

# ST. MARY'S UNIVERSITY SCHOOL OF GRADUATE STUDIES

# The Effect of Employee Motivation on Job Performance: The Case of St. George Brewery factory

By: Bruk G/Egziabher

ADDIS ABABA, ETHIOPIA July, 2020

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# In Partial Fulfillment of the Requirement for the Award of Masters of Business Administration (MBA)

By: Bruk G/Egziabher

Advisor: EphremAssefa (Ph.D)

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By:

Bruk G/Egziabher

**Masters of Business Administration (MBA** 

Dean, Graduate studies	Signature	
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# DECLARATION

I, declare that the project entitled "The Effect of Employee Motivation on Job Performance: The Case of St. George Brewery factory" is my original work and has not been presented for a degree in any other university and that all sources of material used for the project have been duly acknowledged

# **Declared by**

# Bruk G/EgziabherJuly, 2020

Student

signature

date

Confirmation by Advisor

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# CERTIFICATION

This is to certify that Bruk G/Egziabher has completed her project work entitled "The Effect of Employee Motivation on Job Performance: The Case of St. George Brewery factory". As I have evaluated, her project is appropriate to be submitted as a partial fulfillment requirement for the Award of Degree in Masters of Business Administration (MBA).

Advisor:

EphremAssefa (Ph.D) Signature and Date

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#### Abstract

Work place motivation plays a key role for company productivity and quality. The researcher observed that the lack of employee's motivation brings high cost. The aim of this study was to investigate whether there is any relationship between employee motivation and job performance. The survey was carried out at the head of St. George Brewery factory, Addis Ababa office. To this end, an explanatory design was used to test the cause and effect relationship between employee motivation and job performance. Questionnaire was used to gather pertinent data for the study. Descriptive statistics such as percentages, frequency are used to measure the percentage of returned questionnaire and also used to describe respondents profile such as their gender, year of experience in the organization and their perception on motivation. The Pearson correlation was used to measure relationship between motivation such as recognition, financial factor, job security & work condition and job performance. Moreover, measure the significant of multiple regression analysis was used to test the effect of motivation on job performance. When selecting sample of the study, random sampling method was used so that all member of the population has equal chance of being included in the sample. The results of the study indicate that motivational factors of recognition and financial factor have positive effect on job performance. The study recommends that the brewery factory management should put its focus up on motivation factor of recognition and financial factor to increase the level of employee's job performance.

#### Keywords: Employee motivation, job performance, effect

#### **CHAPTER ONE**

# INTRODUCTION 1.1BACKGROUND OF THE STUDY

Motivation is the process of inspiration of people to perform to be more productive. Employee motivation is the process through which a manager uses financial and non-financial mechanisms to encourage his/her employees be productive and effective. Chaudhary and Sharema (2012) think that motivated employees are more productive than non-motivated employees. Kovach (1987) suggests that if a company knows why its employees come to work on time, stay with the company for their full working life and are productive, then the company may be able to ensure that all of its employees behave in that way. Such a company would have a decision workplace advantage over competitors suffering from absenteeism, costly re-training programs, and production slowdowns (lbid: 58). Moreover, Wiley (1997) also suggests to ensure the success, of a company, a firm must understand what motivation its employees, and such understanding is essential to improve productivity.

There are two type of motivation namely intrinsic and extrinsic motivation. Intrinsic motivation is that behavior which an individual produces because of the pleasant experiences associated with the behavior itself (Mosley,Pietri and Mosley Jnr, 2012). This motivations stem from the characteristic of the job itself. For example, intrinsic motivation includes receiving positive recognitions, appreciation, sense of achievement and facing challenge. According to Beer and Walton (2012), intrinsic rewards accrue from performing the task itself, and may include the satisfaction of accomplishment or a sense of influence. On the other hand Mosley, Pietri and Mosley Jnr, (2012) define extrinsic motivation as the behavior performed, not for its own sake, but for the consequences associated with it. Examples include salary, benefits and working condition.

Extrinsic rewards come from the organization as money, perquisites or promotion from supervisors and co-works as recognition (Beer and Walton, 2014). Employees are motivated by a combination of both factors at any given point in time (Riggio, 2013).

Job performance refers to how well someone performs his/her. Kreisman 2002 defined it as" all the behavior employees engage in while at work". Oluseyi and Ayo (2009) argued that job performance is related to the willingness and openness to try and achieve new aspects of the job which in turn will bring about an increase in the individual's productivity.

An employee's performance typically is influenced by ability and motivation. Ability deficiencies can be addressed by providing training, motivation problems are not as easily addressed because it's intangible in nature. Motivation is important because of its significance as determinant of performance. The organization needs highly motivated employees to achieve its objective. This study will conduct motivation factors such recognition, job security, good work condition, and financial factors to raise the moral of the worker for high employee's performance. Motivation employees can help to increased productivity and allow an organization to achieve higher level of outputs.

#### **1.2 BACKGROUND OF THE ORGANIZTION**

St. George Brewery factory was established in 1922 by a Belgium, Nationalist MussieDawit Hale. The Brewery was set up with modest premises to produce the country's first bottled beer. The St. George Brewery factory is situated near the Mexico square, Addis Ababa and occupies an area of 20,000 square meters of land. The brewery stands right on the same sit it was 80 years ago, but steadily, St. George Brewery continued to grow and was nationalized. (http://www.addismap.com/bgi-ethiopia).

St. George Brewery factory is owned by BGI, an internationally acclaimed Brewing company that operates in many countries. BGI has three brewery factories around the country including Addis Ababa, Kombolcha, Hawassa and Zewayo. Most of all the workers showed great commitment and dedication to keep the brewery and its product popular, the total number of BGI Company employees are 2,717 from this number St George Beer Company employees are above

751. The company are supporting and promoting other social activities. Today, St, George is the oldest beer in Ethiopia and is certainly also the youngest with fresh dynamism (http://www.addismap.com/bgi-ethiopia).

#### **1.3 STETEMENT OF THE PROBLEM**

Motivation is the most powerful instrument that bring employees to work and properly carryout their job therefore, the management's role in stimulating motivation through developing conductive work environment, investing on employees to develop their capacity and build trusting relationship with rewarding work experience. Manager's job to motivate employees to do their job well by giving reward and treated them equally which is equal pay and recognition for the same job. There are the effective way how to manager organization, develop and stimulate their employees to let organization perform well (Patterson, M.G etal, 1998).

OluwayomiAyoadeEkundayo (2018) assessed that the effect of motivation on employee performance in selected insurance companies in Nigeria. The study has three main objectives: to evaluate the effects of motivation on employee performance in some selected insurance companies, to assess motivational factors that can influence employee performance, and to recommend possible policies and innovations for better performance of the employees and increased profitability. Structured Questionnaire was used as the instrument for the research work. This instrument was tested for reliability and validity of its content. The results of the tests were certified by experts. The study used stratified random sampling and simple random sampling techniques in selecting the respondents. A sample of 100 respondents which included management, senior and junior staff members, of the selected insurance company was used for the primary data. Simple percentages, distribution tables and pie chart statistical tools were used to analyses the primary data while Chi-Square (X2) was applied to test the only hypothesis formulated for the study at 0.05 levels of significance. The findings revealed that motivation was the major factor that affected employee performance. Furthermore, the study showed a direct strong and positive relationship between motivation of employees and their performance.

Another study by Elizabeth Wairimu (2017) assessed the effect of motivation on employee performance in the case of Pam Golding Properties Ltd inn Nairobi, Kenya. The study showed

that management allowed employees to participate in the setting of their goals although they didn't have difficult and challenging goals to meet. The study also showed that employees understood the importance of their goals and had specific, clear and realistic goals to achieve. The study also showed that employees were satisfied with the challenges provided by their job and that they received feedback regularly related to their goals.

Md. NurunNabil(2017) has assessed that the effect of motivation on employee performance: a case study of Karmasangs than Bank Limited, BANGLADESH. The following study is a self-conducted research on how motivational tools affect the performance of employee for betterment. The study also focused on de-motivation factors affecting employee performance negatively. A sample of individuals was selected and was interviewed with a self-administrated questionnaire to obtain primary data. The data was analyzed using descriptive statistical analysis methods. The results obtained indicate that if employees are positively motivated, it improves both their effectiveness and efficiency drastically for achieving organizational goals.

SheopuriAnuj (2015) has conducted a study on the effect of motivation on employee's performance / productivity. Study shows that the employee motivation has direct effect on productivity and growth. A highly motivated employee invests the hard work and diligently fulfills the assigned duties and responsibilities. Improved job performances of the employee will add value to the organization itself and to the employee's productivity. Employee will trust the organization, thus organizations can live and grow.

FaridaKhanam (2014) has examined that the effect of employees motivation on employees performance the case study of. Main purpose of this study is to inquire that what kind of factors influence employ motivation in Pakistan and finding up to which extent motivation affects the employ performance. Data is collected from 160 teachers of Government and private schools by using self-administered questionnaire. Regression analysis is applied to find the effect of employee motivation on employee's performance involving four variables employee motivation, employee performance, intrinsic rewards and employee perceived training

effectiveness. The results of this study show that significant and positive relationship exists between employee motivation and employee performance.

ZulfiqarAli4 (2016) examined the effect of motivation on employee performance and job satisfaction in IT Park (software house) sector of Peshawar, Pakistan. The data for current research study has been collected from distract Peshawar, Pakistan using structural questionnaire. The results show that motivation plays an important role toward the performance of employees and job satisfaction in the IT Park (software house) sector of Peshawar, Pakistan

This study is conducted to assess the effect of employee motivation on job performance in the case of St. George Brewery factory, Addis Ababa branch. The nature of St. George Brewery factory is manufacturing company which has beverages, storage, transportation, marketing, purchasing distributing, and promotion. HR management has a significant effect on performance, so employees work in a certain way or behave in way that can lead to reach the organization goal. Employees are performing different jobs in an organization according to the nature of the organization, mostly employee perform tasks like production, storage, manufacturing, transportation, marketing, purchasing, distribution, promotion of business, finance and accounting, HR, research and public relation (Viswesvaren, 2000).

Well skilled, experienced and motivated employees are a valuable asset for any organization. Employee performance has great effect an organization progress and consistence. According to (https://mutesi.net/business/the evolution of Ethiopia beer industry), (2018) show that BGI is the largest brewer of the nation by raising its capacity to 4.6 million hectoliters. It gives a good opportunity to examine effect of motivation on employee's performance in the case of St. George Brewery factory.

In general, the above studies have focused on the effect of motivation factor on employee's performance: motivation as taken independent variables and also employee's performance as dependent variables, the finding reveal motivation has positive effect on employee's performance regard to two variables However; those studies have general sight on employee's motivation factors. As well as there is no sufficient study conducted the same topic with the

effect of motivation on employee performance at Brewery factory in Ethiopia especially St. George Brewery factory. Therefore, this study attempts fill the research gap by assessing the effect of employee motivation on job performance in the case of St. George Brewery factory which is located in Addis Ababa, Ethiopia

#### **1.4 OBJECTIVE OF THE STUDY**

#### **1.4.1 GENERAL OBJECTIVE**

The general objective of the study was to assess the effect of employee motivation on job performance in the case study of St. George Brewery factory in Ethiopia.

#### **1.4.2 SPECIFIC OBJECTIVE**

- To assess the level of employees motivation factors in St. George Brewery factory.
- To assess the level of employee job performance in St. George Brewery factory.
- To determine the effect of each employee motivation factors on job performance in St. George Brewery factory

#### **1.5 SIGNIFICANCE OF THE STUDY**

The research findings will be important for the management of St. George Brewery factory to realize their obligation and responsibility toward the good performance of the organization and help them to know what the employee perception on organizational benefits and reward. It also help the companies to understand the concept and theory of employees motivation and job performance so that they can improve their tradition way of doing organizational benefits and reward system. It can also be used as the source information for future studies which enhance the practical knowledge of the researcher on the subject area. It will have a piece of contribution to the current knowledge in the area of employee motivation and job performance for many Ethiopia industries particularly for brewery industry and fill the existing gap in the literature

#### **1.6 SCOPE OF THE STUDY**

Topic wise, this study is primarily focused on assessing the effect of on employee motivation on employee job performance. In particular questionnaires' used to gather data from employees and

managers of St. George Brewery factory. Area wise, this study was limited to St. George Brewery factory located in Addis Ababa. Methodologically, the study mainly uses questionnaire survey to gather pertinent data from respondents.

#### **1.7. DEFINITION OF OPERATIONAL TERMS**

The main theme of this research paper is investigating the effect of employees' motivation on employee's performance. Conceptually and operationally, the relevant terms of this study has been defined as follows:

- Employee's motivation: it is a psychological process that serves as an internal drive to satisfy an unsatisfied need. According to NurunNabi, (2017), along with perception, personality, attitude and learning, motivation is an important part of understanding behavior.
- **Job performance:** A continuous process for improving the performance of individuals by aligning actual performance with that desired organizational goal (Cole and Kelly, 2011).

## **1.8. ORGANIZATION OF THE STUDY**

The study organized into five chapters. The first chapter includes background of the study, statement of the problem, background of the organization, objective of the study, research question, and significance of the study, methodology, scope of the study and organization of the study. The second chapter reviews related literature written on the subject matter of the study both theoretical as well as empirical. The third chapter discusses research methodology including research design, research subjects, data collection instruments, sample size determination and sampling method, and methods of data analysis research methodology including research design, research design. The fourth chapter consists of the major presentation, analysis and interpretation of the data collected and presented in a more analytical manner. Finally, chapter five presents summary of research findings, conclusion and recommendations.

#### CHAPTER TWO

## LITERATURE REVIEW

#### **2.1 INTRODUCTION**

This chapter of the study addresses relevant conceptual issue, theoretical framework and empirical review related to topic of the study. It includes the definition and concept such as motivation, employee's performance and the relationship between motivation factors and employees performance by focusing researchers in this area and present reviewed literature relevant to this study

#### 2.2. Theoretical Review

#### 2.2.1. Motivation concept

The word motivation is derived from the Latin word "movere", which means, "to move" (Rajput, 2011). According to Higgins, (1994), motivation has been defined as: a psychological process that serves as an internal drive to satisfy an unsatisfied need. According to NurunNabi, (2017), along with perception, personality, attitude and learning, motivation is an important part of understanding behavior. Define motivation as, "a process that starts with a physiological deficiency or need that activates a behavior or drive that is aimed at a goal incentive", Stated that in a system sense, motivation consists of these three interacting and interdependent elements, i.e., needs, drives, and incentives. It is a firm belief of management researchers that, organizational goals are unattainable without enduring commitment of the members of the organization. Motivation is a human psychological characteristic that contributes to a person's degree of commitment. Motivation refers to the resolution of achieving a goal, marked by a goal directed behavior. When we refer to someone being motivated, we imply that the individual is trying hard to perpetrate a certain task. However, motivation alone can't suffice what we require to consummate that task with utmost efficiency. Ability - having the skill and knowledge to perform that task is also significant in this regard. Sometimes it becomes the determinant of effectiveness (Ruth, Gilad&Robert, 2008).

All organization is concerned with what should be done to achieve organizational goal high level of performance through people. Hamidi et al (2010) argue that, the issue of motivation in the workplace is a product of good leadership and management. This makes it inevitable for

organization that are looking forward to high level of motivation to adopt effective leadership and management enjoy overwhelming numbers (Jeffries &Hunte 2003)

#### 2.2.2 Theory of motivation

Theories of motivation stress different factors that contribute to job satisfaction. Both intrinsic and extrinsic motivated behavior reflects the various theories that can be adopted in an attempt to understand motivation behavior. Maslow (1946) and Herzberg (1968) are content theorists who stress on the satisfaction of needs. Maslow (1946) and Herzberg (1968) theory focuses on the question of what arouses, sustains and regulates goal directed behavior that is what particular things motivate people. There is the assumption that everyone responds in much the same way to motivating pressures and that there is, therefore one best way to motivate everybody and it focuses on the needs of an individual. Vroom (1969), Porter and Lawler (1968) who are process theorists emphasize on the process of motivation and importance of rewards. The process theory on the other hand changes the emphasis from needs as in content theory to the goals and processes by which workers are motivated. They attempt to explain and describe how people start, sustain and direct behavior aimed at the satisfaction of needs or the elimination or reduction of inner tension. It focuses on the rewards of the individual. Armstrong (2007) stated that Taylor's theory of motivation to work is related to rewards and penalties which are directly connected to performance.

#### 2.2.3 Content theories of motivation (Maslow's Hierarchy of need)

Motivation is a process whereby needs instigate behavior directed towards the goals that can satisfy those needs. A need is a requirement for survival and well-being and motivation of Person depends on the strength of their needs. Maslow (1946) suggested that human needs are arranged in a series of levels, a hierarchy of importance, the lower-level needs (psychological, safety and social) are at first predominant: people's behavior is directed towards satisfying these needs. Once the lower-level needs are met, people direct their behavior toward satisfying their need for self-esteem and self-actualization (the ultimate motivator). Physiological needs i.e. a person's needs for food, drink, shelter, sex and other physical requirements. Safety needs i.e. a person's needs for security and protection from physical and emotional harm, as well as assurance that physical needs will continue to be met. Social needs i.e. a person's needs for affection,

belongingness, acceptance, and friendship. Esteem needs i.e. a person's needs for internal esteem factors, such as self-respect, autonomy, and external esteem factors, such as status, recognition and attention. Self-actualization is a person's needs for growth, achieving one's potential, and self-fulfillment; the drive to become what one is capable of becoming. Wahba and Bridwell (1976) have found little evidence for the ranking of needs that Maslow described or for the existence of a definite hierarchy at all.

#### **2.2.4 McClelland's Three Motives**

McClelland et al. (1953) suggested that employees are driven by three motives: the needs for achievement, power, and affiliation. Primary among these is the need for achievement, which McClelland (1961) describes as "a desire to do well for the sake of inner feeling of personal accomplishment." McClelland was the pioneer in researching this area and showed that individuals with a high need for achievement had to have more achievement satisfaction. Second, McClelland (1961) saw power motivation as the crucial element in understanding and predicting managerial success, although this power needs have to be presented within an appropriate motivational context to get the desired result.

#### 2.2.5 Herzberg's motivation-hygiene theory

Herzberg's motivation-hygiene theory is also called the two-factor theory because of the dual nature of its approach to identifying the sources of job satisfaction, and eventually job motivation (Miner, 2007). From his research Herzberg created a list of factors that contribute to satisfaction at work, which he called motivation factors, as well as an entirely separate list of factors that contribute to dissatisfaction, which he called hygiene factors. In this theory, Herzberg et al. (1959) argued that a set of intrinsic factors motivate behavior, including responsibility, advancement, achievement, the work itself, and recognition. On the other hand, he argued that extrinsic factors de-motivate workers, including salaries, company policies, and relations with co-worker, and quality of supervision. Overall, the main thrust of his argument is that the factors that cause satisfaction are not the same things that cause dissatisfaction. For example, the terms of assessment and promotion, the perceived fairness of the decision making process is crucial for commitment and therefore managers should clearly communicate clearly how decisions are

made and why some people and not others did get promotions (Herzberg, 1987). Herzberg's extrinsic (hygiene) factors are similar to Maslow's physiological and safety needs and include factors such as supervision, working conditions, and salary. On the other hand, Herzberg's intrinsic factors are similar to Maslow's higher order needs and include factors such as recognition, achievement, and the work itself.

#### 2.2.6 Goal setting theory

The basic assumption of goal-setting is that goals are immediate regulators of human actions. This theory refers to effects of setting goals on subsequent performance. Individuals who set specific, difficult goals performed better than those who set easy and simple goals. Some of the important features of this theory are: The willingness to work for attainment of goals, Specific and clear goals, Specific and challenging goals, Better and appropriate feedback of the results etc.

#### 2.2.7 The reinforcement theory of motivation

The reinforcement theories by Skinner (1953) are actually the antithesis of cognitive theories in the sense that the theories do not relate with human thought process. According to Skinner (1953) reinforcement theory, our behavior can be explained by consequences in the environment, and therefore, it is not necessary to look for cognitive explanations. Instead, the theory relies heavily on a concept called the law of effect that states behaviors having pleasant or positive consequences are more likely to be repeated and behaviors having unpleasant or negative consequences are less likely to be repeated. Cole (2003) argue that, under strict reinforcement theory, an individual's own understandings, emotions, needs and expectations do not enter into motivation, which is purely about the consequences of behavior. However, modification of the theory (e.g. social learning theory) do allow for the effect of individuals" perceptions of the rewards/ punishments obtained by others as a contributor to motivation

#### 2.2.8 Equity theory

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. Based on the idea that, individuals are motivated by fairness and if the find/identify inequity in the input or output ratio of themselves and their referent groups then they will seek to adjust their input or output to reach their perceived equity. External equity arises when employee use

comparisons to others who have the same job but work in different organizations. Internal equity occurs when employees compare themselves to others who have different job but work in the same organization.

#### 2.2.9 Vroom's Expectancy Theory

This theory was developed in 1964 by a scholar Vroom. It is a cognitive process theory of motivation. The theory is founded on the basic notion that people will motivated to exert a high level of effort when they believe there are relationship between the effort they put forth, the performance they achieve, and the outcome/ rewards they receive. The key constructs in the Expectancy Theory of motivation:

- 1. Valence: according to Vroom, mean the value or strength one place on particular outcome or reward
- 2. Expectancy: it relates efforts to performance
- 3. Instrumentality: By instrumentality, Vroom means, the belief that performance is related to reward

### 2.3 Types of motivation

According to Armstrong (2009), there are two types of motivation: intrinsic and extrinsic motivation. Each of these motivation types will be briefly discussed as follows.

#### **2.3.1 Intrinsic motivation**

Intrinsic motivation can arise from the self-generated factors that influences people's behavior. It is not created by external incentive. It can take form of motivation by the work itself when individual feel that their work is important, interesting and challenging that provides them with reasonable degree of autonomy (freedom of act), opportunities to achieve and advance, scope to use and develop their skills and abilities. Deci and Ryan (1985) suggested cited by Armstrong (2009) that intrinsic motivation is based on the need to competent and self-determining. Intrinsic motivation can be enhanced by a job design (Ktz, 1964): 'the job itself must provide sufficient variety. Sufficient complexity, sufficient challenge and skill to engage the abilities of the worker' in their job characteristics model, according to Hackman and Oldham (1974), cited by Armstrong (2009) emphasized the importance of the core job dimensions as motivator, namely skill variety, task identity, task significance, autonomy and feedback.

#### 2.3.2 Extrinsic motivation

Extrinsic motivation occurs when thing are done to or for people to motivate them. These include reward, such as incentives, increased pay, praise or promotion and punishments, such as disciplinary action, withholding pay or criticism. Extrinsic motivators can have an immediate and powerful effect but will not necessarily last long. The intrinsic motivator which are concerned with the 'quality of working life' are likely to have a deeper and longer-term effect because they are inherent in individuals and their work that are not imposed from outside in such form as incentive pay (Armstrong, 2009).

#### 2.4. Employee performance

Performance is understood as achievement of the organization in relation with its set goal.it includes outcome achieved, or accomplished through the contribution of individuals or teams to the organizational goal. According to Aguinis (2009), performance is about behavior or what employees do, and not what employees produce or the outcomes of their work. Performance is an effort along with the ability to put efforts supported with the organizational policies in order to achieve certain objectives. Campbell (1990) also defines performance as behavior. It is something done by the employee. This concept differentiates performance from outcomes. Outcomes are the result of an individual's performance, but they are also the result of other influence.

Performance is the accomplishments of a given task measured against present known standards of accuracy, completeness, cost, and speed. According to Carlaw et al (2003) It may be tempting to believe that if you've hired the right people and trained them all to do their jobs; you don't have to spend a lot of time and energy measuring their performance. But the truth is that at best, hiring and training give your team a strong foundation. In order to build upon that foundation by continually improving performance and by helping agents to grow and learn, it's crucial for you to implement a well-designed measurement program. Measurement is simply a sampling of current performance. It is typically compared to a desired result to see if the objective is being met. Companies, departments, and people measure to see if they are accomplishing their mission. Without measurement we would have no idea whether we were doing the right things to achieve our mission.

#### **2.5The Effect of motivation on employee's performance**

The motivation theorists such as Maslow (1946), Herzberg (1968), Alderfer (1972) and McClelland (1988) have suggested specific things that managers can do to help their subordinates become self-actualized, because such employees are likely to work at their maximum creative potential when their needs are met. They agree that by promoting a healthy workforce, providing financial security, providing opportunities to socialize and recognizing employees "accomplishments help to satisfy the employees" physiological needs which in turn also increase their performance. These authors (Koch, 1990; Stuart, 1992) all stated that recognition of a job well done or full appreciation for work done is often among the top motivators of employee performance and involves feedback. Positive feedback follows the principles advocated in Reinforcement Theory, which states that behavior is contingent on reinforcement. Examples of positive reinforcement in this context may include workplace visits by top executives to high-performance employees, personal handwritten notes of thanks accompanying paychecks, and telephone calls by top executives to employees at home (Knippen and Green, 1990).

Herzberg's motivation-hygiene theory assess that intrinsic factors motivate behavior, including responsibility, advancement, achievement, the work condition, and recognition. On the other hand, he argued that extrinsic factors de-motivate workers, including salaries, company policies, and relations with co-worker, and quality of supervision. Overall, the main thrust of his argument is that the factors that cause satisfaction are not the same things that cause employees dissatisfaction.

Equity Theories assumption is that managers should strive to treat all employees equitably and This suggestion follows from research showing that people's assessments of fairness on the job go beyond merely used to determine outcomes.

Locke (1968), goal setting theory believes that you can achieve effective performance goals by assigning specific goals; difficult but acceptable performance goals; and providing feedback concerning goal attainment. He further indicated that giving praises, Management by Objectives (MBO), and job-design increases employees" performance. To motivate people to

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high-levels of performance, objectives should be difficult but achievable, observable and measurable, specific, with a target date, participative set when possible and accepted by employees. Employee who meet their objectives should be rewarded through recognition, praise, pay raises, promotions etc. Many organizations now link pay to meeting goals (Lussier, 2005).

#### **2.6. Empirical Review**

Studies have been conducted to explore the relationship between motivation and performance. OluwayomiAyoadeEkundayo (2018) investigated the relationship between motivation and the level of employee performance as applied to some selected insurance companies in Lagos. The study has three main objectives: to evaluate the effects of motivation on employee performance in some selected insurance companies, to assess motivational factors that can influence employee performance, and to recommend possible policies and innovations for better performance of the employees and increased profitability. Structured Questionnaire was used as the instrument for the research work. This instrument was tested for reliability and validity of its content. The results of the tests were certified by experts. The study used stratified random sampling and simple random sampling techniques in selecting the respondents. A sample of 100 respondents which included management, senior and junior staff members, of the selected insurance company was used for the primary data. Simple percentages, distribution tables and pie chart statistical tools were used to analyses the primary data while Chi-Square (X2) was applied to test the only hypothesis formulated for the study at 0.05 level of significance. Data collection that can show the relationship between of motivation and employees performance was analyzed by Likert's Scale (Mean Average Value (MAV) = Total value/Total response) and testing by The Chi-square (X2) formula (X2 =(Fo-Fe)/Fe. The rejection or acceptance of a null hypothesis is based on some level of significance as a criterion. The null hypothesis is rejected if X2 calculation is greater than X2 tab and accepted for H1. The degree of freedom at .05 level of significance is given by (R-1)(C-1) = (4-1)(4-1) - (3)(3) = 9. The calculated X2 = 102.401. The critical value at 0.05 level of significance and 9 degrees of freedom is 16.919. Since the X2 calculated is 102.401 and the critical or table value at the 0.05 significance level and 9 degrees of freedom is 16.919, the null hypothesis is rejected, and the alternate hypothesis is accepted. Therefore, there is a strong relationship between employee performance and motivation. The findings revealed that motivation was the major factor that affected employee performance. Furthermore, the study showed a direct strong and positive relationship between motivation of employees and their performance.

According to the study conducted by Elizabeth Wairimu (2017) on Pam Golding Properties Limited in Kenya, the company used motivational goal-setting tomotivate its employees. The study showed that management allowed employees to participate in the setting of their goals although they didn't have difficult and challenging goals to meet. The study also showed that employees understood the importance of their goals and had specific, clear and realistic goals to achieve. The study also showed that employees were satisfied with the challenges provided by their job and that they received feedback regularly related to their goals.

Based on their research Elizabeth Wairimu (2017) concluded that organization did not use non-monetary incentives such as recognition and rewards to motivate its employees. Moreover, the employees viewed the current recognition and reward program as being inequitable, the organization did not have a competitive payment and benefits package when compared to other companies in the industry and additionally, the current pay policy did not attract and retain high performing employees From the study, it can be concluded that the organization had not increased performance or observed long term improvement as a result of the recognition and reward system.

#### 2.7. Summary of literature review

This chapter has presented a preview of related literature on employee motivation and performance in organizations and various research theories have been presented. The section has highlighted the effect motivation factors on employee performance. The section also discusses the effect of rewards and recognition on employee performance.

The current research will be conducted aiming to identify the motivation factors which affect employee performance at St. George Brewery factory. This study will examine to what extent motivation factors such as recognition, financial factor, job security and work condition affect the performance of the employee in the brewery factory.

# 2.8. Conceptual Frame work

As clearly shown in the underneath figure, employee motivation is the independent variable and its dimensions: recognition, work condition, financial factors and job security. The dependent variable is job performance in order to reveal the net effect of motivational factors on employee job performance.

#### Independent variable

**Dependent variable** 



## Figure: The research model

#### **2.9. RESEARCH HYPOTHESES**

- H1: Motivation factors of work condition has positive effect on employees performance
- H2: Motivation factors of recognition has positive effect on employees performance
- H3: Motivation factors of financial factor has positive effect on employees performance
- H4: Motivation factors of job security has positive effect on employees performance

## **CHAPTER THREE**

## **RESEARCH METHEDOLOGY**

#### **3.1 Introduction**

This chapter describes the methodology used for the study. The main issues discussed here are the research approach and design, study population, sample size and sampling technique, sources of data and data collection methods, procedures of data collection and method of data analysis.

#### **3.2. RESEARCH APPROACH**

This research employs a mixed research approach in order to benefit from qualitative and quantitative research methods. Quantitative data will be gathered via questionnaire survey, and qualitative data will be collected through interview and document review.

#### **3.3. RESEARCH DESIGN**

Explanatory research design is chosen considering the purpose of the study, conducted for a problem that was not well research before. It focuses on explaining the aspects of the study. This study uses a mixed methodology approach which consists of both quantitative and qualitative research strategy method. Mixed approach allow for a combination of numerical measurement and in depth exploration. A content analysis technique will be used to analysis and interpret the qualitative data gathered through interview.

To this end the mixed method research is chosen to obtain information on the effect of motivation on employees" performance: empirical evidence from the St. George Brewery factory for the following reasons: triangulation, complementarily, and expansion. Population, Sample Size and Sampling Technique

The Target population of the study consists of all staff of the St. George Brewery factory at the Addis Ababa Head office. The Total number of people forming the population is eight hundred (800). Therefore from different methods of sample size determining, a simplified formula by Taro Yemane (1967) sample size determination was used to calculate the

sample size. Accordingly, the sample size for the research by using 0.05 (.10,.05 and .01 acceptable error) sampling error and 95% confidence level.

Taro Yemane Formula for sample size determination

 $n = 800/1 + N (e)^{2}$ 

Where n=Sample size

N=Total Population

e=Sampling error

n= 800/1+800(0.05) ^2=267

This sample size of 267 involving 240 questionnaires and 26 interviews represents 10% of the total population of the target group that is, 267 respondent selecting randomly from the St. George Brewery factory at the Addis Ababa Head office employees

#### Table 3-1: Distribution of respondents of questionnaires/interview

respondent	Sampled respondent
St. George Brewery Factory A.A office staff	267
Respondent for interview	26

#### 3.4 Sources of Data

The researcher used both primary and secondary sources to gather pertinent data for the study.

#### **3.4.1 Primary Sources**

According to Blaxter (2001), primary data is defined as consisting of materials that one has gathered by himself through systematic observation, information archives, the results of questionnaires and interviews and case study which one has compiled. Data are primary if they have been gathered according to one's rational and interpreted by one to make a point which is important to one's own argument. To ensure that reliable and valid information are collected, the researcher contacted staff of the St. George Brewery factory at the Addis Ababa Head office employees. Primary data were collected using questionnaires and interviews. A content analysis

technique will be employed to analyze and interpret the qualitative data (interviews). SPSS (Statistical package for social sciences) was used to process quantitative data gathered through questionnaire

#### **3.4.2 Secondary Sources**

Saunders et al (2007) defined secondary data as data used for a project that were originally collected for some other purpose. The secondary sources of information that the researcher used in the study included books, company brusher, company annuals financial statement, official company website and articles among others. These secondary sources did help the researcher to identify how others have defined and measured key concepts, and how this research project is related to the work of others.

#### **3.5 Data collection Methods**

Both primary and secondary data were collected and used for the study. The primary data were gathered via structured questionnaire. The questionnaire was developed in English and has two parts, the first part was relating to demographic profile of respondents and the second part was about the perception of respondents towards factors affecting motivation of employees in St. George Brewery factory at the Addis Ababa Head office employees. Job performance was measured by referring to performance appraisal results of the respective survey respondents from HR department. Secondary data was also collected from St. George Brewery factory websites, books, reports, magazines and journals.

#### 3.6 Data analysis Methods

The researcher used regression and correlation data analyses to analyze quantitative data gathered through questionnaires survey. Moreover, qualitative data gathered through interview and document review were analyzed through thematic analysis. The collected data are presented by using tables which are expressed in the form of frequency, percentage, mean and standard deviation. To examine the relationship between employees' motivation and factors affecting it, the Pearson's Correlation was used. Moreover, multiple regressions analysis was used to identify the most important factors of motivation that affect employees job performance. The researcher will describes and analyzes clearly each findings of the study besides; SPSS was used to test whether employee motivation varies across different groups

#### **3.7. Ethical Considerations**

Research, as a scientific process and activity, has its own basic ethical conducts that shouldn't be compromised at all levels. For instance, any source that is quoted and used as essential part of the study should be cited. That means, acknowledging the authors of books and articles is necessary. Moreover, the data will gathers from the appropriate and relevant sources. Therefore, with respect to the current study, the researcher will respect and complies with existing ethical principles to make the research credible and acceptable by the academic communities and users of the result. The confidentiality of participants' (managers, union leaders and employees) should maintain in that their names, addresses, signature and their roles in company were not appeared and filled in the questionnaire. In addition, respondents will fully volunteers to participate in the study and their rights/privacy was respected. The researcher will be presented the findings of the study without any distortion of the reality.

#### **3.8.** Test of reliability

In order to measure employee motivation, the researcher adopted measurement scale developed. As proclaimed by Bhattacherjee (2012), reliability is the degree to which the measure of a construct is consistent or dependable. This research has administered the most commonly used internal consistency reliability measure of Cronbach's alpha which was originally designed by Lee Cronbach in 1951. According to Sekaran (2003), reliabilities less than 0.6 are considered to be poor, those in the 0.7 range to be acceptable and those over 0.8 are good. The reliability coefficient closer to 1 is better.

Dimension of employee motivation scale	Item	Cronbach's alpha
		coefficient
Financial Factor	4	0.735
Recognition	2	0.715
Work Condition	4	0.826
Job security	2	0.891

There are 12 questioner items that the researcher adopted from Bhattacherjee (2012) In order to measure employee motivation factors such as recognition, financial factor, job security and work condition

# **CHAPTER FOUR**

## DATA PRESENTATION ANALYSIS AND INTERPRETATION

#### 4.1. DATA PRESENTATION AND ANALYSIS

The data after collection has been processed and analyzed in accordance with the outline and down for the purpose at the time of developing research plan. Technically speaking, processing implies editing, coding, classification and tabulation of collected data so that they are willing to analysis. The analysis is based on the information obtained from 224 employees. In order to get a representative data, 26 interview and 241 questionnaires were distributed to employees of St. George Brewery factory in Addis Ababa but the factory manger didn't allow taking interview from employee because of COVID 19. Out of these 241 questionnaires distributed to the respondents, 224 questionnaires were completed and returned. Thus, the analysis is based on the valid 224 questionnaires responded and 17 not returned by employees. The following table shows the response rate

#### Table 4-3: Response rate of questionnaires administered

Item	Employees St.George Brewery factory	
	Filled and returned	Not returned
Frequency	224	17
percentage	93	7

As clearly presented on the above table, the response rate of respondents is 224(93%). This implies the response rate is large enough to analyses the data. The rest uncollected questioner 17(7%) were not returned.

#### 4.2. Background or biographic information

The first part of the questionnaire consists of the demographic information of the participants. This part of the questionnaire requested a limited amount of information related to personal and demographic characteristics of respondents. Accordingly, the following variables about the respondents were summarized and described in the subsequent table. These variables include: Gender, Age, Educational background, category/group and number of years the worker worked with the organization or experience.

#### Table 4-4. Characteristics of respondents by Gender, Age and Educational background

Characteristics	Frequency	percentage
Gender		
Male	127	56.7
Female	97	43.3
Total	224	100
Age		
20-30	69	31
31-40	111	49
41-50	33	15
>50 and above	11	5
Total	224	100
Education Background		
Certificate	53	24
Diploma	42	19
Bachelor degree	112	50
Master degree and above	17	7
Total	224	100

As indicated in table 4.2, about 56.7% of respondents are male and the remaining 43.3% of the respondents are female. Regarding the age of the participants, the largest group (49%) is in the range of 31-40 years age group. The second largest group (31%) indicated in the range of20-30 years of age group and three largest group 15% of the respondents are in the 41-50 years age group and finally 5% the respondent are in the >50 and above years age group. The demographic Characteristics also show educational background division of respondents and Bachelor degree is dominant (50%) followed by Certificate (24%) and Diploma (19%), respectively

Table 4-5.Number and percentage of respondents by work experience and category/group

Service years or experience on the job	Frequency	percentage
2 years less than 1 year	14	6.2
1-3years(including 1 year	31	13.6
3-5years( including 3 year )	36	16
5-7years (including 5 year )	44	19.8
7-9 year(including 7 year	77	34.6

9 year and above	22	9.8
Total	224	100
Category or Group		
Top management	17	7
Middle management	44	20
Supervisor	55	25
Staff	108	48
Total	224	100
Monthly Income		
< 3000 birr	-	
3000 – 5000 birr	47	20.9
5001 – 7000 birr	58	25.9
7001 – 9000 birr	64	28.4
9001–11,000 birr	36	16.2
> 11,000 birr	19	8.6
Total	224	100

The number of years of experience of an individual affect the way he/she thinks, the method he/she performs his/her duty and the like. To this end, it is believed that the more an individual stays on administrative and staff level, the more he/she can acquire an experience of which factor affects his/her motivation and how to deal with these factors in an organization which intern leads to minimization of conflict of interests. With this regard the data collected from the respondents, as we can observe from table 3, the largest groups of respondents 77(34.6%) have a working experience of 7-9years and above on the current job whereas 44(19.8%) respondentshave5-7 years of working experience, and the rest 36 (16%) have a working experience of 3-5 years. Regarding the category or group of employees the major groups of respondents are staffs 108(48%) followed by supervisors 55(25%), middle management 44(20%) and top management 17(7%) respectively. The monthly income also show the income of respondents and accordingly, 64 (28.4%) respondents are earning monthly income from 7001 - 9000 birr, followed by 58 (25.9%) respondents fall above 11,000 birr income category.

#### 4.3. Level of employees' perception towards motivational factors

This section presents the employees' perception towards motivational factors in St. George Brewery factory. Motivational factors are composed of financial factor, worker condition, recognition and job security. The respondents were asked to rate each statement concerning their perception of these factors

As stated in the research methodology, Likert scale was used to measure the Influence of motivational factors for building employee's motivation. The researcher has explored employee's perception levels towards motivational factors in St. George Brewery factory. The degree of motivation towards motivational factors is set from 1 to 5 (5 is the highest motivation whereas, 1 is the lowest motivation).

The translation of level ranking is analyzed based on the following criteria of employees' satisfaction designed by Best (1977: 174).

- The score between 1.00-1.80 mean lowest motivation/satisfaction level (Lowest)
- The score between 1.81-2.61 mean low motivation /satisfaction level (Low)
- The score between 2.62- 3.41 mean average motivations /satisfaction level (Average)
- The score between 3.42- 4.21 mean good motivation /satisfaction level (High)
- The score between 4.22-5.00 mean very good motivation /satisfaction level (Highest)

The average perceptions (on the scale from 1 to5) of the proposed 16motivational factors were rated by the respondents. Table 5 presents the item statistics, which is sorted by occurrences in the questionnaire

#### 4.3.1. Assessment of the factors that determine employees' attitude towards motivation

In this section, the researcher applied descriptive statistics (specially mean and standard deviation) for the sake of better understanding and summarization. Accordingly,12 items are grouped into 4 basic factors based on which construct every questionnaire item is measuring. And the analysis is made individually as well as in a grouped manner.

#### **Table 4.6: Motivational factors**

Motivational Factors	Ν	Mean	Std.Devotion	Rank
St. George Brewery working time is flexible and	224	3.7037	.95333	7
favorable for the employee. (flex-time)				
The company provides challenging and interesting task	224	3.1852	1.14479	11
Working is natural like games or entertainment for	224	2.5556	1.05003	12
people				
The company has good working environment	224	3.2593	1.12976	10
Employees give importance to moral incentives	224	3.7137	.91209	6
(appreciation, respect, etc.) as well as physical				
incentives				
Success of the employees should be appreciate at all	224	3.8519	1.16697	1

times				
increase job security company's has positive effect on	224	3.6296	1.11452	9
motivation				
Reasonable payments is very essential for employee	224	3.7507	.94432	4
motivation				
An attractive incentive plan(like, commission, overtime	224	3.7407	1.19591	5
work. etc.) motivated employees				
The company's bonus payment system based on	224	3.8489	1.08604	2
performance is highly motivating the employees				
Financial rewards motivate employees at a higher level	224	3.6667	1.0000	8
Fair payments is very crucial for employee	224	3.7778	.93370	3
motivation				

#### 4.3.2 Relationship between of motivational factors

To identify factors motivating employees in the workplace, attributes have been selected which are shown in the above table 5. The importance of various attributes has been ranked by measuring mean and standard deviation. High mean score stands for high level of agreement; whereas low mean score dictates high level of disagreement. The standard deviation on the other hand presents the degree of dispersion of responses from the mean score. Accordingly, the highest mean value is found for the variable "Success of the employees should be appreciate at all times" and the lowest mean value are found for the variable "Working is natural like games or entertainment for people". The analysis of the factors is discussed below and the means and the standard deviations of these variables are shown in above table. Table 5 shown above reveals that the mean value of feeling Success of the employees should be appreciate at all times, he company's bonus payment system based on performance is highly motivating the employees, Fair payments is very crucial for employee motivation, Reasonable payments is very essential for employee motivation and found to be above average mean of 3.851,3.848,3.777,3.75,3.74,3.71,3.703 and SD 1.166,1.086,0.93,0.94,1.195,0.912 and 0.953 respectively which proves Success of the employees should be appreciate at all times is one of the major concerns of employees getting some sort of appreciation for good work is an inherent human need. Even a simple "thank you" at work goes a long way. When employee don't feel recognized for their efforts, they are less likely to put in the effort. Appreciation messages for job performance that would make any employee motivated to do their job as well. The company's bonus payment system based on performance is highly motivating the employees mean (3.88). Bonus pay is compensation that is over

and above the amount of pay specified as a base salary or hourly rate of pay. The base amount of compensation is specified in the employee offer letter. Companies pay bonuses to employees to thank and congratulate them on meeting and achieving specific goals, meeting these goals resulted in positive happenings for the organization, its employees, and its customer. Fair payments are very crucial for employee motivation mean (3.8). Fair employee compensation is a top concern for employers across the country. Because HR specializes in areas like recruiting and compensation packages, they are in the best position to determine appropriate compensation plans, make acceptable initial salary offers, establish guidelines for merit increases, suggest pay audits, and, if necessary, help the company phase in compensation change. Company should to know how to determine a reasonable salary for each of your key employees. This "reasonable compensation" must apply in the company to maximize employee performance. According to the mean value of the responses, this factor has been ranked 1rd, 2th, 3thand 4thwith their respective mean of 3.85, 3.84, .3.77, and3.75 respectively. It is an esteem factor according to Maslow (1943). Herzberg's two factor theory (1959) described it as motivator that makes employees more satisfied.

Financial rewards motivate employees at a higher level, increase job security company's has positive effect on motivation, The company provides challenging and interesting task, The company provides challenging and interesting task and Working is natural like games or entertainment for people has a slightly affect employees motivation.

## 4.4. Descriptive Statistics for Perceptions of Employees Regarding Motivation

Company working time is flexible and favorable		Frequency	percentage
for the employee. (flex-time)			
Valid	Strongly Disagree	9	3.7
Disagree		17	7.4
Neutral		55	24.7
	Agree	102	45.7
	Strongly Agree	41	18.5
	Total	224	100

#### Table 4-1 Company working time

Regarding Company working time is flexible and favorable for the employee, the survey results reveal that the minority of respondents 9(3.7%) and 17(7.4%) are strongly agreed and agreed respectively. While 20(24.7%) respondents are neutral with flex-time. on the other hand, 102(45.7%)

and 41(18.5%) respondents strongly disagree and disagreed that flexible and favorable for the employee motivation. From this one can conclude that flex-time is motivated.

# Table 4-2The Company provides challenging and interesting task

The company	provides	challenging	and	Frequency	percentage
interesting task)					
Valid	Str	ongly Disagree		14	6.2
	Di	sagree		53	23.5
	Ne	utral		83	37
	Ag	ree		36	16.05
	Str	ongly Agree		38	17.3
	То	tal		224	100

As it can be seen from Table 4.6, 17.3% of the respondents have strongly agreed with the statement that the company provides challenging and interesting task while 6.2 % of them are Strongly Disagreed. However the employees who are agreed represent 16, 05 %, and 37% are neutral. Finally, the employees who are disagreed constitute 23.5 %. As result; it is possible to conclude that St. George Brewery should improve The Company provides challenging and interesting task on the base of performance in order to overcome the perception of employees who disagreed.

Working is natural like games or entertainment		Frequency	percentage
for people			
Valid	Strongly Disagree	25	11.1
Disagree Neutral Agree Strongly Agree Total		83	37
		66	29.6
		44	19.8
		6	2.5
		224	100

With regard to employees' level of satisfaction with the financial reward system, 83employees (37%) are Disagreed, 66 (29.6%) of employees are neutral with the Working is natural like games or entertainment for people, and 44 employees are agreed (19.8%), while 25 employees are remain strong disagree (11.1%) and only 6 employees strongly agreed (2.5%)

# Table 4- 4The Company has good working environment

The company has good working environment		Frequency	percentage
Valid	Strongly Disagree	19	8.6
	Disagree	39	17.3
	Neutral		24.7
Agree Strongly Agree Total		80	35.8
		31	13.58
		224	100

The majority of the employees (35%) are agreed with the company has good working environment which they have then number of respondents who neutral are 55(24.7%) employees. Nevertheless, only 39 employees (17.3%) disagreed with the company has good working environment programs while there are more people who disagreed 31(13.58%) with the incentive plan. Moreover, a small portion of 19(8.6%) respondents remain strong disagree.

## Table 4-5. Employees give importance to moral incentives

Employees give importance to moral incentives		Frequency	percentage
(appreciation, respect, etc.) as well as physical			
incentives			
Valid	d Strongly Disagree		2.5
Disagree		11	4.9
Neutral		58	25.9
Agree		113	50.6
	Strongly Agree		16.05
	Total	224	100

For the statement that seeks the level of agreement about to what extent it is possible to get employees give importance to moral incentives, 50.6% and 16.05% employees strongly agreed and agreed, respectively, 21 respondents which accounts 25.9% neutral with this particular item. While

11(4.9%) employees have disagreed for Employees give importance to moral incentives and the remaining 6(2.5%) reply strongly disagreed.

Success of the employees should be appreciate at		Frequency	percentage
all times			
Valid	Strongly Disagree	8	3.7
Disagree		44	9.9
Neutral		36	16.05
Agree Strongly Agree Total		72	32.09
		64	38.3
		224	100

# Table 4-5 Success of the employees should be appreciate at all times

In terms of the agreement level with regard to whether success of the employees should be appreciate at all times, 9.9% of the employees disagreed, 38.3% of the respondents strongly agreed and 13% remain neutral. Representing the smallest percentage, 3.7% of the employees are strongly disagreeing. The employees who agreed with the factor appreciate at all times count 32.09%.

increase job security of	company's has positive	Frequency	percentage
effect on motivation			
Valid	Strongly Disagree	8	3.7
Disagree		19	8.6
Neutral		45	19.8
Agree Strongly Agree		108	48.1
		44	18.5
	Total	224	100

## Table 4-6.Theincrease job security

Survey respondents were asked whether an increase in job security affects their level of motivation. Accordingly 48.1 % and 18.5% of targets believed that the increase job security does effect on employees' motivation respectively. On the other way, 8.6% and 3.7% of the respondents disagreed and strongly disagreed. Apart from this, 19.8% of respondents replied to be neutral from both sides. Having this in mind, it is then possible to conclude that the increase job security as a strategy does work for employee motivation.

## Table 4-7. Reasonable payments is very essential for employee motivation

Reasonable payments	is very essential for	Frequency	percentage
employee motivation			
Valid	Strongly Disagree	6	2.5
Disagree		17	7.4
Neutral		47	20.9
	Agree	111	49.4
	Strongly Agree	43	19.75
	Total	224	100

When survey respondents were asked to indicate their level of agreement on the statement "reasonable payment is very essential for employee motivation", only 2.5% and 7.4% strongly disagreed and disagreed, respectively, unlike the majority (49.4%) that believed on the point. In the middle 20.9% of the respondents preferred to take indifferent position. At the end, the researcher has got an evidence to conclude that St. George Brewery needs to agree to Reasonable payments for employees.

attractive	incentive	plan(like, commission,	Frequency	percentage
overtime w	ork. etc.) m			
Valid		Strongly Disagree	8	3.7
		Disagree	36	16.05
		Neutral	41	18.5
		Agree	55	24.7
		Strongly Agree	84	37.04
		Total	224	100

With regard to whether feeling of an attractive incentive plan (like, commission, overtime work. etc.) motivated employees affects motivation positively, 37.04% and 24.7% of the respondents are strongly agreed and agreed, respectively, that the strategy does affect motivation positively, however, 16.05% and 3.7% of employees have replied that An attractive incentive plan (like, commission, overtime work. etc.) motivated employees does not have any effect on employee motivation. The remaining 18.5% have reservations on the point. Therefore, it can be generalized from the response that St. George Brewery can work on an attractive incentive plan (like, commission, overtime work. etc.) motivated employees

# Table 4-9.TheCompany's bonus payment system based on performance is highly motivating the employees

The company's bonus p	ayment system based on	Frequency	percentage
performance is highly m	otivating the employees		
Valid	Strongly Disagree	6	2.5
	Disagree	17	7.4
	Neutral	39	17.3
	Agree	99	44.4
	Strongly Agree	63	28.4
	Total	224	100

As shown in table 4.14, the relative majority (44.4) of survey respondents have positive reactions to the point that St. George Brewery could give The company's bonus payment system based on performance is highly motivating the employees. Moreover, 28.4% have strong agreed on the point. Some (17.3%) are indifferent to decide. On the contrary, 2.5% and 7.4% strongly disagree and disagree with the idea, respectively. From this one can draw a judgment and assure that the companies have a clear strategy for employee's company bonus payment system.

## Table 4-10. Financial rewards motivate employees at a higher level

Financial rewards mo	tivate employees at a	Frequency	percentage
higher level			
Valid	Strongly Disagree	6	2.5
	Disagree	11	4.9
	Neutral	83	37.04
	Agree	78	34.6
	Strongly Agree	46	20.9
	Total	224	100

As can be seen from table 4.15bove, 34.6 % of the respondents agreed with the point raised by the researcher; only 2.5 % of them strongly disagreed. However the employees who strong agreed represent 20, 9 %, while 37.04% are neutral. Finally, the employees who disagreed constitute 4.9%.

As a result, it is possible to conclude that St. George Brewery should consider financial rewards for employees when they become successful.

Fair payments is very	r crucial for employee	Frequency	percentage
motivation			
Valid	Strongly Disagree	8	3.64
	Disagree	6	2.5
	Neutral	53	23.5
	Agree	113	50.6
	Strongly Agree	44	19.76
	Total	224	100

### Table 4-11. Fair payments is very crucial for employee motivation

To know the perception of employees in fair payments is very crucial for employee motivation, the researcher has posed a question and 3.64% of the respondents argued that the company does not provide challenging tasks to employees. On the other hand, (50.6%) of the respondents believed that St. George Brewery gives Fair payments is very crucial for employee motivation. The rest, 23.5% of them, had no reaction on the issue. To this end, St. George Brewery should provide fair payments for employee motivation.

#### Table4-12.Summary of all factors for comparison

All factors of employee attitude	N	Mean	Std.Devation
Recognition	224	3.78	1.039
Financial factor	224	3.75	1.053
Job security	224	3.69	1.029
Work condition	224	3.18	1.069
Valid N (list wise)224	224		

From the above summary table, it can be clearly understood that St. George Brewery is working with its employees relatively in better ways in the areas of recognition (average mean of 3.78 with SD=1.039) followed by financial factors (average mean of 3.75 with SD=1.053) and Job security (average mean of 3.69 with SD= 1.029 respectively). However, little attention is given working condition (average mean of 3.18 with SD=1.069).

#### 4.6. Pearson Correlation Analysis

According to Shukran (2003), relationship is expressed by value within the range -1.00 to +1.00 as Pearson product-moment indicates. Pearson correlation is +1 in the case of a perfect increasing (positive) linear relationship (correlation), -1 and 1 in all other case indicating the degree of liner dependency between variable. To determine the relationship between motivational factors dimensions (recognition, financial factor, job security and working condition) and job performance, Pearson correlation was computed.

Employees motivation		Job performance
Recognition	Pearson Correlation	.755**
	Sig. (2- tailed)	.000
	Ν	224
Financial factor	Pearson Correlation	.748**
	Sig. (2- tailed)	.000
	Ν	224
Job security	Pearson Correlation	.743**
	Sig. (2- tailed)	.000
	Ν	224
Work condition	Pearson Correlation	.631**
	Sig. (2- tailed)	.000
	Ν	224
Job performance	Pearson Correlation	1
	Sig. (2- tailed)	.000
	N	224

Table 4-7, presents the results of Pearson correlation on the relationship between employees' motivation and job performance

According to the Table 4.20 there is a significant positive relationship between the five dimensions of motivation factor and job performance, the highest correlation is between recognition and job performance (0.755) followed by financial factor (0.748), job security (0.743) and work condition (0.631) respectively. The weakest correlation is between work condition and job performance

whereas the strongest correlation is between recognition and job performance. In general, if correlation is positive between two or more variables that is, when employees motivation dimensions and job performance is positively related; carrying better employees motivation ensures high level of employee job performance. Accordingly, the most important employees motivation factory dimension that affects job performance is recognition, which goes to prove that recognition perceived as a dominant motivation factor and follow financial factor; this indicates improvement motivational factors and consistently motivated have significant effect on employees job performance levels. Even if have work condition weakly correlated improving these dimensions has also effect on employee job performance.

#### 4.7. Multiple Regression Analysis

Multiple regressions are the most common and widely used to analyze the relationship between a single continues dependent variable and multiple continues on categorical independent variable (George et al, 2003). In this study, multiple regression analysis was employed to examine the effect of motivation factor dimensions on job performance. The following table presents the results of multiple regressions analysis. Here the squared multiple correlation coefficients ( $\mathbb{R}^2$ ) which tells the level of variance in the dependent variable (job performance) that is explained by the model.

#### Table 4-8: Model summery

Model	R	R	square	Adjusted R Square	Std. Error of the estimate
1	.866		. 8 0 2	.792	.781

A. Predictors: (Constant), working condition, recognition, job security and financial factors

b. Dependent Variable: job performance.

Source: SPSS Regression results output, 2020

The results of multiple regressions, as presented in table 4.21, above, revealed that the motivation factors dimensions (recognition, financial factor, job security, and work condition) combined significantly influence the job performance. The adjusted  $R^2$  of 0.792 indicates 79.2% of the variance in job performance can be predicted by employee's motivation factor offered by brewery factory. Therefore, employee's motivation has a positive and significant effect on Job performance

# Table4-22 testing the model

# **ANOVA**a

Model		Sum of	df	Mean	F	Sig
		Squares		Square		
	Regressi	78.632	103	1.974	1.057	.0 <b>05</b> b
1	on					
	Residual	71.219	120	1.869		
	Total	149.852	223			

A. Predictors: (Constant), working condition, recognition, job security and financial factors

b. Dependent Variable: job performance.

Source: SPSS Regression results output, 2020

To test how well the regression model fits the data, ANOVA (analysis of variance) provides F value where F equals to mean square of explained data divided by mean square of residual data (Sekaran, 2003). Table 4.22 revealed an F value of model 1 to be 1.057. Thus, one can decide that regression model fits the data at a significance level of .005.

Table 4-23.Regression	results o	f each	motivation	factor	dimensions	and	employee job	)
performance Coefficien	ts							

M o d e l	Un standardiz	zed Coefficients	standardized	Coefficients			
	В	Std. Error	В е	t a	Т		Sig
(C onstant)	1.572	.124				5 6 3	.004
Recognition	.038	.03		.31		.791	. 035
Financial factor	.033	8	2			4.92	.000
Job security	.030	.03		.151		.356	.053
Work condition	.025	2		.143		.13	.207
		.02		.006	1		

9		
.025		

Dependent Variable: job performance

Based on the table 4-23, show the standardize beta coefficient, which tell us the unique contribution of each factor to the model. A high beta value and a small p value (<.005) indicate the predictor variable has made a significance statistical contribution to the model. On the other hand, a small beta value and a high p value (p >.005) indicate the predictor variable has little or no significant contribution to the model. (Ggorge et al., (2003)

Table 4-23, also indicates that recognition and financial factor elements of employee motivation have a significant influence on job performance at 95% confidence level.

#### 4.8. Regressing job performance on the employee motivation factor

The result of this study indicates that two factor of motivation have a positive and significant effect on job performance. Moreover, from the findings of this Study, researcher found out that two of the employee motivation factors have positive effect on job performance. Employees motivation two factor (recognition and financial factor) have positive and significant effect on job performance but two factors (job security and work condition) did not cause of a significant effect on job performance.

Hypothesis testing is based on standardized coefficients beta with 95% confidence level to test whether the hypotheses are rejected or not.

#### **Hypothesis 1**

Ho1: A Motivation factor of work condition has positive effect on employee's performance. Ha1: Motivation factors of work condition has a positive effect on employees performance

The results of multiple regressions, as presented in table 4-23above, revealed motivation factor of work condition and employees performance with a standardize coefficient beta value (b=.006, p > 0.05). Therefore, the researcher may accept the null hypothesis. In other words, motivation factor of work condition does not have a significant effect on employee's performance. Hence, Ha1 is rejected.

#### **Hypothesis 2**

Ho2: Motivation factors of recognition has positive effect on employees performance Ha2: Motivation factors of recognition has positive effect on employees performance The results of multiple regressions, as presented in table 4-23above, revealed that motivation factors of recognition have a positive and significant effect on employees performance with a standardize coefficient beta value (b =.312, p <0.05). Therefore, the researcher accepts the alternate hypothesis. Hence, recognition has a positive and significant effect on employee's job performance.

#### Hypothesis 3

Ho3: A Motivation factor of financial factor has positive effect on employee's performance.Ha3: A Motivation factors of financial factor has positive effect on employee's performance.

Results of multiple regressions, as presented in table 4.23above, revealed that financial factor has a positive effect on employees job performance with a standardize coefficient beta value (b = .151, p< 0.05). Therefore, the researcher accepts the alternate hypothesis. Hence, financial factor has a positive and significant effect on job performance.

#### Hypothesis 4

Ho4: Motivation factors of job security has positive effect on employees performance Ha4: Motivation factors of job security has positive effect on employees performance

The results of multiple regressions, as presented in table 4-23above, revealed that job security have positive effect on employees job performance with a standardize coefficient beta value, (b= .143, p> 0.05). Therefore, the researcher may accept the null hypothesis. Hence, job security does not have a significant effect on job performance.

#### **4.6.1.** Discussion and Interpretations

# **4.6.1.** Descriptive statistics and correlation analysis for the employee motivation and Job performance

Employee's motivation factors (recognition, financial factor, job security and working condition)

- Recognition factor items in keep employee record correctly leads the other with highest frequency and means score "Success of the employees should be appreciate at all times .This indicates that employees were motivated with most of the items under recognition.
- Most of the financial factor items score high mean and frequency value which reveals that employee are motivated with the "The company's bonus payment system based on performance is highly motivating the employees".
- Regarding to job security factor items score high mean and frequency value which reveals that employee are motivated with "Reasonable payments is very essential for employee motivation "however this does not mean that employee are motivated with all items of job security
- Work condition motivation items score relatively least mean and frequency value which indicates that most employees did less motivated with this motivation factor.
- Among employee motivation satisfaction items Success of the employees should be appreciate at all times got high percentage and mean value .On the other hand, Working is natural like games or entertainment for people make less response. These company employees were less motivated with these attribute .In general, employees were less motivated with working condition.
- The multiple regression result shows that, two dimensions of employee motivation (Recognition, financial factor) have a positive and significant Effect on job performance; however job security and working condition did not cause of a significant effect on job performance.
- The correlation result indicates that the strong correlation is found between recognition, financial factor & job security and job performance whereas the least Correlations between work conditions and job performance.

# **CHAPTER FIVE**

# SUMMERY, CONCLUSION AND RECOMMENDATION

This chapter deals with the summary of findings, conclusions drawn from the findings and the recommendations forwarded for improvement in employee motivation process of the St. George Brewery factory. The recommendation covers the importance of improving on those factors in which the brewery factory got less score and also to keep working on the high scored from the factor of motivation. The chapter is presented under the headings: summary of findings, conclusion and recommendations.

## 5.1. Summary of Findings

The main objective of the study was to assess or investigate the effect of employee's motivation on job performance in the case of St. George Brewery factory. The research was conducted using questionnaire consisting of 224 sample respondent was returned questioner from St. George Brewery factory employees.

• The results of background information of respondents indicated that from the total respondents (56.8%) are male and (43.2%) are female. The largest group of respondents which contains 40% was aged between 31 and 40 while Smallest groups are aged above 50 comprises 5% of the respondents. This indicates that most of the employees of St. George Brewery factory were young people. With regard to educational level; the entire

respondents were degree holder 112(51%) and certificate holders comprises 53(23%) of the employees. respectively.

- The results of the explanatory statistical analysis also indicated that, employees were more motivated with the recognition, financial factors and job security of employee motivation. However, the result indicates that, employees were less motivated with the working condition. About the ability of Brewery Company to provide motivation items at the designed and promised time.
- The correlation result indicates that the highest relationship was found between recognition, financial factor, job security and job performance, while the least relationship was found between working condition and Employees job performance
- The multiple regression results showed that, the two motivational factors (recognition and financial factor) have positive and significant effect on job performance. However, job security and working condition did not cause a significant effect on job performance.

#### **5.2.** Conclusions

The objective of this study is to examine the effect of employee motivational factors on job performance. On the bases of the analysis given in the previous chapter, the following conclusion is drawn motivation factors has a positive effect on job performance.

The multiple regression results showed that, the two motivational factors (recognition and financial factor) have positive and significant effect on job performance. However, job security and working condition did not cause a significant effect on job performance. Conclusion is drawn motivation factors such as recognition and financial factor increase the level of employee's job performance. Employee's perception recognition and financial factor are high level of motivational factors for the St. George Brewery factory employee's.

In general, the following specific empirical findings emerged from the investigation: The two motivation factors (recognition and financial factor) have positive and significant effect on employee's job performance.

# **5.3. Recommendations**

For improving motivation factors, Based on the findings and conclusions of the study, the researcher forwards the following recommendations to St. George Brewery factory

- The brewery factory was relatively good and the staffs have good hospitality, the brewery factory has up to date equipments, visually attractive and safety of the brewery factory. However, this should not mean it lasts forever. So there is a need for management bodies to evaluate their status constantly and work for continuous improvement.
- Brewery factory management should put their focus up on motivation factor of recognition and financial factor then it will lead towards a positive increase in employee's job performance.
- The response shows that, some of staffs have no adequate knowledge about the factory system like the company commission system. One way of addressing this problem is, provide continues training program to upgrade their skill
- The researcher suggests that making different incentives mechanism to motivate employees. To provide complete employees motivation, the brewery factory should have satisfied their employees by making different motives.
- It is advisory the brewery factory need to have create new motivation factors to improving employees working environment system.

In general, the brewery factory is expected to use different motivation system on all the factors of employee's motivation in order to increase job performance and the employees to do their job with high degree of commitment.

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# **APPENDIX B: QUESTIONNAIRE**

## **ST MARY'S UNIVERSTITY**

#### SCHOOL OF GRADUATES

# PROGRAM OF MASTERS OF BUSINESS ADMINISTRATION (MBA) Questionnaires to be filled by the employees of Saint George Brewery Factory

Dear survey respondents:

This study is conducted in partial fulfillment for the Masters of Business Administration (MBA) in St. Mary's University. It is conducted to assess the effect of employee motivation on job performance in the case of the case of St. George Brewery factory. To this end, questionnaire survey is used to collect pertinent data from respondents. The questionnaire survey has three general parts. Part one includes background or biographic related questions. Part two consists of questions aimed to assess the level of employee motivation. Part three demand survey respondents to suggest mechanisms to improve employee motivation and performance in the organization. The survey will take 15 minutes to complete. The information you provided will only be used for academic purposes and hence remain confidential. Thus, you are not required to write your name, address and other personal information. Given the importance of the topic covered in the study, your genuine responses are vital for the success of this study. So, you are

kindly requested to fill the questionnaire honestly and responsibly. Thank you in advance for your willingness to participate in this survey by sparing your precious time.

# Part I. Background or biographic information

The following questions are intended to measure the biography of survey respondents. Please encircle on the answer of your choice from the given alternatives.

- 1. Could you please specify your gender?A) Male B) Female
- 2. Could you please choose your age from the given alternatives?
  - A. 20-30 C.41-50
  - B. 31-40 D. Above 50

- 3. Could you please choose your level of educational from the given options?
  - A. Certificate
  - B. Diploma
  - C. Bachelor degree
  - D. Master degree and above
- 4. Could you please select your position in the organization?
  - A. Top management
  - B. Middle management
  - C. Supervisor
  - D. Staff
- 5. Could you please specify your work experience in year?
  - A. 2 yearsless than 1 year
  - B. 1-3years(including 1 year)
  - C. 3-5years( including 3 year )
  - D. 5-7years (including 5 year)
  - E. 7-9 year(including 7 year
  - F. 9 year and above
- 6. Could you please specify your marital status?

- A. Single C. Divorced
- B. Married D. Widowed
- 7. Could you please choose your monthly income from the given options?
  - A. < 3000 birr
  - B. 3000 5000 birr
  - C. 5001 7000 birr

- D. 7001 9000 birr
- E. 9001-11,000 birr
- F. > 11,000 birr

# Part II: Level of employee motivation.

This part of survey aimed to assess your level of motivation in the organization from four dimensions- work condition, recognition, salary and company policy. Please show the extent to which you agree or disagree on the statements using a five point Likert scale (1= strongly disagree, 2= Disagree, 3= Neutral, 4= Agree, 5= Strongly agree). Please put a tick mark ( $\sqrt{}$ ) inside the boxes which mostly explain your attitudes or perception towards motivational factors

No	Motivational Factors	R	lespo	nse	catego	ories
	Work condition	1	2	3	4	5
1	St. George Brewery working time is flexible and favorable for					
	the employee. (flex-time)		_			
2	The company provides challenging and interesting task		_			
3	Working is natural like games or entertainment for people					
4	The company has good working environment					
	Recognition					
5	Employees give importance to moral incentives (appreciation,					
	respect, etc.) as well as physical incentives					
6	Success of the employees should be appreciate at all times					
	Job security					
7	increase job security company's has positive effect on motivation					
8	Reasonable payments is very essential for employee motivation					
	Financial factor					
9	An attractive incentive plan(like, commission, overtime work.					
	etc.) motivated employees					
10	The company's bonus payment system based on performance is					
	highly motivating the employees.					
11	Financial rewards motivate employees at a higherlevel.					
12	Fair payments is very crucial for employee motivation					

# PART III: MECHANISMS TO IMPROVE EMPLOYEE MOTIVATION AND PERFORMANCE

1. What do you recommend to improve the level of employee motivation in the organization?

Thank you for the time you have spent in completing this questionnaire!