



ST.MARY'S UNIVERSITY SCHOOL OF GRADUATE STUDIES

DEPARTMENT OF GENERAL MBA

**EFFECTS OF MOTIVATIONAL FACTORS ON EMPLOYEES
PERFORMANCE**

**THE CASE OF ETHIOPIAN ELECTRIC UTILITY ADDIS ABABA,
ETHIOPIA**

By: FASIL LEGESS

AUGUST, 2017

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ADDIS ABABA, ETHIOPIA

ST.MARY'S UNIVERSITY SCHOOL OF GRADUATE STUDIES

This is to certify that the thesis prepared by FASIL LEGESS, Effects of motivational factors on employees Performance: The case of Ethiopian Electric Utility in Addis Ababa Region and submitted in partial fulfillment of the requirement for the Degree of Master of Business Administration (in general MBA) complies with the regulations of the university and meets the accepted standard with respect to originality and quality.

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Statement of Declaration

I, FASIL LEGESS, declare that this research work entitled, “ Effects of motivational factors on Employees Performance The case of Ethiopian Electric Utility in East Addis Ababa Region is outcome of my own effort and study, all sources of materials used for the study have been duly acknowledged. This study has not been presented for degree in any university.

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Endorsement

This is to certify that the research work, “Effects of motivational factors on Employees Performance The case of Ethiopian Electric Utility in East Addis Ababa Region” undertaken by Fasil Legess for partial fulfillment of master of General MBA at St. university is an original work and not submitted earlier for any degree either at this university.

Adviser: Dr. Abdurezak Mohammed Signature: _____ Date _____

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ABSTRACT

The purpose of the study was to investigate the effect of extrinsic and intrinsic factors on employee's performance. The study was conducted in correlation research design. The populations for the study were employees of East Addis Ababa Region. The study population comprised a total of 190 employees from various functions. Simple random sampling technique was used to draw from sample size of 45 respondents. The data collection instrument was a structured questionnaire developed by the researcher. Descriptive statistics including bar graphs, frequency and percentage tables were used to present the results of the study. The hypotheses testing were done with Pearson Product Moment Correlation Coefficient and multiple regressions modal. The result obtained from the analysis showed that extrinsic motivational factors given to workers in an organization has a significant impact on the workers performance. These extrinsic factors include salary, work condition, fringe benefits and bonuses among others. The study also identified intrinsic factors that affect employee performance. These there is relationship existed between intrinsic motivation and employees' performance, the intrinsic factors included in the study training, recognition, and responsibility. The researcher recommended that the organization should adopt extrinsic rewards to increase productivity. The study also recommended that the organization should acknowledge and exploit the extrinsic factors in their human resource management practices particularly in the strategic human resource management to ensure that the employees are well motivated to perform their tasks.

Keywords: Extrinsic factors, intrinsic factors, employee motivation, employee performance, remuneration, staff training, recognition, responsibility.

CHAPTER ONE: INTRODUCTION

1.1 Background of the study

Mudor and Tookon (2011) contend that every organization desires to be successful as much as current environment is very competitive. Organizations irrespective of size and market strive to retain the best employees, acknowledging their important role and influence on organizational effectiveness. In order to overcome challenges, organizations should create a strong and positive relationship with its employees, direct them towards task fulfillment and ensure they have job satisfaction (Fisher, 2012).

In order to achieve their goals and objectives, organizations develop strategies to compete in highly competitive markets and to increase their performance. Nevertheless, just a few organizations consider the human capital as being their main asset, capable of leading them to success or if not managed properly can lead to failure of the organization and high staff turnover (Fisher, 2012).

According to Ran (2009), employers are faced with the task of motivating employees and creating high job satisfaction among their staff. Developing programs and policies that embrace job satisfaction and serve to motivate employees takes time and money. When the employer understands the benefits of motivation in the workplace, then the investment in employee-related policies can be easily justified. If the employees are not satisfied with their jobs and not motivated to fulfill their tasks and achieve their goals, the organization cannot attain success.

Motivation is the most important matter for every organization public or a private sector. It is the key for the organization to be successful, to maintain the continuity of the work in a powerful manner and helps organizations to survive. For the success of any organization motivation play an important role. Motivation as stated by Ran (2009) is generally defined as the process that accounts for an individual's intensity, direction, and persistence of effort toward attaining a goal.

It was also described by Elliot and Zahn (2008) as the strength and course of behavior, these three concepts can be referred to as how hard be the individual's efforts and for how long are they maintained. In certain instances, motivation can serve as the explanation and the

prediction of behavior of a particular individual work performance. Motivation refers to the reasons underlying behavior (Guay, 2010)

Employee motivation is very important for organizations as every concern requires physical, financial and human resources to accomplish the goals. It is through motivation that the human resources can be utilized by making full use of it. This can be done by building willingness in employees to work. This will help the enterprise (organization) in securing best possible utilization of resources. It results into increase in productivity, reducing cost of operations, and improving overall efficiency of the organization.

According to (Qurat-ul-aan et al 2012) motivation is the something we are desire which cause a person to acts as well. Some says it's derived from the word motivate which mean to move. It's more influential and must want to manage.

Employee (workers) performance-Performance of the employee is considered as what an employee does and what he doesn't do. Employee Performance involves quality and quantity of output, presence at work, accommodative and helpful nature and Timeliness of output.

Good remuneration or reward has been found over the years to be one of the policies the organization can adopt to increase their workers performance and thereby increase the organizations productivity -Also, with the present global economic trend, most employers of labor have realized the fact that for their organizations to compete favorably, the performance of their employees goes a long way in determining the success of the organization. On the other hand, performance of employees in any organization is vital, not only for the growth of the organization, but also for the growth of individual employees (Meyer and Peng, 2006). So employee performance is actually influenced by motivation because if employ are motivated then they will do with more effort and by which performance will improved.

(Saifullahmaliket, 2012) says employees play more important factors in the success and failure in the organization if the motivation level is increasing the organization stands on every step the performance also increasing. Motivation level is the directly and positive relationship with the Employee (workers) performance and the organization commitments.

According to the results of the study conducted by Yang (2008) on individual performance showed that performance of the individuals cannot be verified. Similarly he asserts that organizations can use direct bonuses and rewards based on individual performance if employee performance is noticeable (Yang, 2008).In line with Yang (2008), Bishop (1987)

investigated employee performance and revealed that acknowledgment and recognition and reward of performance of employees direct the discrimination between employee productivity. Moral and productivity of employees is highly influenced by the effectiveness of performance of an organization and its reward management system (Yazıcı, 2008). To satisfy customers, firms do much effort but do not pay attention on satisfying employees. But the Fact is that customer would not be satisfied until and unless employees are satisfied. Because, if employees are satisfied, they will do more work therefore ultimately customers will be satisfied (Ahmad, 2012).

Employee performance is actually influenced by motivation because if employees are motivated then they will do work with more effort and by which performance will ultimately improve (Azar and Shafighi, 2013).

The organization Ethiopian Electric Utility has been undergoing various continued transformations, such as via Customers' Management System (CMS), decentralization of Accounting and Billing system from once highly centralized down to the regional distribution offices, districts, and customer service centers (CSCs), and Prepayment (Metering) System, in an effort to realize its long term strategic vision of "becoming a center of excellence in providing quality electric service to everyone's doorstep and being competitive in energy export." The organization has also set a mission of "providing adequate and quality electricity transmission, distribution, and sales services, through continuous improvement of utility management practices, and responsive to the socio-economic development and environmental protection needs of the public. Ethiopian electric utility (EEU) is governmental organization which supply, distribute and sales electrical energy to domestic, commercial, high and low industrial customers, in accordance with economic social development, rules & polices of the government. This organization has a very diverse workforce and views employee motivation as very critical in order to attain maximum performance. Therefore this study attempts to empirically analyze how extrinsic and intrinsic motivational tools can be used effectively to get good employee performance and for growth and development of the organization.

1.2 Statement of the research problem

The performance of organizations and employee motivation has been the focus of intensive research effort in recent times. How well an organization motivates its workers (Intrinsic or

Extrinsic) in order to achieve their mission and vision is of paramount concern. Employers in both private and public organizations are becoming increasingly aware that motivations increases productivity.

Today organizations can easily change their material needs, goods and services to other organizations or to other countries. But the only one resource which is not easily exchangeable is human resource. So we can say that human resources are the very important or most competitive asset of any organization that cannot be exchangeable. Human resource or human asset mean the workers /staff members or the employees of any organization. So motivation is the main factor that affects the human resource of the organization. An organization should motivate its employees; motivated employees are more likely to stay and help build your business. Retaining motivated staff builds your business and also reduces operational cost of the organization. According to Mullins (2005) effectively motivating employees is one of the most important functions of a manager for the best performance or for achieving the organizational goals. So one of the tools for outstanding performance is motivating employees. Today there are many discussions about motivation and the relationship of employee's efficiency and the organizational efficiencies. Motivation will lead to the fact that workers or employees of the organization will seriously do their duties and responsibilities (Azar and Shafiqhi, 2013). Attractive Salaries or pays is also a valuable tool and play an important role to increase employee's performance and also increase the productivity of an organization (Muogbo, 2013). The present study's organization has a huge gap that should be fulfilled by motivational factors which will result in customer satisfaction in providing quality electric supply services. There is evidence to show that the organization Ethiopian Electric Utility is facing challenges concerning to provide new supply to new customers and the service quality in the electrified areas to the existing customers i.e. Customer dissatisfaction on new connection (supply) request takes a long period; those customers who are supplied with electricity suffer from power interruption. As a result in the in recent years the annual sales electrical energy revenue of the organization is decreasing (not satisfactory) in addition to these loss of employees(turn over) represent a loss of skills, knowledge and experiences which can create a significant impact on economic (financial) and public image on the organization as well as impacting on to satisfy the needs of customers. This is due to The Ethiopian Electric Utility employees are faced with problems of motivation such as reduced scale of salary, Incentive pay and wages (job rate payments). Poor conditions of service provision i.e. inadequate and insufficient resources (situational

factors). Periodic training and development of staff is not under taken. Information availability and communication, team building, working environment, recognizing individual differences, organizational rules, polices and administrations are all poorly conducted.

1.3 Research Objectives

1.3.1 General objectives

The general objective of the study was to assess the effect of motivational factors on employee performance of Ethiopian Electric Utility in Addis Ababa Region.

1.3.2 Specific objectives

1. To determine the relationship between extrinsic factors and employee's performance.
2. To determine the relationship between intrinsic factors and employee's performance.
3. To assess the extent to which motivational factors affect employee's performance.

1.4 Research questions

1. What are the extrinsic factors that affect the employee's performance in Ethiopian Electric utility in Addis Ababa region?
2. What are the intrinsic factors that affect the employee's performance in Ethiopian Electric utility in Addis Ababa region?
3. What are the effects of motivational factors on employee's performance in the organization?

1.5 Hypotheses

Ho1: Extrinsic factors have significant positive relationship with the employee's performance.

Ho2: Intrinsic Factors have significant positive relationship with the employee's performance.

Ho3: Motivational factors have effect on employee's performance.

1.6 Scope and limitations of the study

The scope of the study was covers questionnaire to workers, supervisors and junior managers from customer service center heads, sales operations heads and senior enforcement officers of retail business department that have experiences in the organization for the previous four to twenty years. This study was conducted in four branches in East Addis Ababa region.

The limitation of the study was, difficulties in getting the employees' responses to the survey questions because of their workload and the responsibility they have. Some employees also may unsure if it is legal or note with the organization rules to answer such questions or afraid to give true answers that may affect their job.

1.7 Significance of the study

The main purpose of the paper was to check and identify of the factors which effects more on the employee motivation and check the relationship between motivation and the Employee performance. The necessity of this study was also to note that employees were motivated by money or Part of their motivation lied in the tasks that they achieved, the ambitions they fulfilled, their working environment and condition they worked within case of Ethiopian Electric Utility employees to help for organizational effectiveness on improving revenue and structural development of the organization.

CHAPTER TWO: LITERATURE REVIEW

This chapter seeks to present a review of relevant theoretical and empirical literature in relation to the research questions being analyzed.

- 1 What are the extrinsic factors that affect employee's Performance in the organization?
- 2 What are the intrinsic factors that affect employee's Performance in the organization?
- 3 What are the effects of motivational factors employee's performance in the organization?

2.1 Theoretical foundations

2.1.1 Employee motivation

Motivation is fundamentally meant to facilitate behavioral alteration. It is a force that enables an individual to act in the direction of a particular objective. According to the study of Grant (2008) held on employee motivation; motivation forced such result as productivity, performance and persistence (Grant, 2008). According to the studies of (Ryan and Deci, 2000, Thomas, 2002, as cited in Grant, 2008); motivated employees are more oriented towards autonomy and freedom and are more self-driven as compared to less motivated employees which lead to availing developmental opportunities more correctly. Similarly employee commitment with their work and jobs is more, if they are motivated as compared to less motivated employees (Guay et al., 2000; Vansteenkiste et al., 2007).

2.1.2 Motivational Theories

The motivational theories included in this research are linked to intrinsic and extrinsic motivation to find out what their possible influence on employees performance.

The Equity theory one thing that is common for humans is to compare themselves to others. One theory that comes forth from this evaluating of one's self and each other is Equity Theory. Robbins (2003) and Adams (1963; 1965, in Harder, 1991) explain that the equity theory is a theory that centers on perceived fairness of an individual. An employee reflects on how much effort he has expended and compares this to what he has got from it. After this individual evaluation of his input-output ratio, he will compare his ratio to the input-out to ratios of other relevant employees, a state of equity exists. In this situation of equity, in this

situation of equi, the person is seemingly content and will not act to imbalance the condition (Cosier and Dalton, 2003). Naturally, when an employee perceives unequal ratios between him and his counterparts, there will be a state of inequity.

Expectancy theory refers to a set of decision theories of work motivation and performance (Vroom, 1964; in Ferris, 2007). Perception plays a central role in expectancy theory because it emphasizes cognitive ability to anticipate likely consequences of behavior (Kinicki et al., 2003). As said by Vroom (1964; in Kopfi, 2008), the expectance theory has two major assumptions. The first assumption is that individual persons have perception about the consequences that result from their behavioral actions, and the causal relationship among those outcomes. These perceptions, or beliefs, are referred to as expectancies. The second assumption is that individual persons have effective reactions to certain outcomes. Affective reactions reflects the valence (Positive or negative value individuals place) of outcomes (Kinicki et al., 2003).

According to the expectance theory, individual will be motivated to perform by two expectancies(Ferris 2007; Isaac et al. 2001). the first expectance is the probability that the effort put forth will lead to the desired performance. The second expectancy (also referred to as instrumentality) is the probability that a particular performance will lead to certain preferred outcomes. When the probability of some effort will not be rewarded, the employee will not be highly motivated to perform a certain task. External rewards are viewed as inducing motivational states that fuels behaviors, as opposed to intrinsic motivators, where behaviors are derived from internal forces such as enjoyment of the work itself because it is challenging, interesting, etc. (Isaac et al. 2001).

Goal-setting theory, Locke, Shaw, Sarri and Latham (2008) defined a goal as what an individual attempts to accomplish; it is the object or aim of certain action. The basic assumption of goal-setting is that goals are immediate regulators of human action (Locke et al., 2008). Evidence from the goal-setting research indicates that specific goals leads to increased performance and that difficult goal, when individuals have accepted them, result in higher performance than easy goals (Locke 1968 in Austin and Bobko, 1985; in Locke, 2004). Regarding the impact of goal-setting on intrinsic motivation, Elliot and Harackiewicz (1994) show some interesting evidence in their article. They explain, by means of regression analysis that the effect of performance or mastery focused goals on intrinsic motivation depends on the degree of achievement orientation of an individual.

Content theories

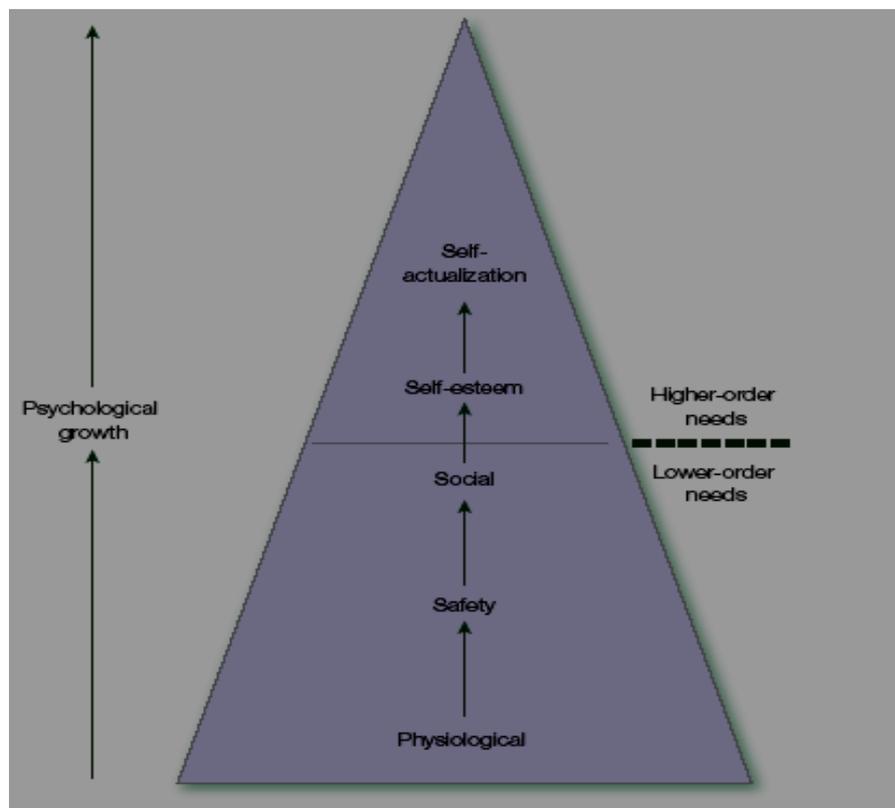
The content theories are characterized by emphasis They concern with individual goals and needs which are said to be the same for every person. Although,needs, they differ in defining what those needs are. The most well knownandvery often cited author of motivational theory is Maslow human needs (Fincham&Rhodes, 2005) behavior is driven by the existence of unsatisfied needs.

Abraham Maslow's hierarchy of needs theory

Abraham Maslow proposed the theory called hierarchy of needs theory. Maslow believed that within every individual, there exists a hierarchy of five needs and that each level of need must be satisfied before an individual pursues the next higher level of need (Maslow, 1943).

His hierarchy from psychological needs and lead through security needs, social needs, self esteem needs and self actualization need on the top position.

Figure 2.1 Maslow's hierarchy of needs



Maslow divided needs into two categories: lower needs and high-order needs. Deficiency needs include basic needs such as hunger or thirst and a need for shelter and protection. When these needs are satisfied people become motivated by high order needs such as the need for supportive and satisfactory relationships with others, needs for freedom, independence, recognition and achievement and finally the need to develop one's potential.

Abraham Maslow developed the hierarchy of needs, which suggests that individual needs exist in a hierarchy consisting of physiological needs, security needs, belongingness needs, esteem needs, and self-actualization needs. Physiological needs are the most basic needs for food, water, and other factors necessary for survival. Security needs include needs for safety in one's physical environment, stability, and freedom from emotional distress. Belongingness needs relate to desires for friendship, love, and acceptance within a given community of individuals. Esteem needs are those associated with obtaining the respect of one's self and others. Finally, self-actualization needs are those corresponding to the achievement of one's own potential, the exercising and testing of one's creative capacities, and, in general, to becoming the best person one can possibly be. The self-actualization which is the highest step in Maslow's pyramid can be described as the ending point of gradual psychological maturation process. This final level is achieved by few people and unlike other needs is never fully satisfied (Fincham& Rhodes, 2005)

According to Abraham Maslow's theory, only a small percentage of the population reaches the level of self-actualization. The organization can satisfy its employees' various needs. In the long run, physiological needs may be satisfied by the person's paycheck, but it is important to remember that pay may satisfy other needs such as safety and esteem as well. Providing generous benefits that include health insurance and company-sponsored retirement plans, as well as offering a measure of job security, will help satisfy safety needs. Social needs may be satisfied by having a friendly environment and providing a workplace conducive to collaboration and communication with others. Company picnics and other social get-togethers may also be helpful if the majority of employees are motivated primarily by social needs. Providing promotion opportunities at work, recognizing a person's accomplishments verbally or through more formal reward systems and job titles are ways of satisfying esteem needs. Finally, self-actualization need may be satisfied by the provision of development and growth opportunities on or off the job, as well as by work that is interesting and challenging.

ERG Theory (Existence, Relatedness, and Growth Theory)

ERG theory, developed by Clayton Alderfer, is a modification of Maslow's hierarchy of needs. Instead of the five needs that are hierarchically organized; Alderfer proposed that basic human needs may be grouped under three categories Existence, Relatedness, and Growth. The theory's name is based on the first letter of each need. Existence refers to our concern with basic materials such as hunger, thirst and safe condition. Relatedness on the other hand, refers to the motivation we have for maintaining interpersonal relationships like involvement with family, friends, co-workers and employers. Finally growth is the intrinsic desire for personal development for example, the desire to be creative, productive and to complete meaningful tasks. The implication of this theory is that we need to recognize the multiple needs that may be driving individuals at a given point to understand their behavior and properly motivate them.

The next important contributor to the field of content theories is McClelland whose model became a starting point for many other authors' research McClelland's theory focuses on three motives that are relevant in an organizational context (Miner, 2006). Maslow differentiated between any certain transitions among the needs, whereas McClelland indicates that some people have higher needs than others. Moreover, needs in McClelland's point of view change over a life as they are shaped by peoples 'experience. That is why in some sources his theory is called "acquired needs theory". McClelland (1990) suggested that most of acquired needs can be classified into of three groups: achievement needs, power needs or affiliation needs. In his opinion some people have a strong need for achievement others for power and finally there is group that desire affiliation. High achievers tend to perform better for the intrinsic satisfaction for doing something better or just to show that they are more capable of doing something.

They prefer to work with tasks which are moderately challenging and they actually perform better with those kinds of tasks. In one of their papers McClelland's and Burnham (1976) deliberate on what makes people good managers. They suggest that high achievement is an important factor that leads to the personal success but it does not necessarily make someone a good manager. High achievers work on their own success by doing everything personally and by receiving feedback that is crucial for them. Managers are not able to do everything by themselves so they have to put some responsibility on others. As well as that, the feedback that they receive comes with a delay, so they are not able to find out immediately how well

they performed. Regarding those facts McClelland's and Burnham stated opinion that the factor that has a great influence on being a successful manager is something else than a need for achievement. They suggested that it is the need for power that is characterized by a desire to influence people. McClelland (1990) found that people who desire to have some serious influence on other have some special traits. The high need for power usually comes with features such as competitiveness, assertiveness and aggressiveness which result in a negative self-image. The socially acceptable way to fulfill the need for power is the search for prestige by collecting symbols of power. People characterized by high need for power tend to act in a way that makes them recognized in a group. Finally, they are more willing to take a risk.

The last group of needs described by McClelland's model is the group of needs for affiliation. The term affiliation was described by Atkinson, Hens, & Verity (1954), as "the concern over establishing, maintaining, or restoring a positive, affective relationship with another person or persons" (as cited in McClelland, 1990, p.347). People with a strong need for affiliation perform better in tasks which are related to affiliative incentives. In other words, they prefer if their work require maintaining contacts with other people. High affiliated individuals avoid conflict and prefer to solve problems by cooperative and confirmative behavior. The reason for that is the fear for rejection. McClelland's findings suggested that the need for affiliation is not a factor that supports management. Managers high in affiliation try to spend more time with employees and make good relations with them, but it is not a crucial part of being a manager, who sometimes has to make hard decisions (McClelland, 1990).

The last content theory that will be presented in this chapter is Herzberg's two factor theory. The theory brought a lot of interest from academics and from managers who were looking for ways of motivating their employees. The reason for so much interest in Herzberg's results comes from a dual character of his work. His theory not only describes employees' needs but also goes further and presents how to enrich jobs and make workforce more motivated (Fincham&Rhodes, 2005).

Fredrick Herzberg's two factor theory

Herzberg's Two-Factor Theory. Psychologist Frederick Herzberg (1966) investigated the question "what do people want from their jobs?" Through this question Herzberg identified the factors that lead to extreme satisfaction (motivators) and extreme dissatisfaction (hygiene). People are satisfied at their work by factors was theory of motivation, which

suggests that certain factors (motivator factors) lead to job satisfaction, whereas others (hygiene factors) prevent dissatisfaction but cannot engender satisfaction. Motivator factors are factors that are intrinsic to the job, such as the content of the work itself and the availability of opportunities for responsibility, advancement and recognition for achievement (Santrock, 2009). Hygiene factors are extrinsic to the job and relate to the environment in which the job is performed. Such factors include the organization's policy and administration, working conditions, salary, supervision and interpersonal relations. Herzberg argued that the extrinsic aspects of work (the hygiene factors) could not provide a source of motivation for employees but whereas those leading to dissatisfaction, when not present, provide a source of dissatisfaction and thus demoralize employees. Hygiene factors should be seen as the prerequisite to allow the motivating factors to influence employee's motivation (Sheldon and Filak, 2008) what makes them different from motivators is the fact that they are not related to the content of the work but to the context of the job (Herzberg, 1974).

Herzberg argued that in a situation where there were good hygiene factors, the employee would be in a state of no dissatisfaction. The motivator factors, which Herzberg (1959) described as "complex factors leading to this sense of personal growth and self-actualization", would then reflect employee motivation hence increase job satisfaction and productivity. As a consequence, in order to motivate workers towards higher productivity, "while it is important to ensure that the hygiene factors are correct" and the manager must manipulate the motivators by attending to job-content issues for example job-enrichment (Sisk, 2009).

Herzberg argued that there are two distinct human needs portrayed, namely as physiological needs that can be fulfilled by money, for example, to purchase food and shelter, and the psychological need to achieve and grow, and this need is fulfilled by activities that cause one to grow (NetMBA.com, 2010)

He emphasized the importance of job enrichment and he separated i sense of achievement. The following is a glance at each of the motivation factors according to Herzberg. Achievement: An example of positive achievement might be if an employee completes a task or Project before the deadline and receives high reviews on the result, the satisfaction the employee feels would increase. However, if that same individual is unable to finish the project in time or feels rushed and is unable to do the job well, however, if that same

individual is unable to finish the project in time or feels rushed and is unable to do the job well, the satisfaction level may decrease.

Recognition: When the employee receives the acknowledgement the done, the satisfaction will increase. If the employees work is overlooked or criticized it will have the opposite effect.

Work itself: This involves the employees' perception of whether the work is too difficult or challenging, too easy, boring or interesting.

Responsibility: This involves the degree of freedom employees have in making their own decisions and implementing their own ideas. The more liberty to take on that responsibility the more inclined the employee may be to work harder on the project, and be more satisfied with the result.

Advancement: This refers to the expected or unexpected possibility of promotion. An example of negative advancement would be if an employee did not receive an expected promotion or demotion. Possibility of Growth: This motivation factor includes the chance one might have for advancement within the institution. This could also include the opportunity to learn a new skill or trade. When the possibility/opportunity for growth is lacking or if the employee has reached the peak or glass ceiling, as it is sometimes referred to, this could have a negative effect on the satisfaction the employee feels with their job and position.

The following are the hygiene factors, which work in the same way with positive or negative attributes. However, these factors can only have an effect on the dissatisfaction one feels. Institution Policy or Administration: An employee's perception of whether the policies in place are good or bad or fair or not, change the level of dissatisfaction that employee will feel.

Personal or Working Relationships: This is those relationships one engages in with their supervisors, peers, and subordinates. How someone feels about the interaction and discussions that take place within the work environment can also effect dissatisfaction.

Working conditions: This includes the physical surroundings that one works within, such as the facilities or location.

Salary: This factor is fairly simple, the increase or decrease of wage or salary effects the dissatisfaction within a company a great deal.

Personal Life: Although people try to separate the two, work and personal life, it is inevitable that one will affect the other.

Feeling a Job Security: This is a pretty significant factor. The sense of job security within a position or organization as a whole relates to the dissatisfaction. Herzberg says that leaders should avoid placing strong emphasis on fulfilling hygiene needs as this will result in employees relying too heavily on extrinsic rewards and may pose impediments to the long term success of the organization. Instead, leaders should focus on designing more intrinsically challenging task, provide recognition and empowering employees when certain level of ability is demonstrated, which are the true motivators, when fulfilled, contribute to long term positive effect on employees job performance.

MARS model of individual behavior Mars model explain individual behavior as a result of internal and external factors or influences acting together. The name of the model is an acronym of the four major factors that have an effect on employee performance, which are; Motivation, Abilities, Role perception and Situational Factors (MARS). Individual values, personality, perceptions, attitudes, and stress form a basis on which the factors interact (Heller 2004). These factors are highly interrelated in organizations. Unless all of the elements of the MARS model are satisfied, employee behavior and performance will be affected and negatively impacted. For example, enthusiastic and employee with high motivation level who is skilled in running the work (ability), and understands the job duties (roles perception) well, will not be able to perform their job well if there is a lack of the adequate and sufficient resources (situational factors).

2.1.3 Extrinsic Factors that affect Employee performance

Extrinsic motivation, on the other hand, refers to tangible rewards such as pay, fringe benefits, work environment, work conditions, and job security. Extrinsic motives are those cannot only be satisfied by the work itself. That means pleasure comes from something the task leads to, such as money. As according to (Kalimullah et al, 2010) the effects of work, as well as its contributing factors are also of importance for the need satisfaction. As a result, work is seen as a means to pursue other motives.

According to McCormick and Tiffelin (1979) motivation can be either intrinsic or extrinsic. Extrinsic motivations are those that are external to the task of the job, such as pay, work condition, fringe benefits, security, and promotion, contract of service, the work environment and conditions of work. Such tangible motivations are often determined at the organizational level, and may be largely outside the control of individual managers.

According to Ajila (1997) extrinsically motivated person will be committed to the extent that he can gain or receive external rewards for his or her job. He further suggested that for an individual to be motivated in a work situation there must be a need, which the individual would have to perceive a possibility of satisfying through some reward. If the reward is intrinsic to the job, such desire or motivation is intrinsic. But, if the reward is described as external to the job, the motivation is described as extrinsic reward.

The following are extrinsic motivation factors.

Work Environment (conditions)

Employee level of motivation is also influenced by the quality of the working environment both its physical attributes and the degree to which it provides meaningful work. While a comfortable physical environment is correlated with employee motivation, the relationship is not merely as strong as the relationship between motivation and managerial behavior (Yazdani et al 2011). Work environment plays an essential role since it influences employee motivation. Employees are concerned with a comfortable physical work environment that will ultimately provide extra optimistic level of motivation. Lack of favorable working conditions, amongst other things, can affect badly on the employee's mental and physical well-being. According to Arnold and Feldman (1996) factors such as working hours, temperature, ventilation, noise, hygiene, lighting, and resources are all part of working conditions. Negative performance will be provoked by poor working conditions since employees job demand mentally and physically tranquility (Irons and Buskist, 2008). Moreover, they warned that if working conditions are two extreme ends i.e. either too favorable or too extreme, this could be taken for granted or ignored by most employees. Furthermore, when employees feel that management does not appreciate or acknowledge their efforts or work done they may use poor working conditions as an excuse to get back at management (Whittaker, 2)

Monetary Compensation/ Salaries

No one works for free, nor should they. Employees want to earn reasonable salary/payment and employees desire their employers to feel that is what they are getting. Money is the fundamental inducement; no other incentive or motivational technique comes even close to it with respect to its influential value. It has the supremacy to magnetize, retain and motivate individuals towards higher performance. Akintoy (2000) asserts that money remains the most significant Motivational strategy .As far back as 1911, Frederick Taylor and his scientific Management associate described money as the most important factor in motivating the industrial workers to achieve greater productivity. Taylor advocated the Establishment of incentive wage systems as a means of stimulating workers to higher performance, commitment, and eventually satisfaction. Money possesses significant motivating power in as much as it symbolizes intangible goals like Security, power, prestige, and a feeling of accomplishment and success frederick Taylor and his scientific management associate described money as the most fundamental factor in motivating the industrial workers to attain greater productivity (Abadi, et al., 2011). Research has suggested that reward causes motivation of the employee which directly influences performance of the employee (Kalimullah, et al., 2010). Rewards are management tools that hopefully contribute to firm's effectiveness by influencing individual or group behavior. All businesses use pay, promotion, bonuses or other types of rewards to motivate and encourage high level performances of employees. To use salaries as a motivator effectively, managers must consider salary structures which should include the importance organization attach to each job, payment according to performance, personal or special allowances, fringe benefits, pensions etc (Rukhmani et al 2010).

If the organization administration paid the reasonable remunerations in time and fixing the salaries then enactment of the employees habitually increase. Otherwise not well, Otherwise not well, because salaries and wages is the main and very important motivational aspect that affects the employee's performance in the organization (Agwu, 2012).

2.1.4 Intrinsic Factors that Affect Employee performance

Intrinsic motivation is the desire of an individual to perform his/her work well, in order to motivation, since it provides interest, stimulation, challenges, and opportunities for personal growth and achievement to the individual. Intrinsically motivated behavior is the one that is remained by an individual's need for feeling competent and self-determining. On the one

hand, a person will seek out challenges that allow him/her to behave in ways that provide him/her with a sense of competence and self-determination (Matthew et al 2009).

According to McCormick and Tifflin (1979), intrinsic motivation stems from motivations that are inherent in the job itself and which the individual enjoys as a result of successfully completing the task or attaining his goals. Intrinsic: (internal) motivation is those rewards that can be termed psychological motivations examples are opportunity to use one's ability, a Sense of challenge and achievement, receiving appreciation, positive recognition, and being treated in a considerate manner.

An intrinsically motivated individual, according to Ajila (1997) will be committed to his work to the extent to which the job inherently contains tasks that are rewarding to him or her.

The following are some intrinsic factors

Responsibility

According to Lai (2011), employee participation may enhance motivation and job satisfaction through power sharing, and increased responsibility. Employee participation can provide individuals an opportunity to make key managerial decisions that have an impact on other employees, thus increasing job satisfaction and performance. Herzberg's two-factor theory suggests that intrinsic work factors such as responsibility held by employee and skills development may increase job satisfaction. Increased work responsibility may be related to many factors suggested in the two-factor model as recognition and interpersonal relationships have implications for individuals' identity (Lai, 2011).

Recognition

According to Maurer (Kalimullah et al, 2010) rewards and recognition are essential factors in enhancing employee job satisfaction and work motivation which is directly associated to organizational achievement (Jun et al., 2006). Kalimullah Khan conducted a study in which he examined the relationship between rewards and employee motivation in commercial banks of Pakistan. The study focused on four types of rewards of which one was recognition which he tested through Pearson correlation. The results showed that recognition correlates significantly (0.65) with employee work motivation (Kalimullah et al, 2010).

A study was conducted in Pakistan to examine the job satisfaction among bank employees in Punjab. A structured questionnaire survey was used and data was gathered from four bank's employees. The value of correlation coefficient for recognition was (0.251) which shows that its relationship with job satisfaction is positive. Job satisfaction is directly associated with internal work motivation of employees that enhances as the satisfaction of employees increases (Salman et al, 2010). That is why a study says that deficiency of appropriate recognition and rewarding reduces employees work motivation and job satisfaction. Hence, administration of organizations and institutions should build up the arrangement for giving that rewards and recognition to enhance employee job satisfaction and motivational level (Turkyilmaz et al, 2011).

Training and Development

Training provides chances to employees' growth and enhances their knowledge and skills for effective development (Kabir, 2011). Trained workers are more motivated with their job as compared to untrained employees (Abdullah and Djebavni, 2011). These training programs positively raise employees' advancement that is good for competencies (Hunjra et al., 2010). By getting these training programs employees are able to get self assured, evolution of career, and have positive thought for their organizations/companies (Kabir, 2011). The aim of these training and management programs is to amend employees' skills and organization potentialities (Hunjra, Chani, Aslam, Azam and Rehman, 2010).

2.2 Effects of motivational factors on Employees Performance

2.2.1 Employee Motivation and Absenteeism

Various studies have attempted to examine the relationship between employee motivation and absenteeism. Absenteeism as absence is commonly viewed as one of the means of withdrawal from stressful work situations. According to Luthans (1995), research has generally revealed a consistent inverse relationship between motivation and absenteeism, for instance when motivation is high, absenteeism tends to be low and when motivation is low, absenteeism tends to be high. Even though this correlation has been found to be rather moderate, the underlying assumption is that absence is at least in part, the result of dissatisfaction on the job (Anderson, 2004). Absenteeism has long been considered a significant and pervasive problem in industry. As a result, theories have been developed and numerous studies conducted to identify the causes of absenteeism. Probably one of the most

common theories is the notion that absenteeism is caused by employees avoiding a painful or dissatisfying work situation. Although it is recognized that absenteeism may be caused by the employee's inability to come to work, motivation to attend work is assumed to be a major factor determining how often an employee is absent. To many in the world of work, absenteeism is one of those stubborn problems for which there is no clear culprit and no easy cure (Obasan, 2011). According to Vlosky and Aguilar (2009) absenteeism can be very costly to organizations and enormous savings can be realized through effective management of nonattendance at work. Besides the cost implications, absenteeism is influenced by dozens of interrelated factors which make it even more difficult to “quantify, qualify or rectify”. One of these factors which have been cited by different researchers is an employee’s level of job motivation in the workplace. In conjunction with this, George and Jones (2002) maintain that many researchers have studied the relationship between absenteeism and motivation in an attempt to discover ways to reduce absenteeism.” Early motivation research has emphasized. The underlying assumption that lack of employee motivation represents the primary cause of absenteeism (Vlosky and Aguilar, 2009).Kalpana (2013) proposes that employee attendance is based on an employee’s motivation to attend as well as their ability to attend.

2.2.2 Employee Motivation and Productivity

According Wentzel and Wigfield (2009), the relationship between employee motivation and productivity is not definitely established. The consensus, however, is that in the long-run motivation leads to increased productivity. The strongest implication of much of the research is that the two variables, motivation and performance, are relatively independent of each other. There seems to be at least two possible reasons for this. The first is that in many jobs variations in motivation cannot lead to variations in productivity. Secondly, even when correlations do appear, the associations may be the associations may be spurious, since both may be associated with other factor. In other words, motivation and productivity may be well largely separate casual paths: one set of factors (e.g. investment in technology) determines productivity and another set (e.g. perceived equity of rewards) produces job-satisfaction (Westover, 2010). There are some conditions under which high productivity more clearly leads to motivation. One condition is that the employees perceive that intrinsic and extrinsic rewards are contingent upon their productivity. The second condition is that the extrinsic rewards (pay for example) be distributed equitably. Inequitable distribution fails to convince the employees close correlations between hard works and rewards (Muhammad and Wajidi, 2013).

Efficiency increases as an organization finds new ways to use fewer resources to produce its output. In a business environment, productivity improvement is essential for long-run success. Through gains in efficiency managers can reduce costs, save scarce resources, and enhance profits. In turn, improved profits allow an organization to provide better pay, benefits, and working conditions. The result can be a higher quality of work employees, who are more likely to be motivated towards further improvement in productivity (Wentzel and Wigfield, 2009).

2.2.3 Employee Motivation and Employee Turnover

Turnover is process in which employees leave the organization and have to be replaced. Like absenteeism, turnover is related to employee motivation. Turnover occurs when employees leave an organization and have to be replaced. Excessive turnover can be a very costly problem, one with a major impact on productivity. But cost is not the only reason turnover is important. Lengthy training times, interrupted schedules, additional overtime, mistakes and not having knowledgeable employees in place are some of the frustrations associated with excessive turnover (Westover, 2010). High employee turnover is of considerable concern for employers because it disrupts normal operations, causes morale problems for that stick on, and increases the cost involved in selecting and training replacements. The employer does whatever possible to minimize turnover by making employees feel motivated on their jobs. The withdrawal behavior of employees is modified by certain factors. Loyalty to the organization is one such. According to Van and Adonisi (2008), some employees cannot imagine themselves working elsewhere, however demotivated they are in their present job. availability of other places of employment also influences turnover.

2.3 Empirical evidences

Rewards that an individual receives are very much a part of the understanding of motivation. Research has suggested that rewards now cause satisfaction of the employee to be affected, which directly influences the performance of the employee. In the study carried out by Jibowo (2007) on the effect of motivators and hygiene on job performance among a group of 75 agricultural extension workers in Nigeria. The study basically adopted the same method as Herzberg et al. (1959) and it shows some support for the influence of motivators on job performance. In another study carried out by Centers and Bugental (2007), they also based their research on Herzberg's two-factor theory of motivation, which separated job variables

into two groups: hygiene factors and motivators. They made use of sample of 692 subjects to test the validity of two-factor theory. And it was discovered that at higher occupational level, motivators or intrinsic job factors were more valued, while at lower occupational levels hygiene factors or extrinsic job factors were more valued. From this work they concluded that an organization that satisfies both intrinsic and extrinsic factors of workers get the best out of them.

Another study carried out, which is of importance to this research, is that of Wood (1974). He investigated the correlation between various workers attitudes and job motivation and job performance using 290 skilled and semi-skilled male and female paper workers. The study revealed that highly involved employees who were among intrinsically oriented towards their job did not manifest satisfaction commensurate with company evaluations of performance. They depended more on intrinsic rewards as compared to those who were more extrinsic in orientation.

2.4 Theoretical Framework /conceptual framework

The following framework model is developed, having reviewed the different literatures in the previous section, in order to provide a clear view of how the specific concepts and theories are linked to each other and are going to be applied in analyzing, presenting, and discussing the empirical findings

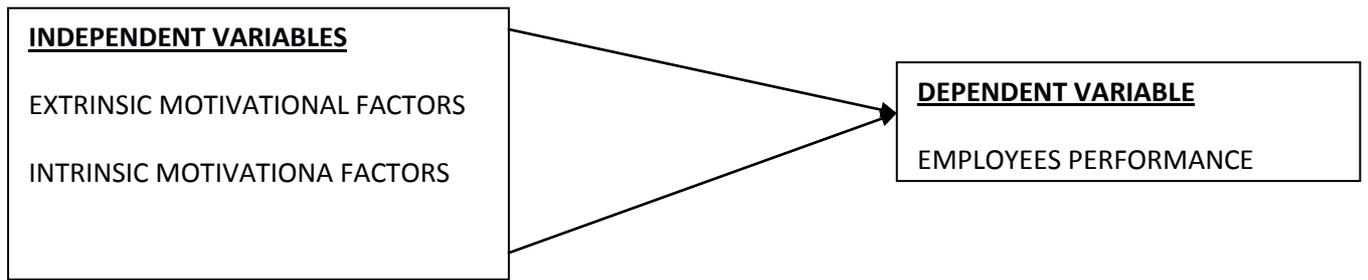
Motivation

This study involves Extrinsic and Intrinsic motivational factors as independent variables. In independent variables extrinsic motivational factors include four main dimensions salaries, bonus, individual incentives and working condition. Intrinsic motivational factors include three main dimensions, recognition, responsibility and trainings.

Employees' performance

According to literature review employee's performance as dependent variable and include two major dimensions job productivity and absenteeism

Figure 2.2 Conceptual frameworks.



In Figure 2.2 the dependent variable is performance. The independent variables are extrinsic and intrinsic factors. Performance therefore depends on the independent variables.

CHAPTER THREE: RESEARCH METHODS&METHODOLOGY

Research methods include all those techniques/methods that are adopted for conducting research including sampling & measurements, data collection and data analysis.

On the other hand, research methodology encompasses our entire approach to research how we design and implement research studies.

3.1 Research design and Approach

The research design that used for the study was a correlation/associational research design. This design allows studying relationships, covariation and Predictive studies Based on data collected by formulating large sample size in order to answer questions concerning the current status of the subject under study. The Instrument used in the study involves using a self-designed questionnaire in collecting data from the respondents. The target population was taken from a population that work in different service centers of Ethiopian Electric Utility. Participant selection is taken from the service centers to be representative of the population. The study was quantitative Research approach that describes tests using stastaical tools & examines relationship of variables.

3.2 Population and sampling design

Population

The study population comprised a total of 190 employees of the Eastern Addis Ababa region. The study population refers to the total collection of elements which one would like to study or make inferences. The population aspect refers to the individual participant or object on which the measurement is taken. It is the unit of study (Cooper and Schindler, 2011)

Population of the study includes service center heads, sales operation heads, supervisors and workers from various organizational departments such as four customer service centers (CSC) and one regional enforcement office was included.

Sampling Design

Sampling refers to the process by which part of the population is selected and conclusions are drawn about the entire population (Cooper and Schindler, 2001). The quality of a study is

Often better with sampling than with whole population. Samplings possess the possibility of a better interviewing (testing) (Deming, 1990, p. 26).

Sample Size

This refers to the number of elements selected from a given population in the sample. In this study 45 sample respondents among the total of 190 staff members were taken as sample size. Each sample was selected on the basis of their academic background, work experiences and gender mix from the different service centers included in the study. These individual was provided information by filling in the questionnaires on the effect of motivational factors on their performance. The sampling technique that was applied was Simple random sampling.

Table 3.1 sampling frame

Type of EEU branch	No of respondents
CSC branch No-9	10
CSC branch No-6	10
CSC branch No-5	10
CSC branch No-4	10
Regional junior enforcement officers	5
Total	45

3.3 Data collection instruments

Cooper and Schindler (2011) state that data collection methods refer to the process of gathering data after the researcher has identified the types of information needed which is; the investigative questions the researcher must answer, and has also identified the desired data type for each of these questions and also ascertained the characteristics of the sample unit that is, whether a participant can articulate his or her ideas, thoughts, and experiences This study focused on the use of primary data which was collected from the target sample through the use of a structured questionnaire . The data collection instrument for the study was developed based on literature from various scholars on the subject of effects of motivational factors on employee performance in the organization. The questionnaire was consisted a number of questions printed or typed in a definite order on a form that used to affirm the problem under investigation. This method of data collection has economic advantage for the researcher, and it also give the respondents adequate time to provide well

thought answers. The questionnaire was specifically designed to accomplish the objectives of the study about the relationship between extrinsic and intrinsic factors to their performance.

The questionnaire comprises four parts or sections; with section “A” The first part was designed to analyze demographic data such as age, sex, status, level of education, which focused on collecting the respondent’s personality characteristics deemed to contribute to the factors that affect employee performance.

The second part looked at extrinsic factors, variables such as fringe benefits (incentives), money (salary), bonuses, and working conditions that affect the level of employee performance. This section consisted of questions that were based on the identified extrinsic factors studied in the literature review with an aim of determining if they apply in East Addis Ababa region. There were five multiple choice options for each question, representing five levels of preference; strongly disagree, disagree, Neutral, Agree, and Strongly Agree.

The Third part of the questionnaire looked at the intrinsic factors, recognition, responsibility and trainings that influence the level of employee performance. Five multiple choice options for each question was adopted, representing five levels of preference; strongly disagree, disagree, Neutral, Agree, and Strongly Agree.

The fourth part of the questionnaire assessed the impact (effect) of motivational factors on employee performance in East Addis Ababa region. This section consisted of questions with five multiple choice options for each question, representing five levels of preference; Strongly disagree, disagree, Neutral, Agree, and Strongly Agree.

Reliability and Validity Test

In order to establish reliability test of the instrument a sample from two customer service centers were taken as a pilot study. For conforming the validity adviser of the university was consulted who may proof read the questionnaire and suggest any modification or changes

3.4 Methods of data analysis

Descriptive statistics was used to analysis the research data results were summarized in tables and charts using percentage and frequency data. Inferential statistics was used for the hypotheses testing that were done with Pearson Product Moment Correlation Coefficient. SPSS (Statistical Package for Social Sciences) computer software used to run the analysis.

This data analysis enabled the researcher to make conclusions on the effect of motivational factors on the performance of Ethiopian Electric Utility employees.

3.5 Ethical considerations

Ethical considerations that was taken into account would be the potential risks that was faced by participants such emotional distress should be avoided. To convince the participants believe in what the study is all about and explaining the participants the confidentiality of their remarks that would be kept and feed back of the results was pronounced for them

CHAPTER FOUR: RESULTS AND DISCUSSION

This chapter addresses the results and findings on the factors that affect employee's performance the case of Ethiopian Electric Utility in East Addis Ababa Region. The findings are outlined according to specific objectives of the study. The findings are based on the responses from the questionnaires filled and information gathered on the research questions. The data was analyzed using descriptive and inferential statistics.

The researcher provides a discussion on the findings of the research as compared to the findings in the literature review based on the specific objectives.

4.1 Response Rate

Koltler (1997) defines the response rate as the extent to which the final set of data includes all sample members and it is calculated as from the number of people with whom interviews are completed (n)divided by the total number of people in the entire sample.

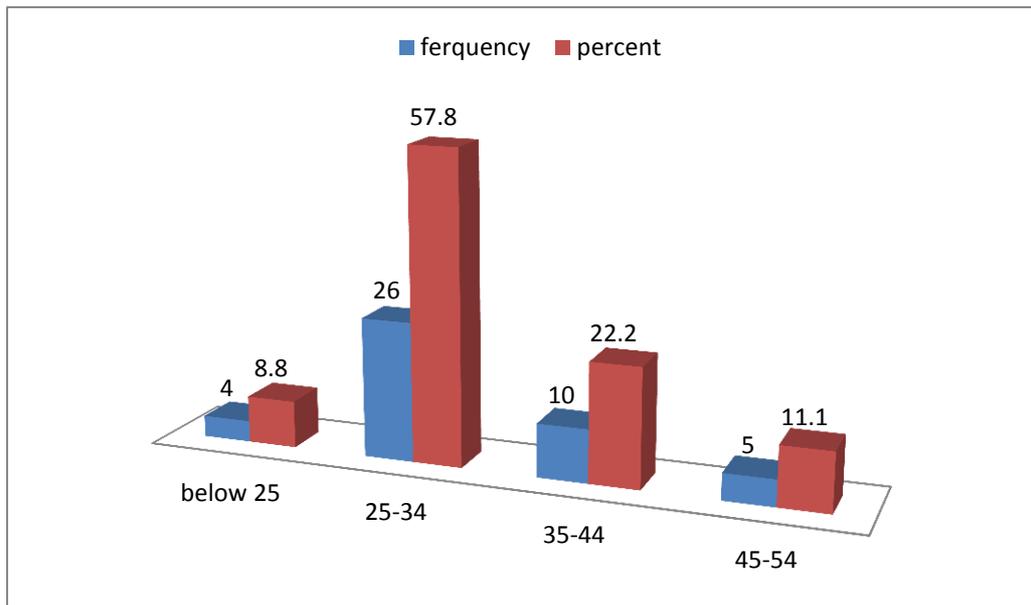
4.2 Characteristics of respondents

In section I of the questionnaire, the researcher asked the respondents some of the basic information in order to establish the grounds for the study. The following are some the results that were obtained with regard to demographic characteristics.

4.2.1 Classification of Respondents by Age Group

Figure 4.1 shows the results that were obtained when the respondents were classified by age. Four respondents (8.8%) indicated that they were aged below 25 years while 26 respondents (57.8%) indicated that they were aged between 25 and 34 years. Ten respondents (22.2%) indicated that they aged between 35and 44 years while the rest of the respondents, 5 in number indicated that they were aged between 45 and 54 years 11.1%.

Figure 4.1 Classification of respondents by age group



4.2.2 Classification of Respondent by Gender

The researcher also asked the respondents to indicate their gender. Table 4.1 is indicative of the results which were obtained. 71.1% (n = 32) of the respondents indicated that they were males. The rest of the respondents, making up 28.8% (n = 13) indicated that they were females.

Table 4.1 Classification of Respondents by Gender

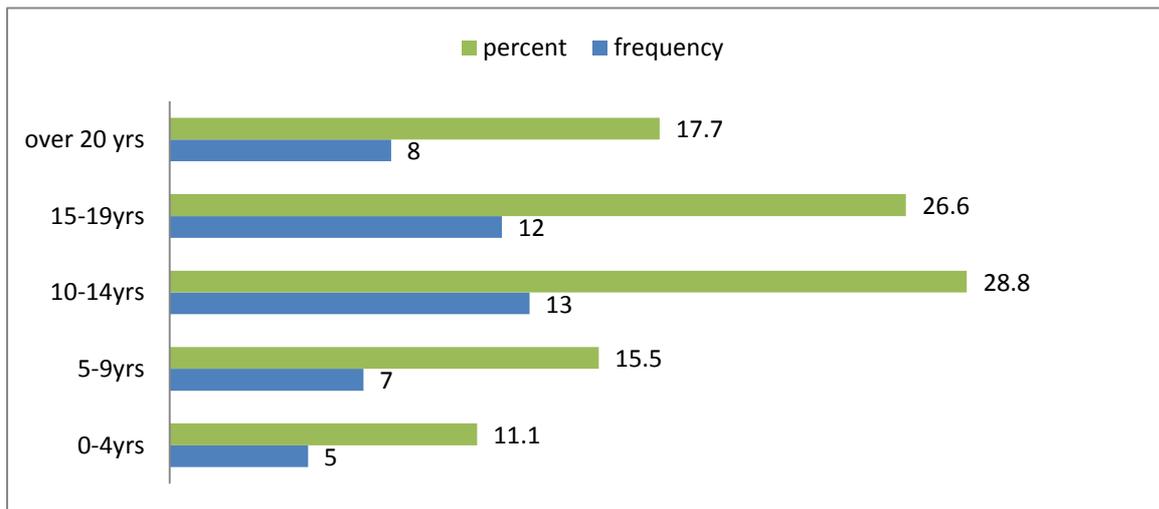
Gender	Frequency	Percent
male	32	71.10%
female	13	28.80%
Total	45	100

4.2.3 Classification of the Respondents by service year in the Organization

Figure 4.2 shows the results that were derived when the respondents were classified by their service years that they had worked in the organization. Five respondents (11.1%) indicated that they had worked in the organization for between 0 and 4 years. Seven respondents (15.5%) indicated that they had worked in the organization for between 5 and 9 years.

Thirteen of the respondents (28.8%) indicated that they had worked in the organization for between 10 and 14 years. Twelve of the respondents (26.6%) indicated that they had worked in the organization for between 15 and 19 years. The rest of the 8 respondents (17.7%) indicated that they had worked in the organization over twenty years.

Figure 4.2 Classification of the Respondent by service year in the Organization



4.2.4 Classification of the Respondents by Educational Background

Table 4.2 is a tabular representation of the results that were obtained when the respondents were classified by their educational background. From the study it was found that 6.6% of the respondents (n = 3) indicated that they possessed postgraduate degree. Thirty three percent of the respondents (n= 15) indicated that they held a graduate degree. While 35.5% (n =16) indicated that they TEVT diploma level. While the rest, comprising of 24.4% of the respondents (n = 11) indicated that they possessed other professional qualifications.

Table 4.2 Classification of the Respondents by Educational Background

Educational background	Frequency	Percent
Post graduate degree	3	6%
Graduate degree	15	33.3%
TEVT diploma level	16	35.3%
Professional qualification	11	24.4%
Total	45	100

4.3 Analysis of data

4.3.1 Analysis of extrinsic factors that affect employee performance

Extrinsic motivation results from the attainment of externally administered rewards, including pay material possessions, prestige and positive evaluation from others rewards like salary, free accommodation, free meals, and extra allowances, advance payment in case of financial problems, leave of absence and free medical care among others. This research study further used salary, incentives, bonus and working conditions to measure extrinsic factors that affect level of Employee performance the case of Ethiopian Electric Utility in East Addis Ababa region.

Questionnaire items 1, 2, 3, 4 were used to address research question one. The responses to research question one is shown in tables below and fig 4.3 on this research study, n=29, 64.4% of the respondents felt that the salary was highly motivating strongly Agree, while n=9,20% of them were Agree, n=5,11% were neutral and n=2,4.4% were not motivated .The study further revealed that n=24,53.3% of the respondents were highly motivated strongly Agree by Incentive,n=6 15% were agree, n=7 15.6% were neutral and n=4, 8.9% were not motivated while n=4, 8.9% felt that strongly disagree. On the other hand n=8, 17.8% of the respondents were highly motivated strongly agree by their working conditions=17, 37.8% were Agree=8, 17.7% were neutral, n=7, 15.6% were disagree and n=5, 11.1% strongly disagree. And bonus provided n=2, 4.4% of the respondents were highly motivated strongly agree n=15, 33.3% were Agree, n= 12, 26.6.7% were neutral, n=13, 28.9% were not motivated and n=3, 6.7 % strongly disagrees.

Codes of level agreement 5=strongly Agree

4=Agree

3=neutral

2=disagree

1=strongly disagree

Frequency Tables

Table 4.3 The Response of participants on salary

Response	Frequency	Percent	Valid Percent	Cumulative Percent
2.00	2	4.4	4.4	4.4
3.00	5	11.1	11.1	15.6
Valid 4.00	9	20.0	20.0	35.6
5.00	29	64.4	64.4	100.0
Total	45	100.0	100.0	

Table 4.4 The Response of participants on incentives

Response	Frequency	Percent	Valid Percent	Cumulative Percent
1.00	4	8.9	8.9	8.9
2.00	4	8.9	8.9	17.8
Valid 3.00	7	15.6	15.6	33.3
4.00	6	13.3	13.3	46.7
5.00	24	53.3	53.3	100.0
Total	45	100.0	100.0	

Table 4.5 The Response of participants on bonus

Response	Frequency	Percent	Valid Percent	Cumulative Percent
1.00	3	6.7	6.7	6.7
2.00	13	28.9	28.9	35.6
3.00	12	26.7	26.7	62.2
4.00	15	33.3	33.3	95.6
5.00	2	4.4	4.4	100.0
Total	45	100.0	100.0	

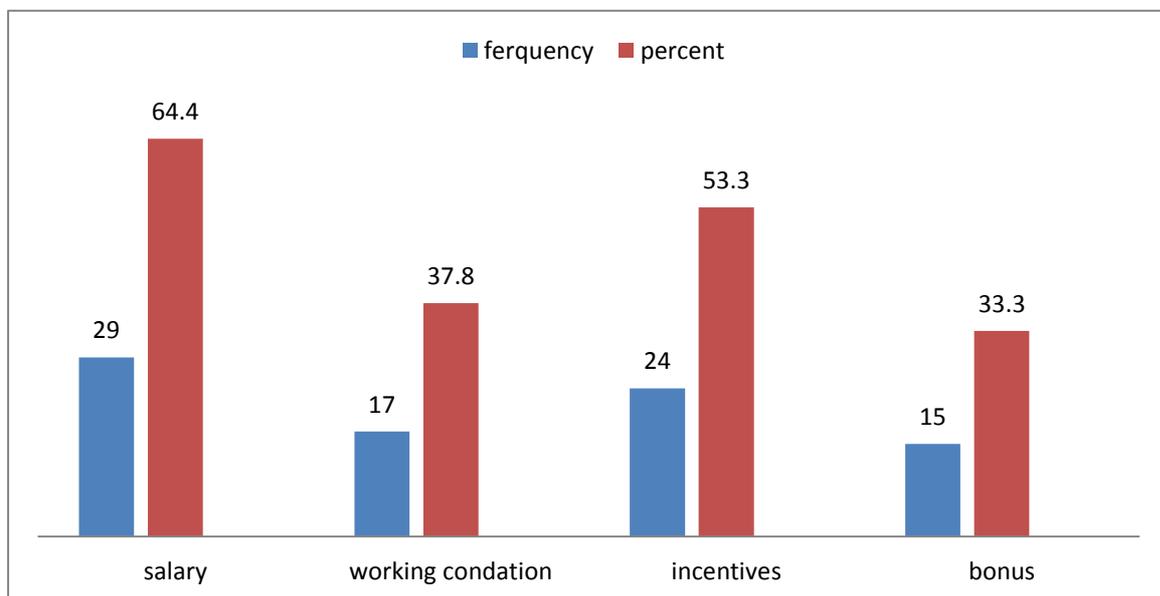
Table 4.6 The Response of participants on Working conditions

Response	Frequency	Percent	Valid Percent	Cumulative Percent
1	5	11.1	11.1	11.1
2	7	15.6	15.6	26.7
3	8	17.8	17.8	44.4
4	17	37.8	37.8	82.2
5	8	17.8	17.8	100.0
Total	45	100.0	100.0	

Table 4.7 Extrinsic factors that affect employee’s performance

Extrinsic factors(variables)	Strongly agree		Agree		Neutral		disagree		strongly disagree		Remark
	F	P	F	P	F	P	F	P	F	P	
Salary	29	64.4	9	20	5	11.1	2	4.4			Strongly agree
Incentives	24	53.3	6	13.3	7	15.6	4	8.9	4	8.9	Strongly agree
Working conditions	8	17.8	17	37.8	8	17.8	7	15.6	5	11.1	Agree
Bonus	2	4.4	15	33.3	12	26.7	13	28.9	3	6.7	Neutral

Fig 4.3 Extrinsic factors that affect employee’s performance



From the above data that was collected and represented on Fig 4.3 and Tables, salary has the highest score and it is ranked 1st, showing that this extrinsic factor is the most motivational factor and Incentives are the next motivational factors that most respondents choose to be

important followed by working condition and bonus. From the finding, extrinsic variables, salary and Incentives pay have a high effect on employee’s performance, while working condition has a moderate effect on employee’s performance.

4.3.2 Analysis of intrinsic factors that affect employee’s performance

Intrinsic factors refer to those factors that arise from within the employee. This looks at the employee’s inner factors that make them satisfied with their job and motivate them to perform.

This research study further used training, responsibility, and recognition to measure intrinsic factor that affect employee’s performance. Questionnaire items 5, 6, 7 were used to address research question 2. The responses to research question two is shown in tables below and fig4.4

Table 4.8 The Response of participants on training

Response	Frequency	Percent	Valid Percent	Cumulative Percent
2.00	10	22.2	22.2	22.2
3.00	5	11.1	11.1	33.3
Valid 4.00	25	55.6	55.6	88.9
5.00	5	11.1	11.1	100.0
Total	45	100.0	100.0	

Table 4.9 The Response of participants on responsibility

Responses	Frequency	Percent	Valid Percent	Cumulative Percent
1.00	4	8.9	8.9	8.9
2.00	6	13.3	13.3	22.2
3.00	10	22.2	22.2	44.4
4.00	22	48.9	48.9	93.3
5.00	3	6.7	6.7	100.0
Total	45	100.0	100.0	

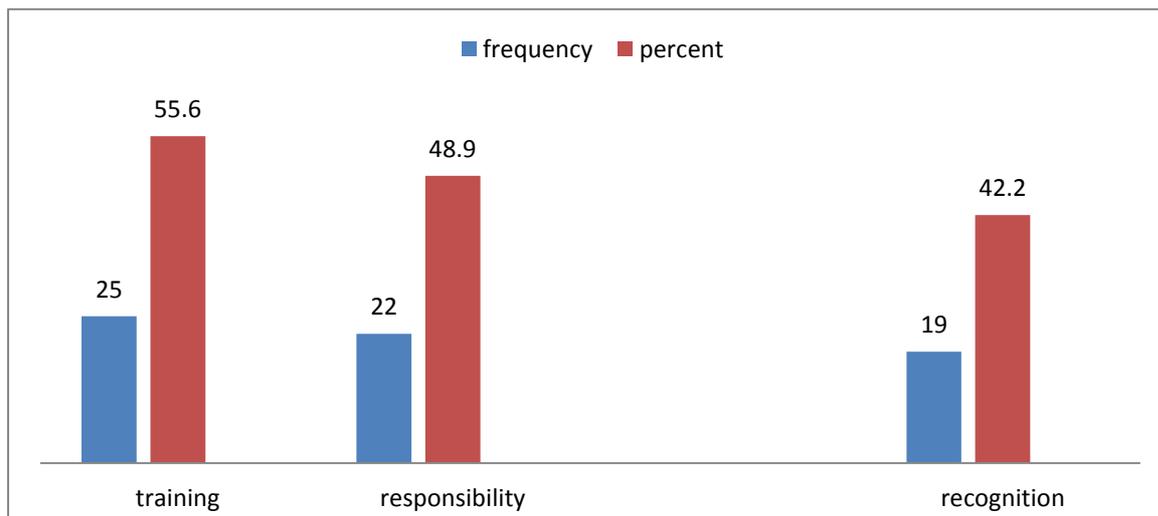
Table 4.10 The Response of participants on recognition

Responses	Frequency	Percent	Valid Percent	Cumulative Percent
1.00	4	8.9	8.9	8.9
2.00	6	13.3	13.3	22.2
3.00	12	26.7	26.7	48.9
4.00	19	42.2	42.2	91.1
5.00	4	8.9	8.9	100.0
Total	45	100.0	100.0	

Table 4.11 Intrinsic factors that affect employee’s performance

Intrinsic factors(variables)	SA		A		N		D		SD		REMARK
	Freq	Per	F	P	F	P	F	P	F	P	
Training	5	11.1	25	55.6	5	11.1	10	22.2			Agree
Responsibility	3	6.7	22	48.9	10	22.2	6	13.3	4	8.9	Agree
Recognition	4	8.9	19	42.2	12	26.7	6	13.3	4	8.9	Agree

Fig 4.4 Intrinsic factors that affect employee’s performance



According to the research findings from the above tables and fig 4.4 n=5,11.1% were strongly agreed and n=25, 55.5% which is half of the population sample were agreed that training effectiveness was a motivation to their performance n=5 , 11.1% were neutral, and n=10 ,22% disagreed and 0% strongly disagreed with training to be a motivation to performance . On responsibility n=3, 6.7% and, n=22, 48.9% strongly agreed and agreed respectively that responsibility was a motivating factor n=10, 22.2% were neutral, n= 6, 13.3% disagreed, and finally strongly disagreed n=4, 8.8%. On the other hand recognition were a motivating factor to performance n=4 8.8 % strongly agreed, with n=19, 42.2 % agreed to that, n=12, 26.6% were neutral n =6, 13.3% disagreed n= 4, 8.9% strongly

disagreed From the above research finding training (effectiveness), employee perception on skill development was most respondents choose that have a high effect on employees performance and followed by responsibility and recognition,

The East Addis Ababa region workers who participated in this study that were asked to state whether extrinsic factors or intrinsic factors that affect their performance is Table 4.12 shows their responses.

Table 4.12 the response of participants on motivational factors which affect on their performance

Motivational factors	No of respondents highest score	percent
Extrinsic factors	38	84.40%
Intrinsic factors	30	66.60%

It is evident in Table 4.12 that 84.4% of the respondents agree that they were affected with extrinsic factors and 66.6% of the respondents were affected by intrinsic factors. This could be attributed to the fact that most of the respondents felt that, the effect of extrinsic factors on their performance is more as compared to intrinsic factors.

4.3.3 Analysis of effect of motivational factors on employees performance

This research study further used productivity and absenteeism to measure the effect of motivational factors on employee’s performance. Questionnaire items 8, 9 were used to address research question 3. The responses to research question three is shown in tables below and fig 4.5

Employee Motivation Impact on Employee Productivity when the respondents were asked whether they agreed that employee motivation impacted on the employee productivity=19, 44.4% of the respondents indicated that they strongly agreed and n=15, 33.3% agreed that employee motivation impacted on the employee productivity. n=5,11.1% of the respondents indicated that they neither agreed nor disagreed that employee motivation impacted on the employee profitability. The rest of the respondents comprising of n=3, 6.7% of the respondents and n=2, 4.4% of the respondents indicated that they disagreed and strongly disagreed respectively that employee motivation that impacted on the employee productivity.

Employee Motivation Impacts on Absenteeism the respondents were asked to show their level of agreement or disagreement that employee motivation directly impacted on absenteeism levels in the organization. Eight respondents (17.8%) and six 13.3% indicated that they are disagreed and strongly disagreed respectively that employee motivation directly impacted on absenteeism levels in the organization. n=7 respondents (15.6%) indicated that they neither agreed nor disagreed that employee motivation directly impacted on absenteeism levels in the organization. n=19 respondents (42.2%) and five respondents (11.1%) indicated that they agreed and strongly agreed respectively that employee motivation directly impacted on absenteeism levels in the organization

Table 4.13 The Response of participants on productivity

Response	Frequency	Percent	Valid Percent	Cumulative Percent
1.00	2	4.4	4.4	4.4
2.00	3	6.7	6.7	11.1
3.00	5	11.1	11.1	22.2
4.00	15	33.3	33.3	55.6
5.00	20	44.4	44.4	100.0
Total	45	100.0	100.0	

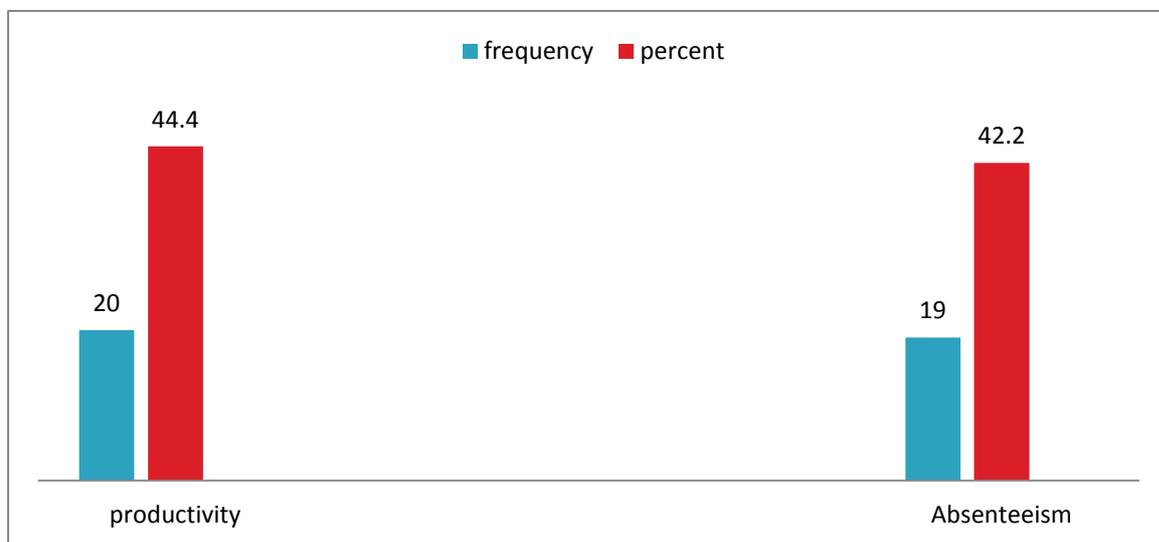
Table 4.14 The Response of participants on absenteeism

Response	Frequency	Percent	Valid Percent	Cumulative Percent
1.00	6	13.3	13.3	13.3
2.00	8	17.8	17.8	31.1
3.00	7	15.6	15.6	46.7
4.00	19	42.2	42.2	88.9
5.00	5	11.1	11.1	100.0
Total	45	100.0	100.0	

Table 4.15 The effect of motivational factors on employees performance

Dependent (variables)	SA		A		N		D		SD		REMARK
	Freq	Per	F	P	F	P	F	P	F	P	
productivity	20	44.4	15	33.3	5	11.1	3	6.7	2	4.4	Agree
Absenteeism	5	11.1	19	42.2	7	15.6	8	17.8	6	13.3	Agree

Fig 4.5 the effects of motivational factors on employee’s performance



From the above research finding most respondents were chosen employee’s motivation have a high impact on employees productivity and followed by absenteeism

4.4 Correlation Analysis Results

4.4.1 Correlation of extrinsic Factors and employee performance

The first hypothesis states, extrinsic factors have significant positive relationship with the employee’s performance.

The correlation table 4.16 below shows that the correlation that exists between the extrinsic factors and employee performance. Correlation between job salary and employee performance is ($r=0.78$; $p<0.05$) there exists significant relationship on workers performance.

The other extrinsic factors incentives ($r=0.923$; $p<0.05$), working conditions($r=0.901$: $p<0.05$), and bonus ($r= 0.331$; $p<0.05$) there exists significant relationship on workers performance Hence, there exists a positive significant relationship between extrinsic motivation and workers performance. That is when there is an increase in extrinsic motivation like salary; wage etc. given to workers, there is also a corresponding increase in workers performance.

Table 4.16 Correlation of dependent and Independent variables

Independent variables	Dependent variable(employee performance)	Pearson Correlation(r)	Sig
Salary	Productivity	.78	.000
Incentives	"	.923	.000
Working condition	"	.901	.000
bonus	"	.331	.026
Training	"	.281	.031
Responsibility	"	.076	.309
Recognition	"	.391	.008

Correlation is significant at 0.01(2-tailed)

Correlation is significant at 0.05 (2-tailed)

4.4.2 Correlation of intrinsic Factors and Employee performance

Hypothesis 2: The hypothesis states intrinsic factors have significant positive relationship with employee's performance.

The correlation table 4.16 above shows that the correlation that exists between the Intrinsic factors and employee performance. Correlation between training and employee performance is ($r=0.281$: $p<0.05$) there exists significant relationship on workers performance.

The other extrinsic factor recognition ($r=0.391$; $p<0.05$) there exists significant relationship on workers performance.

And responsibility ($r=0.076$; $p>0.05$) since the p value is greater than 0.05 there exists no significant relationship on workers performance.

Hence, there exists a positive significant relationship between intrinsic motivation and workers performance. That is when there is an increase in extrinsic motivation like on job training etc. given to workers, there is also a corresponding increase in workers performance.

4.4.3 Correlation of motivational factors and employees' performance

Hypothesis 3: Motivational factors have effect on employee's performance

From modal summery Table 4.17 the multiple correlations (R) that shown the relationship between Employee performance (dependent variable) and all extrinsic factors (independent variables) was .933 which is considered a high relationship. The positive value indicating that, when the independent variables increase dependent variable also increases and vice versa

From modal summery Table 4.18 the multiple correlations (R) between Employee performance (dependent variable) and intrinsic factors (independent variables) was .542 which is considered a moderate relationship. It is a positive value indicating that, when the independent variables increase dependent variable also increases and vice versa.

From modal summery tables the relationship between Extrinsic factors and employee performance was higher compared to the relationship between performance and Intrinsic factors.

From this analysis motivational factors have effect on Employee performance means that there is a direct relationship: when motivation increases, employee performance also increases

4.5 Regression Analysis

Multiple Regression analysis was used to measure whether or not the independent variables are effective predictors of the dependent variable (employee performance).

The outputs in the tables below represent a multiple regression to predict the effect of motivational factors on employees' performance.

4.5.1 Modal summery

Table 4.17 modal summery of extrinsic independent variables & productivity

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate	F	Sig
1	.933a	0.871	0.858		.42066	67.421	0.000

a. Dependent variable productivity

b. Predictors :(constant), bonus, incentives, working condition, salary.

Table 4.18 modal summery of intrinsic independent variables & productivity

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate	F	Sig
1	.542a	0.294	0.242		.97145	5.689	.002

a. Dependent variable productivity

b. Predictors :(constant),recognition, responsibility, training.

Table 4.19 Regression Coefficients

Independent variables(extrinsic factors)	Unstandardized coefficients	
	B	sig
constant	.753	.043
salary	.930	.000
incentives	.751	.000
working condition	.796	.000
bonus	.354	.026
Independent variables(intrinsic factors)	B	sig
constant	.611	.511
Training	.399	.004
responsibility	.079	.618
recognition	.397	.008

a. Dependent variable :Employee performance (productivity)

4.5.2 Multiple Regression Analysis result of Extrinsic factors and Employees performance

The multiple regression Equation for Extrinsic factors is $y = a + b_1x_1 + b_2x_2 + b_3x_3 + b_4x_4$.

A = The Y Intercept

Y= is the value of dependent variable (productivity) what is being predicated

X= is score on independent variable for which trying to predict value of Y

B= the regression coefficient of the independent variable

When the values from the table 4.19 are computed, the equation becomes

$$y = 0.753 + 0.930x_1 + 0.751x_2 + 0.796x_3 + 0.354x_4$$

From analysis result regression coefficient value for salary was 0.930 this means when the other independent variables are held constant, performance would increase by 93% if there is 100% improvement in salary. This was statistically significant ($p < 0.05$) i.e. the variable salary was making a significant unique contribution to the prediction of the dependent variable (employees performance).

From analysis result regression coefficient value for incentives was 0.751 this means when the other independent variables are held constant, performance would increase by 75.1% if there is 100% improvement in incentives. This was statistically significant ($p < 0.05$) i.e. the variable incentives was making a significant unique contribution to the prediction of the dependent variable (employees performance).

From analysis result regression coefficient value for working condition was 0.796 this means when the other independent variables are held constant, performance would increase by 79.6% if there is 100% improvement in working condition. This was statistically significant ($p < 0.05$) i.e. the variable working condition was making a significant unique contribution to the prediction of the dependent variable (employees performance).

From analysis result regression coefficient value for bonus was 0.354 this means when the other independent variables are held constant, performance would increase by 35.4% if there is 100% improvement in bonus. This was statistically significant ($p < 0.05$) i.e. the variable bonus was making a significant unique contribution to the prediction of the dependent variable (employees performance). From the above multiple regression Equation analysis

results salary was the best predictor of the effect of motivational factors on employee's performance in the organization and bonus was the least predictor of the effect of motivational factors on employee's performance.

4.5.3 Multiple Regression Analysis result of Intrinsic factors and Employees performance

The multiple regression Equation for Intrinsic factors is $y = a + b_1x_1 + b_2x_2 + b_3x_3$.

When the values from the table 4.20 are computed, the equation becomes

$$y = 0.611 + 0.399x_1 + 0.079x_2 + 0.397x_3$$

From analysis result regression coefficient value for training was 0.399 this means when the other independent variables are held constant, performance would increase by 39.9% if there is 100% improvement in training. This was statistically significant ($p < 0.05$) i.e. the variable training was making a significant unique contribution to the prediction of the dependent variable (employees performance).

From analysis result regression coefficient value for responsibility was 0.079 this means when the other independent variables are held constant, performance would increase by 7.9% if there is 100% improvement in responsibility. This was statistically insignificant ($p > 0.05$) i.e. the variable responsibility was not making a significant unique contribution to the prediction of the dependent variable (employees performance).

From analysis result regression coefficient value for recognition was 0.397 this means when the other independent variables are held constant, performance would increase by 39.7% if there is 100% improvement in recognition. This was statistically significant ($p < 0.05$) i.e. the variable recognition was making a significant unique contribution to the prediction of the dependent variable (employees performance).

From the above multiple regressions Equation analysis result training was better to predict the effect of motivational factors on employee's performance in the organization.

4.5.4 Multiple Regression Analysis result of motivational factors and Employees performance

From the above modal summary table 4.17 The value of R squared indicated that only 87.1% (0.871) the variation of dependent variable could be explained by the independent variables of extrinsic factors which was good.

From the above modal summary table 4.18 the value of R squared indicated that only 29.4% (0.294) the variation of dependent variable could be explained by the independent variables of intrinsic factors which was too weak.

From the above modal summary tables the value of F-test indicated that the multiple regression Equations as whole are statically significance to explain dependent variable y.

4.6 Discussions

4.6.1 Extrinsic Factors that affect employee's performance

From the study a majority of the respondents felt that extrinsic factors were a motivator and significantly affect the performance of the employee in the organization. It can therefore be concluded that for the employees to be motivated, they ought to be given extrinsic factors.

The findings indicated that a majority of the respondents felt salary was the most extrinsic motivational factor that affects employee's performance followed by incentives, working condation and bonus. The rating of salary as the highest motivator is contrary to the Herzberg (1968) doctrine that money is not a motivational factor for employees but leading to dissatisfaction, when not present, provides a source of dissatisfaction and thus demoralize employees. Increased in salary could produce more commitment to production.

The findings also agrees with the work of Agwu (2012) salaries and wages is the main and very important motivational aspect that affects the employee's performance.

The findings also agrees with the work of Berjum (2004) which showed that subjects who received individual incentives performed better than those who did not receive. And workers exhibited productive work behavior when rewards were made contingent upon performance.

From first hypothesis result, the significant relationship between extrinsic motivational factor salary and workers performance was accepted. That is when there is an increase in extrinsic motivation like salary; wage etc. given to workers, there is also a corresponding increase in

workers performance. This result agree with Frederick Taylor (1911) and his scientific Management associate described money as the most important factor in motivating the industrial workers to achieve greater productivity. This result also in line with equity theory which emphasizes that fairness in the remuneration package tends to produce higher performance from workers. This shows that this extrinsic motivation in the organization has significant impact on workers performance

The other extrinsic factors incentives and working conditions also have a strong positive relationship with employee's performance, and bonus has weak positive relationship these results support H1. This shows that these extrinsic motivational factors in the organization have impact on workers performance.

Furthermore, the extrinsic factors are fundamental in influencing the employee to strive at achieving the set goals by efficiently performing the necessary tasks. According to Mudor and Tookson (2011), desire to achieve the set target is the motivation that makes most employee to perform efficiently and be good at something within the organization as the employee realizes that his or her efforts are worth much more to the organization. This is especially so with regard to the salary structure offered the level of incentives provided by the organization as well as the quality of the environment (working conditions) that the organization accords its employees (Chintaloo and Mahadeo, 2013).

4.6.2 Intrinsic Factors that affects Employee performance

The findings indicated that a majority of the respondents felt training was the most intrinsic motivational factor that affects employee's performance followed by responsibility and recognition. This was seen as training was great motivator for the employees to increase their performance. The study identified employee perception on skill development is an intrinsic factor that affects employee's performance. This is because training provides chances to employee growth and enhances their knowledge and skills.

The findings agrees with Abdullah and Djebavni (2011) who identified that trained employees are more motivated with their jobs as opposed to the untrained employees.

The study also identified employee responsibility is an intrinsic factor that affects employee performance. Majority of the respondents felt when employee provide degree of freedom in making their own decisions and implementing their own ideas for the given activity done, employee performance increases and feel like they are part of the organization and will

actually contribute to the organizational achievements. The study also identified employee recognition is an intrinsic factor that affects employee's performance. Some of the respondents felt when employee is rewarded or recognized for the given activity done, it increase employee performance and employee feel like they are part of the organization and will actually contribute to the organizational achievements. Appreciation of employees by the organization among other recognitions influences employee's motivation and enhances employee job satisfaction and motivation (Kalimullah et al., 2010).

From the study most of the respondents felt that intrinsic factors were a motivator and affects employees performance in the organization. This research finding related to Herzberg's two-factor theory suggests that intrinsic work factors (motivators) such as responsibility held by employee and skills development increase job satisfaction and employee performance.

The study also identified employee recognition is an intrinsic factor that affects employee's performance. Some of the respondents felt when employee is rewarded or recognized for the given activity done, it increase employee performance and employee feel like they are part of the organization and will actually contribute to the organizational achievements. Appreciation of employees by the organization among other recognitions influences employee's motivation and enhances employee job satisfaction and motivation (Kalimullah et al., 2010).

From second hypothesis result, the significant positive relationship between intrinsic motivational factor training and workers performance was accepted. That is when there is an increase intrinsic motivation like training on skill development there is also a corresponding increase in workers performance .This shows that this intrinsic motivation in the organization has significant impact on workers performance. This is in line with (Kabir, 2011) Training provides chances to employee's growth and enhances their knowledge and skills for effective development and performance.

The other intrinsic factor recognition, there exists weak positive relationship with employees performance this result support H2. This shows that this extrinsic motivational factor in the organization have impact on workers performance (productivity). This hypothesis result was in line with Kalimullah Khan conducted study in which he examined the relationship between recognition and employee motivation in commercial banks of Pakistan which he

tested through Pearson correlation. The results showed that recognition correlates significantly (0.65) with employee work motivation (Kalimullah et al, 2010).

The intrinsic factor responsibility there exists no significant relationship with employees performance this result does not support H2. This shows that this intrinsic motivational factor in the organization have no impact on workers performance (productivity)

The result of the second hypothesis with regards to responsibility has a contrary view to Herzberg motivator factors (intrinsic factors), which Herzberg (1959) described as “complex factors leading to this sense of personal growth and self-actualization”, would then reflect employee motivation hence increase job satisfaction and productivity.

4.6.3 The effect of motivational factors on employee Performance

The study found that most respondents felt that employee motivational factor has impact on employee productivity followed by Absenteeism the study indicated that employee motivation affects employee productivity. This is because employee motivation leads to increased productivity. These findings agree with Wetzel and Winfield (2009) who found out that employees motivation affects productivity. Productivity increase as organization finds new ways to use fewer resources to produce its output. Since through gains in productivity organizations tend to reduce costs, save the scare resources and enhance profits. The study also found that employee motivation has impact on Absenteeism. Absenteeism affects employees performance in the organization, in that it makes employees withdraw from the organization, care less and hence low output in their performance which may be due to job dissatisfaction.

These findings agrees with Anderson (2004) who also noted that absenteeism is as a result of job dissatisfaction emanating from other factors such as stressful work situations(conditions).

Motivation to attend work is also another contributing factor to absenteeism as noted by Obasan (2011). According to Vlosky and Aguilar (2009), absenteeism may be too costly to the organization because it contributes to the ineffectiveness of the organization because of low productivity of the employees.

Therefore, it is perceived that when the employees are working at their full capacity the performance in the organization is boosted markedly (Kalimullah, et al., 2010). Therefore, the impact of employee’s level of motivation in performance is irrefutable fact.

The third hypothesis which states that, Motivational factors have effect on employee's performance was accepted. The multiple correlations of extrinsic and intrinsic factors shown that there is a positive relationship between motivational factors and employee performance (productivity). The positive value indicating that, when the independent variables increase dependent variable also increases and vice versa. The strength of relationship between Extrinsic factors and employee performance was higher compared to the relationship between performance and Intrinsic factors. From this extrinsic motivational factors have a great effect on workers performance in the organization.

From regression analysis result of extrinsic independent variables salary was the best predictor of the effect of motivation on employee performance followed by working condition and incentives. Bonus was the least predictor of the effect of motivation on employee's performance.

From regression analysis result of intrinsic independent variables training was the best predictor of the effect of motivation on employee performance followed by recognition. Responsibility was statically insignificant to predicate the effect of motivation on employee's performance.

From the result of Regression analysis extrinsic independent variables were the best to predict (to explain) the variation of the dependent variable(y).

From regression analysis equations result intrinsic and extrinsic independent variables were statically significant in explaining the variation of the dependent variable(y).

CHAPTER FIVE: SUMMERY, CONCLUSIN& RECOMMANDATION

5.1 Summary

The purpose of the study was to assess the effect of motivational factors on employee performance of Ethiopian Electric Utility in Addis Ababa Region.

The research was conducted using correlation research design; the populations for the study were employees of Ethiopian Electric utility in East Addis Ababa region.

The study population comprised a total of 192 employees from various functions. Simple random sampling technique was used to draw a sample size of 45 respondents. Data was collected using questionnaires, edited and entered into the Statistical Package for Social Sciences (SPSS) software to run the analysis.

This study used descriptive statistics using statistical indexes such as frequency and percentages. In using inferential statistics, the data was analyzed using correlations and regression statistical tests a long with the p-value., which was vital in making sense of the data. The analyzed data was presented in the form of tables and figures according to the research questions.

The first research question looked at extrinsic factors that affect employee performance. Most respondents cited that salary and incentives were the highest extrinsic factors that affect employee performance followed by working condition. The least extrinsic factors identified by the respondents were bonus.

The second research question looked at intrinsic factors thane affect employee performance. The study found that intrinsic factors such as training of employees by the organization employee perception on skill development, responsibility about contributing to the organization growth were the most highly cited intrinsic factors affect employee performance. The least cited intrinsic factors that affect employee performance were recognition.

The third research question addressed the effect of motivational factors on employee performance. The study found that most respondents felt that employee motivation has impact on productivity followed by absenteeism.

For the extrinsic factors, the correlation between job salary, Incentives and working condition with employee performance was the highest while the correlation between bonus and employee performance was weak. For intrinsic factors, the correlation between training and recognition with employee performance was weak. Responsibility was insignificant relationship with employee performance. From regression analysis result intrinsic and extrinsic independent variables were statically significant in explaining the variation of the dependent variable(y).

Furthermore, the extrinsic factors were fundamental in influencing the employees for achieving the set goals by efficiently performing the necessary tasks.

5.2 Conclusions

From the study findings that based on the objectives of the study, the following conclusions are forwarded

Employee motivation is a highly sensitive concept which is affected by a multiplicity of factors. According the findings of this study, it can be easily conclude that workers reward package matters a lot and should be a concern of both the employers and employees. The results obtained from the hypotheses showed that workers place great value on the different motivational factors (rewards) given to them by their employers. Hence, when these rewards are not given, workers tend to express their displeasure through poor performance and non-commitment to their job. It is therefore the importance of reward in the day-to-day performance of workers duties cannot be overemphasize. Having stressed the importance of a good remuneration policy on the performance of workers and the different kinds of reward that can influence workers to perform better on a job, this study can therefore be seen a call for employers sense of commitment to put in place appropriate incentive plan that will encourage workers to be more purposeful and improve their performance.

Therefore, from findings of the study there is relationship between motivation and performance, and motivation does have effect on employees" performance. Motivating employees is an important factor on employee performance. It's important to know which factors motivate the employees in a given organization so that the management can put more emphasis on the motivating factors. Organizations will benefit in terms of enhanced understanding of factors that influence employee motivation which directly impacts on performance and revenues (attract funding). Human resource departments in organization

will be able to make informed decisions on what factors they should concentrate on in order to increase their employee's performance.

5.3 Recommendations

Based on the findings from the study the factors that affects employee performance in case of Ethiopian Electric utility in Addis Ababa region the following recommendations are forwarded

Organization must appreciate the importance of the extrinsic factors in determining the levels of employee motivation. The organization should acknowledge and exploit what extrinsic factors in their human resource management practices particularly in the strategic human resource management so as to ensure that the employees are well motivated to perform their tasks. The organizations should need to have a comprehensive motivation scheme in all aspect in an organization directly proportional to the output of the employees.

The study indicated that majority of the respondents were strongly Agree that they were more motivated by extrinsic factors (monetary rewards) than other forms of rewards in the organization, so the organization must use motivation tools such as salary pay, good working conditions, performance pay, fringe benefits, bonus, promotion and security based on decision and rewards on formulated organizational policies.

From this research study since Ethiopian Electric Utility is the only governmental organization that distributing and selling electrical energy the organization has to adopt extrinsic rewards in their motivational process. Therefore the management should have a good scheme for rewarding, that focus on satisfying employees to increase their job performance, to provide quality electric service to satisfy domestic and industrial customers, increase electric energy bill sales (revenue) and being competitive in energy export.

To do this, the organization should practice in dealing with the extrinsic factors with regard to

Salary structure the salary structure offered by the organization need to make reasonable payment in wages and salaries. To use salaries as a motivator effectively, managers must consider major components of a salary structures such as the job rate, payment based on Education and work experiences which encourages workers and payment according to performance to retain existing one and to motivate individuals towards higher performance.

Incentives organization must have to provide incentives that is used to motivate for good work that to be done by certain individuals such as management allowances ,transport allowances, medical fee, special allowances for professionals, promotion, bonuses or other types of rewards to motivate and encourage high level performances of employees.

Working condition a comfortable physical environment working conditions is correlated with employee motivation and on their performance, so the physical service and the quality of the environment that the organization accords to its employees must have important to both customers and employees who do well frequently on a service environment. Thus Ethiopian Electric Utility is a service giving governmental organization to both industrial and domestic customers the environment should be comfortable both in the eyes of customers and employees.

As study shown Intrinsic rewards as a tool for motivation that affects the performance of the employee in the organization, so the management of organizations adopts intrinsic in their motivational process to encouraging employee involvement in the decision making and innovation, and increase the opportunities for the personal growth. The organization should effectively identify what intrinsic factors influencing employee performance as a strategy for establishing a positive employee motivation.

The organization should consider in dealing with the intrinsic factors with regard to

Staff training the organization to have provide regular in-service training programs for new and existing employees. Training provides chances to employees" growth and enhances their knowledge and skills that is good for competencies, opportunities for self-improvement and development to meet the challenges and requirements of new equipment and to cope new technology about the tasks that are performing in the organization and this brings excellence, increases productivity, gives morale and understanding of job to increase their performance.

Responsibility the organization has to provide individuals an opportunity to have autonomy on how they perform their own tasks, giving them more responsibility on how they make key managerial decisions. employees who have the authority and responsibility over their own work can be more efficient, eliminate unnecessary tasks, take shortcuts, increased motivation, reduced turnover, increased productivity, and reduced absences and overall increase their own performance.

Recognition administration of organization should build up the arrangement for giving rewards and recognition to enhance employee job satisfaction and motivational level when the employee receives the acknowledgement for a job well done, the satisfaction will increase and overall increase their own performance.

The study recommended that the organizations human resource departments should acknowledge on identifying what motivational factors that have impact on employee motivation which directly impact on employees performance productivity, employee absenteeism levels, and employee turnover rates e.t.c. Therefore, the organization and the general management should consider implementing policies and practices that positively affect employee performance. Such a strategy should be taken in considering with the general organizational goals and objectives.

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Appendix

ST.MARY'S UNIVERSITY SCHOOL OF GRADUATE STUDIES



Department of GENERAL MBA

Questionnaire Number

Self-Administered Survey

Dear Respondent,

This structured questionnaire is for collecting data on factors that influence employee motivation and its impact on employee's performance A case study of Ethiopian Electric utility in East Addis Ababa Region. You are kindly requested to provide the required data in the questionnaire. The process will take you only about 13 minutes. The information that you provide will remain confidential and is sought exclusively for the completion of an MBA research project. Thank you very much for taking the time to complete this survey. Your input will go a long way in enhancing human resource decision making and ultimately help EEU organization to not only gain competitiveness internationally but also optimize their performance potential (growth and profitability prospects). If you would like to receive a copy of this report, please indicate so by writing your email address on the back of the questionnaire.

Kind Regards,

MBA Student

SECTION I: GENERAL INFORMATION

The following four questions are concerned with demographic data. Please, indicate your selection by checking the box which describes your demographic characteristics

1. Age group?

AGE Group					
Belew 25 years	25-34 years	35-44 years	45-54 years	55-64 years	above 65 years

2. Gender?

GENDER	
MALE	FEMAL

3. How long have you worked for this organization?

YEARS OF SERVICE				
0-4 years	5-9 years	10-40 years	15-19 years	over 20 years

4. EDUCATIONAL BACKGROUND

LEVEL OF EDUCATION			
Graduate degree	post Graduate	Diploma TEVT level	professional qualification

WITH RESPECT TO SECTION II, III, iv PLEASE INDICATE THE LEVEL OF AGREEMENT WITH EACH STATEMENT

LEVEL OF AGREEMENT				
Strongly disagree	disagree	Neutral	Agree	Strongly agree
1	2	3	4	5

SECTION II: EXTRINSIC FACTORS THAT AFFECT EMPLOYEE PERFORMANCE

Extrinsic factors that influence employee motivation are those that determined by the external surroundings of the employee. The following best describe extrinsic factors that affect Employees performance in the organization:

LEVEL OF AGREEMENT		1	2	3	4	5
1	The salary structure has an impact on my level of performance					
2	The degree of providing incentive by the organization has effect on my level of performance					
3	The amount of providing bonus by the organization has effect on my performance					
4	The quality of working environment (working condition) at the organization has influence on my performance.					

SECTION III: INTRINSIC FACTORS THAT AFFECT EMPLOYEES PERFORMANCE

Intrinsic factors that influence employee motivation refer to those factors that arise from within the employee. This looks at the employees' inner factors that make them satisfied with their job and motivate them to perform. The following best describes intrinsic factors that affect Employees performance in the organization:

LEVEL OF AGREEMENT		1	2	3	4	5
5	I am more motivated to do my job when I am recognized and appreciated.					
6	The amount of providing training and development on my job by the organization has effect on my level of performance					
7	The amount of responsibility I possess within my job by the organization has effect on my performance					

SECTION IV: EFFECT OF MOTIVATIONAL FACTORS ON EMPLOYEES PERFORMANCE

LEVEL OF AGREEMENT		1	2	3	4	5
8	I believe the level of motivation in my organization has impact on my absenteeism level					
9	I believe the level of motivation in my organization has impact on my productivity level					