

# ST. MARY'S UNIVERSITY SCHOOL OF GRADUATE STUDIES

# ASSESSMENT OF NON-FINANCIAL MOTIVATION ON EMPLOYEES' PRODUCTIVITY: THE CASE OF DEFENSE CONSTRUCTION ENTERPRISE

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ID NO. SGS/0205/2010A

AUGUST, 2020 ADDIS ABABA, ETHIOPIA

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A THESIS SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENT OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION

AUGUST, 2020 ADDIS ABABA, ETHIOPIA

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# BY AHMED ENDRIS YIMER

## APPROVED BY BOARD OF EXAMINERS

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#### LETTER OF DECLARATION

I, the undersigned declare that this thesis is my originate work, prepared under the guidance of MBA. All source of material used for the thesis have been duly acknowledged.

I also assure that I have carried out the research independently under the supervision of the research advisor, Shoa Jemal (Asst. Professor, at St. Mary's University).

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August, 2020 St. Mary University Addis Ababa, Ethiopia

#### **CERTIFICATION**

I, Shoa Jemal (Asst. Professor), certify that the research entitled "Non Financial Motivation on Employee Productivity: The Case of Defense Construction Enterprise" is conducted by Ahmed Endris Yimer, under my supervision.

The work is original in nature and is appropriate for submission for the award of the Master's Degree in Business Administration (MBA).

Shoa Jemal (Asst. Professor)

\_\_\_\_\_

August, 2020

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Lastly I say, Alhamdulillah.

i

# LIST OF ACRONYMS

- BPR Business Process Reengineering
- DCE Defense Construction Enterprise
- HRM Human Resource Management
- IT Information Technology
- SPSS Statistical Package for Social Sciences

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#### **ABSTRACT**

The objective of the study is to assess non financial motivation on employee's productivity at Defense Construction Enterprise. The study aimed to determine whether employee productivity affected by working environment, training, recognition and organization policy. The study was viewed different related theories such as: Organizational goal theory, Reinforcement theory, expectancy theory and Herzberg's two factor theory. The research designs used descriptive and analytical methods. The total population was 400 head office staffs. Stratified random sampling technique was adopted and Yamane's formula was used to choose a total of 200 respondents who formed part of the sample size. But from distributed questionnaires, 142 respondents has been returned and analyzed. Both primary and secondary data was used. Questionnaires were administered to the staffs' respondents and interview was provided for manager levels during primary data collection while secondary data was used from the enterprise's reports. 15 respondents were used for the pilot test. Reliability was tested by the Cronbach's alpha and found 0.849. Correlation analysis was used to determine the relationship between employee productivity with selected motivational factors of; working environment, training, recognition and organization policy. Statistical Package for Social Science (SPSS) V-20 was used for analyzing data. The results were presented by aid of statistical tables and percents. The study finding that working environment, training, recognition and organization policy have influence on employee productivity. Finally, the study forwarded recommendation points for the enterprise to implement better working condition, apply skilled based training, job recognition and organization policy that improve the employees productivity.

**Key Words:** Employee Productivity, Working Environment, employee Training, Recognition, Organization policy

#### **CHAPTER ONE**

#### INTRODUCTION

#### 1.1. Background of the study

Every organization performs its task with the help of resources as men, machine, materials and money. Except manpower other resources are non-living but manpower is a live and generating resource. Manpower utilizes other resources and gives output. If manpower is not available then other resources are useless and cannot produce anything. Out of all the factors of production manpower has the highest priority and is the most significant factor of production and plays a pivotal role in areas of productivity and quality. Due to this, manpower needs motivation to perform the routine tasks (Benson, J.D. 2008).

Motivation is the driving force for moving and directing employee behavior resulting to better productivity. The overall success of an organization in achieving its strategic objectives relies heavily on the motivation level of employees. De-motivated employees are likely to put in little or no effort in their jobs, produce low quality work, mostly avoid their workplace and even exit the organization if provided opportunity. On the other hand, employees who are motivated to work are likely to be determinant, innovative and competent. In organizations today, employees can be motivated both financially (pay, bonuses, allowances, insurance, incentives) and non-financially (work condition, training, recognition, promotion) (Cheema et al., 2013).

Employees expect financial and non-financial rewards for their efforts. Especially in a world in which everything is expensive and inflation rates are higher, employees need financial rewards for them to continue to perform as required but still non-financial rewards cannot be discriminated. In the absence of equitable pay, training, recognition and comfortable environment the employees become dissatisfied and that lead them to be demotivated. Organizations with positive ambitions could make an availability of a framework within which high levels of motivation could be accomplished through non-financial reward systems by the provision of opportunities of training, recognition, job security, empowerment (Armstrong, 2008).

Non-financial motivation is seriously essential for workers. Among other things, it puts employees into action that their managers care about their feelings. Apart from that, it leads to the completion of organizational goals; it builds friendly relationship it leads to stability of the work-force. Since individuals are special in their own ways, it is important that managers identify the individual needs of their employees and motivate them accordingly so as to bring out the greatest in them. Knowing the employee problems and trying to solve it, makes them motivated which will let them put more effort in their productivity. It is important to know that the concept of non-financial recognition does not mean the motivation provided should have no financial value, it simply means whatever given is not monetary (Broni, 2012).

Non-financial recognition provides employees with something tangible that they will remember like a special day out or great meal (Silverman, 2004). Recognition, either informal (oral) or formal (written remarks and events), has been the most cost effective way to strengthen required actions for productivity within an organization. Training as a non-financial motivation effects employee productivity. The more trained an employee is, the less are the chances of committing accidents in job and the more proficient the employee becomes (Wilson, 2003)...

By considering many approaches, the study tried to examine whether the non financial motivation have effect on employee's productivity at Defense Construction Enterprise (DCE).

# **1.2.** Background of the Organization

The Council of Minister's Regulation 185/2010 established Defense Construction Enterprise (DCE), as a Public Enterprise after the study of Business Process Reengineering (BPR) by merging from Defense Construction & Construction, Engineering Production Enterprise. The authorized capital of the Enterprise was Birr 800,000,000.00 /Eight Hundred Million Birr/ of which Birr 276,438,724.00/Two hundred seventy six million four hundred thirty eight thousand seven hundred twenty four Birr/ is paid up in cash and in kind.

Prior to its establishment as an enterprise in April, 2008, it was structured as an Engineering Department under the Ministry of National Defense responsible for the construction of Army Hospitals, Depot, Camps, access roads and other infrastructure activities owned by the Ministry of National Defense.

All the construction activities were carried out by own force using the capital budget of allocated by the government. In 2008, the Ministry of National Defense planned to construct 11 Military Brigade Camps in different part of the country, where by the Ministry acquired different construction machineries and vehicles for this purpose.

After the successfully completion of those Military Brigade Camp Construction, the Ministry of National Defense decided the Department to participate in other construction projects in addition to the projects owned by Ministry of National Defense. Accordingly, the Department has been involved in the construction of more than 2,300 hectares Irrigation Development project focusing on construction of flood protection dykes, different types of Canals, off take Structures, access roads, land leveling and other related activities in Somali National Regional State.

During those periods, the projects were owned by the Ministry of National Defense and the capital budget was allocated from the government. The availabilities of these different skilled man power and construction equipments, it was created favorable chance for the establishment of Defense Construction Enterprise (DCE) with its own contractual capital rather than Budgetary Department. The company has currently 5,589 employees working on and from these 817 is permanent, 829 are contract employees and the reset 3,943 are daily laborers in 2019 fiscal year.

#### 1.3. Statement of the Problem

Every business requires motivated workers to run effectively, especially in the construction business, where the attitude of workers can have a direct and immediate effect on the productivity of the business. That is why the organizations are constantly under the pressure of competitors to retain their workforces (Deci, 2013). A high skilled, reliable and experienced employee is a valuable asset for any organization. It is evident that highly motivated employees are more likely to have innovative, competent and high productivity.

On other hand, de-motivated employees are likely to put in little or no effort in their jobs, produce low quality work, discomforting with their workplace and even exit the organization if they get a better opportunity.

Thus, employees can be motivated with financial and non financial rewards. According to Perry et al (2006) financial rewards are not the most motivating factors and have a demotivating effect among employees. Several studies have found that among employees surveyed, money was not the most important motivator, and in some instances managers have found money to have a de-motivating or negative effect on employee performance.

Perry et al (2006) indicated that non financial types of rewards can be very meaningful to employees and very motivating for performance improvement. According to him, non financial motivation reinforces positive behaviors and improves employee productivity. Some of non financial rewards includes; giving work recognition, participating in decision making, giving promotion, good job design, working environment, good company policies and others.

In construction industry, well motivated employees have several advantages. Such as having better productivity, lower level of absenteeism, improving product quality and also makes a company competitor. Among the Ethiopian construction companies, Defense Construction Enterprise (DCE) is a grade one local governmental construction company and it has under constructing many roads and building projects in different regions with more than thousands of skilled and unskilled employees.

However, according to the organizational annual report (2019/20) indicated that most of the projects' progress has been decreasing time to time and employees' turnover is becoming high even if the average payment is good. Preliminary interview was conducted for selected employees and the result indicated that the enterprise used less non financial motivational practice. For this matter, the researcher wanted to assess the effect of non-financial motivations on employees' productivity.

Thus, the purpose of this paper is to asses' the non financial motivations on employee's productivity at DCE and finally the researcher will forward possible measures that reduce the problems.

#### 1.4. Research Questions

The following are the underlying research questions that need possible solutions.

- i. What is the effect of working environment on employee productivity in DCE?
- ii. How does employee training affect employee productivity in DCE?
- iii. What are the effects of employee recognition on employee productivity in DCE?
- iv. How does the organization policy affect employee productivity in DCE?

### 1.5. Objectives of the Study

#### 1.5.1. General Objectives

The general objective of the study was to assess the non-financial motivations on employee productivity at Defense Construction Enterprise (DCE).

#### 1.5.2. Specific Objectives

The specific objectives of this study include;

- i. To examine the impact of working environment on employee productivity in DCE.
- ii. To identify the effect of employee training on employee productivity in DCE.
- iii. To find out the influence of employee recognition on employee productivity at DCE.
- iv. To examine the result of organization policy on employee productivity in DCE.

# 1.6. Significance of the Study

The result of this study is significant in various respects. Such as:

The findings of the study were to provide concrete suggestion for the enterprise's managers for further understand the relevance of non-financial motivation factors such as working conditions, training and recognition and organization policy to have effect on employee's productivity.

- The study used as a source of information or document for later use by HR
   Department for any further action related to non financial motivations.
- The findings will serve as a bench marks for further studies on the assessment of non-financial motivations.

### 1.7. Scope of the Study

The study is aimed to assess the non financial motivational factors such as working environment, training, recognition and organization policy that will have effect on employees' productivity at DCE.

DCE has many projects in Addis Ababa but this study only focused on the head office staff which is located at Wollosefer, Addis Ababa. The study covers from January, 2020 up to August, 2020. In addition to this, the researcher used Frederick Irving Hertzberg's motivational theory and others related literatures.

## **1.8.** Definition of Key Terms

The following key terms have been operationally defined as they are used in this study.

- Non-financial motivations: are used in an organization to motivate employees without direct payment of cash (McCausland, 2005).
- **Motivation:** A motive is a reason for doing something (Armstrong, 2006)
- Incentives: are additional payment to employees besides the payment of wages and salaries. Often these are linked with productivity, either in terms of higher production or cost saving or both. These incentives may be given on individual basis or group basses something that motivates an individual to perform an action (Armstrong, 2006).
- Employee Productivity: is the output of employee that is measurable against the employee's effectiveness and efficiency in the achievement of the set goals or job tasks (Benson 2008).

# 1.9. Limitation of the study

The researcher has faced the following limitations;

- Due to the epidemic of Corena Virus (Covid 19), face to face contacts and touchable materials were hindrance to distribute and collect data.
- Lack of organized data that related to the study from the enterprise.
- Tight time and lack of finance were the main limitations.

## 1.10. Organization of the Study

The study consisted of five chapters. The first chapter introduces the background of the study, statement of the problem, research questions, and objective of the study, significance of the study, scope of the study and organization of the study.

The second chapter presents a related literature review and theoretical framework of the study. Third chapter covered the methodologies used to collect and analyze data. The fourth chapter focuses on result and interpretation including the detailed analysis of the collected data.

The fifth, which is the closing chapter, focuses on summary, findings, conclusions and recommendations.

#### **CHAPTER TWO**

#### REVIEW OF RELATED LITRATURES

This chapter presents the literature review on the study. It is concentrated on the definition of motivation and productivity, types of motivations, theories on motivation, advantage of motivation, empirical and conceptual frameworks and finally research gap presented in sequences.

#### 2.1. Motivation

The concept of motivation has been defined in many ways. But the most used definition is as follows: The term "motivation" is derived from "motive" which means a reason for action and it is a continuous process which starts with needs, continues with goal-oriented behavior and ends with the satisfaction of needs. While a general definition for motivation can be given as "the degree to which an individual wants and chooses to engage in certain specified behaviors"; motivation in the work place refers to "the degree to which an individual wants and tries hard to do well at a particular task or job" (Mitchell, 1982).

Jennifer and George (2012) defined motivation as a mental force that governs the direction of an individual's behavior in an organization, an individual's level of effort, and an individual's level of determination when faced with obstacles. In addition she stated that even with appropriate strategies and administrative structures in place, an organization can only be productive if its employees are sufficiently motivated to perform at higher levels.

# 2.2. Employee's Productivity

Productivity can be defined as a measure in relating the quality and quantity of output against the input provided by individuals to produce said output. The normal measure for productivity is to link a rank value against hours worked or tasks accomplished. The definition of productivity according to Benson (2008) is the output of an employee that is

measurable against the employee's effectiveness and efficiency in the achievement of the set goals or job tasks.

Du Plessis and Ferreira (2009) stated that productivity is the time spent by an employee actively participating in his/her job that he or she was hired for, in order to produce the required outcomes according to the employers' job descriptions. As suggested by Coetsee (2002) the core cause of the productivity problems in an organization is the statues of the people's motivation levels and their work ethics.

According to Benson (2008), having the technical knowledge and ability does not guarantee that employees will be efficient and effective in their job tasks. To get effectiveness and efficiency in the work environment one also needs to provide the necessary resources that are required in accomplishing the task, have a supportive management structure and lead with vision, which is in alignment to the employees' goals and objectives. Employees are influenced by the management styles employed by their managers and as described by Benson (2008) the transformational leadership style can be closely tied to employee performance and productivity in an environment of change.

# 2.3. Types of Motivation

Lin (2007) proposed that motivation can be classified intrinsic motivation and extrinsic motivation. Intrinsic motivation takes place internally and occurs when people act according to the pleasure that they expect to derive from this action or because the action is seen as important or the individuals feel a desire to take the action. As can be seen from this explanation of intrinsic motivation an action is always required.

Extrinsic motivation implies that there could be external factors that influence the person to do something following outside factors could have an influence on extrinsic motivation, namely: salary, working conditions, policy, safety and security, benefits and relationships.

The universal difference between intrinsic and extrinsic motivation is that whereas intrinsic motivation is triggered by internal forces or those within oneself, extrinsic motivation is determined by external forces (Giancola, 2014). Such Intrinsically motivated reward comprises the chance to showcase expertise and abilities, receive gratitude, good

recognition, freedom, responsibility and mutual respect. A worker that is inherently inspired, according to George and J. (2012) would be devoted to his job for as long as he believes the job is able to satisfy his wants.

Intrinsically driven work conducts are behaviors performed for one's own sake, that is, the inspiration to work emanates from within the individual. Here the worker is motivated because he derives happiness in doing the job. For instance, a domestic worker in an organization whose pay is quite low compared to other workers cleans the surroundings every time and even put in extra hours to clean not because of an increase in pay but because of the happiness derived in doing it. Such a motivation originates from rewards that are considered inherent to a job or activity itself such as the pleasure an individual derives from a game of chess or the love of playing soccer.

Therefore when an individual engages in activities without any apparent inducements with the exception of the activity itself such an individual is said to be motivated intrinsically. Non-Financial motivations can take variety of forms. Some of the popular ones are given below:

**Job Security:** The management must try its best to create a sense of job security. There should be no risk of retrenchment, demotion and termination. Experiences have also shown that the productivity is less in those concerns where workers have no feeling of safe and secure. But it is high in those concerns where they have a feeling of job security.

**Recognition:** Recognition of work is the essence of securing good work. Efficient people would naturally like to get recognition for their skill and excellence in their work. Such recognition can do many things that what a cash reward can do. Of course it is not practicable for the superiors to praise everybody for everything done by them. But the technique of praise must be practiced as far as possible.

**Participation:** Workers feel more satisfied when they are given an opportunity to raise their voice in handling the affairs of the enterprise. Since they actually take part in the decision-making their co-operation is assured.

**Pride in job:** The workers must be made to feel pride in their job. Various techniques can be employed to develop pride to work. Food products, dynamic leadership, fair treatment, ethical conduct etc. can effectively stimulate the workers pride in their job and in the firm.

**Delegation of Responsibility:** Delegation of rights and responsibilities to execute a given task often proves to be a strong motivating factor. By delegation the superior trusts his workers and stimulates them to show better results.

**Other Incentives:** Other incentives like quick promotion, provisions of facilities for development and training, provision of labour welfare amenities etc. also have a significant role to play in motivating the employees.

#### 2.4. Theoretical Literature Review

In this section the researcher briefly reviews key aspects of the theoretical debate as it relates to the expected association of non financial motivation on employee productivity. And also, the relevant literature review will focuses on the non financial motivation and how these motivations contribute to the organization as productivity.

### 2.4.1 Organizational goals Theory

Regardless of the effects of legislation on salaries in general, compensation continue to be influenced by several factors that are producing some important trends in compensating workers. One of such trends is aligning wages to the organizations goal. Others includes tailoring compensation to the needs of employees; better salary, and pay equity various existing theories to support this argument have been identified and one of such is the Reinforcement theory which is propounded by B.F.Skinner. (Fisk 2001).

# 2.4.2 Environment/ Reinforcement Theory

According to Fisk (2001), this theory holds that individuals can actually be motivated by their work environment when it is properly developed. Hence, rather than considering internal factors such as attitudes, feeling, impressions and other cognitive behavior, employers should keep on making positive changes in the external environment of the organization. It emphasizes the importance of a person's actual experience of a reward, and the implication of this for compensation management is that high employee performance followed by a monetary reward will make future high performance more likely without ignoring the effects of non financial motivations.

#### 2.4.3 Expectancy Theory

Another theory that is relevant to the study is Expectancy theory propounded by Victor Vroom focuses on the link between rewards and behavior too emphasizes rather than experienced rewards. In other words, it is mainly concerned with effects of incentives. It stresses that behaviors (job performance) can be described as a function of ability and motivation is a function of expectancy, instrumentally and valence perceptions. Expectancy perceptions often have more to do with job design and training than pay system. Although this theory implies that linking in increasing amounts rewards to performance will increase motivation and production.

Some authors have arguing that monetary rewards may increase the intrinsic motivations. Because of extrinsic motivation depends on rewards such as pay and benefits which are controlled by external sources whereas intrinsic motivation depends on rewards that flow naturally from work itself. Therefore, it is important to keep in mind that money is not the only effective way to motivate behavior and that monetary reward will not always be the answer to motivation problems, it doesn't appear that monetary reward run much risk of compromising intrinsic motivation in most work settings. (Fisk 2001).

# 2.4.4 Herzberg's Two-Factor Theory

Herzberg's Two-Factor Theory divides motivation into two groups known as the Motivation factors and Hygiene factors. The researcher provided a strong link between motivation and productivity. According to Herzberg (1959), the motivating factors are the six job content factors that include; achievement, recognition, works itself, responsibility, advancement, and possibility of growth. Hygiene factors are the job context factors, which include company policy, supervision, relationship with supervision, work conditions, relationship with peers, salary, personal life, relationship with subordinates, status, and job security.

Kiruja and Mukuru (2013) argue that when institutional hygiene factors do not exist (e.g. salary, job security, working conditions, level and quality of supervision, company policy and administrative and interpersonal relations), employees are dissatisfied and if these factors exist it still does not mean that employees are motivated or satisfied.

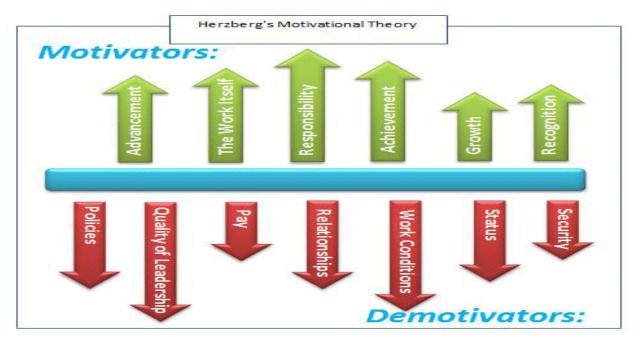
Herzberg and his associates concluded from their interview findings that job satisfaction consisted of two separate independent dimensions: the first dimension was related to job satisfaction, and the second dimension to job dissatisfaction. These dimensions are not opposite ends of the same continuum, but instead represent two distinct continua. High satisfaction is not in the main brought continuum about by the absence of factors that cause dissatisfaction. Those job characteristics that are important for, and lead to, job satisfaction but not to job dissatisfaction are classified as "satisfiers," while those that are important for, and lead to, job dissatisfaction but not to job satisfaction are classified as "dissatisfiers." A few job characteristics functioned in both directions (R.J.House and Wigdor, 1967: 370).

According to the theory, the satisfiers are related to the nature of the work itself and the rewards that flow directly from the performance of that work. The most potent of these are those characteristics that foster the individual's needs for self-actualization and self-realization in his work. These work related or intrinsic factors are achievement, recognition, work itself, responsibility, and advancement. A sense of performing interesting and important work (work itself), job responsibility, and advancement are the most important factors for a lasting attitude change. Achievement, more so than recognition, was frequently associated with the long-range factors of responsibility and the nature of the work itself. Recognition that produces good feelings about the job does not necessarily have to come from superiors; it might come from peers, customers, or subordinates. Where recognition is based on achievement, it provides more intense satisfaction (House and Wigdor, 1967: 370).

The dissatisfaction factors are associated with the individual's relationship to the context or environment in which he does his work. The most important of these is company policy and administration that promotes ineffectiveness or inefficiency within the organization. The second most important is incompetent technical supervision—supervision that lacks knowledge of the job or ability to delegate responsibility and teach. Working conditions, interpersonal relations with supervisors, salary, and lack of recognition and achievement can also cause dissatisfaction (House and Wigdor, 1967:370).

The second major hypothesis of the dual-factor theory of motivation is that the satisfiers are effective in motivating the individual to superior performance and effort, but the dissatisfies are not.

From his research, Herzberg found that there are certain characteristics of a job that consistently relate to job dissatisfaction, and there are other factors which, in the same breadth, relate to job satisfaction. These factors can be seen in the diagram below:



# 2.5. Advantages of Employee Motivation

Employee benefits and relation is a complex lend of corporate culture, human resources practices and individual perceptions. Virtually everything the human resource department does affect employee relations, directly or indirectly. But many human resource activities are largely un noticed by employees, including for example, recruitment, selection and benefits administrations. Other important human resources functions affect employees only periodically, as in the case of performance appraisal system and salary sessions. This necessitates some ongoing activities to foster good employer-employee relation.

According to Williams (2007), the following are motivated employee benefits practices to an organization:

#### **Improves Productivity**

Motivated employee benefits practices can improve the organization productivity. Employee productivity is significantly affected by two factors: ability and attitudes. Ability is simply

whether or not the employee is able to perform the job. Ability is influenced by such things as training, education, innate aptitudes, tools and work environments. Attitude other hand refers to an individual's willingness to perform the job. Attitude is influenced by a myriad of factors, such as level of motivation, job satisfaction and commitment at work. Good employee's relations practices help improve both ability and attitude of the employee. Through continuous monitoring of employees skill, attitude and quality of work environment, the organization is able to initiate timely collective actions. The result is an improvement in employee productive.

#### **Implementation of Organization Goals**

Good employee benefit plans ensure implementation of organizational strategies. Human resource management plays an important role in achieving organizational goals. Goals and strategies however will formulated will not be attained unless they are well executed. This means that employee should be committed to the achievement of the goals. Unless employees understand their roles and are rewarded for exhibiting desired behaviors, it is likely that the organization will be able to generate grass root support for its plants. Good employee relations practices ensure that these goals and strategies are properly communicated to the employees and their commitment.

#### **Reduction of Employment Cost**

Good employee benefit practices reduce costs. Good employee relations practices signify concern and interest in the employees. When this becomes part of the overall organizational culture, significant cost saving reduces absenteeism and turnover can emerge. Good employee relations practices also give the firm recruiting advantage as most job applications would like to work for an organization that treats them fairly and offers them a challenging job with potential job with career growth.

#### **Achievement of Human Resource Goals**

Good employee benefit practices help the personal goals of the human resource functions. An important goal of human resource development today is to help employees achieve their personal goals. A keen interest in the employee's work related and career goals not only bring benefits to the organization, but also help in to meet its social objectives.

### 2.6. Empirical Review on Employee Motivations Factors

### 2.6.1. Working Conditions and Employee Productivity

Working environment plays an important role towards the employee's productivity. Working environment is argued to impact immensely on employee's productivity either towards negative or the positive outcomes. Aisha et al. (2013) conducted a research on the effects of working ability, working condition, motivation and incentives on employee multi-dimensional productivity in Indonesia. The results showed that working conditions, incentives and motivation had a statistical significant effect on employee productivity. The findings also revealed that workload, facilities, and expectancy had a negative effect on employee productivity. Meanwhile, working group, salary, job security, achievement, fairness, and goals had a positive effect on employee productivity. Also the result showed that there is a significant effect between variables working conditions (workload and facilities) and productivity (quality and quantity of work and level of attendance).

Chandrasekar's (2011) study of the workplace environment and how it impacts on employee's morale, productivity and engagement in India. The researcher argued that it is not just a coincidence that new programs addressing lifestyle changes, work/life balance, health and fitness previously not considered as key benefits - are now primary considerations of potential employees, and common practices among the most admired companies. He observed that people working in environments with poorly designed workstations, unsuitable furniture, lack of ventilation, inappropriate lighting, moderate noise, insufficient safety measures in fire emergencies and lack of personal protective equipment are likely to be prone to occupational diseases and that impact on employee productivity. Also the researcher found out that productivity decreases due to the workplace environment in a wide industrial area where the employees are facing serious problems in their work places such as environmental and physical factors, it is difficult to provide facilities to increase their productivity level.

### 2.6.2. Employee Training and Productivity

Employee training is a tool that managers can utilize to help employees' bridge the gap between their present levels of performance and ready them for productivity. The challenge for the organization is to design training options that give employees the information or skills they need and then measure whether those training options were effective in producing desired outcomes.

Elnag and Imran (2013) conducted a study to determine the effects of training on employee productivity in Kingdom of Saudi Arabia. They investigated the meaning and importance of training and explored the relationship between Training and employee productivity with exploratory research. The researchers found out that there exist a positive impact on employee training supports to fill the gap between what productivity is required and what productivity is happening (gap between desired productivity and actual employee productivity). They also found out that training programs are the stimulant that workers require to improve their productivity and capabilities, which consequently increase organizational productivity.

Luis (2013) conducted a study on the impact of training and motivation on employee productivity in Pakistan. The researcher identified the key factors to achieving a quality and productivity-driven company culture. He used surveys method to evaluate the accuracy, perception, and correlation of the defined key factors to workforce quality and productivity, employee turnover, and employee satisfaction. He detected the two key factors to a quality-and-productivity-driven company culture as training and motivation.

The researcher asserted that, effective training is the key to quality productivity, while motivation is key to productivity. Training and motivation not only complement each other but also affect employee turnover and employee satisfaction in a positive manner when effectively implemented. His study recommended for an effective implementation of training and motivation into company culture which can result to increased quality and productivity, lower employee turnover and increased satisfaction.

#### 2.6.3. Employee Recognition and Productivity

Employee recognition is the acknowledgement of an individual or team's behavior, effort and accomplishments that support the organization's goals and values. Manzoor (2011) studied the impact of employee motivation on organizational effectiveness in Pakistan.

The study sought to analyze the factors that increase motivation of employees and the relationship of employee motivation and organizational effectiveness. The researcher found out that recognition and empowerment increased employee motivation and hence their productivity. Recognition plays an essential part in enhancing employee motivation towards organizational tasks. Appreciating the employees for their work done and giving them participation in decision making, they will be internally satisfied with their job and organizational environment.

Aourzag and Rajaa (2014) did a study on the contribution of recognition to the motivation of the Moroccan public service managers in Morocco. The researchers aimed at finding if there is a positive relationship between recognition and motivation of construction employees. The researchers used exploratory-oriented methodology in order to test the nature of the relationship between the practices of symbolic recognition and employees' motivation in the public service.

They conducted an empirical study by means of questionnaires. Their findings showed that correlation and regression analysis allowed them to confirm their main research hypothesis that recognition practices at work are positively associated with motivation. They concluded that the recognition is a determinant factor for motivating employees.

# 2.7. Empirical Review on Research Gap

Various research studies have been conducted on employee motivation and the factors that influence it. The problem with most of these studies is not looked enough the difference demographics of the employees with their working nature. They have generalized the employees and the rewards for specific area to different individuals. And also they did not encompass the possible accepted theories in driving cumulative variables to be study.

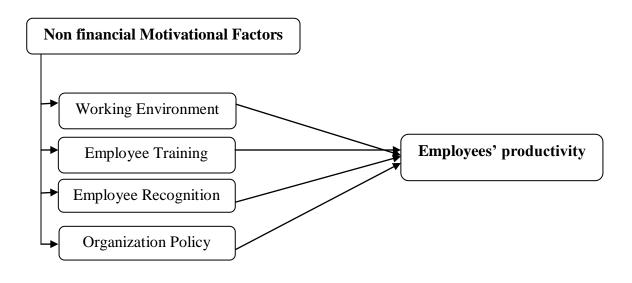
Thus, this study sought to fill this gap by raising relevant factors of non financial motivations that will focus on Construction Company because this sector need more motivated employees to be productive and meet organizational goals.

### 2.8. Conceptual Framework

Conceptual framework is defined as an interconnected set of ideas (concepts or theories and models) about how a particular phenomenon is related to its parts (Svinicki, 2010). The aim of this framework is to clarify concepts and the relationship among the variables in the study, to describe the context for interpreting the study findings and explain the observations. It clearly illustrates the relationship between motivation and productivity.

Motivation is conceived as an independent variable conceptualized by non-financial motivation; and productive as a dependent variable conceptualized by efficiency, quality, productivity and timeliness. However, this study is based on the assumption that employers' motivational strategies have an effect on the productivity.

The researcher presented the assessment of non-financial motivation on employees' productivity in the following conceptual frame work. Non-financial motivations such as good working environment, Respect, Recognition, relationship with co-workers and job security help to motivate employees without incurring monetary cost. This creates motivation to work more which would increase the organization productivity and goal achievement.



Source: Nassazi (2013) and modified by the researcher.

**Independent Variables** 

Dependent Variables

#### **CHAPTER THREE**

#### RESEARCH DESIGN AND METHODOLOGY

This chapter presents the methodology of research that was used in this study. It enlightens the approach that was taken to examine the data for the chosen variables and analysis of the data to discourse the research problem. The areas covered in this entire research includes: study area, research design, research approach, population and sampling, source of data collection method, data analysis methods, validity and reliability and finally ethical consideration.

## 3.1. Research Design

Research design is actually a detailed sketch and analytical strategy of the complete research and that answers each research questions, validity and accurately (Kumar, 2011). According to Claire S, Wrightsman, (1976), a research design is framed to formulate methods of collecting and analyzing data in order to achieve research objectives. Besides, based on Kothari (2004), research design provides a conceptual structure for conducting the research and blueprint for collecting, measuring and analyzing data.

Therefore, the research designs that were adopted in this study are descriptive and explanatory methods. The descriptive design used to present the results in qualitative and quantitative tools. The explanatory design is examine the relationship between two variables namely independent and dependent.

# 3.2. Research Approach

The researcher used both quantitative and qualitative approaches. Quantitative approaches applied to involve the generation of data in quantitative forms which can be subjected to rigorous quantitative analysis that helps to explore, present, describe, and examine relationships. On other hand, qualitative approaches used to analysis the subjective assessment of attitudes, opinions and behavior (Kothari (2004).

# 3.3. Population, Sample Size and Sampling Techniques

The target population consists of all the staffs of DCE who are working in head office. Currently, the organization has 400 employees as January 2019 according to Human Resource data. To ensure the adequacy of population, all employees were included under each department.

As per the study of BPR, the Enterprise was structured in to;

#### 1. The two Core processes are:

- 1.1. Road, Irrigation and Dam Construction Engineering Core Process
- 1.2. Building and Real Estate Construction Engineering Core Process

#### 2. The two Support processes are:

- 2.1. Construction Input Support Process (Human Resource, Purchasing, Property Admin., Finance) and
- 2.2. Equipment Administration & Maintenance Support Process (Maintenance & Inspection Team, Logistic Team, Supply & Project follow up team)
- **3. Management support services** (General Manager Office, Plan, Research and Business Development Team, Internal Audit Service, Legal Service, Information Communication Technology Team, Ethics and anti-corruption Follow up Team)

**Table 3.1: Department of Samples** 

No.	Department	Population	Sample	Percentage
1	Core Process (Road Eng, Building Eng.)	50	30	15%
2	Support Core Process (HR, Equp't, Fina,)	280	125	63%
3	3 Management Support Service (IT, Audit,)		45	22%
	Total		200	100%

Source: HR data, 2020

There are several approaches to determine the sample size. These includes using a census for small population, imitating a sample size of similar studies, using published tables and applying formulas to calculate a sample size.

From various sample size determinant alternatives, the study preferred the formula derived by Toro Yemane's (1967) because the population under the study finite and it involves proportionate sampling through stratified random sampling.

Sample size formula: 
$$n = \frac{N}{1+N (e)^2}$$
 Where:

$$n = \frac{400}{1+400 (0.05)^2}$$

$$n = 300$$

N = the total population size

$$n = 300$$

$$e = 5\%$$
 the margin of error

Therefore a sample size of 200 was selected from a total population of 400 employees those were working in different departments by using stratified random sampling techniques. The selection of the sample was sufficient and represents the entire population.

#### 3.4. Source of Data Collection Methods

The researcher used both primary and secondary data. Primary data was collected by the aid of structured questionnaires for employees and interviews from managers. The questionnaires were offered in closed-ended questions and analysis with Likert scales that the respondents were asked to rank their level of agreement. Secondary data was obtained from Defense Construction Enterprise's website and related literatures.

# 3.5. Data Analysis Method

Data was organized mainly by use of frequencies, descriptive and inferential statistics. Descriptive statistics included mean and standard deviation. Inferential statistical techniques included correlation and regression analysis which was used to draw a causal relationship between the independent variables and employee productivity.

The quantitative data was analyzed using Statistical Package for Social sciences (SPSS) in order to determine and test the correlation between the dependent variable and each independent variable. Data was presented using tables and percentages.

In particular, the following regression model was used;

$$Y = \alpha + \beta 1X1 + \beta 2X2 + \beta 3X3 + \beta 4X4 + \mu$$

Where:

Y= Employee Productivity

X1= Working Environment

X2= Employee Training

X3= Employee Recognition

X4= Organization Policy

 $\alpha = constant$ 

 $\beta$ 1,  $\beta$ 2,  $\beta$ 3,  $\beta$ 4 = beta coefficients

 $\mu$ = error term

# 3.6. Validity and Reliability

# **3.6.1.** Validity

Validity is the degree to which results obtained from an analysis of the data actually represent the phenomenon under study that refers to the extent of accuracy of results can either be internal or external analysis. Internal validity refers to the analysis of the accuracy of the results obtained. External validity refers to the analysis of the findings with regards to whether they can be generalized (Ghauri & Gronhaug, 2005).

# 3.6.2. Reliability

Reliability refers to the stability attributer measured that is used to study the relationships between variables (Ghauri & Gronhaug, 2005). The Cronbach's alpha was used to test for the reliability of the study in which an average value of 0.849.

Fifteen questionnaires were administered to randomly selected respondents and then analyzed using SPSS 20 software for determining reliability. The respondents who play a part in the initial study were not incorporated in the final study to evade response bias.

**Table 3.2: Reliability Statistics** 

Variables	Cronbach's Alpha	Number of Items
Working Environment	.893	4
Employee Training	.846	5
Employee Recognition	.842	5
Organization Policy	.847	4
Employee's Productivity	.865	4
Overall	0.849	22

Source: Results of SPSS

## 3.7. Ethical Considerations

This study adhered to suitable research techniques and all sources of material were acknowledged as far as possible. Every person who involved in the study was entitled to the right of privacy and dignity of treatment, and no personal harm was caused to subjects in the research. The information obtained was held in strict confidentiality by the researcher. All assistance, collaboration of others and sources from which information was drawn is acknowledged.

#### **CHAPTER FOUR**

#### DATA ANALYSIS AND INTERPRETATION

This chapter present the data gathered by the researcher. The data presented here are those collected from the primary and secondary sources of data through the questionnaire prepared and administration by the researcher. The objectives of this study aimed to assess the non-financial motivation on employee's productivity at Defense Construction Enterprise centered on its head quarter.

#### 4.1. The Response Rate

A successful returned questionnaire are 142 which is 71% out of 200 distributed questioners and this is accepted according to Babbie (2004) stressed that if the return rate of 50% are adequate to analyze, 60% is good and 70% is very good respectively. The response results are presented in Table 4.1.

**Table 4.1: Response Rate** 

Respondents	Response	Response (%)
Successful	142	71%
Unsuccessful	58	29%
Total	200	100

Source: Researcher (2020)

#### 4.2. Demographic Characteristics of the Respondents

Demographic characteristics including gender, age, educational background, current position, service year and response towards all variables are summarized using frequencies and percentages.

## 4.2.1. Gender of the Respondents

The table below presents data on sex of respondents. According to the data, 62% of the respondents were male and the rest of 38% were female out of the respond questionnaires. The response results are presented in Table 4.2.

**Table 4.2: Gender of Respondents** 

Gender	Frequency	Percent	Valid Percent
Male	88	62	62%
Female	54	38	38%
Total	142	100	100

Source: Field Survey, 2020

## 4.2.2. Age of the Respondents

The researcher set to find out the age of the respondents as presented in Figure 4.3. 25% of the respondents were aged between 20 and 29 years whereas 46% of the respondents were between 30 and 39 years, 21% of the respondents were aged between 40 and 49 years and the rest 8% of the respondents were above 50 years. The results imply that most respondents were in medium aged.

**Table 4.3: Age of Respondents** 

Age	Frequency	Percent	Valid Percent
20-29 years	36	25	25%
30-39 years	65	46	46%
40-49 years	30	21	21%
+ 50 years	11	8	8%
Total	142	100	100

Source: Field Survey, 2020

#### 4.2.3. Number of Service years

The researcher sought to find out the number of service years of the respondents in the enterprise. The findings were presented in Figure 4.4. Majority of the respondents (42%) had worked between 4 up to 6 years while 28% of the respondents had between period of 1 and 3 years' experience. The rest 21% of the respondent served from 7 and 10 years and the last 9% of the respondents were served more than 10 years. The results imply that most of the respondents were served between 4 up to 6 years in the enterprise.

**Table 4.4: Number of Service years of the Respondents** 

Service years	Frequency	Percent	Valid Percent
Valid 1-3 years	40	28	28%
4-6 years	60	42	42%
7-10 years	30	21	21%
+ 10 years	12	9	9%
Total	142	100	100.00

Source: Field Survey, 2020

#### 4.2.4. Educational Level of the Respondents

The researchers pursued to investigate utmost the respondent were attained degree level. The findings were presented in Figure 4.5. Majority of the respondents (83%) had attained a bachelor degree whereas 13% of the respondents had Masters Degree. The rest 5% of the respondents had attained diploma. The outcome implies that popular of the respondents had attained advanced levels of education.

**Table 4.5: Educational Level of Respondents** 

<b>Education Level</b>	Frequency	Percent	Valid Percent
Certificate	0	0	0
Diploma	5	4	4%
Bachelor Degree	118	83	83%
> Masters	19	13	13%
Total	142	100	100

Source: Field Survey, 2020

## 4.2.5. Current Position of the Respondents

The table below presents data on the position of the respondents. According to the data, majority of the respondents are; almost 66% were staffs, 30% are Case team leaders and the rest 4% were Team leaders out of the respond questionnaires. The response results are presented in Table 4.6.

**Table 4.6: Current position of the Respondents** 

Position	Frequency	Percent	Valid Percent
Department Managers	-	-	-
Team Leaders	5	4	4%
Case Team Leaders	43	30	30%
Staffs	94	66	66%
Total	142	100	100

Source: Field Survey, 2020

## 4.2.6. Departments of the Respondents

According to the enterprise's BPR structure, the department of the respondents was indicated in Table 4.7. The result shows that 60% of the respondents were found in the department of Support Core Processes and 26% were in Management Support Process. The rest 14% were from Main Core Process.

**Table 4.7: Department of the Respondents** 

Department	Frequency	Percent	Valid Percent
Main Core Process	19	14	14%
Support Core Process	86	60	60%
Management Support Service	37	26	26%
Total	142	100	100

Source: Field Survey, 2020

#### 4.3. Analysis and Interpretation of Collected Data

The following are the analysis and interpretation of the collected data. This phase transforms the data collected into credible evidence about non financial motivation on employees' productivity. It starts by organizing data for analysis (data preparation), then it describes the data and finally interprets the results by assessing the findings with the help of tables and percentage.

For the simplicity of explanation, the researcher use average frequencies of strongly agree and agree into one, on the other hand strongly disagree and disagree are sum up too.

Table 4.8: Frequency, Mean and Standard deviation for Measures of Working Environment

			F	requenc	e <b>y</b>			
No	Variables	5	4	3	2	1	M	S.D
1	I am happy with my current	57	65	13		7		
	working conditions.	(40%)	(46%)	(9%)	-	(5%)	4.16	0.95
2	My office is silent and having	13	83	20		26		
	adequate ventilation and light.	(9%)	(59%)	(14%)	-	(18%)	3.40	1.23
3	The enterprise has properly	14	39	62	20	7		
	organized the department rooms	(10%)	(28%)	(44%)	(14%)	(5%)	3.23	0.97
	with adequate office equipments.							
4	The enterprise's working system	20	52	13	57			
	is structured and assisted with	(14%)	(37%)	(9%)	(40%)	-	3.24	1.13
	information technology.							
	Overall perception of employed	es towar	ds the w	orking o	environi	nent	3.5	

Source: Filed Survey, 2020 1=Strongly Disagree, 2= Disagree, 3= Neutral, 4= Agree, 5=Strongly Agree

The result of descriptive statistics in the above (Table 4.8) shows that (60.75% in average) of respondents have positive feelings about the working environment of the enterprise. The overall mean for all dimensions under working environment shows that the mean value was 3.50, which shows that majority of respondents were satisfied with working environment of the enterprise.

On other hand, in average 20.5% of the respondent were disagreed and the rest 19% of the respondents were neutral to give their opinion for working environment of the enterprise. The result indicated that the enterprise's working environment was not satisfying all the respondents.

Table 4.9: Frequency, Mean and Standard deviation for Measures of Employee Training

			Frequency					
No	Variables	5	4	3	2	1	M	S.D
1	My enterprise has a training and	13	53	32	24	20		
	development program applicable	(9%)	(37%)	(23%)	(17%)	(14%)	3.10	1.21
	to all employees.							
2	I have attended skill acquisition	13	72	25	12	20		
	programs sponsored by the	(9%)	(51%)	(18%)	(9%)	(14%)	3.32	1.19
	enterprise.							
3	The training helps me to have a	27	52	37	13	13		
	better job satisfaction.	(19%)	(37%)	(26%)	(9%)	(9%)	3.47	1.17
4	The training helps me to get	21	71	18	6	26		
	promotion in the enterprise.	(15%)	(50%)	(13%)	(4%)	(18%)	3.38	1.31
5	I am happy with the organization	13	72	44	7	6		
	overall Training system.	(9%)	(51%)	(31%)	(5%)	(4%)	3.55	0.88
	Overall perception of employed	es towar	ds the e	mployee	trainin	g	3.36	

Source: Filed Survey, 2020 1=Strongly Disagree, 2= Disagree, 3= Neutral, 4= Agree, 5=Strongly Agree

From the value of above Table 4.9 around half of the respondents (57.4% in average) have positive feelings about the employee training of the enterprise. The total perception of employees' about the employee training was lie on the mean value of 3.36. From this we understand that majority of respondents are almost satisfied with employee training of the enterprise.

On average, 20.6% of the respondents were disagreed on the training program of the enterprise. But the rest 22.2% of the respondent were neutral to give their opinion about the employee training practice of the enterprise.

The result indicated that, the enterprise's employee training practiced were not satisfying the interest of the employees.

Table 4.10: Frequency, Mean and Standard deviation for Measures of Employee Recognition

			F	requen	ey			
No	Variables	5	4	3	2	1	M	S.D
1	My enterprise has culture to recognize	7	39	26	32	38		
	and give certificate for hard works.	(5%)	(28%)	(18%)	(22%)	(27%)	2.61	1.27
2	My supervisor recognizes and	7	84	25	26			
	appreciate what I have doing in DCE.	(5%)	(59%)	(18%)	(18%)	-	3.50	0.84
3	My immediate supervisor	9	7	6	49	71		
	communicates me in a friendly	(6%)	(5%)	(4%)	(35%)	(50%)	1.83	1.13
	manner.							
4	My immediate supervisor shows	9	18	48	48	19		
	me direction ahead of time with	(6%)	(13%)	(34%)	(34%)	(13%)	2.64	1.06
	respect to my opinion.							
5	I have equal chances of getting	14	17	34	52	25		
	promotion with other colleagues	(10%)	(12%)	(24%)	(37%)	(17%)	2.59	1.19
	with similar qualification							
	Overall perception of employees	towards	s the em	ployee r	ecogniti	on	2.63	

Source: Filed Survey, 2020 1=Strongly Disagree, 2= Disagree, 3= Neutral, 4= Agree, 5=Strongly Agree

In the above (Table 4.10) majority of respondents (51% in average) have negative feeling about employee recognition practiced and the total mean was 2.63 which shows that majority of respondents were dissatisfied with the recognition of the enterprise.

On the other hand, 30% (in average) of the respondents were agreed that recognition was practiced and the rest 19% of the respondents have neutral opinion towards the employee recognition.

According to the data, the enterprise was not acknowledging the effort of employees. This result, the enterprise recognition practiced was weak and the employee's motivational level will be low.

Table 4.11: Frequency, Mean and Standard deviation for Measures of Organization Policy

			F	requen	ey			
No	Variables	5	4	3	2	1	M	S.D
1	The enterprise policy regarding	50	5	56	19	12		
	employees motivations are good.	(35%)	(4%)	(39%)	(13%)	(9%)	2.56	1.31
2	The enterprise views its employee	30	5	43	54	10		
	as an asset.	(21%)	(4%)	(30%)	(38%)	(7%)	3.06	1.24
3	There is a system of rewarding a	12	13	34	63	10		
	worker who has best performance	(9%)	(9%)	(24%)	(44%)	(14%)	2.53	1.10
	in the year.							
4	The Performance evaluation	29	26	10	31	46		
	criteria used are fair and can	(20%)	(18%	(7%)	(22%)	(33%)	2.72	1.56
	evaluate the jobs correctly.		)					
	Overall perception of employees	towards	the org	ganizatio	n policy	7	2.71	

Source: Filed Survey, 2020 1=Strongly Disagree, 2= Disagree, 3= Neutral, 4= Agree, 5=Strongly Agree

As it can be seen from **Table 4.11** in average 45% of the respondents disagreed that the organization policy is not attractive and the total mean was 2.71 which shows that majority of respondents were dissatisfied with the organization policy of the enterprise.

Whereas, in average 30% of the respondent believes that the organization policy was attractive and the rest 25% of the respondents have neutral opinion towards the existing organizational policy.

According to the data, the enterprise's organizational policy was not attractive for its employees. As the respondent replied that the enterprise's performance evaluation criteria was not attractive. And also the enterprise has no culture to rewards hard workers in defined periods. Therefore, this and others factors may de-motivate employees and the enterprise will loss many opportunities.

Table 4.12: Frequency, Mean and Standard deviation for Measures of Employee Productivity

			F	requenc	: <b>y</b>			
No	Variables	5	4	3	2	1	M	S.D
1	The enterprise's working environment	13	83	20		26		
	encouraged me to accomplish my	(9%)	(59%)	(14%)	-	(18%)	3.40	1.23
	duties on time.							
2	The enterprise's training program	14	39	62	20	7		
	helped me to do my job in a better	(10%)	(27%)	(44%)	(14%)	(5%)	3.23	0.97
	way.							
3	The enterprise's recognition system	20	30	13	65	14		
	makes me committed to contribute	(14%)	(21%)	(9%)	(46%)	(10%)	2.83	1.26
	my effort on the organization							
	objective.							
4	The enterprise's policy helped me	13	38	32	30	29		
	to have loyal and energetic to do	(9%)	(27%)	(23%)	(21%)	(20%)	2.83	1.28
	more.							
	Overall perception of employees t	towards	the emp	loyee pi	oductiv	ity	3.07	

Source: Filed Survey, 2020 1=Strongly Disagree, 2= Disagree, 3= Neutral, 4= Agree, 5=Strongly Agree

The above **Table 4.12:** shows that 34% (in average) of respondents believed that the basis of motivational level is not clearly defined and established. Whereas, 41% of the existing respondents agreed that the enterprise has clearly and defined motivational level that encouraged employees to be productive for enterprise.

However, the rest 25% of the respondents reply that neutral opinion towards the given questions about employee productivity.

The total perception of employees' about the employee productivity was lie on the mean value of  $3.07 \approx 3$ . From this, we understand that majority of respondents are neither satisfied nor dissatisfied or keep neutral about employee's productivity.

### 4.4. Analysis of interview question for Top and Middle mangers

The replay obtained through eight interview questions provided in depth consideration of theories. The interview was conducted with five top and eight middle level managers of the Enterprise. Accordingly their respond, non financial motivation was practiced to increase the employee productivity and the interviewee opinion presented as summarized below:

#### 4.4.1. Mention some of the factors that enterprise exercise non financial motivations?

The interviewees stated that the enterprise exercised different non financial motivation factors to increase the level of employee productivity. Because Construction Company is labor intensive to accomplish projects within specified time and budget. As the interviewee replied that the main motivation factors were: attractive working environment, providing continues training programs, giving recognition and promotion for hard workers, practicing a better organizational policy and leadership style and others.

#### 4.4.2. If you are to rank the factors, which one will come first, second, and next?

Most of the interviewees agreed that the enterprise was ranked the factors that help to motivate their employee like, working environment is the more significant factor and then training and development, recognition and promotion, leadership style and other factors can be mentioned respectively.

# 4.4.3. Do you think that, you recognized the effort of employee on their work performance?

As the interviewees replied that the recognition practiced was weak but the management belied that recognition has power for employee to be more productive. As a strategy, the enterprise will use all of motivational factors that bind employees' motivation to the enterprise productivity.

#### 4.4.4. Are you offered trainings and workshops so as to improve the employee's skill?

The interviewees explained that the enterprise was offered training and workshops so as to improve the employee's skill in different time. Such kind of training helps to improve the employee skills, attitudes and motivational power to have quality job and satisfaction.

#### 4.4.5. How would you rate your relationship with your head and colleagues?

For this question, the interviewees were agreed that they have smooth and better relationship with head levels and colleagues. For this matter, the enterprise's working culture, the employee's personality and other factors were significant to have a better relationship.

#### 4.4.6. Does motivation has effect on employee to be productive?

Almost all of the interviewees replied that motivation has effect on employee to be productive. According to the interviewees, motivated employees are capitals to the enterprise and helps to the enterprise as energy to plan and accomplish its goal within expected time and budget.

#### 4.4.7. Does motivation has effect on employee to be productive?

Most of the interviewees agreed that motivation has effect on employee productivity. A motivated employee can change the enterprise image and have significant work for the enterprise.

# 4.4.8. In your opinion, what are the management challenges to implement non financial motivation in DCE?

The interviewees replied that the management challenges were many in nature. But most of the interviewees were mentioned that different employees have different beliefs, attitudes, values, backgrounds and thinking. Thus, for a manager it is challenge to understand which factors may give motivation and others can motivate less.

#### 4.5. Pearson's Correlation Analysis

The researcher performed a correlation analysis of the variables in the study. The findings were presented in Table 4.13. Bivariate correlation specifies the association amongst two variables. It ranges from 1 to -1 where 1 shows a strong positive correlation and a -1 indicates a strong negative correlation and a zero indicates lack of relationship between the two variables. The closer the correlation tends to zero the weaker it becomes. The association between employee productivity and all the independent variables; working environment, employee training, employee recognition and organization policy was strong and positive (0.626, 0.569, 0.547 and 0.436 respectively).

All the independent variables were statistically significant with a significance level of 0.000 each. The findings imply that all the independent variables; working environment, employee training, employee recognition and organization policy were important determinants of employee performance.

The outcomes are in agreement with those of Tahir (2014) who conducted a study on the impact of training and development on employees' performance and productivity in United Bank Limited, Peshawar City.

The Pearson correlation results showed that there was significant relationship between the independent variables; working environment, employee training, employee recognition and organization policy with employee productivity in the study. They also agree with those of Ali, R., et.al (2008) carried out a research on the impact of reward (payment, promotion, work conditions and personal recognition programs on employee motivation and satisfaction and found a positive relationship between promotion and work satisfaction as well as motivation.

**Table 4.13: Pearson's Correlation** 

		Employee	Working	Employee	Employee	Organizati
Variables		Productivity	Env't	Training	Recognition	on Policy
Employee	Pearson					
Productivity	Correlation	1				
	Sig. (2-tailed)					
Working	Pearson					
Env't	Correlation	0.626**	1			
	Sig. (2-tailed)	0.000				
Employee	Pearson					
Training	Correlation	0.569**	0.691**	1		
	Sig. (2-tailed)	0.000	0.000			
Employee	Pearson					
Recognition	Correlation	0.547**	0.454**	0.494**	1	
	Sig. (2-tailed)	0.000	0.000	0.000		
Organization	Pearson					
Policy	Correlation	0.436**	0.276**	0.132**	0.182**	1
·	Sig. (2-tailed)	0.000	0.001	0.003	0.001	

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

From the result of Table 4.12: Pearson Correlation contains the variables of working environment, employee training and employee recognition have a strong positive relationship with employees' productivity but organization policy has moderate positive relationship with employees' productivity.

## 4.6. Regression Analysis

Table 4.14: below displays the fitness of the regression model in clarifying the variables under study. The results indicate that the independent variables; working environment, employee training, employee recognition and organization policy were satisfactorily explaining employee productivity. This conclusion is supported by the R square of 0.723. This implies that the independent variables can explain 72.3% of the independent variable for employee productivity.

**Table 4.14: Regression Analysis** 

Model	Coefficient
Multiple R	0.844
R Square	0.723
Adjusted R square	0711
Standard Error	0.35406

Source: Field Survey, 2020

## 4.7. Analysis of Variance (ANOVA)

ANOVA statistics presented on Table 4.15 specify that the overall model was statistically significant. This was sustained by a probability (p) value of 0.000. The reported p value was less than the conventional probability of 0.05 which is a significance level. These outcomes indicate that the independent variables; working environment, employee training, employee recognition and organization policy are good determinants of employee behaviors for the enterprise's productivity.

The outcomes are constant with those of Ali, R.,et al. (2008) carried out a research on the impact of non-monetary motivation (reward and recognition) programs on employee motivation and satisfaction that indicates a statistically has significant relationship between rewards and work satisfaction as well as motivation.

**Table 4.15: Analysis of Variance** 

Model	Some of Squares	Df	Mean Square	f	Sig.
Regression	32.249	5	8.071	59.184	0.000
Residual	11.452	84	0.147		
Total	43.701	89			

Source: Field Survey, 2020

Regression of coefficients results were presented in Table 4.16. The outcomes show that there is a positive association between employee productivity and working environment, employee training, employee recognition and organization policy whose beta coefficients is 0.296, 0.086, 0.312 and 0.327 respectively. Working environment, employee recognition and organization policy were also statistically significant with levels of 0.012, 0.000 and 0.000 respectively. However, employee training did not show a statistically significant relationship with employee productivity as it had a significance level of 0.213. The results indicated that working environment, employee recognition and organization policy were important determinants of employee productivity.

**Table 4.16: Regression of Coefficients** 

Variable	В	Std. Error	T	Sig.
(Constant)	0.059	0.325	0.165	0.889
Working environment	0.296	0.094	3.463	0.012
Employee training	0.086	0.069	1.298	0.213
Employee Recognition	0.312	0.091	3.775	0.000
Organization policy	0.327	0.082	4.482	0.000

Source: Field Survey, 2020

The results indicate that a rise of working environment by one unit leads to an increase in employee productivity by 0.296 units; an increase in employee training by one unit leads to an increase in employee productivity by 0.086 units; an increase in employee recognition by one unit leads to increase in employee productivity by 0.312 units; an increase in organization policy by one unit leads to an increase in employee productivity by 0.327 units.

The findings are consistent with those of Ahmad, Z.K. and Bakar, R.A. (2003) who studied the connection between training and organizational obligation among the white-collar workers in Malaysia and found a positive correlation between environment, training, recognition and other factors. Further, the findings agree with Manzoor (2011) who studied the effect of teamwork on employee performance about the staff members of Higher Education Department of Khyber Pakhtoon Khawa (KPK), Peshawar Province of Pakistan and the findings indicated clear evidence that joint effort and other measures of employee performance are positively linked with employee performance. The regression equation was as follows;

In particular, the following regression model was used;

$$Y = \alpha + \beta 1X1 + \beta 2X2 + \beta 3X3 + \beta 4X4 + \mu$$

Employee Productivity = Work Environment + EmpTraining + EmpRecog + OrganPolicy

Employee Productivity = 0.059 + 0.296 + 0.086 + 0.312 + 0.327

#### **CHAPTER FIVE**

#### FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

In this last section, the research presents summary, conclusions and recommendations based on the study of the non financial motivation on employee productivity: the case of Defense Construction Enterprise.

## **5.1.** Summary of Findings

The researcher has tried to present the major findings that the study disclosed from questionnaires and interview responses. The major findings were as followed:

#### 5.1.1. Working Environment

Working environment plays an important role towards the employee's productivity. As regards of the study, majority of the respondents (60.75% in average) were agreed that working environment was motivated within the enterprise. The hypothesis test also indicated that working environment has 0.296 beta coefficient and positive significant effect to employee's productivity.

#### 5.1.2. Employee's Training

Employee training is utilized to improve the efficiency and productivity of the employees. As the study indicated that, 57.4% of the respondents were agreed that they have positive feeling about the employee training system of the enterprise. The hypothesis test also indicated that 0.086 beta coefficient but didn't show statistical significant relationship with employee's productivity.

#### **5.1.3.** Employee Recognition

Employee recognition is the acknowledgement of an individual or team's behavior, effort and accomplishments that support the organization's goals and value. The study showed that on average 51% of the respondents have negative feelings of the enterprise's recognition practiced. But the hypothesis test indicated that 0.312 beta coefficient and 0.000 statistically significant relationships with employee's productivity.

#### **5.1.4.** Organizational policy

Organization policy is a general statement of how organization went to behave and procedure that define exactly how to do a task or perform step by step for employees. As the study indicated that, 45% of the respondents were disagreed and they have negative feeling about the organizational policy of the enterprise. The hypothesis test indicated that 0.327 beta coefficient and significant relationship with employee's productivity.

#### **5.2.** Conclusions

The conclusions are presented below based on the major findings of the study that aimed to answer and test the proposed questionnaires;

- Regarding of the working environment, DCE has not provided a comfortable working system for its employee. The results also indicated that working condition has effects on employee productivity.
- As the result of the study, majority of the respondents were agreed that the enterprise's training practiced was good but the training system of the enterprise was need attention to raise the motivational level of employees.
- Most of the respondents replied that, the enterprise's recognition practiced was poor and the employee's productivity was affected by lack of acknowledging their effort from their supervisors.
- From the result of the study, the enterprise's organizational policy was not motivated its employee. As the respondent's replied that, the enterprise's performance evaluation system was not evaluating jobs correctly and rewarding was not practiced.

#### 5.3. Recommendation

Depending on the findings of the research, the following recommendations are forwarded to enable DCE to have motivated employee;

- The enterprise should design comfortable working environments by providing neat
  working area, adequate office equipments, having good ventilation and light rooms.
   And also the enterprise should have implement more easily and understandable
  information technology to facilitate the working system.
- The enterprise should practice acknowledge the effort of hard workers. It is clearly that anyone who recognize and appreciate its job, the employee perception will increase and perform his/ her job by motivated energy.
- The enterprise's performance evaluation criteria are not able to evaluate the employees' working performance because of unrelated measurements are included. Therefore, DCE should have implemented the evaluation criteria that related to jobs.
- DCE should have attractive employee's handling system by giving reward and promotion as per the ability of contributing effort to the organizational goal.
- Finally, the enterprise should design policies and strategies to improve and maintain the employee's motivation.

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## St Mary's University

#### **School of Graduate Studies**

#### (Questionnaire for Defense Construction Enterprise staffs)

#### Dear respondents,

My name is Ahmed Endris, I am a Masters student of Business Administration in St. Mary's University. This questionnaire is part of my research project as a requirement of in partial fulfillment for Master of Business Administration (MBA) program.

The objective of the research is to assess non financial motivation on employee productivity at Defense Construction Enterprise and recommend possible solutions to the Enterprise. Thus, to arrive at appropriate conclusions, I would like to have your true opinion regarding the subject matter and fill the questionnaire as honest as possible so as to strengthen the paper output. I assure you that the data will not be used for the purpose of other than academic purpose.

Thank you in advance for your cooperation and scarifying your precious time.

Ahmed Endris

Tele. 0912-072163/0914-323278

#### Part I: Please indicate your personal information.

Please, tick ☑ your answer in appropriate box you are agreed on. If you would like to explain your response or make comments, please use the back side.

1.	What is your gender?	
	A. Male	B. Female
2.	What is the range of your age?	
	A. Between 20-29 years	C. Between 40-49 years
	B. Between 30-39 years	D. Above 50 years
3.	How many years have you worked	n DCE?
	A. 1-3 years	C. 7-10 years
	B. 4-6 years	D. Above 10 years

	4. What is your educational Level?									
	A. Certificat	te	C. Bachel	or Degree						
	B. Diploma		D. Master	rs	E.	Ph	.D	and		
	Others									
	5. What is you	r current positor	n in DCE?							
	A. Departme	ent Manager [	C. Case T	eam Leaders						
	B. Team Le	aders	D. Staffs							
	6. As per the BPR studied on the enterprise's structure, to which department you are									
	belong?									
	A. Main Con	re Process	B. Support Core l	Process C. M	gt Suj	pport	Serv	rice [		
P	Part Two: <u>Empl</u>	oyee Opinion Ir	<u>vestigation</u>							
The	table below sho	ows major non-f	inancial motivation	n factors. Please kir	ndly t	ick 5	<b>7</b> y	our		
		-	using the following		•					
5		4	3	2	1					
Str	ongly Agree	Agree	Neutral	Disagree	Str	Strongly Disagree				
A. Working Environment										
Δ '										
					5	4	3	2	1	
Sta	tements		ng conditions		5	4	3	2	1	
Sta	tements I am happy with	my current worki		l light	5	4	3	2	1	
<b>Sta</b> 1  2	tements I am happy with My office is siler	my current worki	quate ventilation and	_	5	4	3	2	1	
Sta	I am happy with My office is siler The enterprise ha	my current workint and having adea	quate ventilation and	l light.	5	4	3	2	1	
<b>Sta</b> 1  2	I am happy with  My office is siler  The enterprise ha office equipment	my current workint and having adecas properly organics.	quate ventilation and	rooms with adequate	5	4	3	2	1	
1 2 3	I am happy with  My office is siler  The enterprise ha office equipment	my current workint and having adected as properly organics.	quate ventilation and	_	5	4	3	2	1	
1 2 3 4	I am happy with My office is siler The enterprise had office equipment The enterprise's information technic	my current workint and having adected as properly organics.  s working systemology.	quate ventilation and	rooms with adequate	5	4	3	2	1	
Sta  1  2  3  4	I am happy with My office is siler The enterprise had office equipment The enterprise's information technology	my current workint and having adected as properly organics.  s working systemology.	quate ventilation and	rooms with adequate						
Sta  1  2  3  4	I am happy with My office is siler The enterprise had office equipment The enterprise's information technology Employee Trains tements	my current workint and having adected as properly organics.  s working systemology.  ing	quate ventilation and ized the department is structured	rooms with adequate	5	4	3	2	1	
Sta  1  2  3  4	I am happy with My office is siler The enterprise has office equipment The enterprise's information technology Employee Trainstements My enterprise has	my current workint and having adected as properly organics.  s working systemology.  ing	quate ventilation and ized the department is structured	rooms with adequate						
3 4 B. I Sta	I am happy with My office is siler The enterprise had office equipment The enterprise's information technology Employee Train tements My enterprise had employees.	my current working adectors as properly organics.  s working systemology.  ing  as a training and	quate ventilation and ized the department is structured development programment programment.	am applicable to all						
3 4 B. I Sta 1	I am happy with My office is siler The enterprise had office equipment The enterprise's information technology Employee Train tements My enterprise had employees. I have attended s	my current working adectors as properly organics.  s working systemology.  ing  as a training and kill acquisition pr	quate ventilation and ized the department is structured development programs sponsored by	am applicable to all						
3 4 B. I 2 3	I am happy with My office is siler The enterprise has office equipment The enterprise's information technology Employee Trainstements My enterprise has employees. I have attended so The training help	my current working adectors as properly organics.  s working systemology.  ing  as a training and kill acquisition proper to have a be	quate ventilation and ized the department is structured development programs sponsored better job satisfaction.	and assisted with am applicable to all y the enterprise.						
3 4 B. I Sta 1	I am happy with My office is siler The enterprise has office equipment The enterprise's information technology Employee Trainstements My enterprise has employees. I have attended s The training help	my current working and as properly organics.  s working systemology.  ing  as a training and kill acquisition proper to have a become to get prome	quate ventilation and ized the department is structured development programs sponsored by	and assisted with am applicable to all y the enterprise.						

## C. Employee Recognition

Sta	Statements		4	3	2	1
1	My enterprise has culture to recognize and give certificate for hard works.					
2	My supervisor recognizes and appreciate what I have doing in DCE.					
3	My immediate supervisor communicates me in a friendly manner.					
4	My immediate supervisor shows me direction ahead of time with respect to my opinion.					
5	I have equal chances of getting promotion with other colleagues with similar qualification					

## **D.** Organization Policy

Sta	Statements		4	3	2	1
1	The enterprise policy regarding employees motivations are good.					
2	The enterprise views its employee as an asset.					
3	There is a system of rewarding a worker who has best performance					
	in the year.					
4	The Performance evaluation criteria used are fair and can evaluate					
	the jobs correctly.					

## E. Employee Productivity

Sta	Statements		4	3	2	1
1	The enterprise's working environment encouraged me to accomplish my					
	duties on time.					
2	The enterprise's training program helped me to do my job in a better way.					
3	The enterprise's recognition system makes me committed to					
	contribute my effort on the organization objective.					
4	The enterprise's policy helped me to have loyal and energetic to do					
	more.					

Thank you for your cooperation

#### Appendix 2

## **Interview Questions for Top and Middle Management**

- 1. Mention some of the factors that the enterprise exercise non financial motivations?
- 2. If you are to rank the factors, which one will come first, second, third et cetera?
- 3. Do you think that, you recognize the effort of employee on their work performance?
- 4. Are you offered trainings and workshops so as to improve the employees' skills?
- 5. How would you rate your relationship with your head and colleagues?
- 6. Does motivation has effect on employee to be productive?
- 7. In your opinion, what changes can be made to improve the motivational level in the enterprise for better productivity?
- 8. Finally, in your opinion, what are the management challenges to implement non financial motivation in DCE?