale in order that the respondents can tick the appropriate response that represents his/her opinion. First, the reliability test of the research instrument was checked on ten individuals (pilot test), then the questionnaire was distributed to participants of the study for their kind response. After the questionnaire are filled, the investigator collected the filled questionnaire. Finally, the data were entered into SPSS for windows version 20.0 for cleaning and analyses. In addition to this, open ended interview was conducted to gather information from top management staff (human resource officer, medical director and general manager).

#### 3.5. Response Rate

After the questionnaire are filled, the investigator collected the filled questionnaire. In order to make the collected data suitable for the analysis, all questionnaires were screened for completeness. All unreturned questionnaire and returned incomplete questionnaires were considered as non-respondents and removed from analyses. Out of the 92 distributed questionnaires 88 were returned and 4 questionnaires were not returned. The collected questionnaires were checked for completeness and 2 incomplete questionnaires were identified

and discarded. Therefore, out of the collected questionnaires, 86 were found to be valid and used for final analysis. Although there is no agreed standard of a minimum response rate, Fowler (2002) suggests that a common minimum should be in the region of 75%. On this research, 93.5% response rate was obtained.

# 3.6. Methods of Data Analysis

The research value was measured by the data analysis tools applied to the study. The data was processed using Statistical Package for Social Science (SPSS) for windows version 20.0 software. Tables and different test statistics were used to summarize the results

# **Descriptive Analysis**

Descriptive statistical tools were used to describe the demographic information, and how the employee motivation enhances performance. The descriptive statistical results were presented by tables, depicting frequency count and percentages to give a summarized coefficient table picture of the data. The mean and the standard deviations values were also computed for each variables in this study appropriate for the scale of the variable.

Based on the study of Vigderhous, (1977), Likert scale was used to determine the level of agreement of the respondents with the statement presented where 1, 2, 3, 4 and 5 standing for strongly disagree, disagree, neutral, agree and strongly agree, respectively with five point scales.

✓ The intervals of breaking the range in measuring each variable were calculated as follows based on the formula developed by Vigderhous, (1977):

Range= (max-min)/5=0.8. Agreement level, accordingly, the level of ranking analyzes based on the calculated range as follows:

• Agreement level: 1-1.80 means strongly disagree

• Agreement level: 1.81-2.60 means disagree

• Agreement level: 2.61-3.40 means neutral

• Agreement level: 3.41-4.20 means agree

• Agreement level: 4.21-5.00 means strongly agree

Therefore, the results of descriptive statistics in this study were evaluated using this scale of measurement.

### **Inferential analysis**

The inferential analysis was conducted with the help of correlation and multiple regression analysis with an aim to examine the impact of motivation on Addis Cardiac Centre employees.

Since the data were normally distributed, Pearson's correlation coefficient was used to determine the relationships between motivation (financial motivational factors & non-financial motivational factors) and employee performance.

Multivariable regression analysis was done to isolate independent effects of the financial and nonfinancial motivational factors on employee performance after adjusting for background variables. In addition, the multiple linear regression equation used to show the relationship between the independent and dependent variable. The equation of multiple regressions in this study was built around two sets of variables, dependent variable (employee performance) and independent variables (financial motivational factors & non-financial motivational factors) which is stated as follows:

$$Y = \beta 0 + \beta 1X1 + \beta 2X2 + \beta 3X3 + E...$$

Where:

**Y**= Dependent variable (employee performance)

 $X_1,\,X_2,\,$  and  $X_3$  are the explanatory variables (Independent variables)

 $\mathbf{B_0}$  is the intercept term- it gives the mean effect on  $\mathbf{Y}$ , if all the variables excluded from the equation, although its mechanical interpretation is the average value of  $\mathbf{Y}$  when the stated independent variables are set equal to zero. $\beta_1$ ,  $\beta_2$ , and  $\beta_3$  refer to the coefficients to their respective independent variable which measures the change in the mean value of  $\mathbf{Y}$ , per unit change in their respective independent variable.  $\mathbf{E}$  is the error term.

# 3.7. Reliability and Validity of instruments

# 3.7.1. Reliability

Reliability is one of the major criteria for evaluating research instruments. Reliability measures the internal consistency of the model. According to Malhotra & Bricks (2007), reliability is the extent to which a measurement reproduces consistent results when the process of measurement is repeated. In this research Cronbach's alpha is used for establishing the internal consistency reliability: Excellent ( $\alpha$ >0.9), Good (0.7< $\alpha$ <0.9), Acceptable (0.6< $\alpha$ <0.7), Poor (0.5< $\alpha$ <0.6), Unacceptable ( $\alpha$ <0.5) (Kline, 2000; George & Mallery, 2003)

To ensure reliability, this study used methods such as self-administered questionnaires. Then the questionnaires were pre-tested based on pilot study, to guarantee a common understating of questions among respondents. As indicated in Table 2, all of the different variables have Cronbach's alpha values of > 0.7 indicating their good reliability (internal consistency).

**Table 2**. Reliability test result of the variables

SN	Variables	Number of items	Cronbach's Alpha
1	Financial-motivational factors	4	0.877
2	Non-Financial Motivational factors	7	0.862
3	Motivational Preference	3	0.874
4	Financial Motivational Factors on Performance	5	0.923
5	Non-Financial Motivational Factors on Performance	5	0.898
6	Employee performance	10	0.752

Source: Survey data (April, 2019)

# 3.7.2. Validity of Instruments

Validity refers to the extent to which the concept one wishes to measure is actually being measured by a particular scale or index. According to Kothari (2004), validity is about establishing the results which are linked with the condition. It is concerned with the extent that the scale accurately represents the construct of interest. According to Adams et al, (2007)

validity is the strength of our conclusions, inferences or propositions. It involves the degree to which you are measuring what you are supposed to, more simply, the accuracy of your measurement.

In order to assure the validity of the measurement instruments, the study was conducted based on the conceptual framework that clearly indicate the theoretical construct and is associated with the measurements valid to evaluate the effects of employee motivation (independent variables) on employee performance (dependent variable). In addition the questionnaire was highly aligned with the objectives of the study. Moreover, to raise the validity of the research, questionnaires were distributed and collected by the researcher.

### 3.8. Ethical Consideration

This study followed the required ethical considerations. First, the researcher has obtained the consent of the organization for the study. Second, each respondent was informed that his/her response is voluntary. For the sake of ethical issues, the researcher educated the participants concerning the details needed for the study, the reason why the information were being gathered, the rationale, as well as the way in which they were expected to participate, in addition how the study would directly and indirectly affect them. Again, the researcher assured them of the confidentiality of the information given. Finally, all participants had the right to privacy in order to think about the research task and to give their appropriate response freely.

### **CHAPTER FOUR**

# DATA ANALYSIS AND INTERPRETATION

This chapter presents the data, the analysis and discussion of the research findings including: the sample and response rate, descriptive statistics, correlation, assumption testing for regression analysis, the regression analysis, and hypothesis testing.

The purpose of the study was to examine the effect of different motivational factors on performance of Addis Cardiac center employees. The collected data analysis was made with the help of SPSS version 20. The demographic profile of the study sample was described using descriptive statistics. To test hypothesis and achieve the study objectives, different inferential statistics were employed. Pearson correlation coefficient and Cronbach's alpha were used to test goodness and reliability of the measure. Multiple regressions were also employed to test hypotheses and achieve the study objective.

# 4.1. Characteristics of respondents

The demographic information of respondents gathered for this study were gender, age, education level, job position and years of experience.

**Table 3**. Demographic statistics of respondents

Characteristics	Respondents profil	e	
Characteristics	Variables	Frequency	Percent (%)
Gender Male Female		41 45	47.7 52.3
Age			
20 to 25 years	S	5	5.8
26 to 30 years	8	23	26.7
31 to 40 years	S	38	44.2
above 41 Yea	rs	20	23.2

Education level High School Certificate Diploma Bachler Degree Post Graduate	3 4 27 39 13	3.5 5.7 31.4 41.3 15.1
Job Experience		
Less than 3 year	16	18.6
3 to 5 years	23	26.7
More than 5 years	47	54.7
Job Position		
Physicians	7	8.1
Pharmacists	5	5.8
Nurses	29	33.7
Laboratory Technologists	6	7
Supportive staffs	39	45.3

Source: Survey Result (April, 2019)

The demographic characteristics of the respondents were summarized, which includes: gender, age, education level, and job experience and job position. These variables help to identify the background of the respondents. As presented in Table 3, marginally more female (52, 3%) respondents, while the remaining 47.7% of the respondents were male.

With regards to age distribution the larger proportion (44.2%) of the respondents were from 31 to 40 years old and the remaining, 23.2% were above 41, while the others are below 30 years old.

From this result we can observe that the majority of employees of the ACC are at the young and productive age group. Therefore, the company reward package design should accommodate its workforce age composition. Since, youngsters are more volatile for turnover, cash and other differentials.

With regards to the frequency of educational status majority of respondents had educational status of Bachler degree. From this we can see that most of employees of ACC are degree holders. Since most of the respondents are degree holders, they would have the ability to fill the questionnaire by having know-how about motivational management and employees' performance.

The respondents were asked to indicate the department they worked in the Centre, and the results obtained shows that most of the respondents work in medical departments and the others are

administrative department and supporting staffs respectively. The results show that the medical department constitute the largest department in which the majority of respondents are included with 54.6 % of the total respondents. This helps to design the motivational schemes according to the professionality working conditions of each department.

With regard to service years of respondents 18.6% of the respondents had an experience in Addis Cardiac of Centre for less than 3 year, 26.7% had 3 to 5 years of experience, and 54.7% had more than 5 years of experience. From the above data 54.7% of the respondents had more than 5 years of experience, therefore the researcher believe that the data obtained will provide good result.

### 4.2. Analysis of Data collected for the study

The descriptive analysis is used to look at the data collected and describe that information. The following Tables present the frequency, percent, mean and the standard deviation of the respondents' observation. Mean value provides the idea about the central tendency of the values of a variable. Standard deviation gives the idea about the dispersion of the values of a variable from its mean value.

**Table 4**. Descriptive statistics of financial Motivational Factors

	Items	Resp	onse ( l	N=86)								
SN	Financial motivational	Stron disag		Disaş	gree	Neutral		Agree		Strongly agree		
	factors	Frq	%	Frq •	%	Frq •	%	Frq	%	Frq •	%	Mea n
1	My organizataion offers cash reward for extra efforts put in the job	20	23.3	50	58.1	0	0	16	18.6	0	0	2.1
2	My organization offers Salary Incriment	26	30.2	4	4.7	1	1.2	40	46.5	14	16.3	3.14
3	My organization offers Bonus	36	41.9	34	39.5	6	7	10	11.6	0	0	1.88
4	My organization offers Health Insurance	6	7	42	48.8	1	1.2	27	31.4	10	11.6	2.91
5	Aggregate Mean											2.5

Source: Survey data (April, 2019)

The comparison of the frequency count, percentage and the mean scores indicates the financial motivational factors that were practiced by Addis Cardiac Centre.

The respondents were asked to indicate whether Addis Cardiac Centre arranges cash reward program for extra efforts put on job to motivate them, the results in Table 4 indicate that the majority (81.4%) of the employees disagreed to the statement that their organization arranged cash reward to motivate them.

The respondents were asked to indicate whether Addis Cardiac Centre arranges salary increment program to motivate them, Table 4 shows that, the majority (62.8%) of the employees were agreed to the statement that their organization arranged salary increment programs to motivate them. This is supported by findings in the study conducted by Thumbran (2010) and Nienaber (2009), which indicated the most important reward category is monthly salary Addis Cardiac Centre to motivate employees is insufficient.

The respondents were asked to indicate whether Addis Cardiac Centre arranges bonus scheme to motivate them, Table 4 shows that, majority (81.4%) of the employees were disagreed to the statement that their organization arranged bonus scheme to motivate the employees.

The respondents were asked to indicate whether Addis Cardiac Centre arranges health insurance program to motivate them, the result in Table 4 shows that, the majority (55.8%) of the employees disagreed to the statement that their organization arranged health insurance programs that were being implemented to motivate them.

The mean scores indicate that the rate of implementation of financial motivational schemes in Addis Cardiac Centre with all dimensions. Among the financial motivational schemes that are being implemented, the most applied motivational factor was found to be salary increment with a mean of (m = 3.14).

Based on the results in Table 4, the aggregate mean score (m=2.5), shows that the overall application of financial motivational schemes by Addis Cardiac Center is low.

The top management were asked if their organization has financial employee motivational programs, according to the interview findings, there are some sort of motivational schemes such as performance based salary increment, and partial health insurance coverage for employees.

**Table 5**. Descriptive statistics of non-financial Motivational Factors

	Item	Resp	onse (I	N=86)								
S N	Non- financial	Stror disag		disag	disagree		Neutral		Agree		Strongly agree	
1	motivational factors.	Frq	%	Frq	%	Frq	%	Frq	%	Frq.	%	
1	My organization recognizes good performance	53	61,6	31	36	1	1.2	1	1.2	0	0	1.42
2	My organization has flexible (employee friendly) schedule	23	23.7	53	61.6	2	2.3	5	5.8	3	3.5	1.98
3	My organization facilitates training & development	42	48.8	34	39.5	2	2.3	7	8.1	1	1.2	1.73

	opportunities											
4	My organization protects the job security of its employees	15	17.4	18	20.9	5	5.8	42	48.8	6	7	3.07
5	My organization provides good working environment	31	36	40	46.5	4	4.7	7	8.1	4	4.70	2.0
6	My organization facilitates opportunities for job Enrichment	30	34.9	45	52.3	1	1.2	8	9.3	2	2.3	1.9
7	My organization offers fair and ample promotion opportunities	42	48.8	31	36	1	1.2	9	10.5	3	3.5	1.84
	Aggregate Mean											2.0

Source: Survey data (April, 2019)

The comparison of the frequency count, percentage and the mean scores indicates the non-financial motivational factors that were practiced by Addis Cardiac Centre

The respondents were asked to indicate whether Addis Cardiac Centre had recognition program for good performance with the aim of motivating employees, Table 5 shows that the majority(97.6%) of employees disagreed to the statement that their organization had good performance recognition programs that were being implemented to motivate them..

The respondents were asked to indicate whether Addis Cardiac Centre had employee friendly (flexible work schedule) with the aim of motivating employees. Majority (88.3%) of the employees disagreed to the statement that their organization arranged flexible schedule programs to motivate them.

The respondents were asked to indicate whether Addis Cardiac Centre facilitates training and development opportunities with the aim of motivating employees, Table 5 shows that majority (88.3%) of the employees disagreed to the statement that their organization facilitates training and development opportunities to motivate them.

The respondents were asked to indicate whether Addis Cardiac Centre ensures job security of employees with the aim of motivating employees, Table 5 shows that. (55.8%) of the employees agreed to the statement that their organization ensures their job security to motivate them.

The respondents were asked to indicate whether Addis Cardiac Centre facilitates good working environment for employees with the aim of motivating them, Table 5 shows that the majority (82.5%) of the employees disagreed to the statement that their organization facilitates good working environment to motivate the employees.

The respondents were asked to indicate whether Addis Cardiac Centre ensures opportunities for job enrichment with the aim of motivating employees, Table 5 shows that the majority (87.2%) of the employees disagreed to the statement that their organization ensures opportunities for job enrichment to motivate them.

The respondents were asked to indicate whether Addis Cardiac Centre ensures fair and ample promotion opportunities with the aim of motivating employees, Table 5 shows that the majority (84.0%) of the employees disagreed to the statement that their organization ensures fair and ample promotion opportunities for employees to motivate them.

The aggregate mean score (m=2.0) indicates that the rate of implementation of non-financial motivational schemes in Addis Cardiac Centre is low. Among the non-financial motivational schemes that were being implemented, the most applied motivational factor was found to be flexible (employee friendly) work schedule (m=3.07).

Based on the results obtained, in Table 5, the level of aggregate mean score (m=2.0) shows poor implementation of non-financial motivational schemes by Addis Cardiac Centre to motivate employees.

The top management were asked if Addis Cardiac Centre had implemented non-financial motivational programs, to motivate employees ,the findings of interview, revealed that there was no effective, well designed, consistent and organized non-financial motivational system developed and applied, but some specific training opportunity was given for specific professions..

**Table 6.**Descriptive statistics of financial motivational factors on employees' performance.

	Items	Respo	onse (	N=86)								
SN	What is your opinion on the relation between financial motivational factors and	No ex	tent	Very litle extent		Neutral		Great extent		Very great extent		Mean
	employee performance?	Frq.	%	Frq.	%	Frq.	%	Frq.	%	Frq.	%	wican
1	Financial motivational factors inspire me to improve my technical knowledge and skills needed to carry out tasks	2	2.3	11	12.8	0	0	17	19.8	56	65.1	4.32
2	Financial motivational factors encourage me to effectively deal with and perform many tasks within reasonable time limit	1	1.2	9	10.5	0	0	7	8.1	69	80.2	4.56
3	Financial motivational factors enable me to increase my hospitality and receptive attitudes to patients and their families	14	16.3	26	30.2	3	3.5	11	12.8	32	37.2	3.24
4	Financial motivational factors enable me to improve my cooperation in team work with co-workers and other staffs.	13	15.1	36	41.9	4	4.7	9	10.5	24	27.9	2.94
5	Financial motivational factors encourage me to take initiative and set an example for others; often seeking additional responsibility	7	30	34.9	2	2.3	5	5.8	42	48.8	15	3.5
6	Aggregate mean											3.7

Source: Survey data (April, 2019)

The comparison of the frequency count, percentage and mean scores in Table 6 indicate that how financial motivational factors related to employees' performance of Addis Cardiac Centre according to employees' opinion.

The respondents were asked to how much the financial motivational schemes inspire them to improve their technical knowledge and skills needed to carry out tasks. Table 6 shows that the majority (84.9%) of respondents answered to the statement that financial motivational factors inspire them great extent to improve their technical knowledge and skills and hence, their performance of carrying out tasks.

The respondents were askedhow much the financial motivational factors encourage them to effectively deal with and perform tasks within reasonable time limit, Table 6 shows that majority (88.3%) of respondents answered to the statement that financial motivational factors encourage them great extent to improve their performance of dealing their tasks within reasonable limit of time.

The respondents were asked how much the financial motivational schemes enable them to increase their hospitality and receptive attitudes to patients and their families, Table 6 shows that (46.5%) of respondents answered to the statement that financial motivational schemes enable them very little extent to increase their performance of hospitality and receptive attitudes to patients and their families.

The respondents were asked how much the financial motivational schemes enable them to improve their cooperation in team work with co-workers and other staffs, Table 6 shows that (57%) of the respondents answered to the statement that financial motivational factors enable them very little extent to improve their performance of cooperation with co-workers and other staffs.

The respondents were asked how much the financial motivational schemes encourage them to take initiative and set an example for others: often seeking additional responsibility, the results in Table 6 show that (54.6%) of employees answered to the statement that financial motivational factors encourage them great extent to improve their performance to take initiatives and set an example for others: even seeking additional responsibility.

The aggregate mean (m=3.7) in table 7 sows that financial motivational schemes have positive relation with performance of employees.

The top management were asked about the role of financial motivational factors on employee's performance, and responded that, they believe financial motivational factors play a greater role in motivating employees, improve their performance and commitment.

**Table 7.**Descriptive statistics of non-financial motivational factors on employees' performance

		Respons	e ( N=86)									
SN	What is your opinion on the relation between non-financial motivational factors and employee performance?	No exter	nt	Very litl	e extent	Neutra	l	Great 6	extent	Very extent	great	
		Frq.	%	Frq.	%	Frq.	%	Frq.	%	Frq.	%	Mean
1	Non-financial motivational factors inspire me to improve my technical Knowledge and skills needed to carry out tasks	11	12.6	35	40.2	2	2.3	19	21.8	19	21.8	3.0
2	Non-financial motivational factors encourage me in effectively dealing with and performing many tasks within reasonable time limit	1	1.1	14	16.1	2	2.3	37	42,5	32	36.5	3.99
3	Non-financial motivational factors enable me to increase my hospitality and receptive attitudes to patients and their families	3	3.4	22	25.3	2	2.3	19	21.8	40	46	3.8
4	Non-financial motivational factors enable me to improve my cooperation in team work with coworkers	9	10.3	26	29.9	0	0	29	33.3	22	22.3	3.34
5	Non-financial motivational factors encourage me to take initiative and set an example for others; often seeking additional responsibility	5	5.7	23	26.4	0	0	30	34.5	28	32.2	3.6 <b>3.55</b>
6	Aggregate mean	l	l	1	1	1	1	I	1	1	I	:

Source: Survey data (April, 2019)

The comparison of frequency count, and mean scores in Table 7 shows how the non-financial motivational schemes related to Addis Cardiac Centre employees' performance according to employees' opinion.

The respondents were asked how muchthe non-financial motivational schemes inspires them to improve their technical knowledge and skills needed to carry out tasks. Table 7 shows that (52.8%) of respondents answered to the statement that non-financial motivational factors inspire them very little extent to improve their technical knowledge and skills, and hence, performance of carrying out tasks.

The respondents were asked how much the non-financial motivational factors encourage them to effectively deal with and perform many tasks within reasonable time limit, Table 7 shows that majority (79.3%) of respondents answered to the statement that non-financial motivational factors encourage them great extent to improve their performance of dealing their tasks within reasonable limit of time.

The respondents were asked to how much the non- financial motivational schemes enable them to increase their hospitality and receptive attitudes to patients and their families, Table 7 shows (67.8%) of respondents answered to the statement that non- financial motivational schemes enable them great extent to increase their performance of hospitality and receptive attitudes to patients and their families.

The respondents were asked how much the non-financial motivational schemes enable them to improve their cooperation in team work with co-workers and other staffs, Table7 shows (58.6%) of respondents answered to the statement that non-financial motivational factors enable them great extent to improve their performance of cooperation with co-workers and other staffs.

The respondents were asked how much the non-financial motivational schemes encourage them to take initiative and set an example for others; often seeking additional responsibility, Table 7 the majority (66.7%) of respondents answered to the statement that non-financial motivational factors encourage them great extent to improve their performance to take initiatives and set an example for others: even seeking additional responsibility.

The aggregate mean in table 7 (m=3.55), indicates that non-financial motivational schemes positive relation with employees 'performance.

The interview findings from the top management shows that the management of Addis Cardiac Centre believes, improving the motivational schemes to the staff has a great role and significant benefits. This is because, it enhances job satisfaction, employees' commitment, enhances employee productivity, and reduces employee turnover and increase organizational revenue.

This result is supported by the previously conducted researches by Romano (2003) and Sarvadi (2005). The effect of non-financial incentives on employees' job performance has empirically been proven. Lewis (2013) posits that praise and recognition are effective ways of motivating employee behavior in the organization as they are considered the most important rewards. Aktar et al. (2012) contend that non-financial incentives which are represented by recognition, learning opportunities, challenging work and career advancement, have been found to be an effective tool in motivating workers and consequently increase their performance.

Additionally, non-financial rewards/incentives, such as achievement and recognition, are effective in motivating employees and are an important part of a managers' motivational mix (Futrell, 2011).

**Table 8**. Descriptive statistics of employee motivational preference

		Respo	onse ( N	<b>[=86]</b>								
SN	Items  Motivational perference	Strongly disagree		disgree		Neut	ral	Agree		Strongly Agree		
	Nativational perference	Frq.	%	Fr q.	%	Frq.	%	Frq.	%	Frq.	%	Mean
1	I prefer financial motivational schemes over Non- financial schemes	5	5.8	13	15.1	0	0	5	5.8	63	73.5	4.25
2	I prefer Non-financial motivational scheme over financial Schemes	14	16,3	9	10.5	0	0	7	8.1	56	65.1	4.03
3	Both financial and non-financial motivations scheme are equally important	4	4.7	26	30.2	3	3.5	17	19.8	36	41.9	3.64
4	Aggregate mean											3.97

Source: Survey data (April, 2019)

The comparison of frequency count and the mean scores in Table 8 indicates the motivational schemes that Addis Cardiac center employees prefer more.

The respondents were asked which motivational they prefer, Table 8, shows that,(79.1%) of respondents agreed to the statement that they prefer financial motivational packages,73.2% of respondents agreed to the statement that they prefer non-financial motivational packages, and 61.7% of respondents agreed to the statement that they prefer both financial and non-financial.

According to the top management of Addis Cardiac Centre the common factors that challenge the proper implementation of motivational programs includes shortage of organizational financial resources, that results in low salaries increment and inadequate reward system. Poor choice of motivational packages, and lack of awareness among employees about the benefits of good performance is also another challenge.

**Table 9**. Effect of current (existing) financial motivational practices on employees' performance of Addis Cardiac Centre

	Items	Respo	onse (	N=86)								
SN	How does the Current(existing) financial motivational practices of	No ex	tent	Very exten	litle t	Neut	ral	Grea exten		Very great exten		Mea
	Addis Cadiac Center enhanced your performance?	Frq.	%	Frq.	%	Frq	%	Frq.	%	Frq.	%	n
1	Increased my inspiration to improve my technical knowledge and skills needed to carry out tasks	57	66.3	21	24.4	1	1.2	7	8.1	0	0	1.51
2	Encouraged me to effectively deal with and performing my tasks within reasonable time limit	77	89.5	7	8.1	2	2.3	0	0	0	0	1.13
3	Enabled me to increase my hospitality and receptive attitudes to patients and their families	39	45.3	44	51.2	3	3,5	0	0	0	0	1.58
4	Increased my cooperation in team work with co-workers and other staffs.	46	53.3	36	41.9	4	4.7	0	0	0	0	1.51
5	Encouraged me to take initiative and setting an example for others; often seeking additional responsibility	47	54.7	6	7.0	25	29.1	8	9.3	0	0	1.93
6	Aggregate mean							1.53				

Source: Survey data (April, 2019)

The comparison of frequency count and the mean scores in Table 9 indicates that how the current financial motivational practices of Addis Cardiac Centre affected the performance of employees.

The respondents were asked how the current (existing) financial motivational practices at Addis Cardiac Centre inspired them to improve their technical knowledge and skills needed to carry out tasks, Table 9 shows that majority (90.7%) of respondents answered to the statement that the practices inspired them very little extent to improve their knowledge and skills and hence, performance needed to carry out tasks.

The respondents were asked how the existing financial motivational practices of Addis Cardiac Centre encouraged them to effectively dealing with and performing tasks within reasonable limit of time, Table 9 shows that, the majority (97.6%) of respondents answered to the statement that the practices encouraged them no extent to improve their effectively dealing with tasks in limited period of time.

Respondents were asked how did the current (existing) financial motivational practices of Addis Cardiac Centre enabled them to increase their hospitality and receptive attitudes to patients and their families, the result in Table 9 indicates that majority (96.5%) of respondents answered to the statement that the practices enabled them very little extent to increasetheir performance of hospitality and receptive attitude to patients and their family.

Respondents were asked how the current (existing) financial motivational practices of Addis Cardiac Centre increased their cooperation in team work with co-workers, Table 9 shows the majority (95.2%) of respondents answered to the statement that the practices no extent increased their performance of cooperation in team work.

Respondents were asked how the current (existing) financial motivational practices of Addis Cardiac Centre encouraged them take initiative and set as an example for others; often seeking additional responsibility, Table 9 shows that the majority (61.7%) of respondents answered to the statements that the practices very little extent encouraged them to improve their performance to take initiative and set as an example for others; often seeking additional responsibility.

The aggregate mean in Table 9 (m=1.5), shows that the current financial motivational practices of Addis Cardiac Centre had negatively affected the performances of the employees. This implies that Addis Cardiac Centre has to improve the financial motivational schemes in the practices to enhance the performances of employees.

**Table 10**. Effect of current (existing) non-financial motivational practices on employees' performance of Addis Cardiac center

	Items	Respo	onse ( N	<b>[=86]</b>								
SN	How does the Current(existing) non-financial motivational	No ex	tent	Very exten	litle t	Neut	ral	Great exten		Very great exten		
	practices of Addis Cadiac Center enhanced <u>your</u> <u>performance?</u>	Frq.	%	Frq.	%	Frq.	%	Frq.	%	Frq.	%	Mean
1	Increased my inspiration to improve my technical knowledge and skills needed to carry out tasks	36	41.9	44	51.2	5	5.9	1	1.2	0	0	1.66
2	Encouraged me to effectively deal with and performing my tasks within reasonable time limit	62	72.1	16	18.8	8	9.3	0	0	0	0	1.37
3	Enabled me to increase my hospitality and receptive attitudes to patients and their families	60	69.75	22	25.6	4	4.65	0	0	0	0	1.26
4	Increased my cooperation in team work with co-workers and other staffs.	39	45.3	45	52.3	2	2.3	0	0	0	0	1.57
5	Encouraged me to take initiative and setting an example for others; often seeking additional responsibility	42	48.8	6	7	31	36	7	8.1	0	0	2.03
6	Aggregate mean											1.58

The comparison of frequency count and the mean scores in Table 10 indicates that how the existing non-financial motivational practices of Addis Cardiac Centre affected the performance of the employees.

The respondents were asked how the existing non-financial motivational practices at Addis Cardiac Centre increased their inspiration to improve their technical knowledge and skills needed to carry out tasks, Table 10 shows that majority (93.1%) of respondents answered to the

statement that the practices inspired themno extent to improve their technical knowledge and skills and hence, their performance needed to carry out tasks.

The respondents were asked to how, the existing financial motivational practices of Addis Cardiac Centre encouraged them to effectively dealing with and performing tasks within reasonable limit of time Table 10 shows that, the majority (90.9%) of respondents answered to the statement that no extent the practices encouraged them to improve their performance of effectively dealing tasks within reasonable limit of time.

Respondents were asked how the existing non-financial motivational practices of Addis Cardiac Centre enabled them to increase their hospitality and receptive attitudes to patients and their families, the result in Table 10 indicates that majority (95.35%)) of respondents answered to the statement that the practices enabled them every little extent to increase their performance of hospitality and receptive attitudes to patients and their. Families.

Respondents were asked how the existing non-financial motivational practices of Addis Cardiac Centre enabled them to increase their cooperation in team work with co-workers, Table 10 shows, majority (95.6%) of respondents answered to the statement that no extent the practices encouraged them to increase their performance of cooperation in team work with co-workers

Respondents were asked how the current financial motivational practices of Addis Cardiac Centre encouraged them to take initiative and set as an example for others; often seeking additional responsibility, Table 10 shows the majority (55.7%) of respondents answered to the statement that no extent the practices encouraged them to improve their performance to take initiative and set as an example for others; often seeking additional responsibility

The aggregate mean in table 10 (m=1.58), shows that the existing no-financial, motivational practices of Addis Cardiac Centre had negatively affected the performances of the employees. This implies that Addis Cardiac Centre has to improve non-financial motivational schemes in the practices to enhance the performances of its employees.

# **Correlation analysis**

The study employed the correlation analysis, which investigated the strength of relationships between the studied variables. According to Marczyk, G., Dematteo, D. and Festinger (2005), Correlations are perhaps the most basic and most useful measure of association between two or more variables, Correlation coefficients range from - 1 to +1. Pearson correlation analysis was used to provide evidence of convergent validity and reveal that magnitude and direction of relationships (either positive or negative) within the range from -1 to +1 (Marczyk et al, 2005). The closer it gets to 1.00, the stronger the relationship. As per to Marczyk, et al (2005), general guidelines; correlations of 0.10 to 0.30 are considered as small, correlations of 0.30 to 0.70 are considered as moderate and correlations of 0.70 to 0.90 also considered as large and correlations of 0.90 to 1.00 are considered as very large. Based on this the following correlations were analyzed.

**Table 11** . Correlation between the independent and dependent variable

		FMF	NFMF	EP
FMF	Pearson Correlation	1		
	Sig. (2-tailed)			
	N	86		
NFMF	Pearson Correlation	.764**	1	
	Sig. (2-tailed)	0.01		
	N	86	86	
EP	Pearson Correlation	.711**	.680**	1
	Sig. (2-tailed)	0.01	0.01	
	N	86	86	86

<sup>\*\*.</sup> Correlation is significant at the 0.01 level (2-tailed)

**Source**: Survey Result (April, 2019)

As it is indicated in the table there is a significant positive relationship between the independent variables and the dependent variable within the range of 0.680 to 0.711, are significant at p=0.000 level. The correlation analysis was conducted at 95% confidence interval which

revealed a positive correlation between the independent variables (financial and non-financial motivational programs) and employees' performance within the range of 0.680 to 0.711. This finding is supported by studies conducted by Stajkovic & Luthans (2003) which is a meta-analyses indicating that both financial and nonfinancial incentive motivators have a positive impact on individual performance

# **Assumption Testing for Regression analysis**

Assumptions are critical in statistics because if the underlying assumptions are not valid, then the process is unreliable, unpredictable, and out of the researcher's control (Stevens, 2009). There are many assumptions to consider but the researcher focused on the major ones that are easily tested with SPSS.

According to Pallant (2011), to conduct multvariable regression analysis, there are four assumptions that should be passed: Linearity, normality, Homoscedasticity and Multicollinearity. Linearity test is passed since the data are scattered around diagonal line of P-P plot, regression model is good if the data distribution is normal or near normal. The data are proven to be homogenous since the data are spread above and below zero on all parts of scatter plot/graph and no multicollinearity problem where the tolerance is >0.1 and VIF (Variance Inflation Factor) value is < 10. Therefore we can safely conclude that the data fulfils all assumptions.

# Multicollinearity

As it is shown in the table 12, all independent variables have a tolerance value greater than 0.1 and VIF value less than 10. Therefore, there is no multicollinearity in this case.

**Table 12.** Multicollinearity problem test of VIF and tolerance

Collinearity Diagnostics				
Tolerai	nce	VIF		
FMF	.992	1.008		
NFMF	.992	1.008		
Age Sex	.962	1.039		
Sex	.962	1.040		

Dependent Variable: Employee performance

Source: Survey Result (April, 2019)

# Linearity

The linearity of the relationship between the dependent and independent variable represents the degree to which the change in the dependent variable is associated with the independent variable. In a simple sense, linear models predict values falling in a straight line by having a constant unit change (\*slope) of the dependent variable for a constant unit change of the independent variable (Hair et al., 1998). Relationships between variables are considered linear when they are consistent and directly proportional to each other (Stevens, 2009; Tabachnick & Fidell, 2006).

The linearity assumption can be tested through the visual examination of residual plots (Kivilu, 2003; Stevens, 2009). A residual scatterplot is a figure that depicts one axis for the standardized residuals  $(r_i)$  and the other axis for the predicted values  $(y_i)$  (Stevens, 2009). If the linearity assumption is met, the standardized residuals will scatter randomly around a horizontal line which represents the standardized residuals equaling zero (ri=0) (Stevens, 2009; Tabachnick & Fidell, 2006).

# Scatterplot Dependent Variable: Emplye\_Perfermace

Figure 3. Scatter plot

Source: Survey Result (April, 2019)

# **Normality of the Error Term Distribution**

Screening data for assessing the normalization of variables is a critical step in multivariate analysis (Hair, J., Anderson, E., Babin, J., & Black, C., 2010). Normality refers to the shape of a normal distribution of the matric variable (Robert, 2006). For variables with normal distribution the values of skewness and kurtosis are zero, and any value other than zero indicated deviation from normality (Hair et.al 2010). In terms of this assumption, a check for normality of the error term is conducted by a visual examination of the normal probability plots of the residuals.

The normality probability plots were plotted to assess normality. The P-P plots were approximately a straight line instead of a curve. Accordingly, the residuals were deemed to have a reasonably normal distribution, as suggested by Hair et al. (2010). The skewness value provides an indication of the symmetry of the distribution. The index of skewness takes the value zero for a symmetrical distribution. A positive skewness value indicates right skew while a negative value indicate left skew (Tabachnick and Fidell, 2001). The kurtosis index measures the extent to which the peak of a unimodal frequency distribution departs from the shape of normal

distribution. A value of zero corresponds to a normal distribution; positive values indicate a distribution that is more pointed than a normal distribution and a negative value a flatter distribution (Tabachnick & Fidell, 2006). As shown in table 11 all items show close to normal distribution considering the criteria proposed by George and Mallery (2010) of Skewness and kurtosis values between -2 and 2. Therefore, the data used in this study is normally distributed.

### Normal P-P Plot of Regression Standardized Residual

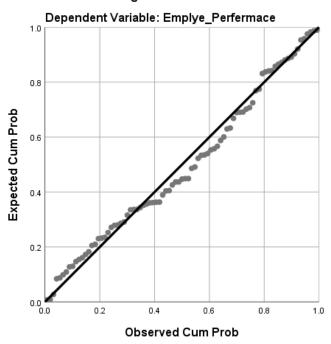


Figure 4. Normal P-Plot regression

Source: Survey Result (April, 2019)

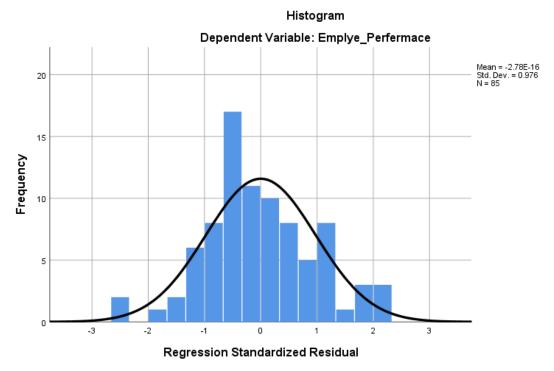


Figure 5. Normallity plot of the regression

The figure 4 and 5 prove the assumption of normality is satisfied. Consequently it can be concluded that the assumption of normality is not violated for most of points lie in a reasonably straight diagonal line from bottom left to top right with minimum deviation. Furthermore, the plot of standardized residuals vs standardized predicted values showed no obvious signs of funneling. In addition to this, all the scattered plots are found within the range of 3 and -3 on both "X" axis and "Y" axis, suggesting the assumption of homoscedasticity has been met.

Table 13. Skewness & Kurtosis

		Std.
	Statistic	Error
Skewness	.626	.260
Kurtosis	.005	.514

Source: Survey Result (April, 2019)

Thus, according to the above diagnosis, information presented in all the four tests, there are no significant data problems that violate the assumptions of multiple regressions.

### **Outliers**

These are those scores which are very high or very low. Multiple regression is very sensitive to outliers. Checking for theses extreme scores should be done for all the variables, both dependent and independent, that will be used in the regression analysis. This assumption can be tested by looking at the Cook's Distance values. Any Cook's Distance values over 1 are likely to be significant outliers, which can place undue influence on the model, and should therefore be removed and rerun the analysis (Pallant, 2005).

Concerning the outliers, the value of the Mahalanobis distance and the Cook's Distance were analyzed. The result from the Mahalanobis distance reviled that there is a potential outliers. This was found out by taking the maximum value of the Mahalanobis distance and crosschecking its critical value in a chi-square table. The critical value of the chi-square for Mahalanobis distance with 2 degree of freedom at 95% confidence level is 5.99. Hence any case which had a value of Mahalanobis distance > 5.99 was considered outliers and was excluded. On the other hand the value of the Cook's distance (0.101) was under 1, suggesting individual cases were not unduly influencing the model.

# **Regression Analysis**

The financial and non-finical motivational factors were reverse coded as (no extent =5, and very great extent=1) to generate an in adequacy variable for the regression analyses

To meet the objective of the study multivariable linear regression analysis was employed by running the obtained observation data on SPSS version 20.0. In this study regression analysis was used to determine whether the independent variables (financial and non-financial motivational factors) explain significant variations in the dependent variable (employees 'performance) and whether a relationship exists. If p < 0.05, which means the hypothesis, is supported and can be used to make predictions, however, if P > 0.05, it means the hypothesis is rejected (Malhotra & Birks, 2007).

Moreover, the explanatory power  $(R^2)$  is used to determine the value of explaining for the research. The value of  $R^2$  below 0.2 is considered weak explaining, between 0.2 and 0.4 is moderate explaining, and above 0.4 is considered strong power for explaining (Malhotra & Birks, 2007).

**Table 14**. Relationship between the dependent (employees' performance) variable and independent variables

Model Summary <sup>b</sup>										
					Change Statistics					
				Std. Error	R					
		R	Adjusted	of the	Square	F			Sig.	F
Model	R	Square	R Square	Estimate	Change	Change	df1	df2	Change	
1	.565	.563	.550	2.76423	.133	3.072	4	80	.021	

a. Predictors: (Constant), Gender of Respondents, Financial\_Motivational Factors, Non\_FinancialMotivational Factors, Age of Respondents

**Source**: Survey Result (April, 2019)

Table 15. ANOVA summary table

ANOVA <sup>a</sup>							
		Sum of					
Model		Squares	df	Mean Square	F	Sig.	
1	Regression	397.014	4	23.475	3.072	$.021^{b}$	
	Residual	308.162	80	7.641			
	Total	705.176	84				

Source: Survey Result (April, 2019

The other part of the output that we are concerned with is the ANOVA summary table. The significance value which is located in the upper right column is the point of interest in this analysis. If that value is < .05, we have a significant linear regression. If it is > 0.05, we do not.

The "ANOVA" table provides an F-test for the null hypothesis that none of the explanatory variables are related to employees' overall performance, or in other words, that  $R^2$  is zero (Landau and Brian, 2004). Here the researcher can clearly reject this null hypothesis (F (3.072) = 23.475, P =0.021), and so we can conclude that at least one of the explanatory variables financial or non-financial motivational programs are related to Employees' overall performance.

b. Dependent Variable: Employee Performance

**Table 16.** Multivariable linear regression model predicting the effect of existing level of finacial and non-financial motivational factors on employees' perfomance in Addis Cadiac Center

Model		Unstandardized Coefficients			95.0% Interval f	Confidence For β
		β	Std. Error	P	Lower Bound	Upper Bound
1	(Constant)	40.195	2.311	0.000	35.595	44.794
	Financial Motivational Factors	0.369	0.124	0.004	0.122	0.616
	Non-Financial Motivational Factors	0.158	0.103	0.130	-0.047	0.363
	Age of Respondents	-0.221	0.615	0.721	-1.444	1.003
	Gender of Respondents	-0.452	0.352	0.203	-1.152	0.248

Source: Survey Result (April, 2019)

As per the regression Table 16, the result of multivariable linear regression model after adjusting for age and sex and non-financial motivational factors, there was a significant positive association between the current(existing) financial motivation package and the level of workers performance( $\beta$ =0.37, P=0.004). However, although the direction is towards the positive direction, there was no a significant association between non-financial motivation factors and employee performance ( $\beta$ =0.16, P=0.130), after adjusting for other variables.

In addition, the  $\beta$  - values and their significance are important statistics to look at. The findings indicated that for a unit increase in the current (existing) financial motivation score, workers performance increased by 0.37. According to regression coefficient (beta), financial motivational factors are at the first place of importance to affect employees' performance. The specified regression equation takes the following form

$$Y = \alpha + \beta 1(X1) + \beta 2(X2) + \varepsilon$$

= 
$$\alpha + \beta 1$$
 (FMF) +  $\beta 2$  (NFMF) +  $\epsilon$ 

Where:

Y = Employee performance (EP)

B1 1&  $\beta$ 2 = The Regression standardized coefficient of each variable

Therefore the equation derives as

Y = 40.195 + 0.369 (FMF) + 0.158 (NFMF) +  $\varepsilon$  (Since the non-financial motivational factors was not significantly associated), the final Model explaining employee performance is:

$$Y = 40.195 + .369 (FMF) + \varepsilon$$

The beta value of financial motivational factors .369 (p<0.05) tells us that there is positive and significant relationship between financial motivational schemes and employees performance. Therefore we reject the null hypothesis and accept the alternate hypothesis of existence of significant relationship with performance.

The regression result of non-financial motivational factors tells us to a accept H0 since there is a no significant relationship between NFMF and employees performance with beta value of ( $\beta$ =0.16, P=0.130).

**Table 17**. Research Hypothesis summary

Hypothesis	Result	Reason
H 1 Financial Motivational factors affect Addis Cardiac Centre employees' performance.	Accepted	β=0.369, P=0.004
H-2 Non-financial motivational factors affect Addis Cardiac Centre employees' performance.	Rejected	$\beta$ = 0.158 , P= 0.130
H-3 financial motivational Programs have greater impact on Addis Cardiac Centre employees'	Accept3d	

Source: Survey Result (April, 2019)

Based on the last equation, the Regression standardized coefficient, financial motivational factors ( $\beta$ 1=0.369) is greater than that of non-financial motivational factors ( $\beta$ 2=0.158) as a result of this:

Compared to non-financial motivational schemes, financial motivational factors are at the first place of importance to affect employees' performance. Armstrong (2007) and Milkovich and Newman (1993). Armstrong (2007) states, that money is essential as it is required to satisfy basic needs of survival and security. Milkovich and Newman (1993) suggest that money is used by organizations as an attraction, motivation, and retention tool. Organizations use money to reward and recognize, and they withhold it as punishment. Furthermore, the study result is in agreement with a much publicized study conducted by Gupta and her colleagues which analyzed thirty-nine studies conducted over four decades and found that cold-hard cash motivates workers whether their jobs are exciting or mundane in labs and real world setting.

### **CHAPTER FIVE**

# SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

This chapter bases on the findings of the preceding chapter, objectives of the study and the research questions that were to be answered by the study. This chapter is divided into three sections. The first section presents a summary of the study findings, the second part presents conclusion, and lastly the third contains recommendations.

# **5.1.Summary of findings**

The summary of findings is organized around the questionnaire which was based on the research objectives of the study. The primary objective was to investigate the effect of motivation on performance of employees of Addis Cardiac Centre. Different methods of motivational schemes and practices for enhancing employee motivation were investigated and their influence on employees' performance in Addis Cardiac center was evaluated.

Accordingly, respondents who participated in the survey were asked various questions in relation to financial and non-financial motivational factors, the motivational situations being practiced at Addis Cardiac Centre, the relationship between motivational packages and performance, and the effect of motivation on employees' performance. Thus, the results of the study and its interpretation revealed the following findings:

The results obtained in this study showed that financial and non-financial motivational packages of the organization were found to be poor .In this regard the aggregate means of (m=2.50) and (m=2.0) respectively indicates that majority of the respondents answered, there was no enough financial and non-financial motivational packages delivered by the Centre. From the study the majority of the respondents felt that both financial motivational and nom-financial factors are truly motivators and the financial factors has significant role in their output level. In relation to this, the study reveals most of the respondents were in agreement that the existing financial motivational factors were not satisfactory. However, salary increment; and health insurance offered by the organization were some sources of motivation for them. The multivariable linear regression output also showed that the level of financial motivation packages in the center were positively associated with employee performance after adjusting for age and sex.

This issue is reinforced by (Vrooms 1964) Expectancy theory, it articulates that an employee can be motivated to perform better when there is a belief that the better performance will lead to good performance appraisal and that this shall result into realization of personal goal in the form of some reward

The descriptive findings of the survey also confirmed that the existing non-financial motivational factors were not satisfactory. However, job security, flexible (employee friendly) schedule, and good working environment offered by the organization, were found to be some sources of employee motivation at Addis Cardiac Centre. Macllend theory is support of the view that, at certain point, money is not all but rather than recognition from managers is paramount. Therefore, as these factors are sources of motivation, the absence of such factors could be the major source of their demotivation. However, on multivariable linear regression the level of non-finical motivation factors practiced in Addis Cardiac Centre did not have significant association with employee performance after adjusting for age and sex.

Furthermore, the results obtained indicated that for the employees of Addis Cardiac Centre to be motivated and enhance performance; they ought to be provided by financial rewards. This analysis also concurs with Fredrick Herzberg's two factor theory in which he investigated factors that led to extreme job satisfaction and extreme dissatisfaction. Finally, study reveals that respondents agreed the roles of motivations are significant and could affect their individual as well as the performance of the organization in general. Similarly the results confirm that financial motivational schemes influence their overall performance.

### **5.2. Conclusions**

Motivation is based on growth needs of the individual. It is an internal engine, and its benefits show up over a long period of time. Numerous studies conducted in healthcare settings have demonstrated that motivation is critical for organizational success due to its influence on employees' attitudes, behavioural intentions, and performance (Pullins, 2001). This study assessed the effect of financial and non-financial motivational factors, as a means of motivating employees' of Addis Cardiac centre. Based on the results obtained it can be concluded that both the financial and non-financial motivational practices of Addis Cardiac Centre were found to be insufficient to motivate the employees, while both financial and non-financial factors have

positive relationship with employee motivation and performance. This implies, Addis Cardiac centre has to improve motivational packages and practices to improve employees 'motivation and performance. Keeping other factors constant, financial motivational factors have significant effect than non-financial factors, this implies majority of the employees need financial reward packages than the non- financial packages. Finally, from the study findings and based on the above objectives of the study, it can be concluded that Addis Cardiac Centre employees performance is highly affected by financial motivational schemes.

### **5.3. Recommendations**

The results obtained from this research can certainly be used to improve the present scenario of motivation in Addis cardiac center. It will help to establish a firmer grip on not only organizational behavior but also employees' psychology. Motivating employees is a delicate and purposeful challenge that requires more than an annual review. The following can be suggested based on the research and survey conducted above.

- ❖ It is recommended that a new motivational framework should be designed to incorporate the reward preferences of employees and meet expectations that will have benefits for of both employees and the organisation.
- ❖ The results can be used to compare present scenario regarding level of motivation of the employees. Therefore, it is recommended that optimum rate of motivation should be applied to attain organizational goals most effectively.
- ❖ From the results obtained, it is recommended that organizations should understand the needs of employees and incorporate both financial and non-financial motivational schemes in their packages to satisfy employees.
- ❖ Based on the results provided by the study, hospital administrators and hospital general managers should optimise their organisational financial policies and strategies to enhance their employees' satisfaction, and performance.

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St. Mary's University

School of Graduate Studies

Appendix-I

Questionnaire to be filled by employees of Addis Cardiac Centre

Master's in Business Administration (MBA) Program

**Title**: Effect of Motivation on employee performance: The case of Addis Cardiac Centre.

This study is to be conducted as part of a research project which shall be submitted in partial

fulfillment of Masters of Art Degree in Business Administration. This questionnaire is meant to

collect information about "Effect of Motivation On employee performance: The case of Addis

Cardiac Centre".

Your genuine participation in supplying the required data is highly essential for successful

completion of the study. The information you provide will be kept confidential and be used only

for an academic purpose. For the sec of confidentiality it is not necessary to write your name on

the questionnaire

I would like to thank you in advance for your participation and sharing your busy schedule.

Please do not hesitate to ask me or to call/mail if you have any doubt on the questions.

Wube Belachew

Mob. 0911674582

Email: wubebelachew@gmail.com

Note: kindly put a  $(\sqrt{})$  mark with the option that reflects your level of agreement with the

given statement.

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# Section I: Profile of the Addis Cardiac center employee

1.	Gender:			
	☐ Male	☐ Female <b>Age</b>		
2.	Age:			
	□ 20-25 years	☐ 26-30 years	☐31-40 years	above 41
3.	<b>Education</b> :			
	☐ High School	☐ Certi	ficate Di	ploma
	☐ Bachelor/MD	☐ Postg	raduate degree	
4.	Job Experience:			
	Less than 3 Year	3-5 years	☐ More than 5 y	ears
5.	Job Position			
	Physician		Nurses	
	Pharmacist		Laboratory Technicia	n
	☐ Administrative/su	pportive Staff		

## Section II: Employees perception about motivation and Performance

For the following questions please answer by ticking only one applicable box on the side of each question, whereby 1 strongly Disagree, 2 Disagree, 3 neutral, 4 Agree, 5 strongly agree, corresponding best with your opinion. And also 1 no extent, 2 very little extent, 3 neutral, 4 great extent, and 5 very great extent.

What is your experience on motivational packages of your organization?			Disagree	Neutral	Agree	Strongly agree
I.	Financial Motivational Factors					
1	My organization offers cash reward for extra efforts put in the job					
2	My organization offers salary increment					
3	My organization offers Bonus					
4	My organization offer health Insurance					
II.	Non-Financial Motivational Factors					
5	My organization recognizes good performance					
6	My organization has employee friendly working schedule					
7	My organization facilitates training & development opportunities					
8	My organization protects the job security of its employees					
9	My organization provides good working environment					
10	My organization facilitates opportunities for job Enrichment					
11	My organization offers fair and ample promotion opportunities					
III. Motivational Preference						
12	I prefer financial motivational schemes over Non- financial schemes					
13	I prefer Non-financial motivational scheme over financial Schemes					
14	Both financial and non-financial motivations scheme are equally					

III.	To what extent had the Current(existing) financial motivational practices of Addis Cadiac Center enhanced your performance?		Very little extent	Neutral	Great extent	Very great extent
15	Increased my inspiration to improve my technical knowledge and skills	, ,				
	needed to carry out tasks					
16	Encouraged me to effectively deal with and perform my tasks within					
	reasonable time limit					
17	enabled me to increase my hospitality and receptive attitudes to patients					
	and their families					
18	Increased my cooperation in team work with co-workers and other					
	staffs					
19	Encouraged me to take initiative and set an example for others; often					
	not seeking additional responsibility					
IV.	To what extent had the Current(existing) non-financial motivational practices of Addis Cadiac Center enhanced your	No extent	Very little extent	Neutral	Great extent	Very great
20	Increased my inspiration to improve my technical knowledge and skills needed to carry out tasks					
21	Encouraged me to effectively deal with and perform my tasks within reasonable time limit					
22	Enabled me to increase my hospitality and receptive attitudes to patients					
23	Increased my cooperation in team work with co-workers and other					
23						
24	staffs Encouraged me to take initiative and set an example for others; often not seeking additional responsibility					

V.	What is your opinion on the relation between -financial motivational factors and employee performance?	No extent	Very little extent	Neutral	Great extent	Very great extent
25	Financial motivational factors inspire me to improve my technical					
	knowledge and skills needed to carry out tasks					
26	Financial motivational factors encourage me to effectively deal with					
	and perform my tasks within reasonable time limit					
27	Financial motivational factors enable me to increase my hospitality					
	and receptive attitudes to patients and their families					
28	Financial motivational factors enable me to improve my cooperation					
	in team work with co-workers and other staffs.					
29	Financial motivational factors encourage me to take initiative and set					
	an example for others; often seeking additional responsibility					
	VI. What is your opinion on the relation between non-financial notivational factors and employee performance?			Neutral	Great extent	Very great
30	Non-financial motivational factors inspire me to improve my technical		Very little extent			
31	Knowledge and skills needed to carry out tasks  Non-financial motivational factors encourage me to effectively deal					
31	with and perform many tasks within reasonable time limit					
32	Non-financial motivational factors enable me to increase my					
	hospitality and recentive attitudes to nationts and their families					
33	Non-financial motivational factors enable me to improve my					
	cooperation in team work with co-workers and other staffs.					
34	Non-financial motivational factors encourage me to take initiative and set an example for others; often seeking additional responsibility					

## **Appendix-II**

## **Interview questions to Management of Addis Cardiac Centre**

## St. Mary's University

### Master's in Business Administration (MBA) Program

My name is Wube Belachew, I am student of St. Mary's University studying a Master's degree in Business Administration (MBA). I am carrying out research project titled as. The Effect of Motivation on Employee Performance on Addis Cardiac Center. I am currently conducting interview with you.

This interview is a part of my Master's research, and your kind help is very important for the successful completion of this research project. Your responses to questions in this interview will be anonymous and data will be combined and analyzed as a whole.

Your participation in the study will be greatly appreciated. May I now commence the interview? Are you willing to participate in the study?

- 1. Yes
- **2.** No

Thank you in advance.

- 1. Does Addis Cardiac Centre has employee motivational programs?
- 2. What type of motivational systems (financial or non-financial motivational system) your organizations mostly provide for employees?
- 3. What is do you think is the role of motivating employees?
- 4. Does the current motivational system satisfies the employees of the organization?/
- 5. What are the challenges or hindering factors affecting the motivational system in your organization?