

The effect of motivation on employees' performance: In the case of Berhan bank S.C, Addis Ababa.

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# ST. MARY'S UNIVERSITY SCHOOL OF GRADUATE STUDIES FACULTY OF BUSINESS

The Effect of Motivation on Employees' Performance:

In the case of Berhan Bank

Addis Ababa

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A Thesis Submitted to St. Mary's University College, School of Graduates Studies in Partial Fulfillment of the Requirements for The Degree of Masers of Business Administration

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# **DECLARATION**

I, the undersigned, declare that this	study entitled "the effect of mo	tivation on employees'
performance: in the case of Berhan k	oank" is my original work and h	as not been presented
for a degree in any other university, a	and that all sources of material u	used for the study have
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# **ENDORSEMENT**

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

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#### **Abstract**

Motivation is stated as one of the most important contributor for high performance in the Bank sector. Motivation factors (reward, recognition, promotion, job security, training, working environment, fringe benefit, and salary) are motivation systems to encourage employees to perform in the most effective way. The purpose of this study was to investigate the effect of motivation on employees` performance in Bank sector, focusing particularly at Berhan bank S.C. In the study motivation is seen as an independent variables while employee performance as a dependent variable. For this particular study descriptive and explanatory research design was employed and quantitative research method was used. The purposive sampling technique was used to select the study area of the organization, while simple random sampling technique to select sample the target respondents. A survey is conducted by using structured close ended questionnaires which is distributed to 192 Berhan bank employees in order to gather data relevant to the research objectives. Descriptive statistic such as percent, frequency, mean and standard deviation and inferential statistic such as correlation, multiple regression and ANOVA analysis statistical tools were used to examine the relationship between motivation and employee Performance .The data collected on the questionnaire were analyzed using SPSS (version-28). Pearson correlation coefficient analysis was carried out to test the hypotheses. Multiple regressions analysis were performed to examine relationships between the independent and the dependent variables and to identify the influence of the independent variable on the dependent variable. The findings revealed that all motivational factors have a significant positive relationship with employee performance in Berhan bank in the study setting. There was a positive correlation between all motivational factor describe in this research and employee performance in Berhan bank In descriptive statics frequency shown that motivation is directly proportional to employee performance. This result clearly pre supposes that the more motivated the workforce, the higher their level of input into work and hence increase in performance. Thus, this study recommended that Berhan bank managers can be improving the employee performance and increasing organizational effectiveness seriously giving attention the entire motivation factor.

**Keywords:** Employee, Motivation, employee performance, Employees satisfaction, Employee Management.

# **Chapter One**

#### Introduction

#### 1.1. Background of the study

The term motivation is derived from the Latin word 'movere' which means to move (Baron, Henley, McGibbon and McCarthy, 2012). Certo (2016) describes motivation as giving people incentives that cause them to act in desired ways. Motivation has also been described as the process of arousing and sustaining goal-directed behavior (Nelson, 2013).

It is commonly agreed that there are two types of motivation, namely extrinsic and intrinsic. 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). They stem from motivation that is characteristic of the job itself. Examples are receiving positive recognition, appreciation, a sense of achievement and meeting the challenge. According to Beer and Walton (2014), intrinsic rewards accrue from performing the task itself, and may include the satisfaction of accomplishment or a sense of influence. Mosley, Pietri and Mosley Jnr. (2012) describe extrinsic motivation as the behavior performed, not for its own sake, but for the consequences associated with it. Examples include salary, benefits and working conditions. Extrinsic rewards come from the organization as money, perquisites or promotions from supervisors and co- workers as recognition (Beer and Walton, 2014). Employees are motivated by a combination of both factors at any given point in time (Riggio, 2013)

Traditionally, the study of job performance has been based on two somewhat independent assumptions: that performance can be understood in terms of the individual's ability to perform the tasks, and that performance depends solely upon the level of motivation (Chung, 2013). Motivation is generally defined as the psychological forces that determine the direction of a person's level of effort, as well as a person's persistence in the face of obstacles (Stanley, 2012).

Research in performance appraisal has demonstrated that performance appraisal characteristics (such as appraisal purpose and source) can elicit positive employee reactions to

performance appraisal and, which in turn, can motivate employees to improve their performance (DeNisi and Pritchard 2016). Therefore, by focusing the attention on performance, performance appraisal goes to the heart of personnel management and sets out different objectives which are directly responsible for the Career development of employees and continued growth and development of the organizations (Selvarajan and Cloninger, 2016).

Employee turnover is a universal problem that all organizations around the world face (Stanley, 2012). One of the factors that contribute to high employee turnover is demotivation (Mosley, Pietri and Mosley Jnr, 2012). There is a growing consensus among managers and leaders about the significance of combining effective motivation incentives to encourage good performance (Cole and Kelly, 2011). In order for organizations to meet their objectives, they must have a workforce that is motivated and works towards achieving the said objectives (Steers and Porter, 2011).

Theories of job performance offer that motivation is a key determinant of performance The role of motivation in the work context has been studied to understand what causes employees to try hard to do well, or more specifically what causes the arousal, direction, and persistence of voluntary actions that are goal directed (Mitchell and Linden, 2012). It is therefore imperative that managers understand what motivates employees and also how to motivate them effectively (Deci, 2013)

There have been numerous researches done on motivation and employee performance. Many scholars have postulated theories to try and understand what motivation is, and how it affects individuals (Fincham and Rhodes, 2015). One particularly significant theory was developed by Abraham Maslow and is known as the hierarchy of needs (Riggio, 2014). At the core of Maslow's theory is a hierarchy of five categories. They are psychological, security, social, esteem and self-actualization needs (Kreitner and Kinicki, 2016)

Frederick Herzberg is another renowned motivation scholar. According to his two factor theory, dissatisfaction results from the absence of hygiene factors which include salary and relationships with others, while satisfaction results from the presence of motivating factors such as job opportunities and recognition (Kinicki and Kreitner, 2016).

On the other hand, employee performance is an evaluation of the results of a person's behavior. It involves determining how well or poorly a person has accomplished a task or done a job. Motivation is only one factor among many that contributes to an employee's job performance. But, all thing being equal, one would expect a highly motivated employee would deliver high-quality output or service than those poorly motivated employee. (Lussier 2005).

As a consequence, like any other organization one of the major factors that determine the success of any banks is the readiness, commitment, efficiency and effectiveness of its employees. For that matter any organization to achieve its objectives needs to have staff that are motivated to work and committed to the organizational objectives. This study is therefore sought to assess the effect of motivation on Berhan bank employees' performance. It was also focuses on both intrinsic and extrinsic motivational factors.

# 1.2. Back ground of the organization

Berhan Bank S.C was formed in accordance with Article 304 of the Commercial Code of Ethiopia with the objective of operating in the banking industry. This objective has been ensured in Article 3 of the Memorandum of Association of the Company. The Bank was registered and licensed by the National Bank of Ethiopia on 27 June 2009 with a paid up capital of Birr 95.7 Million divided in to shares of Birr 1,000 and an authorized capital of Birr 300 Million.

Having been registered and licensed by the National Bank of Ethiopia on 27th June, 2009, Berhan Bank S.C started operation on October 30, 2009. opening its first branch in Addis Ababa near Bole International Airport as 'Berhan International Bank- Bole Branch'.

With a branch network leapfrogging 280 as at October 26/2021, headquartered in Bole, Addis Ababa today, we operate in virtually all regional cities of Ethiopia and in their respective towns. The total employee is over 5,500 across the nation.

The goal to make banking stress free and efficient, we kept on investing in technology and innovations that enable our customers to reach their goals as in saving, investment, business or efficient transaction. In addition to serving our customers at our networked branches, we

offer electronic banking services such as Debit Cards allowing customers to access their accounts at any ATM machine nationwide, introduce Mobile and Internet Banking.

Beyond local banking services, they are partnered with international money transfer companies such as Western Union, Money Gram, Ria, Dahabshiil, Trans-Fast, Xpress Money and World Remit.

The Bank's capital base has also kept on showing a steady growth. At the end of June 30th 2019, its paid up capital reached Birr 2 billion. Moreover, the number of shareholders has also significantly increased to over 14,879 making Berhan Bank among the leading private commercial bank with such massive public base.

#### 1.3. Statement of the problem

In a highly competitive, global environment, organizations are constantly under pressure to retain their workforce (Deci, 2013). Highly skilled, reliable and experienced employees are a valuable asset for any organization. It is evident that highly motivated employees are more likely to have high productivity. However, according to Certo (2006), good performance is not as a result of motivation only, but also includes ability i.e. skills, equipment, supplies and time.

Some organizations have been known to experience a high staff turnover despite offering above average salaries (Aguinis, 2012). This tells us that money is not the only way to motivate employees. Additionally, different people are motivated by different factors. It is important for managers and supervisors to understand what motivates individual employees, and not assume a one-size-fits-all approach (George and Jones, 2013).

An organization is only as strong as its workforce. Human resources need to be treated with great care, since they are a special resource that needs to be given special managerial attention and time. (Storey, 2013). Therefore, studies like this are an invaluable resource in helping organizations identify and maximize on ways to motivate employees whilst mitigating employee turnover and under-performance (Steers and Porter, 2011)

On my observation and interviewing the problems Berhan Bank currently faces is the lack of motivation for its employees, which affects the bank's profitability and capacity compared to other similar private banks. (based on observation time). The bank pays less attention and as a result does not understand how motivation affects the work of its employees. Employee dissatisfaction reduced the bank's productivity and reduced the amount of services it provided. Human resources are one of the key organizational factors for business success. An individual's performance generally reflects his or her knowledge, abilities, skills and characteristics.

With that in mind, I decided to carry out research in Berhan Bank S.C, into the effect of motivation on employee performance. It is the human resource amongst other factors of production in the organization which really makes a distinction (Kreitner and Kinicki, 2013). Production is cons

Many studies have been conducted on employee motivation by different researchers, like Owusu T.(2012) conducted research on the effects of motivation on employee performance of commercial bank in Ghana and the researcher used salary, fringe benefits, promotion, and loans as motivational factors. Pessaran D. and Tavakoli S. (2011) conducted research on identifying the employees' motivation of Parsian hotels in Tehran and the study used salary, security, working condition, status, achievement, recognition, growth and advancement, work itself and responsibility as motivational factors.

Therefore, the purpose of the study was to investigate the effect of motivation on employee's performance the case of Berhan Bank S.C and also after completion of this study will improve motivation practice in the bank sector so as to improve employees and organization.

#### 1.4. Research Questions

In order to achieve the above objectives, this study paper will tried to answer the following questions:-

- 1. What is the correct level of motivation practice in the bank?
- 2. To what extent does extrinsic motivation (Salary, Promotion, Job security, Fringe benefit, working Environment) affect performance of Berhan bank employees?
- 3. To what extent does intrinsic motivation (reward, Recognition, training) affect the performance of Berhan bank employees?

#### 1.5. Objective of the study

#### 1.5.1. General Objective

The main objective of the study is to investigate the effect of motivation on employees' performance at Berhan bank in selected Addis Ababa branches.

#### 1.5.2. Specific Objectives

- ✓ To examine the effect of reward, job security and salary on employee performance.
- ✓ To identify the influence of recognition and training on employee performance
- ✓ To examine the effect of working condition, promotion and fringe benefit on employee performnace.
- ✓ To identify the relationship between employee motivation and employee performance.

#### 1.6. Significance of the Study

This study will be of immense benefit to the employees of Berhan Bank, management of Berhan Bank, students and academicians in the field of the study in that it will highlight how the concept of motivation and job performance are valued and understood and the need for all to pay attention to a variety of motivation issues or financial incentives for employees.

The research has exposed the researcher to the practical issues of the subject. It enabled him to match theory and in this way that the researcher will better understand more the application of the motivation theories managing human resources in real estate business.

Furthermore, the study will bring to light the different forms of motivation which will inform the design of appropriate measures aimed at bringing out the best in employees with regard to job performance.

Again, the factors leading to high performance as well as causes of low performance will inform management in their decision making. Administrators will be helped through this study to be able to use motivation not just for the sake of it but to know how, when and what type of motivation to use so as to achieve maximum performance of staff.

The findings of this study will assist in the development of effective managerial strategies and policies that can help in improving the administration and realization of Berhan bank goals.

Also, the findings will enable the Berhan bank management in general to identify the motivational factors and their problems and can use it in the improvement of management concerning employee's needs, issues of welfare and motivation of employees and enhance their performance for a better and deliverance of good services

#### 1.7. Scope of the study

The study was conducted in one private bank namely Berhan bank S.C. We have conducted this research on selected branches of Berhan bank with about 500 employees. The survey be conducted on employees of different levels and employees with different experiences. This study will be conducted in the Addis Ababa region mainly and used a closed-ended descriptive questionnaire for data collection from the responders. In Ethiopia, there are numerous more similar banking sectors where such studies can easily be conducted and the result could be used for their benefit. It would also improve employee relationships with top management.

#### 1.8. Limitation of the study

There were some limitations encountered in the conduct of this research study. The main limitation existed in the sample group, as it was quite small. Therefore, the diversity in the answers could have been limited. In addition to this:

# 1.9. Organization of the study

The paper is organized in to 5 chapters; the primary chapter is introduction for the study that introduces the general study. It consists of introduction or back ground of the study, problem statement, objectives, significance, scope and limitations of the study.

The second chapter focuses on review of literatures during which previous studies were consulted. In this chapter general definitions and ideas, basic problems and empirical evidences, the results of motivation on employee's performance, the link between worker motivation, Job Performance and theoretical and abstract framework were mentioned thoroughly, the foremost areas and results of previous studies have additionally been conferred.

The third chapter focuses on analysis methodology, design, method, approach and, emphasizes on the look of the study and also the methodologies used. during this chapter; supply of information, data collection instrument, and sample size, sampling techniques, methodology of information analysis and selection of study organizations square measure mentioned.

The fourth chapter is dedicated to information presentation, analysis and interpretation during which the collected primary information analyzed and arranged in important manner therefore on meet the objectives of the study. The analysis is expedited by SPSS version 28.

The fifth and last chapter is bothered with outline, conclusion and proposals. Here the findings of the study square measure summarized, conclusions clearly conferred and proposals are provided for the findings of study

# Chapter Two

#### Literature Review

#### 2.1. INTRODUCTION

This chapter served as the foundation for the development of this study. An overview of the extensive historical research related to motivation and employee performance is presented to examine the existing knowledge base regarding role of motivation on employee performance. Finally the conceptual framework for this research was shown.

#### 2.2. THEORETICAL LITERATURE REVIEW

In this section the researcher review the basic theories of motivation and employee performance in order to develop the overall conceptual framework of the study and to make ease for designing the measurement of variables and then to create bases for comparisons of the basic findings of the study with previous related studies. Thus, the theoretical background of previous studies were reviewed and summarized from the view point of roles of motivation on employee performance as follows:-

#### 2.2.1. CONCEPT OF MOTIVATION

(Rajput 2011), argues that the word motivation is derived from a Latin word "Movere" which literally means "to move". They defined motivation as "the individual's desire to demonstrate the behavior and reflects willingness to expend effort". Thus, the underlying concept of motivation is some driving force within individuals by which they attempt to achieve some goal in order to fulfill some need or expectation.

#### 2.2.2. TYPES OF MOTIVATION

The complex and variable nature of needs and expectations at work give rise to the following simplistic but useful, broad two classification of motivation to work namely:-

#### 2.2.2.1. INTRINSIC MOTIVATION

It is defined as the doing of an activity for its inherent satisfactions rather than for some separable consequence. When intrinsically motivated a person is moved to act for the fun or challenge entailed rather than because of external prods, pressures, or rewards. These spontaneous behaviors, although clearly bestowing adaptive benefits on the organism, appear not to be done for any such instrumental reason, but rather for the positive experiences associated with exercising and extending ones capacities. (White 1959).

#### 2.2.2.2. EXTRINSIC MOTIVATION

Extrinsic motivation comes from outside of the performer. It is related to tangible rewards such as salary and fringe benefits, security, promotion, contract of service, the work environment and conditions of service. Money is the most obvious example, but coercion and threat of punishment are also common extrinsic motivations. While competing, the crowd may cheer on the performer, which may motivate him or her to do well. (Armstrong 2006).

Generally, regardless of whether people are intrinsically or extrinsically motivated, they join and are motivated to work in organizations to obtain certain outcomes. An outcome is anything a person gets from a job or organization.

#### 2.3. MOTIVATIONAL THEORIES

#### 2.3.1. CONTENT THEORIES

These theories attempt to explain the specific things which actually motivate the individual at work. These theories are concerned with identifying people's needs and their relative strengths and the goal they pursue in order to satisfy these needs. Also, these theories place emphasis on the nature of the needs and what motivates individuals. Thus, the basis of these theories is the belief that the content of motivation consists of needs. (Mullin 2005). The various postulated content theories are:-

- I. Maslow's hierarchy of need theory
- II. Clayton Alderfer's ERG theory (Alderfer's need modified theory)
- III. Herzberg's two-factor (motivation-hygiene) theory
- IV. McClelland's achievement motivation theory

#### I. Abraham Maslow's Hierarchy of Need Theory

One of the most widely mentioned theories of motivation is the hierarchy of needs theory put forth by psychologist Abraham Maslow. Maslow saw human needs in the form of a hierarchy, ascending from the lowest to the highest, and he concluded that when one set of needs is satisfied, this kind of need ceases to be a motivator. (Armstrong 2006). Thus, the hierarchy of Maslow's need theory noted as follows:-

- **A. Physiological Needs:** These are important needs for sustaining the human life. Food, water, warmth, shelter, sleep, medicine and education are the basic physiological needs which fall in the primary list of need satisfaction. Maslow was of an opinion that until these needs were satisfied to a degree to maintain life, no other motivating factors can work.
- **B.** Security or Safety Needs: These are the physical danger and the fear of losing a job, property, food or shelter. It also includes protection against any emotional harm. Once physiological needs are met, one's attention turns to safety and security in order to be free from the threat of physical and emotional harm. Such needs might be fulfilled by, living in a safe area, medical insurance, job security and financial reserves. (Locke & Latham 2002).
- **C. Social Needs:** Since people are social beings, they need to belong and be accepted by others. People try to satisfy their need for affection, acceptance and friendship. Once a person has met the lower level physiological and safety needs, higher level motivators awaken. The first levels of higher level needs are social needs. Social needs are those related to interaction with others and may include friendship, belonging to a group, giving and receiving love. (Mullins 2005).
- **D**. **Esteem Needs:** According to Maslow, once people satisfy the social need, they tend to want to be held in both by themselves and by others. This kind of need produces such satisfaction as power, prestige, status and self-confidence. It includes both internal esteem factors like self- respect, autonomy and achievements and external esteem factors such as status, recognition and attention. After a person feels that they "belong" to a group, the urge to attain a degree of importance emerges.
- E. **Need for Self-Actualization**: Maslow regards this as the highest need in his hierarchy.

It is the drive to become what one is capable of becoming; it includes growth, achieving one's potential and self- fulfillment. It is to maximize one's potential and to accomplish something. Self-actualized people tend to have motivators such as truth, justice, wisdom and meaning. (Mullins 2005).



Figure 1: Maslow's Need Hierarchy

Therefore, according to Maslow's need theory as each of these needs is substantially satisfied, the next need becomes dominant. From the standpoint of motivation, the theory would say that although no need is ever fully gratified, a substantially satisfied need no longer motivates. So if you want to motivate someone, you need to understand what level of the hierarchy that person is on and focus on satisfying those needs or needs above that level

# II. Clayton Alderfer's ERG theory (Alderfer's Need Modified Theory)

(Alderfer 1969) has tried to rebuild the hierarchy of needs of Maslow into another model named ERG that is, Existence – Relatedness – Growth. According to him there are 3 groups of core needs. The existence group is concerned mainly with providing basic material existence. The second group is the individuals need to maintain interpersonal relationship with other members in the group. The final group is the intrinsic desire to grow and develop personally. (Mullins 2005).

#### III. Frederick Herzberg's Two- Factor (Motivation-Hygiene)

(Frederick Herzberg 1959) had also tried to modify Maslow's Need Hierarchy theory. His theory is also known as Two-factor theory or Hygiene theory. He stated that there are certain satisfiers and dissatisfiers for employees at work. Intrinsic factors are related to job satisfaction, while extrinsic factors are associated with dissatisfaction. From study he concluded that opposite of satisfaction is not dissatisfaction. Thus, removing dissatisfying characteristics from a job does not necessarily make the job satisfying. He states that presence of certain factors in the organization is natural and the presence of the same does not lead to motivation. However, their non-presence leads to de-motivation. In similar manner there are certain factors, the absence of which causes no dissatisfaction, but their presence has motivational impact. (Cole 2003).

Stakeholders not Stakeholders Stakeholders dissatisfied, but dissatisfied and satisfied and unmotivated to make unmotivated motivated improvements Motivation factors Hygiene factors 1. Working conditions 1. Achievement 2. Recognition for achievement 2. Salary 3. Interest in the job 3. Status Security 4. Responsibility for tasks Policy & administration 5. Advancement to higher level Relationships (with supervisors, subordinates and peers) 6. Personal growth 7. Personal life

Figure 2: Herzberg's Motivation-Hygiene Theory

#### IV. McClelland's Theory of Needs

David McClelland in 1988 developed a theory on three types of motivating needs. These are need for power, need for affiliation and need for achievement. Basically people for high need for power are inclined towards influence and control. They like to be at the center and are good orators. They are demanding in nature, forceful in manners and ambitious in life. They can be motivated to perform if they are given key positions or power positions. (Cole 2003).

In the second category are the people who are social in nature. They try to affiliate themselves with individuals and groups. They are driven by love and faith. They like to build a friendly environment around themselves. Social recognition and affiliation with others provide them motivation. People in the third category are driven by the challenge of success and the fear of failure. Also, their need for achievement is moderate and they set for themselves moderately difficult tasks. They are analytical in nature and take calculated risks. Such people are motivated to perform when they see at least some chances of success. (Ibid 680).

#### 2.3.2. PROCESS THEORIES

These theories are extrinsic theories and they attempt to identify the relationships among the dynamic variables which make up motivation and the actions required to influence behavior and action. As well, they provide a further contribution to our understanding of the complex nature of work motivation. (Mullins 2005).

Process theory on the other hand is also known as cognitive theory because it is concerned with people's perceptions of their working environment, the ways in which they interpret and understand. Thus, cognitive theory can certainly be more useful to managers than need theory because it provides more realistic guidance on motivation techniques. (Armstrong 2006). The process theories are:-

- I. Vroom's Valence/Expectancy theory
- II. Equity theory
- III. Goal theory

### I. Vroom's Valence/Expectancy Theory

Victor Vroom in 1964 proposed expectancy theory. In his theory Vroom criticized Herzberg's two-factor theory as being too dependent on the content and context of the work roles of workers and offered an expectancy approach to the study of motivation. (Bloisi 2003).

This theory argues that the strength of a tendency to act in a specific way depends on the strength of an expectation that the act will be followed by a given outcome; and on the attractiveness of that outcome to the individual to make this simple. Besides, expectancy theory says that an employee can be motivated to perform better when there is a belief that the better performance will lead to good performance appraisal and that this shall result into realization of personal goal in the form of some reward. (Cole 2003).

#### II. Equity Theory

According to the equity theory developed in by J. Stacey Adams (1965), people are motivated by their beliefs about the reward structure as being fair or unfair, relative to the inputs. People have a tendency to use subjective judgment to balance the outcomes and inputs in the relationship for comparisons between different individuals. If people feel that they are not equally rewarded they either reduce the quantity or quality of work or migrate to some other organization. However, if people perceive that they are rewarded higher, they may be motivated to work harder. (Reiss 2004).

#### III. Goal Setting Theory of Edwin Locke

It was postulated by Edwin Locke in 1979 and it states that motivation and performance are higher when individuals set specific goals, when accepted goals are difficult, and when there is feedback on performance. (Mullins 2005). Thus, instead of giving vague tasks to people, specific and pronounced objectives help in achieving them faster. Also, as the clarity is high, a goal orientation also avoids any misunderstandings in the work of the employees. The goal setting theory states that when the goals to be achieved are set at a higher standard, then in that case employees are motivated to perform better and put in maximum effort. Besides, it revolves around the concept of "self-efficacy" that is individual's belief that he or she is capable of performing a hard task. (Ibid).

#### 2.4. EMPLOYEE PERFORMANCE

Performance of the employee is considered as what an employee does and what he does not do. Employee performance involves quality and quantity of output, presence at work, accommodative and helpful nature and timeliness of output. (Yang 2008).

In the same way, Armstrong (2006) define employee performance as the achievement of specific tasks measured against predetermined or identified standards of accuracy, completeness, cost and speed. Thus, employee performance can be manifested in improvement in production, easiness in using the new technology, highly motivated workers.

In relation to these, Herzberg (1959) says having fewer dis-satisfiers does not motivate a worker to do a good job, but only to stay in it. Worker performance clearly depends on their level of motivation, which stimulates them to come regularly, work diligently, be flexible and be willing to carry out the necessary tasks. The performance and quality of organization's service depends on the quality and motivation of their human resources practices.

Consequently, employee performance should be carefully noted at all levels of the organization. Since no matter an individual's title, everyone has the opportunity to lead in some capacity and have a positive impact on performance. Thus, understanding the value that can be achieved through different roles is one way of providing motivation, performance and thus leadership skills. (Llopis 2012)

# 2.5. FACTORS AFFECTING WORKERS MOTIVATION AND PERFORMANCE

Motivation at work is widely believed by most writers on the subject to be a key factor for performance of individuals and organizations and also a significance of intention to turnover. There is a strong link between job dissatisfaction, lack of motivation and intention to turnover. There are three factors that play key role in performance;

- The ability of staff to do their job;(the capacity or can do factors)
- The motivation of staff, to put in effort to do their job, (the ability or will to do factors).
- The organizational support or opportunity to do the job well (availability of resources). In other words, performance depends on whether the staff perceives themselves as able to do things, whether they are willing to do things and whether they have the means to do them.

# 2.6. RELATIONSHIP BETWEEN MOTIVATION AND EMPLOYEE PERFORMANCE

The link between motivation and employee performance seem to be an obvious one. If individuals are highly motivated, they will perform better. In turn, better performance may well lead to a sense of achievement and result in greater motivation. Most people have a natural sense that motivation is linked with performance. Although some may disagree on how much impact motivation has on performance, most would agree that high levels of performance are difficult to achieve when little or no motivation to perform is present. (Frederick-Recascino & Hall 2003).

Thus the relationship between motivation and performance can be a mutually reinforcing one. This, however, begs a number of questions to do with perception, ability and stress. As well, motivated individuals may do more work, but this will need to be carefully managed if they are not going to spend most of their energy on aspects of work they find stimulating, which may be of little or no benefit to the company. Motivated employees may be more productive, provided they have the requisite skills to do the job and the perception to realize whether they have or not. It is just as important to take steps to improve ability by means of good selection and training as it is to pay attention to motivation. (Karan 2009).

Besides, motivating employees for better performance encompasses several critical factors: employee engagement, organizational vision and values, management acknowledgment and appreciation of work well done, overall authenticity of leadership, financial reward, and career advancement among others. Employees are expected to come to the workplace with the intrinsic motivation and desire to be successful, be value-added and contribute to the obtainment of an employer's vision. Conversely, it is incumbent upon the employer to provide resources, opportunities, recognition and a cohesive work environment for employees to be successful. (Ibid; 490)

Likewise, engagement influences motivation and it is reflected in the extent to which employees commit, how hard they work and how long they stay. Additionally, people join organizations for different reasons, motivated by intrinsic and extrinsic rewards. Intrinsic

rewards are reflected in actions believed to be important. Thus, it is the responsibility of managers to motivate employees, with the goal for employees to contribute to the organization. Managers can best motivate employees by offering rewards that are meaningful to them. (Daniel & Metcalf 2005).

Furthermore, employees are often motivated differently and to develop a work environment that promotes motivation, organizations need to know what is important to their employees and then to emphasize these factors. Aside from monetary gain, work provides people with fulfillment on various levels, from earning a living and "doing good work" to aspiring to a vision and ultimately having an impact on the quality of life. Good organizations are always trying to structure the work so as to match the nature of the work with the nature of the employee and to make the work as interesting and enjoyable as possible. (Brian 2013). In relation to these, (Perry 2006) did emphasize that employees who participate in their organization's decision-making processes and who feel that they have a voice in the company have a higher job satisfaction.

Moreover, (Lawler 2003) emphasizes that "treating people right is fundamental to creating organizational effectiveness and success. It is also easier said than done. This includes "a highly complex set of actions on the part of both organizations and employees. Organizations must develop ways to treat their employees so that they are motivated and satisfied; employees must behave in ways to help their organizations become effective and high-performing. Thus, his winning combination for performance requires a partnership between the organization and the employees. Additionally, he also include that "One cannot succeed without the other. To provide people with meaningful work and rewards, organizations need to be successful. And to be successful, organizations need high-performing individuals. The challenge is to design organizations that perform at high levels and treat people in ways that are rewarding and satisfying." To describe this mutually beneficial relationship, he uses the term virtuous spiral, a relationship that occurs when the organization values its employees, and in return, workers are committed to high performance. Moreover, motivation is the most important factors that could influence organizational performance. Employee motivation should be one of the

policies of managers to increase effective job management amongst employees in organizations (Shadare et al 2009). Also, a motivated employee is responsive of the definite goals and objectives individuals must achieve, therefore individuals direct its efforts in that direction. Thus, organizational facilities will go waste if it lacks motivated people to utilize these facilities efficiently.

Hence, employee motivation and performance are key factors in moving a business forward. But, owners, managers and supervisors know positive motivation leads to better performance and higher productivity but may rely on the wrong tools that will create dissatisfaction among employees and leads to poor performance. As well, motivation increases the willingness of the workers to work, thus increasing effectiveness of the organization. (Ibid; 560).

#### 2.7. EMPIRICAL LITERATURE REVIEW

Different researchers have made study concerning the effect of motivation on employee performance and came up with some findings that helped to draw conclusion as elaborated here under.

First researcher known as Orasa (2016) made a study on the effect of motivation factors on employee job performance in public health care facilities at Ilemela in Mwanza region using descriptive methodology and presented the following findings; there were low motivation among health workers, some employee were intrinsically motivated and some were poorly motivated using extrinsic motivators the study intended to be done will be different from the previous as it will be conducted in different area which is in Dar es Salaam region..

Another study was conducted by Bushiri (2014) on the impact of working environment on employee's performance using qualitative and quantitave methodology at Institute of Finance Management in Dar es salaam and came up with the following findings that there were positive relationship between working environment and employee's performance. The undertaken study will be different from the previous study as it is going to consider various factors of motivation instead of looking on single factor of working environment.

Third study conducted by Mbogo (2014) concentrated on impact of motivation on employee performance in public services in Tanzania in Ilala Municipality using Statistical Package for

Social Studies and presented that there were positive relationship between motivation and employee performance where wage was identified as the most motivating factor. The study intended to be done will different from this as it doesn't explore about factors of motivation

Furthermore Mohamed (2016) conducted a study on the influence of motivation on job performance among primary teachers in public schools in Kongwa District Council using Statistical Package for Social Studies and drawn conclusion that there were no significant relationship between motivation and teacher's job performance as teachers performance is influenced by many factors. The study to be done will be different from Mohamed's study basing on target population which is from Dar es Salaam Region.

Mruma (2013) conducted a study on effect of motivation factors on teacher's performance in Tanzania education institutions in Nyamagana District using qualitative and quantitative methodology and found that teachers are mostly motivated by intrinsic factors. Te study to be conducted will be different from this previously done as it is going to be conducted in Dar es Salam at Vice President Office.

Thomas Owusu (2015) undertaken the study on effects of motivation on employee performance specifically in Ghana commercial bank- Kumasi zone using qualitative and quantitative to analyze data and found that there were positive relationship between motivation and employee performance. The intended study will be different from this as it will be conducted in different area which is Tanzania.

Albeit (2015) conducted the study on the role of motivation on employee performance at Victoria commercial bank in Kenya using correlation and regression to analyze data and concluded that there positive relationship between motivation and employee performance. The planned study will be different from this as will be undertaken in Tanzania.

Lastly Faraji (2013) commenced the study on the role of motivation on employee 18 work performance in public organisation at National Development Corporation using correlation to analyze data and found strong relationship between motivation and employee performance.

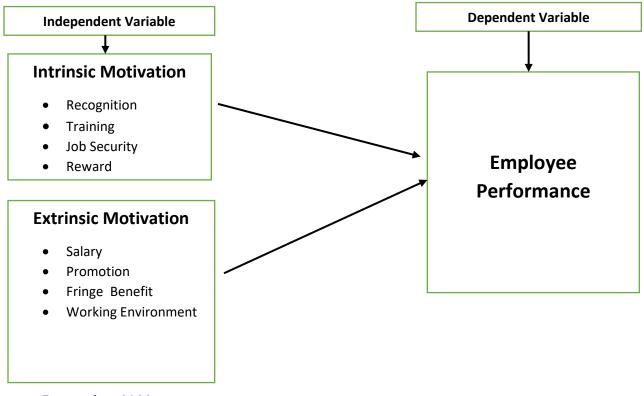
The intended study will be different from this as it is going to be undertaken at Vice President Office.

From empirical works reviewed many researchers have tried to show the relationship between motivation and employees' performance but leaving out what hinder motivation practice in organization setting though of its importance therefore suggesting a need for further research.

#### 2.8. CONCEPTUAL FRAMEWORK

The roles of motivation on employee performance is studied empirically; so there is the need for a conceptual framework that pulls together the concepts of motivation and employee performance. Thus, the conceptual framework provides a foundation for focusing on specific variables for the study. These variables are based on the literature reviewed on motivation and its roles on employee performance. The conceptual framework of the study is as follows:-

Figure 3. Conceptual Framework



From the above discussion, motivation the drive behind effort to satisfy needs can come from within or from external force (intrinsic and extrinsic rewards) respectively. The need theorists' focuses on the question of what arouses, sustains and regulates goal directed behavior that is what particular things motivate people and the process theorists' also emphasize on the process of motivation and importance of rewards. As well, meters of performance are included within a conceptual framework of the study.

#### 2.9. Research Gap

Based on the literature reviewed it is revealed that no one has laid an intention to study specifically on investigation of motivation toward job performance in Berhan Bank. For that reason this research work is going to concentrate on motivation of employee and its impact on job performance this will help fill the gap and get an answer on the motivation challenges exist in Berhan Bank. Different environment brings about difference in motivation practices, polices, guidelines existing in Brehan Bank. Many of the researchers whom I went through their work conducted their study elsewhere in the world but my focus of the study is in Berhan Bank.

However they did their study in the organizations which have difference cultures, altitude, norms and habits these factors might produce different result from one organization to another that is why I decide to conduct my study in Berhan Bank in order to find those differences. Different time of the study done create a need to carry out another research because none of researchers I went through their study, conducted research of this type in current years specifically the year 2022. Also none of the study conducted research base on branches this gives the reason and need to conduct another research for that reason my research will pick employees from branches of Berhan Bank.

# 2.10. Hypothesis of the study

H1: Reward has effect on employee performance

**H2:** Promotion has positive Significant Relationship with employee performance.

H3: Recognition positive Significant Relationship with employee performance

H4: Salary has positive Significant Relationship with employee performance

H5: Training has positive Significant Relationship with employee performance

**H6:** Job security has positive Significant Relationship with employee performance

H7: Fringe benefit has positive Significant Relationship with employee performance

**H8:** Working environment has positive Significant Relationship with employee performance.

From the on top of discussion, motivation the drive behind effort to satisfy wants will return from among or from external force (intrinsic and extrinsic) severally. the requirement the requirement on the question of what arouses, sustains and regulates goal directed behavior that's what explicit things inspire folks and {also the} and also the also emphasize on the method of motivation and importance of rewards. psychological feature Factors like reward, salary, recognition, training, promotion, security, fringe profit and dealing surroundings, were finished with a abstract framework of the study

# **Chapter Three**

# Research Methodology

#### 3.1. INTRODUCTION

This chapter describes the methodology that to be used for this study. The main issues discussed here are the research approach, research design, research population, sample and sampling technique, source of data and type, data collection procedures, ethical consideration and method of data analysis. This study also built on quantitative analytical data and the try to use of both primary and secondary data.

#### 3.2. RESEARCH DESIGN

(Saunders et al. 2007), defines research design as the general plan of how the research questions would be answered. It is the conceptual structure within which research is conducted. It constitutes a blue print for the collection, measurement and analysis of data. A survey was a method of collecting data in which people were asked to answer a number of questions (usually in the form of a questionnaire). Thus, the research design to be used for this study is descriptive survey research design to assess the effect of motivation on employee performance. This method was chosen in order to make references to phenomena as they exist in real life and it is relatively economical in terms of time and resources. Also, it could enable the research to generalize the findings of a fairly large population.

#### 3.3. RESEARCH APPROACH

A research approach is also either deductive or inductive. A deductive analysis approach, which leads a study from a general to a selected development .It, begins with the event of a theory or a hypothesis and later a development of a method to check it during a context to verify or reject its claims (Creswell, 2003).

This study was conducted by using quantitative research approach that means deductive research approach; the approach is best suited for looking at cause and effect, and testing of theories and hypothesis (Muijs, 2010, p.9). The method uses to explain relationships or phenomena by collecting numerical data and analyzing based on mathematical method. The objective of the study is to investigate the causal relationship between motivation and the

employee performance; quantitative research approach was chosen to this study since it is an appropriate method to create quantifiable cause and effect relationship between the variables of the study.

A survey strategy provides a quantitative or numeric of trends, attitudes or opinions of population by finding out a sample of population (Creswell, 2009, p.146) and it's a well-liked and customary strategy in business and management analysis (Saunders et al., 2009, p.175) so, deductive analysis approach was utilized within the gift study. because the study had relative objectives involving associate degree variable quantity with aspects, namely, reward, promotion, recognition, perquisite, Training, job security, operating atmosphere, and variable, this can be worker performance.

#### 3.4. Sampling technique and Sample Size

#### 3.4.1. SAMPLING TECHNIQUE

Sampling technique is a method of selecting sample to be included in the study. To select representative sectors for the study based on their number of customers and their contribution to economic development. Purposive sampling method was used .This sampling method minimizes biases and gives equal chance to be selected to promote representativeness. The researcher chose Sixty branch from total of 40 Branches .The individuals of the sample were selected by using Simple random sampling method. This sampling method minimizes biases and gives equal chance to be selected to promote representativeness.

#### 3.4.2. Target population

According to Bell and Waters (2014), the term population is defined as a total group of individuals or units that are of interest to the researcher and individuals at whom the outcomes of the study can be generalized. Eleven branches were the target population of the study. To drive the sample, Sixty branchs were chosen by lottery method. They are Saris, kality, 6 kilo. 5 kilo, Art kilo, Kebena, Afebco Bere, Chilote, Semen Hotel, Arada, Abo. Kazanchis, Imperial, Gerji Merbrat, Ayat Branches. So, this number constitutes the target population of the study.

### 3.4.3. Sampling frame

It is the list of all possible units of the population that the sample can be drawn from it. The sampling frame of this study is the list of 30 Saris branch office , 40 kality branch office , 28 6 kilo branch office , 24 5 kilo branch office , 29 Art kilo branch office , 30 Kebena Branch office , 30 Afebco Bere branch , 25 Chilote branch office , 27 Semen Hotel branch office , 45 Arada branch office , 26 Abo branch office , 42 Kazanchis branch , 26 Imperial branch office , 26 Gerji Merbrat branch office , 32 Ayat branch office . The sample frame of 500 employees are grouped in to eight list of categories based on their respective sectors offices to make easier for the selection of the required sample and distribute the selected sample proportionally to the sectors.

### 3.4.4. Sample size Determination

According to Kothari, 2008 selection of sample size depend on nature of the study, budget and time constraints. For the purpose of this study 223 respondents will be used in data collection out of 500 employees which found at Berhan bank Addis Ababa branches. The sample will identifying based on using of Sloven formula methods.

Sloven formula going to be used in this study to determine the sample size. Slovene's formula helps us to obtain the sample size. Denoting by n the sample size, the Slovene formula is given by  $n=N/(1+(N*e^2))$ .

Where

n= sample size

N= target population

e= level of significance /marginal error 5%

$$n \frac{N}{1+N(e)2}n = n \frac{500}{1+500(0.025)2}n$$

$$n \frac{500}{1+1.25}n \qquad n \frac{500}{2.25}$$

N= 223 Participant

Table 3. 1 Sample size distribution would be selected from branch offices

S/	Branch Office	Target	Percentage	Sample Size
N	name	population		
1	Art Kilo	29	44.5%	12
2	6 kilo	28	44.5%	13
3	Menlik	40	44.5%	17
4	Kebena	30	44.5%	13
5	Afenco Bere	30	44.5%	12
6	Chilote	25	44.5%	11
7	Semen Hotel	27	44.5%	12
8	Arada	45	44.5%	19
9	Kasanches	42	44.5%	18
10	Imperial	26	44.5%	12
11	Gerji Meberat	26	44.5%	12
12	Ayat	32	44.5%	14
13	Abo	26	44.5%	11
14	Kality	40	44.5%	17
15	Saris	30	44.5%	13
16	Stadium	40	44.5%	17
		500		223

Source: (Own, 2022)

#### 3.5. DATA SOURCES

For this study try to use both primary and secondary data. The data would be gathered from Addis Ababa branches of Berhan Bank with the most possible recent and current situations.

- ✓ **Primary data:** some selected branch that is found around Addis Ababa, the questionnaire will be distributed to employees, interview to help us to gather data as primary sources.
- ✓ **Secondary data:** The annual report of Berhane bank of 2019/20 would be used as a secondary data source for the assessment conducted in addition to literature reviews found in books and the internet also included.

#### 3.6. METHOD OF DATA ANALYSIS

At the end of the entire data collection process reasonable checks were conducted and inconsistent data where cleared appropriately. Quantitative methods were employed in the analysis of the data. Accordingly, the collected data was processed using the Statistical Package

for Social Science. Data for the various research questions were analyzed using frequency, mean, standard deviation and percentages obtained to show the distribution of opinions and perceptions of respondents. As well, the results of the study were shown in tables. Furthermore, data for the various research questions were analyzed using descriptive statistics, correlation and regression to show relation of variables and perceptions of respondents.

# 3.7. Validity and Reliability Test

### 3.7.1. Validity

Validity defined as the extent to which data collection method or methods accurately measure what they intended to measure. To ensure the validity of the study, data has been collected from the reliable sources, i.e. respondents who have experiences in Berhan Bank. According to Mugenda and Mugenda (2013), the term validity refers to the accuracy or truthfulness of the measurement items. Before collecting data, conducting pilot study helps for testing the questionnaire, which reveals the weaknesses, if any, of the questionnaire and it may prove to be effective in collecting the relevant information (Kothari, 2004).. The first draft would be given to the advisors for scrutiny, suggestions, and necessary amendment would be made under supervision of advisor. The researcher would check the validity of items and make the necessary amendments based on the feedback obtained. And also in order to ensure the validity of the research instrument, the researcher gave the draft questionnaire to the research advisor. Moreover, the feedback obtained through the pilot test used to check the appropriateness of the questions included in the questionnaire. In doing so, the validity of the questionnaire was established using both face and content validity Face validity refers to probability that a question is misinterpreted or misunderstood. On the other hand, content validity also refers to logical validity and the degree to which a measure depicts all face of a given social construct. In this study, the content validity was improved by using the opinions of the research supervisor, senior students and senior lecturer of Department of Management. The face validity of the research instrument was also improved via a pilot test, and thereby revising unclear and ambiguous questions. As a result, the items were properly designed to measure the respective variable and its underlying constructs.

#### 3.7.2. Pilot Test

Pilot-testing was carried out before administering the questionnaires to the respondents. Pilot testing aims at determining the reliability and validity of the research tools including the sequence, wording and structure of the questions. This pilot study on the data gathering instrument was carried out by administering the sample questionnaire to those who did not participate in the study. Therefore, the pilot-test was conducted on 10 employees' Berhan bank kality Branch. These respondents were chosen using simple random sampling method. After collecting data from these respondents, necessary revisions were made on certain questions included in the questionnaire based on the respondents' feedback given in order to ensure the validity and reliability of the questionnaire.

### 3.7.3. Reliability Analysis

According to Bougie and Sekaran (2010), an instrument needs to be consistent when it measures. This consistency can be measured by using a reliability test. In short, this test is described as a test of worth or value of the survey data. Internal consistency reliability was verified using Cronbach's Coefficient Alpha. Accordingly, the respondents involved in the pilot test were asked to comment on the questionnaire. Most respondents gave feedback directed to the comprehensibility of items; therefore, researcher modified some of the items to improve their clarity. The researcher also ensured the reliability of the questionnaire to determine its consistency in testing what it was intended to measure. The reliability of the questionnaire was tested with the help of Statistical Package for Social Science (SPSS) version 28 to confirm that the Cronbach's Alpha coefficient values above 0.7 are generally accepted. Reliability analysis is very important in research and is widely used to measure the accuracy of the study. So, reliability was conducted via pre-testing the questionnaire by simple random sampling selected 10 employees working in Kality branch. To measure the internal consistencies and stability of the constructs namely, reward, promotion, recognition, job security, training, working environment, fringe benefit, salary and employee performance, Cronbach's Alpha coefficient was applied. It indicates an average correlation among the items that have developed the scale. Such a value ranges from 0 to 1 with 1 indicating greater reliability. A coefficient of reliability range of between 0.30 and 0.80 is acceptable (Pallant,

2007).Reliability test in this study found that all item is reliable by Cronbach's Alpha > 0.7 (Bhuwono and Agung, 2005).

The reliability of the questionnaires is tested by Cronbach's Alpha measurement in SPSS.

Table3.2. Item reliability Test using Cronbach's Alpha

Variables	Sign	Alpha	Internal Consistency
Reward	+	0.8011	Very Good
Promotion	+	0.8142	Very Good
Recognition	+	0.7315	Acceptable
Salary	+	0.8453	Very Good
Training	+	0.7331	Acceptable
Job Security	+	0.7792	Acceptable
Working Environment	+	0.7560	Acceptable
Employee performance	+	0.7731	Acceptable
Test Scale		0.8011	

Source: (Researcher's own survey, 2022)

As indicated in above table for this study, the researcher developed a total of 9 constructs with 31 items. These 31 items of 9 constructs were measured by reliability test the reliability of reward related questionnaires on employee performance is 0.8011 promotion related questionnaires on employee performance is 0.8142, recognition related questionnaires on employee performance is 0.8453, Training related questionnaires on employee performance is 0.7331, Job Security related questionnaires on employee performance is 0.7792, Fringe benefit related questionnaires on employee performance is 0.7657, Working environment related questionnaires on employee performance is 0.7657, Working environment related questionnaires on employee performance is 0.7560 and employee performance is 0.7731. Since a rule of thumb suggested that the Cranach's alpha value exceeds 0.70 the items shows good reliability and considered acceptable and As shown in the table the overall Cronbach's Alpha for 9 items was 0.8011 which is very good and highly acceptable because the closer the reliability coefficient gets to 1 the better.

# 3.8. Ethical Consideration

In order to ensure ethical issues, first the researcher got full permission from the establishment and participant under the study. The researcher provided information concerning the topic, purpose, and overall benefit of the study to the participants. The researcher also made sure that participation in the study was voluntary and harmless.

# Chapter Four

# Data Presentation, Analysis and Interpretation

#### 4.1. INTRODUCTION

This chapter presents information on primary data collected from respondents on roles of motivation on employee performance in Berhan bank S.C. The analysis involves the use of a variety of statistical procedures including basic descriptive statistics (e.g. tables and graphs) and in order to substantiate the relationship between the independent and the dependent variables, correlation and multiple regression analysis were conducted by using SPSS 28

#### 4.2. DESCRIPTION OF THE RESULTS

Based on the census conducted 223 questionnaires were distributed and 198 questionnaires were collected and due to the incompleteness of data 6 questionnaires had to be discarded. Finally, 192 questionnaires were considered for the data analysis.

#### 4.3. BACKGROUND INFORMATION OF RESPONDENTS

This section shows the gender of the respondents, age bracket, highest professional qualification attained and the duration spent in Berhan Bank S.C.

Trable 1able 4.3. Background of the respondent

Bio Data		Frequency	Percentage
	Male	141	73.4%
Sex	Female	51	26.6%
	18 -30 years	101	52.6%
Age Range	31 – 40 Years	52	27.1%
	41 – 50 years	39	20.3%
	Certificate	11	5.7%
Education	Diploma	23	12%
Qualification	1st Degree	108	56.3%
	Maser Degree	50	26%

	6 months -1 years	13	6.8%
	1-2 years	121	63%
Years of Working	3-5 years	55	28.6%
	Above 5 years	3	1.6%
Current Position	Bank Teller	125	59.9%
	Business Banking	38	19.8%
	Officer		
	Credit Officer	11	5.7%
	Accountant	16	8.3%
	Data Processing	8	4.2%
	Officer		
	Auditor	4	2.1%

### 4.3.1. Sex distribution of the respondent

It was revealed that 141(73.4%) of the respondents are male the rest 51(26.6%) of the respondents are female. Thus majority of the respondents are male. This realizes that it is unequal opportunity in job employment, so due to that, women should look employment opportunities in Berhan Bank.

# 4.3.2. Age of the respondent

According to Table 4.2, findings of age distribution in this organizations Shows those 101(52.6%) employees aged between 18 to 30 years. And 52(527.1%) employees aged between 31 to 40 years. And 39(20.3%) employees aged 40 -50 years This result show that about 101(52.6%) employees out of 192 respondents are young and adult employees aged between 18 to 40 years. This indicates that the Berhan Bank has several young and adult workers than older workers. meaning the info indicated the employees area unit productive and may contribute for the accomplishment of sector, therefore young, powerful and energetic individuals within the service and area unit able to serve for very long time offer they area unit intended enough to remain. Wants the requirements the wants of individuals during this cohort area unit to satisfy the lowerlevel needs (psychological, safety and social) initial

predominant before the higher-level wants as projected within the Maslow"s (1946) hierarchy of wants.

On the opposite hand older staff have Workplace experience that comes from years of expertise in a very operating setting, Have higher attending records, Have higher client service, and square measure loyal, reliable, and dependable.

### 4.3.3. Education Qualification of the respondent

According to the Table 4.3 below, the study involved different respondents with different level of education as follows, Certificate level, 11 (5.7%), Diploma level 23 (12%) of the respondents, those who were having Degree level of education were 108(56.3%) respondents and the remaining respondents were having master degree and above level were 50 (26%) respectively, in accordance with the revealed data it showed that majority of respondents working at Berhan Bank are having degree level followed by Master level. However, those with certificate and diploma levels of education are few. Mostly individuals that getting higher education they are not satisfied their jobs and their turnover is more than so that organizations are overcome to that problem design the compensation plan to retain the employees as well plays more to attract, retain and motivate to give man power.

# 4.3.4. Working Experience of the respondent

From the respondents, only 13 (6.8 %) of them have worked six months up to one year. The majority of the respondents have served the sector between 1 and 2 years which consists 121(63 %) of the study group. The other 55 (28.6%) respondents worked between 3-5 years and 3 (1.6%) respondents have served the sector above 5 years .According to this table 4.4, employees' of the sector are largely dominated by workers who have been working in the office for less than 2 years.

#### 4.4. RESULTS OF DESCRIPTIVE STATISTICS

Table 4.2. Employe perciption on Job security

Job Security		Frequency	Percentage
I feel safe because of the comfort I am provided at work	Agree	192	100%
I feel safe with the	Disagree	96	50%
workflow created by my	Agree	96	50%
recent leader			
Because I have job	Disagree	100	52.1%
security, I feel proud my	Neutral	21	10.9%
work	Agree	71	37%

As per the above table respondent confirm that 192 (100%) respondent agree with the confirm they provide on the work, and equal repsondat 96(50%) agree and 96% disagree with they feel safe with the workflow created by the recent leader. In the other hand 100(52.1%) responded disagree with the job security that they have and 71(37%) agree with that.

Table 4.2. Employe perciption on working Environment

Working Environment		Frequency	Percentage
I am satisfied with the	Disagree	129	67.2%
working environment	Neutral	27	14.1%
	Agree	36	18.8%
Most employees in	Disagree	141	73.4%
my organization enjoy	Neutral	30	15.6%
their work	Agree	21	10.9%
My office allow me to	Disagree	50	50%
work freely	Agree	50	50%
My superior provides	Disagree	106	55.5%
an environment in	Neutral	40	20.8%
which I	Agree	46	24%
feel safe and secure	<del>-</del>		

Most of the respondent are disagree with satisfied in the working environment and most of the respondent 141 (74.3%) also disagree with enjoying in their work . regarding for alloment

of working freely 50 (50%) of the respondent disagree and 50(50%)agree with it. On the other hand in providing environment safe secure by their superior 106(55.5%) disagree and 46(24%)agree.

Table 4.3. Employe perciption on Salary

Salary		Frequency	Percentage
I am satisfied with my salary	Disagree	192	100%
The salary, I receive is	Disagree	192	100%
appropriate for the work I do			
I am happy with the salary	Disagree	192	100%
increase in my institution			
My salary is high in comparison	Disagree	192	100%
to my colleagues pay for doing a			
similar job.			

As we can see above table all of the respondent disagree 192(100%) regarding for satisfied with salary, the salary received appropriate for the work they do, salary increment.

Table 4.4 Employe perciption on Fringe Benefits

Fringe Benefits		Frequency	Percentage
I am satisfied with my total	Disagree	145	75.6%
benefits package.	Neutral	47	24.4%
My fringe benefits are paid	Disagree	147	76.56%
timely	Neutral	45	23.4%
It is only when I achieve my	Disagree	82	42.7%
work goal that my employer	Neutral	110	57.3%
offers me benefits.			

On the above table 145(75.6%) of the respondent disagree with the total benefit package does the company offered. 147 (76.5%) responds also disagree with the timely paid of fringe benefits that the company offered and also 82 (42.7%) responded on the offer that employee offer when archive of work goal

Table 4.5. Employe perciption on Training

Training	Frequency	Percentage
8	1 /	

It is possible to achieve performance simply because of training	Disagree	192	100%
I am satisfied with the training opportunities for my organization	Disagree	100	52.1%
	Agree	70	36.5%
My organization give training based employee skill gab	Disagree	50	50%
	Neutral	50	50%

The above table is for regarding training and 192 (100%) agree with training is the key for success and 100 (52.1%) disagree with the training that the bank offered and 70 (36.5%)agree with it. 50 (50%) disagree with the question that the organization give training based employee skill gap

Table 4.6. Employe perciption on Recognition

Recognition		Frequency	Percentage
I feel appreciated when I achieve	Disagree	192	100%
or complete a task			
I receive adequate recognition	Disagree	192	100%
for doing my job well			
My manager always thanks me	Disagree	192	100%
for a job well done			

As per Table 4.6 all the respondent 100 (100%) disagree with recognition offered with the bank. i.e. appreciate when employee achieve or complete task, received of adequate recognition for doing the job well, manger always thank them for a job well done.

Table 4.7. Employe perciption on Promotion

Promotion		Frequency	Percentage
I am satisfied with the carrier	Disagree	192	100%
advancement opportunities in			
my organization			
Promotions in the organization	Disagree	192	100%
are based upon qualification but			
not performance			
In my organization it provides	Disagree	159	82.81%
fair promotions opportunities	Neutral	33	17.8%

My job allows me to learn new	Disagree	192	100%
skills for career promotion			

As per table 4.1 regarding of promotion offered by the bank it is clear that 192 (100%) of the respondent disagree with ,the carrier advancement opportunities in my organization, Promotions in the organization are based upon qualification but not performance, organization it provides fair promotions opportunities and job allows me to learn new skills for career promotion.

Table 4.8. Employe perciption on Reward

Reward		Frequency	Percentage
I am proud to be working at this	Disagree	19	9.9%
company because I have been	Neutral	173	90.1%
rewarded for being achievement.			
I am pleased with the fair award	Disagree	152	79.2%
given by my organization	Neutral	40	20.8
In addition to monthly salary I	Disagree	192	100%
have received reward during	_		
achieving organizational goal			
My department is rewarded with	Agree	144	75%
the best performing staff	Neutral	48	25%

In above table 173 (90.1%) neutral to answer the question related to proud to work on the company because I have been rewarded for being achievement and 152 (79.2%) disagree with fair award given by my organization , 192 (100%) disagree with addition to monthly salary I have received reward during achieving organizational goal and last 144 (75%) agree with department is rewarded with the best performing staff

#### 4.1.1. RESULTS OF DESCRIPTIVE STATISTICS

In this section various statistical data analysis tools such as mean, standard deviation, frequency and percentile are used to analyze the collected data. The summary of descriptive statistics of all variables that are evaluated based on a 5-point Likert scale ("1" being "strongly disagreed" to "5" being "strongly agreed"). According to Zaidaton and Bagheri (2009) the mean score below 3.39 was considered as low, the mean score from 3.40 upto 3.79 was considered as moderate and mean score above 3.8 was considers as high as illustrated by

Comparison bases of mean of score of five point Likert scale instrument. Thus, detail of the analysis is as follows.

Table 4.5. Summary Statistics on Continuous Variable

Descriptiv	e Statistics
Descriper	c otationed

	N	Minimum	Maximum	Mean	Std. Deviation
Job Security	192	3	4	3.09	.470
Working Environment	192	2	4	2.42	.491
Fringe Benefit	192	1.7	2.7	2.311	.2751
Reward	192	2	3	2.65	.243
Training	192	3	4	3.11	.467
Salary	192	1	2	1.65	.239
Promotion	192	1	2	1.73	.312
Recognition	192	1	2	1.11	.181
Employment Performance	192	3	3	2.85	.317
Valid N (listwise)	192				

Where, Std.Dev.= Standard Deviation Min. = Minimum, Max.= Maximum

#### Source: (SPSS output from questionaries')

According to the arithmetic mean of descriptive statistics, the average mean of the job security components was 3.09, which was considered a low mean. From these responses, we can conclude that employees are dissatisfied with their reward motivational factors. For the work environment in this data, the average is 2.42. They are uncomfortable with the physical environment due to lack of proper facilities and resources to do their jobs; they are generally dissatisfied with the existing office design, furniture and office layout as compare to other bank sector.

Promotions (mean = 1.73) are low and employees are dissatisfied with promotion practices ,recognition (mean = 1.11), indicating that employees are not satisfied with their recognition. Training (mean = 3.11) is low and employees are dissatisfied with the training Berhan bank practice, Fringe benefits (mean = 2.31) low, employees Dissatisfied with their comapny fringe benefits, low Reward (mean = 2.65), employees dissatisfied with the bank reward, Salary (mean = 1.65), employees

dissatisfied with pay practices of the bank. In the above table 4.4, it is shown that the average mean score of Berhan Bank employee performance is 2.55, which can be considered as low mean score. Because the mean value is low, it indicates that employees are not performing well at work. As a result, we may conclude that Berhan Bank employees perform poorly because they are dissatisfied with the bank's eight motivating factors (reward, recognition, promotion, job security, training, working environment, fringe perk, and salary).

### 4.5. Correlation Analysis Independent and Dependent Variables

A correlation analysis is used to determine the direction and relationship between variables, according to Saunders et al. (2009, p.490). To infer and comprehend the nature of the link between the variables, a correlation analysis was performed between the independent and dependent variables of the study. The correlation analysis was used to figure out the relationship between the independent factors (reward, recognition, promotion, job security, training, working environment, fringe benefit, and salary) and the dependent variable (employee performance). To show the direction, intensity, and significance of the link between independent and dependent variables, the Pearson Correlation Coefficient was used. The researcher also used version 28 of the Statistical Package for Social Sciences (SPSS) software to completely examine the data, which included coding the items and entering them into SPSS for analysis. The rule of thumb for correlation coefficient between variables is shown in Table 4.5

Table 4.6 The Rule of Thumb for Correlation Coefficient

S/N	Coefficient Range	Strength of Association
1	±0.91 - ± 1.00	Very strong
2	$\pm 0.71 - \pm 0.90$	High
3	$\pm 0.41 - \pm 0.70$	Moderate
4	$\pm 0.21 - \pm 0.40$	Small but definite relationship
5	$\pm 0.01 - \pm 0.20$	Slight, most negligible

Source: Weiliang et al. (2011)

Therefore, using the Table 4.6 and the SPSS output of the questionnaire, the following results of the independent variables motivational factors (i.e., reward, recognition, promotion, Job security, training, working environment, fringe benefit, and salary) and the dependent variable (employee performance) is going to be discussed in detail basis. The following table presents the correlation between the independent and dependent variables

Table 4.7. Pearson Correlation Coefficient

Variable	Frequency	Employees I	Performance
		Pearson Correlation	P-value
		Coefficient	
Job Security	192	0.691	0.001*
Working Environment	192	0.696	0.001*
Salary	192	0.387	0.001*
Fringe Benefit	192	0.318	0.001*
Training	192	0.694	0.001*
Reward	192	0.295	0.001*
Promotion	192	0.253	0.001*
Recognition	192	0.488	0.001*

Note: \* indicate the correlation is significant at 0.01% level of significate

Source: (SPSS output of the questionnaire survey, 2022)

The results in table 4.7 shows the Pearson correlation coefficient was used to measure the relationship between independent variable motivational factors (i.e. reward, recognition, promotion, Job security, training, working environment, fringe benefit, and salary) and Employee Performance in Berhan Bank table-4.7 presents the correlation between motivation and employee performance. The R-value shows the direction, the strength and the significance of the correlation. The bigger the r value the more significant it is. The sign (\*) indicates that there is a correlation between the variables. As output of the model as shown in the table-4.7

there is a significant small but definite relationship positive relationship between the two variables; reward and employee performance [r= 0.295, n = 192, p = 0.001]. a p-value of 0.001 which is less than 0.01 level of significance ,this small but definite value indicates that an increase in reward will result in a positively change in employee performance, salary and employee performance [r= 0.387, n = 192, p = 0.001]. a -p-value is less than 0.01 level of significance ,this small but definite value indicates that an increase in salary will result in a positively change in employee performance.

Promotion and employee performance [r=0.253, n=192, p=0.001].p-value is less than 0.01 level of significance, there is a significant moderate positive relationship between the two variables this moderate value indicates that an increase in promotion will result in a positively change in employee performance, recognition and employee performance [r=0.488, n=192, p=0.001].p-value is less than 0.01 level of significance, there is a significant moderate positive relationship between the two variables this moderate value indicates that an increase in recognition will result in a positively change in employee performance, fringe benefit and employee performance [r=0.318, n=192, p=0.001].p-value is less than 0.01 level of significance, there is a significant moderate positive relationship between the two variables this moderate value indicates that an increase in fringe benefit will result in a positively change in employee performance.

Working environment and employee performance [r= 0.691, n = 192, p = 0.001]. a p-value is less than 0.01 level of significance, this small but definite value indicates that an increase in salary will result in highly a positively change in employee performance

Job security and employee performance [r=0.691, n=192, p=0.001].p-value is less than 0.01 level of significance, this small but definite value indicates that an increase in job security will result in highly a positively change in employee performance

Training and employee performance [r= 0.7355, n = 192, p = 0.000].p-value is less than 0.01 level of significance, there is a significant high positive relationship between the two variables this high value indicates that an increase in training will result in highly a positively change in employee performance

### 4.5.1. Regression Analysis

Regression analysis is a method of predicting an outcome variable from one (simple regression) or several (multiple regressions) predictor variables (Andy field, 2009). The regression model showed how much of the variation in employee performance is explained by motivation factors.

## 4.5.2. Regression test

Before executing regression analysis with certainty, a number of assumptions must be met. The following key assumptions will be checked in this section: independent variables should not be too strongly associated to one another (Multicollinearity), residual values should be independent of one another, and residuals should be normally distributed. The following tests were run to see if the data matched the linear regression assumptions, allowing us to conclude that the analysis results were valid and reliable.

### 4.5.3. Multicollinearity

The coefficients table can also be used to test the multicollinearity assumption. Tolerance and Volatility Inflation Factors (VIF) are the same thing, according to Muijs (2010, p.181). Tolerance is the amount of variance in an individual variable that is not explained by the other predictor variables. It ranges from 0 to 1, with a value near to 1 indicating that the other predictors don't account for the variance in that variable. A value close to 0 indicates that the other factors account for almost all of the variance in the variable. This allows us to confirm that our independent variables are not overly connected in a more formal way. We require a tolerance score of more than 0.2 and a VIF score of less than 10 to meet multiple regression assumptions.

Table 4.9 Multi collinearity Test Using Variance Inflation Factor (VIF) and Tolerance (ToL)

Independent Variables	VIF	ToL (1/VIF)
Reward	2.19	0.45
Promotion	4.46	0.46
Recognition	2.03	0.49
Training	33.21	0.03

Fringe Benefit	1.83	0.54
Job Security	33.81	0.02
Salary	3.50	0.28
Working Environment	6.04	0.16

#### Mean VIF

Source: (SPSS output of the questionnaire survey, 2022)

As indicated in the above tables 4.9 analysis of collinearity statistics show this assumption has been met, as VIF scores shown below 10, and tolerance scores above 0.2. Multi-collinearity is not the problem of this model, so that as a rule of thumb, the result showed that there is no multi collinearity problem among predictor variables except for training and job security.

### 4.6. Multiple Regression Analysis

A statistical approach called multiple regression analysis can be used to investigate and measure a relationship between two or more variables (Saunders et al., 2009, p.461). This technique is used to investigate the most complex interrelationships between variables, such as determining which independent variables (reward, recognition, promotion, job stability, training, working environment, fringe perk, and income) are the best predictors of the dependent variable (employee performance). and the percentage of variance in employee performance that is explained by all motivational variables. In general, this strategy allows the researcher to draw stronger causal inferences from observed interrelationships between variables and to predict a dependent variable based on the values of several independent variables. The Adjusted R squared is coefficient of determination which tells us the variation in the dependent variable due to changes in the independent variable.

The researchers hypothesized that motivation had a favorable and significant impact on employee performance. Motivational elements have a tiny but clear value, a moderate and high correlation coefficient with various aspects of employee performance, according to correlation study (table 4:9). Correlation analysis alone does not provide sufficient information about the interrelationships between the variables and does not imply a cause-and-effect relationship. Multiple regression analysis is a bivariate regression extension that allows you to look at the

effect of two or more independent variables on a single dependent variable at the same time. It allowed researcher to examine which independent variables have the most significant influence on the dependent variable. Thus, to understand the relationship between multiple independent variables and the single dependent variable the study used the regression model summary and the researcher examined the regression coefficients for each independent variable. Therefore, multiple regression analysis was used to investigate the effect of motivation towards employee performance.

Table 4.10 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.822	0.675	0.665	0.263

Predictors: (Constant), Reward, Promotion, Recognition, Training, Fringe Benefit, Job Security, Salary, Working Environment

Source: (SPSS output of the questionnaire survey, 2022).

Table 4.11Analysis of Variance (ANOVA) of the Regression Result

Model	Sum of	Degrees of	Mean	F(8, 159)	P-value
	Squares	Freedom	Square		
Regression	26.598	6	4.433	64.071	0.001
Residual	12.800	185	0.069		
Total	39.398	191			

Dependent Variable: Employees Performance

Predictors: (Constant), Reward, Promotion, Recognition, Training, Fringe Benefit, Job Security, Salary, Working Environment

Note: \* indicates the regression model is significant at 1% level of significance.

Source: (SPSS output of the questionnaire survey, 2022).

R Represent the relationship between dependent and all the independent variables.

- R2 Represent how much of the dependent variable can be explained by the independent Variable
- B Represent co-efficient of the independent variable
- Sig. Represent the statistical significant level of the model

The correlation coefficient between the dependent variable and the independent variables is represented by the R-value. R =0.822 in table-4.10 implies that the dependent variable (employee performance) and the collection of eight independent variables have a very strong positive association (motivational factors). The (RSquare) value in the model summary aids in explaining variance in the dependent variable (employee performance). The (R-Square) value is 0.794 based on the values in Table-4.10. This suggests that the dependent variable (employee) is predicted by the independent factors (reward, promotion, recognition, training, fringe benefit, job security, salary, and working environment). predict the dependent variable (employee performance) by 67.5%, leaving 32.5% of the factors in this study unexplained. This implies that there are more independent variables that were not considered in this study but are important in explaining employee performance variation.

ANOVA (F-test) was used to determine the model's significance. The ANOVA table shows that the model as a whole is significant (F (8, 159) = 64.071, P=.001), as indicated in the multiple regression analysis (table 4.14). The F test is a statistical test that determines if the independent variables have a significant effect on the dependent variable when considered together. If the F statistic's significance value is minimal, that is, less than the error margin of 0.05, then the independent factors significantly explain the variation in the dependent variable.

It can be observed in table 4.10 above, there is a significant relationship between motivational factors (Reward, Promotion, Recognition, Training, Fringe Benefit, Job Security, Salary, Working Environment) and employee performance (P1) which indicates that the proposed hypothesis which states that there is positive and significant relationship between motivation and employee performance is accepted.

Table 4.12 Regression Coefficients

Model	Unstandardized		Tcal	P-value	Standard
	Beta Coef.				Beta Coef.
•	Coef.	Std. Err.	-		
Reward	0.127	0.134	2.593	0.261	0.068
Promotion	0.928	0.126	7.357	0.001	0.639
Recognition	0.512	0.131	3.891	0.001	0.204
Training					
Fringe Benefit	0.178	0.082	2.167	0.032	0.108
Job Security					
Salary	0.349	0.134	2.593	0.010	0.183
Working Environment	0.904	0.664	14.101	0.001	0.997
Constant	2.339	0.264			

Note: \* indicates the regression coefficient significant at 1% level of significance

Source: (SPSS output of the questionnaire survey, 2022)

The model for the relationship between Reward, Promotion, Recognition, Training, Fringe Benefit, Job Security, Salary, Working Environment and Employee Performance can be seen as:

$$Yi = \alpha + \beta 1x1 + \beta 2X2 + \beta 3x3 + \beta 4X4 + \beta 5x5 + \beta 6X6 + \beta 7x7 + \beta 8X2 + \epsilon i Y = 2.339 + 0.127x1 + 0.828X2 + 0.512X3 + 0.178X4 + 0.1349X5 + 0.904X6$$

Therefore, Employee Performance (Y) in PS in Berhan would be:

$$Y=2.344+(0.127RD)+(0.928PN)+(0.512RN)+(0.178FB)+(0.349S)+(0.904WE)$$

Using the beta value under the unstandardized coefficients in table 4.12, we can simply compare the relative contributions of each of the distinct variables. The greater the beta value, the greater the contribution.

The most influential factor that significantly affects employee performance, as shown in table 4.12, is Promotion, with a beta value (beta = 0.928), at a 95% confidence level (p 0.001). The Beta-value of 0.928 indicates that one unit increase or positive change in "Promotion" would result in a 0.928 unit increase in employees' job performance. As a result, the fourth hypothesis,

"Promotion has a favorable and significant effect on employee performance," is accepted and agrees with Zerihun's earlier research (2013).

The results of regression, as presented in table 4.12 above, shows that fringe benefit has a positive and significant effect on employee performance with a beta value (beta = 0.178), at 95% confidence level (p < 0.010), The Beta-value of 0.178 indicates that one unit increase or positive change in" fringe benefit" would lead to a 0.178 unit increase the level of employees' job performance. As a result the second hypothesis which states "Fringe benefit has a positive and significant effect on employee performance." is accepted. And it is similar with previous study Helen N.Kamau (2011),

The findings of regression, as presented in table 4:12 above, reveals that reward has a positive and significant effect on employee performance with a beta value (beta = 0.127), at 95% confidence level (p < 0.01), The Beta-value of 0.127 indicates that one unit increase or positive change in "reward" would lead to a 0.127 unit increase the level of employees' job performance. Therefore, the eighth hypothesis which state "Reward has a positive and significant effect on employee performance." it is accepted. It is similar with previous study (Bowen, Bob Nelson as cited by Giancola (2011) and Mahazril et al. (2012).

The findings of regression, as presented in table 4:12 above, reveals that promotion has a positive and significant effect on employee performance with a beta value (beta = 0.928), at 95% confidence level (p < 0.001), The Beta-value of 0.928 indicates that one unit increase or positive change in "promotion" would lead to a 0.928 unit increase the level of employees' job performance. Therefore, the fourth hypothesis which state "Promotion has a positive and significant effect on employee performance." it is accepted. It is similar with previous study Owusu T. (2012).

The regression results, as shown in table 4:12, show that salary has a positive and significant effect on employee performance, with a beta value of 0.349 at the 95 percent confidence level (p 0.01).), The Beta-value of 0.010 denotes that a one-unit rise or positive change in "salary" would result in a 0.349-unit increase in employee job performance. As a result, the six

hypotheses are accepted, which declare that "Salary has a positive and significant effect on employee performance." It is comparable to a prior study by Zerihun (2013).

Lastly, table 4:12 reveals that, working environment has a positive and significant effect on employee performance with a beta value (beta = 0.909), at 95% confidence level (p < 0.01), The Beta-value of 0.001 indicates that one unit increase or positive change in "working environment" would lead to a 0.909 unit increase the level of employees' job performance. As a result, the fifth hypothesis that is "working environment has a positive and significant effect on employee performance" is accepted and it is similar with previous study Helen N.Kamau (2011).

# 4.7. Hypothesis Testing and Discussion

The Pearson correlation coefficient was used to test the hypotheses. The reason for this is that the Pearson coefficient was developed to examine the link between variables, as well as to demonstrate the strength, direction, and significance of the correlation between the variables. The Pearson correlation coefficient was used to determine the relationship between the independent variables (reward, recognition, promotion, job security, training, working environment, fringe benefit, and salary) and the dependent variable (reward, recognition, promotion, job security, training, working environment, fringe benefit, and salary) (employee performance).

t-statistics for each coefficient, it is now time to make a decision about whether to accept or reject the null hypothesis. In order for this decision to be made, one needs to set a significance level, which is also known as the alpha level. The significance level of 0.05 is usually set for rejecting the null hypothesis or otherwise. If the value of t-statistics fall in the critical region, the null hypothesis is rejected. Or, if the p-value comes out to be less than 0.05, the null hypothesis is rejected.

The decision criteria either to reject or accept the hypothesis is depend up on the value of p, meaning that if  $p \le 0.05$  reject the null hypothesis, but accepting the alternative hypothesis and if  $p \ge 0.05$  reject the alternative hypothesis, but accepting the null hypothesis

Table 4.8 Summary of Hypothesis

Hypotheses	Decision
H1: Reward has positive significant influence on employees' performance	Not Rejected
<b>H2:</b> Promotion has positive significant influence on employees' performance.	Not Rejected
H3: Recognition has positive significant influence on employees' performance.	Not Rejected
<b>H4:</b> Training has positive significant influence on employees' performance.	Not Rejected
<b>H5:</b> Fringe benefit has positive significant influence on employees' performance.	Not Rejected
<b>H6:</b> Job security has positive significant influence on employees' performance	Not Rejected
H7: Salary has positive significant influence on employees' performance.	Not Rejected
H8: Working environment has positive significant influence on employees'	Not Rejected
performance.	

Source: (SPSS output of the questionnaire survey, 2022)

# 4.8. Effect of motivation on Employees' Performance

The subsequent section presents the effect of independent variables (i.e., reward, promotion, recognition, training, fringe Benefit, job Security, salary, and working Environment) on dependent variable (i.e., employee performance) in Berhan Bank.

In general, table 4:11 indicates that all independent variables accounted for 82.2% of the variance in employee performance R =82.2% indicates that there is a very strong positive correlation between the dependent variable (employee performance) and the set of eight independent variables (motivational factors). The model summary indicates the (R-Square) value which helps in explaining variance in the dependent variable (employee performance). Based on the results in Table-4.12, the (R-Square) value is 0.675.

This means that the independent variables (Reward, Promotion, Recognition, Training, Fringe Benefit, Job Security, Salary, Working Environment) predict the dependent variable (employee performance) by 67.5%, thus, leaving out 32.5% unexplained variables in this research. This means that there are other extra independent variables that were not put into consideration in this study that is significant in explaining variation in employee performance.

According to the foregoing explanation, employee motivation has an impact on their performance in the Berhan Bank Also, according to Maslow (1946), promoting a healthy workforce, offering financial security, providing opportunity to interact, and acknowledging employees' accomplishments serve to meet employees' physiological requirements, which in turn increases their performance. Employees are social beings with needs, and they will always want to be met, and only motivation will drive them to reach that goal despite challenges.

From the discussion of the quantitative analysis above, it can be concluded that, factors such as reward, promotion, recognition, training, Fringe Benefit, job security, salary, working Environment) do influence employees" performance. Therefore, there is relationship between motivation and performance and motivation does have effect on employees" performance.

Table 4.13 Employees' response on effect of motivation on employee performance

### Motivation has a strong effect on employee performance.

					Cumulative
		Frequency	Percent	Valid Percent	Percent
Valid	Strongly disagree	4	2.1	2.1	2.1
	Disagree	14	7.3	7.3	9.4
	Agree	115	59.9	59.9	69.3
	Strongly Agree	59	30.7	30.7	100.0
	Total	192	100.0	100.0	

Source: (SPSS output of the questionnaire survey, 2022)

Berhan bank staff has been sought as to whether motivation has an effect on their level of performance. Out of the total employees respondents, 115 representing 59.9% agree ,59 representing 30.7% strongly agree that motivation has an effect on their performance while only 14 (7.3%) responded in the negative.

From the above result only 14 (7.3%) respondents have not agreed that motivation has no effect on their performance where as 59.9% and 30.7% of employees agree or strongly agree (the sum of agree and strongly agree (90.6%) indicates that motivation has a valuable effect on

their performance. From the majority of the respondents we can conclude that, motivation is directly proportional to performance.

This result implies that the more motivated a workforce is, the higher their level of input into work and, as a result, the higher their level of performance. Furthermore, the personnel may perform far better than they do now. The majority of the respondents agreed that being inspired by the organization leads to greater performance; similarly, (as Appiah Daniel, 2011) highlighted the work of Karan, 2009, the relationship between motivation and performance appears to be an evident one. If a person is exceptionally talented, motivated, they will perform better. In turn, better performance may well lead to a sense of achievement and result in greater motivation. Most people have an intuitive sense that motivation is linked with performance

Skinner (1953) continues to urge that in order to understand motivation, there lays great need in understanding human beings. In this regard, human behavior has been strongly correlated with the level of human motivation; meaning the higher the level of motivation, the better the behavior. With this in mind, it has been made clear that, proper Employee motivation leads to good organizational behavior, increased employee efficiency and output. Henceforth, employee performances have directly impact on organizational productivity and success. Therefore, it can be said that motivation and employee performance are positively correlated. And, it has to be noted that both intrinsic and extrinsic motivational factors lead to employee motivation and thereby improving their performance level.

The relationship between employee motivation and job performance has been studied for a long period. However, earlier research could not succeed in establishing a direct relationship between the two Vroom (1964). Yet it seems that the factors do influence each other. Petty et al. (1984) reviewed the 15 studies Vroom (1964) used in his research and added another 20 more recent studies; they concluded that employee motivation and performance are indeed related. The results of their research indicate that the relationship between individual, overall job satisfaction and individual job performance is more consistent than reported in previous researches (e.g. Vroom, 1964). And Hackman and Oldham (1976) argue that when employee satisfaction is added, a circular relationship is formed with performance, satisfaction and

motivation. The term satisfaction is also used by Herzberg (1959); he argues that when intrinsic factors (motivators) are present at the job, satisfaction is likely to occur as well as an increase in employee motivation. Amiable (1993) states that work performances are dependent upon the individual's level of motivation can be intrinsically and/or extrinsically based. It is also argued that certain job characteristics are necessary in establishing the relationship between employee motivation and performance (e.g. Brass, 1981; Hackman & Oldham, 1976; etc.).

In order to make optimum utilization of human resources the Berhank Bank management needs to identify the required motivational variables and make improvement in its motivational system by integrating motivational strategy with human resource strategy so as to develop unique motivational strategy and integrated with performance appraisal system that will help to improve employees' performance as well as achieving organization goals.

It was also found that training was considered as the main motivational factor that influence employees' to work hard and better, which imply that low rate of skill gap training reduce morale for high employees' performance. Therefore, Berhan bank management should check its training system to reflect employees' education level, skill, knowledge, ability and employees' responsibility as well as considering work experience so as to encourage better performance for its employees.

# 4.9. Chapter Summary,

This chapter covers data presentation and analysis of the study. From the data collected, this chapter performed the descriptive analysis in order to determine the response rate and data presentation. From the descriptive analysis in chapter four, it was observed that majority of the respondents are male and majorly between the age category of 18-30 and 31-40 years. Furthermore, correlation analysis was employed to identify what the relationship between independent variables (reward, promotion, recognition, training, Fringe Benefit, job security, salary, working Environment) and the dependent variable (employee performance). The correlation analysis was also adopted to test the hypotheses of the study and regression analysis for identifying in what extent the independent variables predicts the dependent variable. In

this case, Statistical Package for Social Science Vesion-28 was employed for the correlation and regression analysis The correlation result shows that there was a positive and significant relationship between motivational factor (reward, promotion, recognition, training, Fringe Benefit, job security, salary, working Environment) and employee performance. The regression results shows, among the eight independent variables which variable is more predict the dependent variable employee performance. Hence, from the results, training, was highly predictive the employee performance followed by fringe benefits recognition, promotion, working Environment, salary, job security and reward can predict the employee performance.

According to frequency and percentage table 4.13, 59.9 percent and 30.7 percent of employees agree or strongly agree that motivation has a significant impact on their performance. We may conclude from the majority of replies that motivation is directly linked to performance. This result implies that the more motivated a workforce is, the higher their level of input into work and, as a result, the higher their level of performance. Furthermore, the personnel may perform far better than they do now. The majority of respondents believed that there is a direct link between their higher performance and their motivation by the organization.

Table 4.7 shows that employees have a poor degree of job performance since the mean value is considered low, based on the arithmetic mean values given by descriptive statistics. As a result, we can conclude that Berhan bank personnel perform poorly because they are dissatisfied with the sector's eight motivating factors (reward, recognition, promotion, job security, training, working environment, fringe benefit, and salary).

#### **CHAPTER FIVE**

# SUMMARY, CONCLUSIONS AND RECOMMENDATIO

#### 5.1. Introduction

The goal of this study was to see how the independent variables motivation (reward, promotion, recognition, training, fringe benefits, job security, salary, and working environment) interacted with the dependent variable (employee performance) in Berhan bank. A overall objective, specific objectives, and study questions were developed to attain this goal. In addition, eight hypotheses with a mix of null and alternative hypotheses were developed in response to the research objectives.

For data analysis, descriptive statistics and inferential statistics were used. In this section the main findings of the research is summarized and conclusions on major findings are presented. Recommendations are given based on the research findings and the limitation of the study is mentioned. Finally, the study forwarded some suggestions for further investigations.

## 5.2. Summary of Findings

To test the hypothesis, a multiple regression analysis was conducted on the dependent variable employee performance. The overall model statistics box revealed a R value of R =0.822, indicating a good connection between employee performance and the set of eight independent variables (motivational factors). The R square score of 0.675 indicates that the model's independent variables explained 67.5% of the variance in the dependent variable (employee performance). As a result, the total multiple regression statistic for Employee performance (R2 = 0.675) supports the hypothesis that motivating factors have a favorable impact on employee performance. This means that the independent variables (reward, promotion, recognition, training, fringe benefits, job security, salary, and working environment) predict the dependent variable (employee performance) by 67.5%, leaving 32.5% of the variables unexplained in this study.

Positive and significant relationships between eight independent variables were found in the Pearson correlation coefficient table 4.9 of the dependent variable (employee performance): Reward (= 0.127, p=.0.261), Promotion (=0.928, p=.001), Recognition (= 0.512, p=.001), Fringe benefit (= 0.178, p=.032), , followed by Fringe Benefit, and Recognition, contribute the most to explaining the dependent variable employee performance among these independent factors. As a result, a change in the above-mentioned variables will result in a change in the above-mentioned variables substantial change on the dependent variable employee performance.

ANOVA (F-test) was used to determine the model's significance. The model as a whole is significant (F (8, 159) = 64.071, P=.001), as shown above in ANOVA table 4.11. As a result, the presented hypothesis (P0.01, F>1) stating that there is a positive and substantial association between motivational factors and employee performance is accepted.

This study used correlation analysis methods to test eight hypotheses and determine the relationship between variables. So far, the study's findings, as well as the hypothesis decision, are listed below. Based on the objectives, the study's findings were summarized in this example as follows:

#### Objective-1: To examine the effect of reward, and salary on employee performance

The findings on the relationship between reward, salary, and employee performance indicate the presence of a coefficient greater than 0.2 (r>0.2) as the Rule of thumb for Correlation Coefficient, Source: Weiliang et al. (2011) at p 0.05 rejecting the null hypothesis (Ho) but accepting the alternative hypothesis (Ho) (Ha). This demonstrates that compensation, job security, and salary have a favorable impact on employee performance. This positive link demonstrates that as reward, and salary all rise, employee performance rises as well.

# Objective-2: To identify the influence of recognition on employee performance

The findings on the relationship between recognition and employee performance indicate the presence of a coefficient greater than 0.2 (r>0.2) as the Rule of thumb for Correlation Coefficient, Source: Weiliang et al. (2011) at p 0.05 rejecting the null hypothesis (Ho) but

accepting the alternative hypothesis (Ho) (Ha). This demonstrates that employee performance is affected by recognition and training, and the two are linked in a favorable way. This positive link demonstrates that while recognition improve employee performance as well.

# Objective-3: To examine the effect of working condition, promotion and fringe benefit on employee performance

The finding obtained on the relationship between working condition, promotion and fringe benefit and employees' performance indicate the presence range of coefficient greater than 0.2 (r>0.2) as the Rule of thumb for Correlation Coefficient, Source: Weiliang et al. (2011) at p < 0.05 rejecting the null hypothesis (Ho), but accepting the alternative hypothesis (Ha). This show working condition, promotion and fringe benefit has an effect on employee performance and they are positively linked. This positive relationship show that if working condition, promotion and fringe benefit separately and respectively increases, employee performance also increases

# Objective-4: To identify the relationship between employee motivation and employee performance.

In general, table 4:12 indicates that all independent variables accounted for 82.2.% of the variance in employee performance R =82.2% indicates that there is a very strong positive correlation between the dependent variable (employee performance) and the set of eight independent variables (motivational factors) The above explanation indicates motivation have effects on their employee performance among employees in the Berhan bank. And also well motivation package have high effects on their performance which also agrees with Maslow (1946). From the table 4:13 result only 14 (7.3%) respondents have not agreed that motivation has no effect on their performance where as 59.9% and 30.7% of employees agree or strongly agree motivation has a valuable effect on their performance. From the majority of the respondents we can conclude that, motivation is directly proportional to performance.

# 5.3. Conclusion of the Study

The following conclusions are drawn based on the major findings. Reward, Promotion, Recognition, Fringe Benefit, Salary, and Working Environment motivational aspects

implemented in Berhan bank are not satisfied employees of the firm, according to this study. There's also a difficulty with implementation and design. As a result, employee work performance is poor, and businesses fail to meet their objectives.

Employees are most motivated by training motivating factors, according to the study's findings. Employees, on the other hand, are less motivated by elements such as pay, job security, and remuneration, as well as the working environment. A positive and significant relationship exists between reward and employee performance, recognition and employee performance, promotion and employee performance, salary and employee performance, and working environment and employee performance, according to the correlation results. Also, employee performance and fringe benefits.

The investigation yielded the following specific empirical findings in relation to the given research hypotheses. Employee performance is positively influenced by all six motivating elements, including reward, promotion, recognition, fringe benefits,, compensation, and working environment.

The findings of this study also demonstrated that promotion is the most essential component in influencing employee performance in a good and meaningful way.

Because the mean value is considered low, the findings of this study imply that employees do not have a high level of job performance. As a result, we may conclude that Berhan bank employees have poor job performance due to their dissatisfaction with the sector's eight motivating factors (reward, recognition, promotion, working environment, fringe benefit, and salary).

Motivation is vital to a company because it improves employee performance, reduces employee turnover and absenteeism, and aids in the acceptance of organizational changes. Furthermore, the aforementioned motivational elements account for a considerable portion of the diversity in employee performance.

Employee motivation is directly linked to employee performance, according to the findings of this study. The result implies that the more motivated a workforce is, the higher their level of input into work and, as a result, the higher their level of performance. Furthermore, the personnel may be performing a lot better than they are. As a result, motivation is a toolkit for activating and arousing workers' performance in a certain organization, as well as an organization's overall productivity.

The study's overall goal was to look into the effect of motivation on employee performance. As a result, according to the study's findings, motivation to improve job performance also rises. To analyze the employee's motivation for job performance, the study used descriptive methodologies. Aside from that, the findings of the study show that there is a link between employee motivation and performance, with higher motivation resulting in higher performance. The data show that the majority of employees cite a variety of motivators, including reward, promotion, recognition, fringe benefits, job security, salary, and the working environment of high-performing employees.

#### 5.4. Recommendation

The study found that the Berhan bank has issues with correctly developing or implementing the motivational variables studied in this study, which include reward, promotion, recognition, fringe benefits, salary, and working environment. As a result, public sector leaders and human resource managers must pay close attention to the design and implementation of those motivational aspects. Employees were unsatisfied with the public sector's motivational practices, according to this study, and this resulted in poor employee performance. As employee performance deteriorates, the public is unable to receive adequate and satisfying service from the sectors.

Based on the findings and conclusions of the study, the researcher forwards the following recommendations.

✓ The next step is to locate a fringe benefit. It is the most important motivating factor in the public sector that has a beneficial impact on employee performance. As a result, it is preferable if Berhan bank leaders practice thus, improving fringe benefit, which is an indirect compensation given to an employee, and focusing on maintaining the quality of life for employees as well as providing a level of protection and financial security for

workers and their families. Here are a few examples: Medical insurance, education reimbursement, and time off are all examples of retirement or pension programs. This fringe benefit package, like base pay plans, will serve to recruit, retain, and encourage qualified, competent employees. This mechanism will allow the public sector to maximize the potential of their human resources and easily meet their goals.

- ✓ According to the findings of this study, the working environment motivating factor is one of the most important elements that influence Berhan bank workers' performance, yet employees are less motivated by this component. As a result, managers should create a favorable working environment by providing adequate facilities and equipment (computers, printers, machines, tables, chairs, and a clean office), avoiding excessive workload, and encouraging social interaction programs in order to improve employee relations and achieve the organization's goals.
- According to the findings of this study, motivation is one of the most important aspects impacting employee performance; therefore, employees are unlikely to be motivated solely by monetary incentives all of the time. In reality, non-monetary incentives such as paid vacations, time off from work, and gift vouchers can be very helpful in motivating employees to use tactics that help them perform better. As a result, the leader and group leaders should create this type of motivating package in order to bring job satisfaction to employees and encourage them to perform at their best.
- ✓ Promotion is one of the motivating elements influencing employee performance, according to the findings, an increase in promotion leads to a beneficial change in their performance. Incentives, rewards, and promotions, for example, are critical for motivating employees to improve their performance and foster healthy competition among team members. Therefore organization leader should build appropriate systems for recognize and granting advancement those who have performed their activities in a better way in transparent manners.
- ✓ One of the motivational variables impacting employee performance comes from discovering a reward. According to the findings, an increase in compensation will result in a beneficial change in employee performance. Berhan bank staff, on the other hand,

were less motivated by this element. When rewards are offered to employees who do well, they can be an effective tool for encouraging the desired behavior to continue. External rewards in the workplace include incentives, benefits, and other forms of compensation. Rewards that are monetary in nature. Managers frequently employ external prizes as motivators. As a result, the managers of Berhan Bank should devise a suitable compensation plan and program depending on the success of their staff.

- ✓ Salary is one of the motivating variables impacting employee performance, according to the findings. According to the findings, a rise in income leads to a beneficial impact in employee performance. Though Berhan bank employees were less motivated by this element, it was also discovered that income was the most important factor influencing employees' willingness to work hard and better, implying that low monthly pay reduces morale for excellent employee performance. As a result, Berhan Bank's human resource department should reassess its wage system to reflect employees' education, economic standing, and responsibility, as well as market wages, in order to motivate staff to perform better.
- ✓ Finally, in Berhan Bank, motivation is a vital aspect of managing a team of highly qualified and motivated people in order to achieve the organization's goals. As a result, every concerned entity should make sound employee incentive schemes a top priority in order to achieve optimum efficiency in achieving its objectives. Aside from that, the researcher would like to recommend that any concerned and interested party perform study in order to provide any relevant comments to the topic.

#### 5.5. Future research

- The researcher was limited to eight motivational factors which effect motivation employees 'job performance but the future researchers may focus on different variables(extrinsic and intrinsic) or combination of those variables included in the future researches.
- The study was conducted in the bank sectors limiting its scope. The future researches may examine the determinant factors on employees' job performance on other sectors.

✓ The current study focused only on the quantitative measure, so future approach should also include a qualitative inquiry for a better understanding of the issue under study

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# 7. Appendix

# ST. MARY'S UNIVERSITY SCHOOL OF GRADUATE STUDIES MBA PROGRAM

## Questionnaire

## Dear respondent,

I am final year postgraduate student pursuing a master's in general MBA from St. Mary's University. The purpose of this questionnaire is to find out about your perception on **the effect of motivation on employees performance.** The information that you offer me with this questionnaire will be used as a primary data in my case research.

Thank you for your participation.

#### **Instructions:**

- 1) Completion of this questionnaire will take you approximately 5 to 10 minutes.
- 2) The contents of this questionnaire will be kept **confidential**.
- 3) Please simply make tick mark ( $\sqrt{}$ ) on the appropriate choices
- 4) No need to wrote your name

#### Section A

#### **Back Ground Information**

1. (	Gender		
Male		Female	

Job security							•
NO Eff	fects		Strongly Agree	Agree	Neutra 1	Disagree	Strongly disagree
Do you think that Please rate your re		d factors motivates you t cale of 1 to 5).	-		,		
SECTION B	,		-	•		•	
3-5 Years		More than 5 Tears		l			
2 5 Voque		More than 5 Years		r			
6 months - 1 Year	rs	2-3 Years					
<b>5.</b> Since ho	w many years yo	ou have been working in	this organ	iization	?		
Auditor	Any_						
Accountant		Data Processing Office	cer				
Loan Officer		Credit officer					
Bank teller		Business Bankir	ng Officer		7		
4. Your Cu	rrent Position						
1st Degree		Masters' Degree	1				
Certificate		Diploma					
3. Education	onal Qualificatio	n					
41 – 50years		51 – 60 Years					
18 – 30 years		31-40 years					
2. Age		21, 40, 220,000					
2 1 ~~							

Q6	I feel safe because of the comfort I am provided at work			
<b>Q</b> 7	Because I have job security, I feel proud my work			
<b>Q</b> 8	I feel safe with the workflow created by my recent leader			
Work	ing Environment			
Q9	I am satisfied with the working environment			
Q10	Most employees in my organization enjoy their work			
Q11	My office allow me to work freely			
Q12	My superior provides an environment in which I			
	feel safe and secure			
Salar	y			
Q13	I am satisfied with my salary			
Q14	The salary, I receive is appropriate for the work I do			
Q15	I am happy with the salary increase in my institution			
Q16	My salary is high in comparison to my colleagues pay for doing a similar job.			
Fring	ge Benefit			
Q17	I am satisfied with my total benefits package.			
Q18	My fringe benefits are paid timely			
Q19	It is only when I achieve my work goal that my employer offers me benefits.			
Train	ing		<b>,</b>	
Q20	It is possible to achieve performance simply because of training			

Q21	I am satisfied with the training opportunities for my organization		
Q22	My organization give training based employee skill gab		
Reco	gnition	·	
Q23	It is possible to achieve performance simply because of training		
Q24	I am satisfied with the training opportunities for my organization		
Q25	My organization gives training based on employee skill gap		
Prom	otion		
Q26	I am satisfied with the carrier advancement opportunities in my organization		
Q27	Promotions in the organization are based upon qualification but not performance.		
Q28	In my organization it provides fair promotions opportunities		
Q29	My job allows me to learn new skills for career promotion		
Rewa	ard	·	
Q30	I am proud to be working at this company because I have been rewarded for being achievement.		
Q31	I am pleased with the fair award given by my organization		
Q32	In addition to monthly salary I have received reward during achieving organizational goal		
Q33	My department is rewarded with the best performing staff		

Empl	oyment Performance			
Q34	My performance is better than that of my colleagues with similar qualifications.			
Q35	I am satisfied with my performance because it's mostly good			
Q36	My performance is better than that of the officer with similar qualification in other office.			
Q37	Motivation has a strong effect on employee performance.			

# **Interview Question's for Top Management**

- 1. Does Berhane bank have employee motivational programs?
- 2. What type of motivational systems (financial or non-financial motivational system) your organizations mostly provide for employees?
- 3. What is do you think is the role of motivating employees?
- 4. Does the current motivational system satisfy the employees of the organization? Yes or No?
- 5. Which motivational processes of Berhan bank have strong effect on employee performance?
- 6. What are the challenges or hindering factors affecting the motivational system in your organization?
- 7. What is your opinion on the comparison between -financial motivational factors and employee performance?
- 8. What is your opinion on the comparison between non-financial motivational factors and employee performance?
- 9. How do you think the current motivational system at Berhan bank can be improved?

## Thank you very much!!

THE EFFECT OF MOTIVATION ON EMPLOYEE PERFORMANCE: IN THE CASE OF BERHAN BANK S.C