



SCHOOL OF GRADUATE STUDIES

PROGRAM OF BUSINESS ADMINISTRATION (MBA)

**THE EFFECT OF MOTIVATION ON EMPLOYEES PERFORMANCE:
THE CASE OF MOHA SOFT DRINKS INDUSTRY S.C**

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JUNE, 2023

ADDIS ABABA, ETHIOPIA

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ABBREVIATIONS AND ACRONYMS

AA	Addis Ababa
APA	American Psychological Association
EMP	Employees Performance
FIN	Financial Incentives Factors
GOS	Goal Setting Factors
ICT	Information Communication Technology
JOS	Job Satisfaction Factors
MBA	Masters of Business Administration
MIS	Management Information System
NBE	National Bank of Ethiopia
RR	Reward and Recognition Factors
SPSS	Statistical Package for the Social Sciences

ABSTRACT

The main aim of this study is to undergo a research on the effect of motivation on employee performance in the case of Moha Soft Drinks Industry at Nefas silk Plant, Addis Ababa. This enables to understand the needs of employees to their intended objectives. Motivation plays a vital role nowadays in worldwide, for the organization in order to achieve their goal different motivational factor should be included to get the desired outcome. If the organization has motivated employees it is as such easy to meet the desired objective. So that it is important for the organization to create motivational program that improve motivation and consequently the performance of the organization and the employees. The primary purpose of this study was to examine the effect of motivation on employee's performance. This study adopted an explanatory research design in investigating the effects of motivation on employee's performance. The entire population of the study was chosen 20% of the total population of 926 workers from the study organization as a result the sample size determined is 186. A well- structured self-administered questionnaire was used as the main tool for data collection and was administered to 186 respondents and appropriately filled. Reliability of the research instrument was calculated and the Cronbach's alpha coefficient was 0.811. The study used the quantitative approaches the data collection method was survey method by employing questionnaire and the collected data was analyzed by using quantitative method. The multiple regression analysis model revealed that a significant influence of motivational factors on employees performance. The results revealed that financial incentives and job design are positively and statistically significant on employees' performance; whereas Job satisfaction & reward recognition had insignificant negative influence on company employees' performance. Furthermore this study also recommended that management of organizations should take appropriate measures in figuring out those factors that motivate their employees and seek ways of ensuring that they are adequately motivated in order to improve their employees' performance levels. Finally the study also suggested that future studies should focus on other industries apart from soft drink Service sector.

*

***KEYWORDS:** *Employees performance, job satisfaction, motivational factors*

CHAPTER ONE

INTRODUCTION

This research paper was assess the Effect of Motivation on employee's performance the case of Moha Soft Drinks Industry at Nefassilk Plant, Addis Ababa. This research paper was specifically provide background of the study, statement of the problem & methodology of the research paper.

1.1. Background of the Study

Motivation is defined as "a human psychological behavior that brings to a person's degree of achievement. It is the management process of getting impact on employees' behavior"; (Badu, 2015).

Conversely, Bartol and Martin (1998) relate motivation to the force that initiate or stimulate behavior, provide clear direction to behavior, and underlie the tendency to prevail. In another terminology employee must be actively induced and possessed. Must have a clear vision on what to be achieved and must have a sense of commitment to exert their energy for a period of time to achieve their goal.

However, other than motivation being a force that stimulates behavior, Vroom (1964) emphasized on the 'voluntary actions'. Supported by Steers et al. (2014), Vroom (1964) defined motivation as "a process governing choice made by persons".

There are two types of motivation: intrinsic and extrinsic. Accordingly, Lawler (1969) intrinsic motivation is the degree to which feelings of esteem, growth, and competence are expected to result from successful task performance. This view bounds intrinsic motivation to an expectancy approach and expectancy theory which clearly indicates that intrinsic and extrinsic motivations summate (Porter & Lawler, 1968) whereas extrinsic motivation refers to motivation that comes from outside an individual. The motivating factors are external, or outside, rewards such as money or grades. These rewards provide satisfaction and pleasure that the task itself may not provide (Porter & Lawler, 1968).

The level of performance is often tied with the level of motivation. Accordingly, work effective managers are concerned about motivation because the work motives of employees affect their productivity and quality of their work. People differ by nature, not only in their

ability to perform a specific task but also in their 'will' to do are known as motivation by understanding a person's ability and his motivation, a manager can forecast his performance level. Source J.S. CHANDAN (2013).

Even with the best strategy in place and appropriate organizational architecture, an organization will be effective only if its members are motivated to perform at a high level. The types of motivation are intrinsic and extrinsic. "Intrinsic motivation is a psychological force that determines the direction of a person's behavior as a result of challenging or interesting work, giving autonomy to work, designed scope to develop skills, abilities, opportunity to develop and grow, etc. Extrinsic is also psychological force that determines behavioral change as a result of tangible and intangible benefit such as salary, fringe benefit and special awards" (Gareth, R Jones and Jennifer M. George, 2013).

It is a fact that success in every organization depends on the quality of its human resources both skilled and unskilled labour which is perhaps the most intangible aspect of the organization, hence it is the most important. All these things plants, machinery and financing cannot generate income without manpower. Studies have shown that in today's competitive business environment, success is increasingly a function of effective human resources management (George Ahindo, Executive MBA, 2018).

It is therefore necessary to have a workforce that is motivated to yield high performance and productivity towards achieving the organizational goals and objectives. Employee performance refers to the efficiency and effectiveness of employees in achieving organizational objectives. (Kootz et al., 2019) Employee performance can be evaluated by considering the level of absenteeism, quality of reports, and time of reporting for and leaving for duty. The most important dependent variable in industrial and organizational psychology is job performance. One of the major concerns of manufacturing companies has focused on improving worker productivity, which is one of the job performance measures (Borman, 2014).

According to Keller (2016), when you expect the best from your employees they will give you their best. On the other hand, when you expect little from employees they will give you low performance in return. Many people feel that they are not recognized or appreciated by their employers for their hard work and in turn they feel de-motivated. Lack of

communication and feedback from employers cause employees to feel overlooked and inhibits them from performing to the best of their ability. Employee motivation is one of the strategies managers employ to enhance effective job performance among workers in organizations for effective work performance to thrive in the organization; motivation has to be managers' top priority. In this regard, leadership effectiveness relates to work performance (Borman, 2014).

The quality of human resource management has a critical influence on the performance of the organization. Concern for strategic integration, commitment, flexibility and quality has called attention to employees' motivation and retention. Financial motivation has become the most concern in today's organization and tying it to Maslow's basic or physiological needs, nonfinancial aspect, only comes in when financial motivation has failed. According to Greenberg and Baron (2018), the definition of motivation could be divided behind individual's action. People tend to be guided by their interest in making a good impression on others, doing interesting work and being successful in what they do. The second part refers to the choice people make and the direction their behavior takes. The last part deals with maintaining behavior, clearly defining how long people have to persist at attempting to meet their goals. Employee performance basically depends on many factors like performance appraisals, employee motivation, and employee satisfaction, compensation, training and development, job security, organizational structure and others. Study defined performance as a function of ability and motivation; $\text{Job performance} = f(a)(m)$ (Carter, 2019)

Different study conducted on the impact of motivation on employee performance showed that motivated employee has an increasing performance. It means that motivation has a positive and significance impact on employee performance. Among these studies the finding of Shahzadi, et al. (2014) revealed that there is a significant and positive relationship between Employee motivation and Employee performance Shahzadi, et al. (2014).

Therefore, this study was assess the impact of motivational factor on employee performance by using motivational factors such as goal setting, financial/monetary incentive, recognition and reward, job satisfaction and job design. According to Armstrong (2019), People are motivated when they expect a course of action is likely to lead to the attainment of a goal and a valued reward – one that satisfies their needs and wants Armstrong (2019).

1.2. Background of the Organization

To conduct this research, the researcher selected the Nefassilk Plant of Moha Soft Drinks Industry Share Company that is located at Nefassilk (Gottera) in Addis Ababa, Ethiopia. Currently, the Nefassilk Plant has 926 workers of which 595 of them are males and 331 of them are females. The plant is engaged in soft drinks manufacturing industry. The plant's main products are Pepsi Cola (cola flavor), Mirinda (Orange flavor), 7-Up (lemon flavor) and Mirinda Tonic (Moha, 2013).

Nefassilk Pepsi Cola Plant is one of the Moha's pioneer plant in manufacturing and supplying of Pepsi cola products in Ethiopia that established in 1966 as a share company with an initial capital of one million birr. The capacity of the bottling line at that time was 20,000 bottles per hour. In 1986, the plant was renovated and expanded to a capacity of 50,000 bottles per hour with twin fillers. Total renovation and expansion investment cost was birr 6,647,944.00 (Moha, 2013).

Mohammed Hussien Al-Amoudi (MOHA) soft drinks industry Share Company had formed and registered under the commercial code of Ethiopia on the 15th As stipulated in the memorandum of association, the purpose of the organization is to manufacture, buy, sale, bottle, distribute and otherwise deal in non-alcoholic beverages, mineral and aerated waters and ingredients thereof in Ethiopia and elsewhere; to manufacture, sale and distribute bottles, corks, corks screws and all type of crates; to manufacture, sale and distribute carbon dioxide; to invest in other business and enterprises, to establish and manage in Ethiopia or abroad, such subsidiaries, branches, of May 1996. This company formed after the acquisition of four Pepsi Cola Plants located at Addis Ababa (Nefassilk and Teklehaimanot), Gondar and Dessie that were purchased by Sheik Mohammed Hussein Al-Amoudi on 18 January 1996, through bid that was tendered by Ethiopian privatization agency. The hand-over of the factories finalized on 4 April 1996 (Moha, 2003) agencies as may be deemed desirable and generally, to carry on and engage in other activities which the company may deem necessary incidental or related to the attainment of any of the above purposes (Moha, 2013).

Organizations are concerned with what should be done to achieve sustained high levels of performance through people. This means giving close attention to how individuals can best be motivated through such means as incentives, rewards, leadership and, importantly, the work they do and the organization context within which they carry out that work. The aim is

to develop motivation processes and a work environment that will help to ensure that individuals deliver results in accordance with the expectations of management. Well-motivated people are those with clearly defined goals who take action that they expect will achieve those goals (Armstrong, 2016).

Therefore, the study is very important to address the level of employees' motivational conditions in the existing organization, to investigate the level of employees' work performances, to investigate the effect of motivational packages towards employee's productivity and addressing the workers motivational activities applied in the organization.

1.3. Statement of the Problem

Nowadays there is big competition around worldwide, so that organizations get themselves in anxiety to retain their workforce (Deci, 2013). Highly qualified, highly reliable, highly motivated highly skilled employees are a best asset for organization. The measure of the organization success is depending up on the type of the workforce that an organization has. Human resources should be treat with a great care, should be given unique managerial attention especially in service Delivery Company since they are the one who promote the organization to where they need to be (Storey, 2013).

However, according to certo (2016) good performance is not only the result of different motivational package; it also includes ability skill, time work environment organization have been experienced a high turnover even though they include a best salary incentive in their company policy (Aguinis, 2014).it means that wage and salary incentive only doesn't motivate employees to the required extent. In addition to this different employee motivated by different factors so that, it is important to manager to understand what motivates their employees to achieve the organizational goal and not assume a one –sized –fits-all approach (George and Jones, 2013).

The study of Elisabeth (2015) on the effect of motivation on employee performance: a case of Pam Golding Company, Nairobi showed that reward program does not motivate the employees. And the finding of Thomas (2016) on the study of effects of motivation on employee performance: a case study of Ghana commercial bank, Kumasi zone showed that extrinsic motivational factors are more motivate employee than intrinsic factor of motivation. The study of Erimias Birhan (2017) on his study of the effect of reward system on employee perceived performance shows that reward system has a benefit to motivate employees.

Towers, (2003) emphasized in his book titled, *Working Today: Understanding What Drives Employee Engagement*, quoted by Adelanwa (2013), that employee motivation was the biggest driver of organizational performance. He further stated that an organization that was able to motivate its employees and maintain it would be able to leverage their zeal and drive in order to ensure staff performance.

This study is therefore aimed at evaluating the impact of motivation on the employees and the level of their performance.

1.4. Research Questions

The study was guided by the following research questions:

Q1. What is the effect of goal setting on employee's performance the case of Moha Soft Drinks Industry?

Q2. What is the influence of financial/monetary incentive on employee's performance the case of Moha Soft Drinks Industry?

Q3. What are the impacts of recognition and reward program on employee's performance the case of Moha Soft Drinks Industry?

Q4. What is the effect of job satisfaction on employee's performance the case of Moha Soft Drinks Industry?

Q5. What is the effect of job design on employee's performance the case of Moha Soft Drinks Industry?

1.5. Objectives of the Study

General Objective

The general objective of the study was determined the effect of Motivation on employee's performance the case of Moha Soft Drinks Industry at Nefassilk Plant, Addis Ababa.

Specific Objectives

The specific objectives were:

- * To determine the effect of goal setting on employee's performance the case of Moha Soft Drinks Industry.
- * To identify the effect of financial incentive on employee's performance the case of Moha Soft Drinks Industry.

- * To examine the effect of recognition and reward program on employee's performance the case of Moha Soft Drinks Industry.
- * To investigate the effect of job satisfaction on employee's performance the case of Moha Soft Drinks Industry.
- * To determine the effect of job design on employee's performance the case of Moha Soft Drinks Industry.

1.6. Significance of the Study

The significance of the study was to assess the importance of motivation to improve the productivity of the organization, and it provides data and information concerning human resource motivation practices to management of the organization. Therefore, the study helps to investigate the effect of motivation on employees work performance in the study organization & to assess the importance of motivation to maximize productivity of the study organization.

Moreover, it helps the management of the organization to investigate the weaknesses and strengths of the existing motivation practice applied in the organization & to provide data and information concerning human resource motivational practices to management of the study organization.

Finally, the research result help to provide data and information for other interested organizations or individuals who intends to do further researchers on similar issues.

1.7. Scope of the Study

Under the scope of the study the researcher would consider geographical, methodological and the subject scope.

The researcher has carried out his research in Moha Soft Drinks Industry at Nefassilk Plant, Addis Ababa. The case of demographic factor only age, gender and working experience was take in to account. Besides, the study covers only permanent employee without part timer or contract workers, out sourced employees.




The researcher was based the collection of data and analysis there in basing on the current motivation the organization is giving to its employees from the year 2020 -2023.

Basing on the area of the study the researcher collected data reflecting the relationship

between motivation and performance of employees in the organization. While the researcher was selected explanatory research methods to processes the collected primary and secondary data's from the organization. This paper mainly was concentrated on the Ethiopian perspective.

1.8. Limitations of the Study

1.9. The study would encounter a number of limitations which also discount the authenticity and reliability of the findings of the study. Some of the limitations are as follows:

-  In survey method might be easy to apply and reliable that is way it would be employed for this research and may have disadvantages like many questions, shallow in depth, expensive in terms of time and money. However, the researcher was solve all this shortcomings by using the appropriate questions, time schedule and friendly relationship with respondents.
-  There may be other explanatory variables, which affects the situation other than those explained on this study.
-  In the course of carrying out this study, the researcher was faced problems such as time constraint and financial constraint. The researcher also was faced constraints of unwillingness of respondent to keep to appointments. However, with frequent appeals and patience some of the problems would be minimized.

1.10. Organization of the paper

This paper is divided into five chapters; the first chapter was deals with the introduction of the study that is background, statement of the problem, research questions and objective, significance and scope of the study. The second chapter was discusses the hypothetical and experimental literatures. The third chapter is about the methodology of the research that is research design, research approach, sampling size Sampling technique, method of data collection, data collection instrument, method of data analysis. The fourth chapter of the paper were present the finding as well as the quantitative and qualitative data analysis. Finally the fifth chapter was deals with conclusion and recommendation of the study.

CHAPTER TWO

LITERATURE REVIEW

This chapter looks into the following; conceptual framework, theoretical framework and a review of the related literature according to the objectives. This chapter is about the ideas and views of other researchers or persons in relation to the topic identified by the researcher. The literature is vital and enabled the researcher to investigate further and look for new information.

2. Theoretical Literature

2.1 Concepts of Motivation

Motivation is one of the critical issues that have been discussing in every field currently. Answers have been searching for the following questions. What is motivation? How the management of the organization motivate their workers? How employees get motivated? What should do to motivate workers for better productivity? What motivation factors should applied to increase workers' productivity?

Motivation is not something we can feel, smell, hear or see, we can only see the consequences of someone's inner motivation. We use the word motivation, wants, needs and motives very friendly at both work and elsewhere. All these attributes have to be deduced from their behavior (Weighman, 2013).

A motive is a reason for doing something for moving in a certain direction. People are motivated when they expect that a course of action is likely to lead to the attainment of a goal, a valued reward that satisfies their particular needs. Well-motivated people are those with clearly defined goals who take action that they expect will achieve those goals (Armstrong, 1984).

Motivation is the driving force behind all the actions of individuals. It is an activation of the inner drive, conscious or unconscious willingness of individuals or groups to extend effort to achieve a goal. Motivation not only affects other cognitive factors like perception and learning but also affects the total performance of an individual in organizational setting. This is the reason why managers attached great importance to motivation in organization. In fact,

Likert has called motivation as the core of management (Sudan & Kumar, 2013). There are different types of motivation; these are intrinsic motivation that is people are internally motivated to do something and extrinsic motivation that comes into play when a student is compelled to do something (like money or good grades).

All organizations are concerned with what should do to achieve sustained high levels of performance through people. This means giving close attention to how individuals can best be motivated through such means as incentives, rewards, leadership and, importantly the work they do and the organization context within which they carry out that work. Motivation theory examines the process of motivation. It explains why people at work behave in the way they do in terms of their efforts and the directions they are taking. In understanding and applying motivation theory, the aim is to obtain benefit through people in the sense that the value of their output exceeds the cost of generating it (Armstrong, 1984).

Based on Monappa and Saiyadain (1996), Motivation is mainly psychological. Motivation is the tools that forces and drives the individual's internal motives to act for better performance. Motivation in an organization is the willingness of an employee to respond positively towards organizational requirements. The more positive the individual's motivation towards the organization, the more effective is the workers performance. An individual's needs has determined by certain psychological imbalances, workers previous experience, social expectations and the interaction of two or more of these forces. To understand people's behavior, social motive should be recognized as being important.

Motivation refers to the initiation, direction, intensity and persistence of behavior. Incentives on the other hand are external measures that have designed and established to influence motivation and behavior of individuals, groups or organizations. Motivation is a critical dimension of capacity, defined as the ability of people, institutions and societies to perform functions, solve problems, set and achieve objectives. Incentives and incentive systems are fundamental to developing capacities and to translating developed capacities into better performance (Balassanian, 2016).

According to Williams (2017), the people we manage that will affect the choices we make about them are their motivation level of energy, enthusiasm and commitment they bring to

their work. They generally start from the premise that a person's motivation is based on a set of needs, the desire to achieve fulfillment of these needs is the force that motivates them.

Motivation of employees is a challenge that managers are frequently faces within the workplace. In today's business environment, employee motivation is perhaps the ultimate management challenge. Within the business environment, the understanding of motivation has seen as central to understanding and managing organizational behavior (Gregory H. Patton, Volume 24, 1997, p.1).

Motivating workers is about getting them to move in the direction of the organization's goal. Motivation can be described as goal-directed behavior. Well-motivated workers are those with clearly defined goals who take action to achieve the goal (Armstrong, 2016).

2.2 Intrinsic and Extrinsic Motivation

According to Chowdhury (2017), motivation is a process of arousing and sustaining goal directed behavior. Among the different motivation theories, both extrinsic and intrinsic motivation plays an important role in influencing employees work performance. Workers give values both for the intrinsic and extrinsic rewards available in organization.

Intrinsic Motivation: Intrinsically motivated workers seek peer recognition and put the organizations and the customers before their own interests. Intrinsic motivation refers to motivation that has driven by an interest or enjoyment in the task itself and exists within the individual rather than relying on any external pressure. Intrinsic motivation is taking pleasure in an activity rather than working towards an external reward.

Extrinsic Motivation: Extrinsic motivation refers to the performance of an activity in order to attain an outcome, which contradicts intrinsic motivation. It is widely believed that motivation performs two functions. The first is the energetic activation component of the motivation construct. The second is directed at a specific behavior and refers to the orientation directional component.

Extrinsic motivation comes from outside of the individual. Common extrinsic motivations are rewards like money and grades and threat of punishment. Competition is in general

extrinsic because it encourages the performer to win and beat others, not simply to enjoy the intrinsic rewards of the activity (Chowdhury, 2017).

3. Theories of Motivation

Motivation is the forces that initiates, guides and maintains goal oriented behaviors. The forces of motivation can be biological, social, emotional or cognitive in nature. There are different theories that explain motivation. Each individual theory has key ideas about motivation. Some of the important motivation theories are:

I. Maslow's Hierarchy of Needs Theory

Human motivation is a function of matching man's opportunity with the appropriate position in the hierarchy of needs. The process of motivation begins with an assumption that behavior is directed towards the achievement of satisfaction of needs. Needs Theory is based on four premises:

1. Only unsatisfied needs can influence behavior, a satisfied need is not a motivator.
2. A person's needs are arranged in a priority order of importance. The hierarchy goes from the most basic needs to the most complex.
3. A person at least minimally satisfied each level of need before feeling the need at the next level.
4. If need satisfaction not maintained at any level, the unsatisfied need will become priority once again. Abraham Maslow's premise is that human beings are organisms that are motivated to fulfill and satisfy certain needs in their lives. Maslow in a classical paper outlined the elements of an overall theory of motivation. Drawing chiefly is his clinical experience; he thought that a person's motivational needs could be arranged in a hierarchical manner (Maslow has cited at Sudan & Kumar, 2003). Maslow recognized five basic human needs are:

1. **Physiological needs:** include food and any other necessities to sustain and preserve life. These are the most basic needs and people will be motivated to fulfill them first, through whatever behavior achieves this end. Maslow suggested that, in the working environment, managers have to try to satisfy physiological needs by providing salaries and wages that

allow employees to buy their necessities. While the employees are at work, the manager should meet those needs by providing water and clean chair.

2. **Safety needs:** consist of the need for clothing shelter and environment with a predictable pattern such as job security, pension and insurance. People are motivated to fulfill these needs only when the physiological needs are mostly satisfied. It also includes protection against emotional harm.

3. **Social needs:** include the need to be liked by others to be a wanted member and to belong to a group other than just family. After satisfying the above two needs, employees go to the next higher needs. Those needs have desired to conversation, sociality, exchange of feelings, recognition, belongingness etc. According to Maslow's theory, managers advised to keep a favorable environment for employees by supporting employees got together such as birthday parties and sport teams.

4. **Esteem and status Need:** According to Maslow, once people begin to satisfy their need to belong, they tend to want to hold in esteem 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 states, recognition and attention.

5. **Self-actualization:** is the concept of fulfilling ones potential and becoming everything one is capable of becoming. This needs embrace such things as self-confidence, independence, achievement, competence, knowledge and success. Lack of satisfaction of these needs result in feelings of inferiority, weakness and helplessness. Work related activities and out comes that help to meet individual esteem needs should be recognized by managers.

II Herzberg's Two Factor Theory

As per Herzberg sighted at Ramasamy (2013), according to his Two Factor Theory: motivational factors are responsible for job satisfaction and hygiene or maintenance factors are responsible for job dissatisfaction The Herzberg's two factory theories are:

1. **Motivational Factors:** The presences of some factors are motivation to the workers and at the same time, absence of such factors does not cause dissatisfaction. They are called motivational factors. Some of these factors are achievement, recognition, advancement; work

itself, possibility of growth and responsibility. Furthermore, as per Herzberg sighted at Rao and Narayana (1987), Motivators: when absent, prevent both satisfaction and motivation. When present, lead to satisfaction and motivation. Therefore, these factors are associated with positive feelings of employees about the job. They related to the content of the job.

2. Hygiene or Maintenance Factors: the presence of some of the factors motivates the workers but the absence of these factors caused serious dissatisfaction. In other words, the presence of these factors prevents dissatisfactions. Some of these factors are company policy and administration, inter-personal relations with subordinates, salary, job security, personal life, working condition, status, inter-personal relations with supervisors, and inter-personal relations with peers. Additionally, as per Herzberg sighted at Rao and Narayana (1987), Hygiene Factors: when absent, increase dissatisfaction with the job. When present, help in preventing dissatisfaction but do not increase satisfaction or motivation. Therefore, these factors represent the need to avoid pain in the environment.

Herzberg's Motivation-Hygiene Theory views an individual's relation and attitude to his or her work as a basic one that can determine the individual's success or failure. Key hygiene factors those events on the job that can lead to extreme dissatisfaction, include (1) company policy & administration, (2) supervision, and (3) work conditions (Gregory H. Patton, Volume 24, 1997, p.2).

According to Herzberg sighted at Sudan & Kumar (2003), job satisfiers are related to job content and that job dissatisfies associated to job contents, and he labeled the satisfiers motivators and he called the dissatisfies hygiene factors

Therefore, managers have the power to increase motivation in the work place if they manage by providing different motivation factors according to the needs and requirements of employees. If this is so, employees believe that they have control on their jobs and can contribute more. The manager should also know that different individuals require different kinds and degree of motivation factors, and what stimulates one worker may not affect another.

3.1 Importance of Motivation

According to Jian and Saakshi (2018), motivation is the process that influences people to act and determine the organizational effectiveness. All facilities may go waste if employees are not properly motivated. Some of the importance of motivation are:

- Need satisfaction: motivation helps in satisfying individual as well as group needs of employees.
- Job satisfaction: when employees are properly motivated, they use their skill and knowledge up to their maximum ability to show better result to the management.
- Productivity: motivation results increasing productivity since its basic objective is to achieve the goals of the enterprise.
- Reduction in labor turnover and absenteeism: employees prefer to stay in their organization thereby bringing the labor turnover to the minimum.
- Acceptance of organizational changes: generally, employees resist changes but with proper motivation, they accept changes thereby keeping the organization in line with the other competing concerns.
- Increasing all-round efficiency: the friction between the workers themselves and between the management and the workers is decreasing result in the all-round efficiency.

Motivation is a process that starts with a physiological or psychological need that activates a behavior or a drive that aimed at a goal. Motivating employees is one of the critical responsibilities of managers and human resource management in the organizations and the performance of employees have directly related with their motivation level. Motivation is an important part of managerial process. A team of highly qualified and motivated employees is necessary for achieving objectives of an organization. It is only through motivation process, they contribute maximum for accomplishing objectives. Importance of motivation in management may be judged on the basis of the following factors are: effective use of resources, higher efficiency, accomplishment of organizational goals, reduce labor turn over & absenteeism, healthy industrial relations and improved corporate image (Singh, 2012).

According to Ramasamy (2013), two important things are necessary to perform any job through motivating the workers in the organization. That is, workers should have ability to work and willingness as well motivated to work. If the workers are not willing and not

motivated to work, the organization is unable to attain the stated goal. Hence, there is a need for motivation to create willingness in the minds of workers to do a job. The performance of workers in the organization can be expressed as the cumulative sum of workers ability, motivation and willingness of the employees in the organization.

4 Elements of Motivation

According to Koontz and Donnell cited at Jian and Saakshi (2018), the essential sound motivational systems are:

- **Competition:** it is an inducement to work hard and to compete each other in a sound proof of a good motivational system.
- **Productivity:** a good motivational system is that which helps in increasing efficiency and productivity of the labor.
- **Flexibility:** a motivation system should be able to adopt itself according to circumstances and situations. Because different individuals or groups of individuals has different needs and thus can be induced differently.
- **Comprehensiveness:** a good motivational system should help the working force to satisfy primary, social and personal needs. It should be applicable to all types or workers and as far as possible in equal proportion.

5 Types of Motivation

According to T.Ramasamy (2013), some of the types of motivations are:

Negative motivation: it is based on force of fear. If the workers fail to complete the work, they may be threatened with demotion, dismissed, lay-off, pay-cut, etc.

Positive motivation: it is based on rewards. Influencing employees to do better through the possibility of gain or reward as per the achievement.

Extrinsic Motivation: motivation will be available after the completions of a job, that is, increase in wage, retirement benefits, rest periods, holidays, health wages, health insurance etc.

Intrinsic Motivation: it is available at the time of performance of work. These motivations provide a satisfaction during the performance of the work itself.

Financial motivation: it is directly or indirectly associated with money. The most important financial motivations are wages and salaries.

Non-Financial Motivation: motivation is not associated with monetary rewards. Praise, job rotation, delegation of authority and responsibility, participation, recognition and power are some of the examples.

6 Performance and Motivation

According to March and Simon (1958), motivation is the function of perceived consequences of evoked alternatives and individual goals in terms of which alternatives are evaluated. There is positive correlation between performance and motivation. The following are their major generalization:

- ❖ Lower the individual satisfaction, greater the search for better way of doing job.
- ❖ More the search for the alternatives, greater the expected rewards.
- ❖ Greater the expected rewards, higher the satisfaction and level of aspiration.
- ❖ Higher the level of aspiration, the lower of the satisfaction. Thus, if the employee's level of satisfaction is low, the employee's desire to searches for better satisfaction is the higher and vice versa. The higher the expected rewards of the workers, the higher the workers search for better satisfaction in the organization and it lead to higher level of aspiration. The level of aspiration and satisfaction are negatively related.

Human resource is one of the scarce resources that have used by an organization. The organization uses its employee towards production. For any organization, especially in developing countries, where mechanized production method is not well developed, human resource is the corner stone of success (Gerald et al, 1995). Workers productivity is focused on: achieving higher labor performance while working within the given technical condition, workers shall be more capable and motivated to reduce defects and to make more effective utilization of other resources, workers working productively for a greater proportion of time, reducing the work content of a job by modifying the product design, eliminating unnecessary activities, rearranging or combining the necessary activities, improving the material and rationalizing the quality standards, improving the proportion of works on productive work etc. improves the workers' productivity in the organization (Banerjee, 1999).

Productivity is a measure of the output of goods and services relative to the input of labor, capital, and equipment. Out the three inputs, the labor input is the critical part for organizational productivity. Improving productivity simply means getting out of what has put in. Improving productivity is not working harder; it is working smarter through motivating the employees in the organization (Cascio, 2013).

According to Cascio (2017), individual employees or teams know what have expected from them and that they focused on effective performance of the desired goals if they feel motivated to accomplish their task properly. Goals direct workers to accomplish success in a variety of settings and cultures. Goals direct the attention of employees to the specific performance. Productivity measures the efficiency of the production system. Furthermore, productivity is a measure of how much input is required to produce a given output that is the ratio of output to input. Therefore, creating conducive working environment to workers and applying appropriate motivational systems on employees is very important to improve organizational productivity (Kumar and Mittal, 2012).

7 Factors Influencing Performance

Performance is the output of several factors, of which the human factors and human behaviors are the most significant determinant of performance like ability to work, which is governed by education, training, experience, aptitude etc. and the employees' willingness to work which is motivation morale of people is the second important group human factors that determine productivity. Wage incentive schemes, labor participation in management, communication system, informal group relations, promotion policy, union management relations, quality of leadership etc. are the main factors governing employee's willingness to work (Kumar and Mittal, 2002).

8 Challenges of Motivation

Managers and management researchers have long believed that organizational goals are unattained without the enduring commitment of members of the organization. Motivation is a human psychological characteristic that contributes to a person's degree of commitment. It includes the factors that cause, channel and sustain human behavior in a particular committed direction. Motivation is the management process of influencing workers behavior to improve their productivity in the organization. Motivation and motivating both deals with the range of conscious human behavior somewhere between two extremes: 1) reflex action, such as

sneeze or flutter of the eyelids and 2) learned habit such as brushing one's teeth or handwriting style (Stoner, et al, 1995).

9 Motivation and Morale

Motivation and morale refer to two different kinds of phenomenon. Motivation refers to the propensity towards a particular behavior pattern to satisfy a need or deficiency. Morale describes an employee's state of attitude, feeling and judgments about his work, peers, supervisors, subordinates and his organization. A highly motivated employee may not have high morale, though motivation to some degree provides potential for morale. A highly motivated employee may not be very satisfied with his job and his productivity may be low. An employee with a high morale will be satisfied with his productivity will be high (Monappa and Saiyadain, 1996).

It is already apparent that motivation is a very complex subject. The idea could certainly do with re-examining. However, as long as managers continue to speak of motivation and of motivation going wrong, experts will have to translate their thoughts in to these terms. The experts differ about the details, there are different needs, needs cannot be traded for qualitatively different needs; some needs cannot be traded for money and people do not always have insight to in what motivates them (Stewart and Stewart, 2013).

I. Expectancy Theory

According to Vroom's Expectancy Theory (1964), Expectancy theory states that, before choosing a behavior, an individual will evaluate various possibilities on the bush/plant of anticipated work and reward. Work motivation is determined by the individual perceptions of the relationship between effort and performance and the desirability of various work outcomes associated with different performance levels. According to Vroom's expectancy theory model, motivation as something holding great potential for understanding and practice in organization. According to his model, needs and satisfaction be considered before a person sets a meaningful goal. In the expectancy motivation model, motivation or the force to perform is defined as expectancy times instrumentality times valence or $M = E \times I \times V$. From a practical perspective, expectancy theory says that an employee will be motivated to exert a high level of effort when they believe the following three conditions are present:

- ✓ Employee believes that additional effort will be worthwhile.

- ✓ Employee believes that higher performance will result in greater outcomes or rewards, such as a bonus, a salary increase, or a promotion
- ✓ Employee places a high value on the outcomes or rewards.

The theory, therefore, focuses on the three relationships (expectancy, instrumentality, and valence). Expectancy (E) is the probability or an estimation of performance attained through the spirited effects put by an individual. Valence refers to an employee's performance for rewards he believes will result from performing well. Instrumentality is the outcomes for each level of the individual, through high level of effort; high performance is achieved (Singh, 2012) and (Sekaran, 2014). This theory suggested that to motivate behavior, managers must:

- Understand the employee measure the value associated with the assignment.
- Find out what outcomes are perceived as desirable by employee and provide them.
- Make the job intrinsically rewarding. If this is a valued outcome, it is critical for managers to provided experiences that enhance an employee's feeling of self-worth.
- Effectively and clearly communion to desired behavior and their outcomes. Employees need to know what is acceptable and what is unacceptable to the organization.
- Link rewards to performance, once the acceptable performance level is attained, reward should quickly follow.
- Be aware that people and their goals, desires, and levels of performance differ.
- Strengthen each individual's perceptions of his or her ability to execute desired behaviors and achieve outcomes by providing guidance and direction.

II. Equity Theory

Equity in the work place has found to be major factor in determining employee motivation. This theory states that people behavior relates to their perceptions of the fairness of treatment they perceive. Employees determine by calculating the simple ratio: the effort they are expected to invest on the job (input) in relation to what they expect to receive after investing that effort (their output or reward). Equity exists when the ratios are equivalent. Inequity exists when, in the employee mind, inputs exceed the relative or perceived outcomes (Adams, 1963).

According to Stoner, et al (1995), equity theory is based on the assumption that a major factor in job motivation is the individual's evaluation of the equity or fairness of the reward received. Equity can be defined as a ratio between the individual's job input (such as effort or skill) and job reward (such as pay or promotion).

Therefore, according to Equity Theory, individuals are motivated when they experience satisfaction with what they receive from an effort in promotion to the effort they apply. People judge the equity of their rewards by comparing them either to the rewards others are receiving for similar input or to some other effort/reward ratio that occurs to them. Thus, managers must take conscious efforts to establish and maintain equity in the work environment. In addition, managers need to recognize that perceptions of equity are not a onetime occurrence, present perceptions affected by past perceptions. By bringing this in mind, a manager may be able to identify the incident that served as a better motivation for good performance.

III. Acquired Need Theory

According to Stoner, et al (1995), the need theory of motivation that addresses what people need or require to live fulfilling lives, particularly with regard to work. In practice, need theory deals with the part work plays in meeting such needs. A person is motivated when he or she has not yet attained certain levels of satisfaction with his or her life. A satisfied need is not a motivator. The acquired needs model focuses on three particular or relevant needs in the work environment are need for achievement, need for affiliation, and need for power. Therefore, according to this theory, needs are acquired or learned through our life experiences. The three needs are:

- Need for achievement is represented with derives to excel, accomplish challenging tasks and achieve a standard of excellence. Workers prefer timely recognition of their efforts. As they are achievers they will not take risks, avoid them and will perform such that their efforts have some gain for themselves. In addition, they will not do anything in which there is a possibility of any failure.
- Need for affiliation is the desire for friendship, cooperation and close interpersonal relationship. People want peaceful relationships with their surrounding people. They refrain from activities, which will attract attraction to themselves. Their need is just sufficient approval rather than receiving justified recognition for their work.

- Need for power may involve either personal power want to dominate others for the failure of demonstrating their ability to control and influence in contrast; individuals with a high need for institutional power want to solve problems and further organizational goals. This theory states a clear distinction based on what they expect (need). Power seekers do not expect recognition or approval. They consider themselves superior for such things.

IV. Reinforcement Theory

B.S. Skinner and his Associates have developed it. It is based on “law of effect” that the behavior with positive consequences tends to be repeated but negative consequences tend not to be repeated. They have mainly emphasized on the fact that the consequences of past behavior affect future actions in cyclical learning process in the following manner: Stimulus –Response-Consequences-Future response. The behavior of individual that is voluntary in the form of response to situation or event or stimulus is the cause of specific consequences. There are four methods to use by the manager for modifying the behavior of employees:

- * Positive Reinforcement: desirable behavior encouraged or reinforced by positive consequences that is reward.
- * Avoidance learning: employees change their behavior to avoid unpleasant consequences such as criticism, poor evaluation, etc.
- * Extinction: absence of reinforcement, this consists of ignoring the behavior of subordinates in order to win the behavior.
- * Punishment: application of negative consequences among these all the positive reinforcement seems to be more, powerful and useful method for modifying behavior and making it more desirable for future (Jian and Saakshi, 2018). Therefore, reinforcement theory holds that a person’s behavior in a situation is influenced by the rewards and penalties experienced in similar situations in the past. This theory introduces a major point that managers should understand that much motivated behavior is learned. The employee learns over time what type of performance is acceptable and what unacceptable.

V. Goal Setting Theory

According to Edwin Locke cited at Stoner, et al (1995), goal setting theory focuses on the process of setting goals themselves. The natural human inclination to set and strive for goal is

useful only if the individual both understands and accepts a particular goal. Furthermore, workers will not motivate if they do not possess and know the skills needed to achieve a goal. Based on this model, individuals are motivated when they behave in ways that move them to certain clear goals that they accept and can reasonably expect to attain. According to this model, the four phases of a person's reasoning are:

- ✓ Establishment of a standard to be attained.
- ✓ Evaluation of whether the standard can be achieved.
- ✓ Evaluation of whether the standard matches personal goals.
- ✓ The standard is accepted, the goal is thereby set, and behavior proceeds towards the goal. Thus, according to this model, goal setting as a motivation model is a process of increasing efficiency and effectiveness by specifying the desired outcomes toward which individuals, groups, departments and organizations should work. Goals provide a clear, engaging sense of direction and specify what is going to be accomplished. Thus, managers should work with employees in setting goals to provide targets for motivation by making goals specific rather than general and provide feedback on performance against the stated goal. Feedback acts as a guide to behavior.

VI. Theory X and Theory Y

According to McGregor cited at Robbins (2009), an individual's management philosophy reflects one of the two sets of assumptions about workers. The two sets are theory X and theory Y.

Theory X assumptions includes the following negative views:

- Employees inherently dislike work and whatever possible will attempt to avoid it.
- Since employees dislike work, they must be coerced, controlled, directed or threatened with punishment to achieve desired goals.
- Employees will shrink responsibilities and seek formal direction whenever possible.
- Most workers place security above all other factors associated with work and will display little ambition.

Theory Y assumptions include the following positive views:

- ✚ Employees can view work as being as natural as play or rest.
- ✚ Human beings will exercise self-direction and self-control if they are committed to the objectives.
- ✚ People do not need to be threatened with punishment; they will work voluntarily toward organizational objectives to which they are committed.
- ✚ Working in an environment with good human relations will accept and seek responsibility
- ✚ Most people possess a high degree of imagination, ingenuity and creativity with which to solve organizational problems. McGregor argued that theory Y assumptions were preferable and that they should guide managers in the way they designed their organizations and motivated their employees. Much of the enthusiasm, beginning in the 1960s, for participative decision making, the creation of responsible and challenging jobs for employees, and developing good group relations can be traced to McGregor's advocacy that managers follows Theory Y assumptions.

10 Managing For Motivation

An organization's energy comes from the motivation of its employees. Although their abilities play a crucial role in determining their work performance, so does their motivation. Managers must ensure that employees are motivated to perform their tasks to the best of their abilities. Therefore, to motivate workers for better performance in the organization, managers should give better emphasis for the following points:

3.2 Treating People Individually

According to Hellriegel et al, (2018), individual differences are the unique needs, values, competencies and other personal characteristics that employees bring to their jobs. These characteristics vary from person to person. One person may be motivated by earning more money and prefer a job that offers such opportunity. Another may be motivated by security, preferring a job that involves less risk of unemployment. Yet another may thrive on challenges, seek a position that stretches the person's competencies to the limit and help the persons develop new ones. Therefore, people differ from one another in many aspects. They differ in terms of basic internal abilities, personality, and interest, level of aspiration, a

valuable energy, education, training and experience and the managers should consider these differences for motivation.

3.2.1 Providing an Effective Reward System

According to Jha (2015), the strategic aim of reward system is to develop the appropriate reward policies, processes and practices required to support the achievement of the organization's business through enhancing employees' performance. The specific aims are:

- ❖ Reward people for the value they create.
- ❖ Align reward practices with both business goals and employee values.
- ❖ Reward the right things to convey the right message about what is important in terms of expected behaviors' and outcomes.
- ❖ Help in the process of motivating people and gaining their commitment and engagement.
- ❖ Support the development of a performance culture.
- ❖ Develop a positive employment relationship and psychological contract. To motivate employees, organizations should apply appropriate employee reward systems like bonuses, awards or promotion, and intangible rewards such as personal achievement and challenge. Careful reward is an important motivational source that supports employees' productivity (Jha, 2015).

4. Redesigning Jobs: Structuring Tasks for Motivation

According to Chandran (1997), job redesign involves reversing job descriptions and changing the nature of work to induce higher level of motivation among employees. It involves alteration of specific aspects of jobs in a manner that would increase both the quality of employee's work experience as well as his productivity. The two primary approaches to job redesign relate to job scope and job depth. Job scope refers to the variety of tasks incorporated in to a job and job depth refers to the degree authority and autonomy added to the job. Such job redesign alternatives include:

- * Job enlargement: it is a horizontal loading, increasing the tasks variety by combining in to one job that previously assigned to a separate worker.
- * Job enrichment: deliberate upgrading of responsibility and challenges at work. Giving employees the responsibility for planning and control of work

- * Job rotation: shifting the employees from their previous routine work to other new job to minimize the monotony and boredom. Therefore, job redesigns are important motivational tools because job provides a means to meet employee's needs, manager need to know what elements of a job provide motivation to workers and then apply the concepts of job redesign to increase the output and satisfaction level.

5. Principles Governing Motivation

According to Jian and Saakshi (2018), a good system of motivation should be based on certain principles devised by various experts from time to time. The principles of motivation are:

- **Principles of participation:** it is one of the most important principles of motivation that people in the organization should be induced to participate in decision-making processes in matters concerning them.
- **Principles of communication:** the people in the organization must be informed about the matters concerning the result or objective of the organization, because the more a person knows about a matter, the more interest and concern he will develop.
- **Principles of recognition:** people will be motivated to work hard if they get continuing recognition for their efforts.
- **Principles of delegation of Authority:** people in the organization should be allowed to share the responsibility of taking decision affecting the goal of the organization by delegating the authority for accomplishing the result. Giving people authority to make their own decision gives them a vested interest in the result they accomplish and they feel that they are a part of the organization.
- **Principles of individuality:** people are different physically and psychologically. The management should not assume that all people in the organization can be motivated by the same needs or desires. Therefore, the management should ascertain first the needs, craving satisfaction in the particular individual's mind and then motivation situation should be created.
- **Principles of guidance:** the job of the management is to guide his subordinates towards the attainment of goals. The manager should give suggestions instead of orders. Managers should also guide their subordinates by setting an example of a good conduct.

- **Principles of confidence:** the management should show confidence in its subordinates. This will instill confidence in them. Therefore, the above principles can be followed for motivating the people at work. It should also be noted that the management must create a feeling of belonging, the team spirit, and group cohesiveness among them by following the above principles.

To strengthen the study with relevant literature review, the researcher gathered different types of theoretical knowledge from different sources. Different authors given different ideas about motivation, productivity, ways of managing employees for better performance, meanings and factors of motivation, importance of motivation etc. In conclusion, the literature review provides to the researcher good theoretical knowhow about motivation and its contribution to improve workers as well as organizational productivity. From the literature review used for this study, the researcher draws different motivational variables of factors like wages/salary, job security, nature of information flows in the organization, interesting job, working environment, opportunity for advancement, delegation and decision-making, training and nature of the job.

2.2 Empirical Review

Even though there are extensive empirical studies in relation to motivation and its roles on employee performance, in this section the most selected and related empirical finding of related literatures were presented. A study carried out by (Barney J. 2014) on firm resources and sustained competitive advantage revealed that the level of performance of employees relies not only on their actual skills but also on the level of motivation each person exhibits. Thus, motivation is an inner drive or an external inducement to behave in some particular way, typically a way that will lead to rewards.

According to (Omollo 2015) study on effect of motivation on employee performance of commercial banks in Kenya confirmed that indeed job enrichment significantly affects job performance and that a good working environment and an average workload would highly motivate the employees to perform their duties. Another observation of the study was that money is not the only motivator and it is not the primary motivator for everyone. However, there is overwhelming evidence that money is an important motivator for most people. Further, there is ample evidence that surveys asking people to rank order money and other

motivators do not accurately reflect the important effects that changes in pay levels or the way pay is determined actually have on people's decisions to join and leave organizations.

Furthermore, (Dobre 2013) in his study on Employee motivation and organizational performance revealed that people seek security and the underlying needs are fundamental to people's existence. After these needs are satisfied, people will focus more on job performance. People also see social systems, so the sociability aspect of effective organizations cannot be neglected. Last but not least, personal growth is also important to people, as self-actualization and the need for achievement and growth are very powerful needs that influence the development of effective organizations. Additionally, he noted that management should evaluate employee suggestion scheme and use the feedback from the workforce to improve the organizational environment and fulfill their needs and skills.

People are different and they are motivated by diverse needs, such as physiological needs, safety requirements and self-actualization needs. Thus, focusing on employees at every level of the workforce and analyzing each department of the organization will provide detailed accurate information regarding the needs of employees. Likewise, he found out that motivated and qualified workforce is essential for any company that wants to increase productivity and customer satisfaction. In this context, motivation means the willingness of an individual to do efforts and take action towards organizational goals. The challenge for any manager is to find the means to create and sustain employee motivation. On one hand, managers should focus on reducing job dissatisfaction (working conditions, salary, supervision, relationship with colleagues), while on the other hand should use motivating factors such as achievement, recognition, responsibility and the work itself. Lastly, he noted that employee participation and empowerment do not only enhance efficiency, growth and innovation but they also increase employee motivation and trust in the organization. If employees feel appreciated for their work and are involved in decision-making, their enhanced enthusiasm and motivation will lead to better productivity and loyalty.

According to (Uzonna 2013), in his study on the impact of monetary and non-monetary motivation on employee, confirmed that managers need to provide growth opportunity and challenging jobs in order to better motivate today's workers. Without these challenges and opportunities for growth, employees may not see a need to perform highly at work. As well, we have seen that recognition plays a major role in employees' motivation and that it is a

very effective motivator. Employees want and need to feel that their contributions make a difference and recognition is one way to satisfy those wants or needs. His research and interviews have confirmed that the use of non-cash rewards can be an effective and cost-efficient way to motivate employees, and the majority of his survey respondents agree with this statement. In conclusion, when it comes to bringing out the best performance of employees, growth opportunities and challenges, recognition and non-cash rewards are more effective motivators than money.

(Mulwa 2003) conducted a study on employee performance in public audit institutions so; he clarifies the various motivation theories like Abraham Maslow's hierarchy of needs, Herzberg's two factor theories and the equity theory of Adams. The review shows that motivation is key for the productivity, profitability and sustainability of every institution - as the employees are its movers and its live blood. That motivation is not a one-off undertaking rather it's a continuous undertaking by management as long as the organization does.

A study conducted by Erratul, Munirah Mohd Jidi & Norlida Zakirai (2016) explained factors that influence employees' performance in Islamic Religious Council. The objective of the study was to identify if there's any relationship between Intrinsic Reward and Employees Performance and to determine if there is any relationship between Extrinsic Reward and Employees Performance. The finding was there is positive and significant relationship between financial and non-financial reward with Employees' Performance. However, the findings also indicate that non-financial factors have more influence toward employees' performance on employees rather than financial reward factors.

A study by Irshad A. (2016) pointed out the impact of extrinsic rewards on employees' performance. Primary data was collected through spreading questionnaire among employees working in the banking industry. He concluded that Salary and working conditions positively affect employee performance.

Isaack Korir, Dinah Kipkebut (2016) examines the effect of financial and non-financial rewards on organizational performance and employee commitment of employees in Universities in Nakuru County. Results indicated that there was a moderate significant positive relationship between financial rewards and affective performance ($r = 0.344$, $p < 0.000$) and a weak significant positive relationship between financial rewards and normative

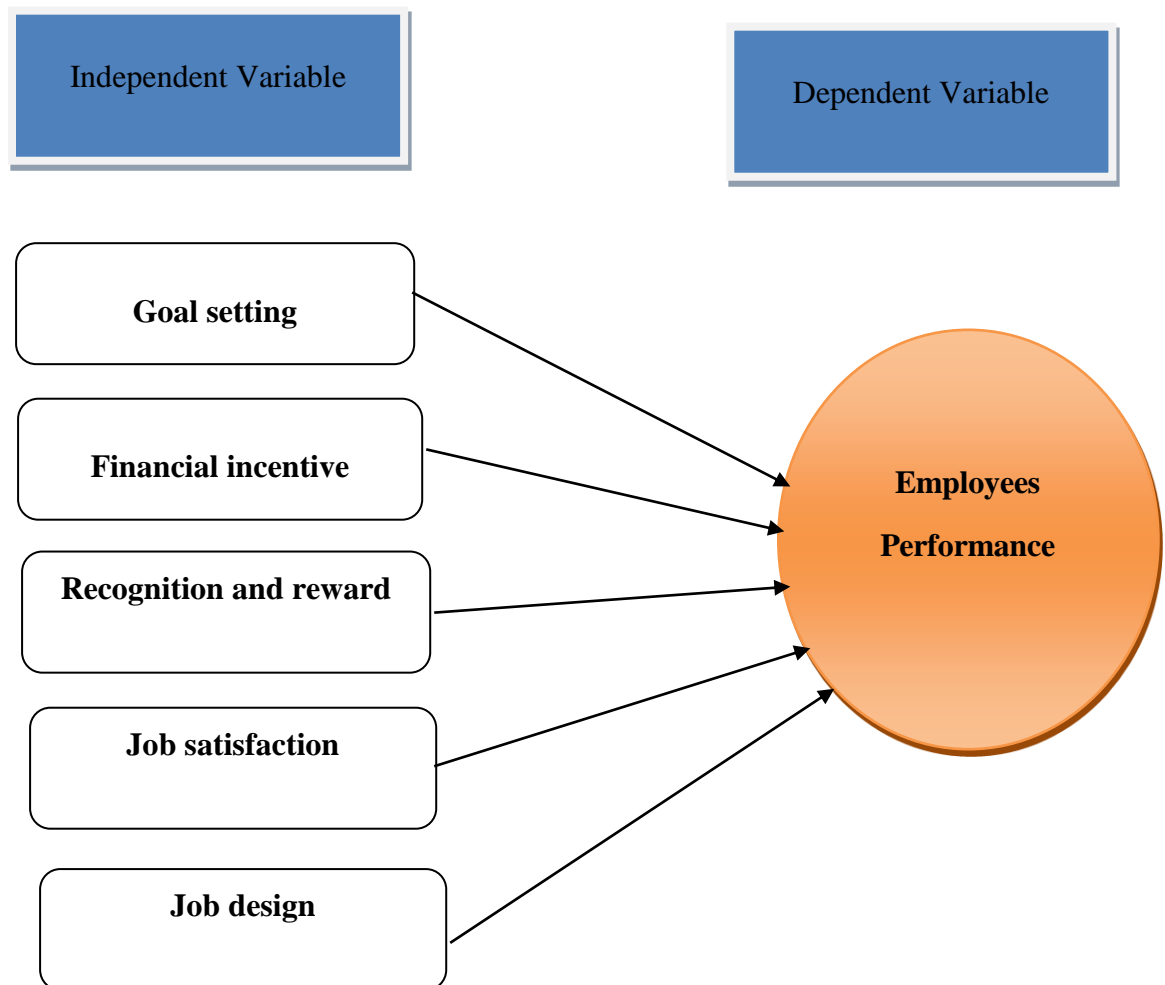
commitment ($r = 0.249$, $p < 0.008$). The study found that financial reward management practices collectively have significant effect on organizational performance and commitment.

2.3 Conceptual Framework

Conceptual framework involves forming ideas about relationships between variables in the study and showing these relationships graphically or diagrammatically (Mugenda and Mugenda, 2013). The conceptual framework on the dependent and independent variables are shown on diagrammatically as follows. Independent variables are variables that are changed in a given model or equation. It is the manipulated variable in the study whose presence or degree determines the change in the dependent variable while the dependent variable is the variable that is being measured or tested in the study.

The study was conceptualize by focusing on two important variables. As it has been reviewed from several studies in this regard were conducted in different countries all over the world, very few of which were conducted in developing countries.

Figure 1: Motivational factors and employee's performance



Source: adopted from Boamah Richard (April, 2017).

CHAPTER THREE

RESEARCH METHDOLOGY

Methodology refers to rules and procedures that the researcher was followed while conducting the research. This chapter were deal with research design and methods that were used for achieving the thesis objective. The chapter was consisted population of the study, sample size and sampling techniques, sources of data, data collection tools, data collection procedures, data analysis method and ethical considerations.

3.1. Research Design

The basic research category that was used explanatory research design; explanatory research design was used to discover the evidence of cause and effect relationship between two or more than two variables, which is one/some variable/s would be the dependent and another/rest of the variable would be independent ones, The author also clarified as an experiment is designed when one or more independent variables are deployed and their effects are restrained on one or more dependent variables (Singh, 2019).

3.2. Research Approach

The researcher used qualitative and quantitative method that will help him obtain data and information which may be applicable in other organizations. It had involve quantifying, tabulating and use of percentage to present the findings for easy understanding by the researcher.

3.3. Sample and Sampling Techniques

The researcher was selected the employees who had been working at Moha Soft Drinks Industry at Nefassilk Plant, Addis Ababa. The researcher was utilized the following sampling methods. First stratified sampling method was used by dividing the population in to 11 subgroups (strata) based on the department they found. Then, Random individual selection would use to choose individuals from their group. To get relevant information for the study, this technique was suitable. The sampling frame was specific to the total population of 926 workers name list in the stud organization (595 of them are males and 331 of them are females) who have been working at the study organization specific to Nefassilk Plant. Since it is too difficult to collect data from each individual of the total population (926 workers), the researcher was determined the sample size by chosen 20% of the total population of 926 workers from the study organization. That is, 186 employees of the total population chosen as

a sample size to conduct the study. From the selected sample of 186 employees, 112 of them were males and 74 of them were females.

The chosen sample was distributed as follows:

Department	Sample selected		
	Male	Female	Total
General manager office	2	2	4
Human resource	12	4	16
Finance	2	8	10
Purchase	2	2	4
Technique	8	2	10
Sales	56	4	60
Production	16	44	60
Quality control and food safety	2	2	4
Vehicle maintenance	4	2	6
Carbon dioxide plant and cooler	2	2	4
Market promotion center	6	2	8
Total	112	74	186

Source : (MIS, 2023)

To collect the required data, the researcher was applied stratified sampling technique by grouping the population based on their department rather than collecting data from all workers of the organization. Because to collect the relevant data, stratified sample selection technique from each department will be the best option rather than using other techniques. To choose individuals, random sampling selection technique was used by targeting all departments in the organization. This helped the researcher to get reliable information for the analysis of this study.

3.4. Source of Data

3.4.1. Data Type and Source

3.4.1.1. Primary Source

The data from the primary sources would be gathered through field survey from the relevant respondents. Primary data: The primary data was obtained from employees through distributed questionnaires, by administering five point scale questioner. The items were measured on

5- point Likert- scale ranging from 1 (strongly disagree) to 5 (strongly agree). The suggestion for achieving an effective result would be also taken from the respondents.

3.4.1.2. Secondary Source

Data can be obtained from existing sources or from surveys and experimental studies designed to collect new data (Anderson et al., 2012).

The secondary data were obtained from the documents of the organization. The documents were monthly employee's turnover report, workers absenteeism, and other documents of the organization will be used, and from journal articles, books and published literatures that can support the study from empirical & conceptual backgrounds.

3.4.2. Methods Data Collection

The researcher would use for collecting evidences from employee through; questionnaire to collect primary data.

3.4.2.1. Questionnaire Design

A questionnaire is a type of survey method that utilizes a standardized set or list of questions given to individuals or groups, the results of which can be consistently compared and contrasted (Trochim, 2016). It can be used to reach large number of respondents, lower costs than interviewing, reduced interviewer bias and among others are advantages associated with questionnaire. Its drawbacks are low response rates, clarity issues, possible language and literacy issues, etc.

In order to measure the effect of motivation on the performance of employees on Moha soft drink company. The researcher was developed a five Likert scale questionnaire. Where; 1 represent "Strongly Disagree", 2 represent "Disagree", 3 represent "Neutral", 4 represent "Agree" and 5 represent "Strongly Agree." The questionnaire was in three sections to cover the dependent and independent variables of the study. The first part was contained the details demographic information of the respondents like Status, age, gender, marital status, educational qualification. The second part was regarding to motivational factor and the third part regarding to employee performance.

3.5. Ethical Consideration

The research was used the data from respondents which would be collected through questionnaire permission would be obtained from the respondents. To maintain the confidentiality of the information provided by the respondents, the respondents would be instructed not to write their name on the questionnaire and would be assured of that the

responses would be used only for academic purpose and kept confidential. Finally, respondents would be included in the study based on their free will.

CHAPTER FOUR

RESULTS AND DISCUSSION

The purpose of this chapter is to present the statistical outcome of the research. It contains Descriptive Statistical Analysis, Pearson Correlation Analysis and Multiple Regression Analysis. The main objective of this study was examining the effect of motivation on the performance of employees. In order to achieve the objective of the study all employees have taken for analysis purpose and both descriptive and inferential statistical analyses were employed. SPSS v.26 was used for analysis purpose. Descriptive statistics has used to summarize the characteristics of study variables whereas; inferential statistics has been used to investigate the relationship between employees' performance and different motivational factors.

The questionnaires were distributed to 186 Employees of the eleven departments namely: General Manager Office, Human resource, Finance, Purchase, Technique, Sales, Production, Quality control and food safety, Vehicle maintenance, Carbon dioxide plant and cooler, & Market promotion center.

4.1. General Response Rate

Altogether, 186 copies of questionnaire were administered to the employees through the random sampling technique, a total of 168 questionnaires were retrieved properly and adequately completed. Thus, this represents a response rate of 90% of 186 questionnaires. All fully completed and retrieved 168 questionnaires were used in the analysis of this study.

4.2 Reliability of the Data

Reliability of an instrument is testing for both consistency and stability. Consistency indicates how well the items measuring a concept hang together as a set (Sekaran, 2009). The role of reliability is to reduce the errors and biases in a study (Yin, 1994). Also according to (Creswell J. , 2009), reliability is concerned with consistency, accuracy and predictability of specific research findings. The instrument for this study will contain 30 items that are in a 5-Likert scale type.

The researcher checked the reliability of items with in the questionnaire. The researcher was checked the validity of the questionnaires by using Alpha reliability and Cronbach's alpha. Alpha reliability used as measuring internal consistency of the mean of the items at the time of administration of the questionnaire. Cronbach's alpha was indicated that the reliability

coefficient of items were set in the questionnaire is positively related to each other. It was computed in terms of the average inter correlations among the items measuring the concept. The reliability was calculated in such a way that was represents the reliability of the mean of the items. This coefficient can hold a value of 0 to 1.

Table 1: Reliability of the study instrument

Variables	Cronbach's Alpha value	N_o of Items
Employee Performance	0.752	5
Goal Setting Factors	0.745	5
Financial Incentive Factors	0.778	6
Recognition And Reward Factors	0.738	5
Job Satisfaction Factors	0.791	4
Job Design Factors	0.726	5

Source: own Survey, 2023

The reliability test table above shows all variables under the study are reliable enough. That is all value of Cronbach's Alpha is 0.811. This implies that the data of the study is more reliable.

4.3 Validity Test

Validity is the extent to which an instrument measures what it is supposed to measure and performs as it is designed to perform. There are two main types of validity, internal and external. Internal validity refers to the validity of the measurement and test itself, whereas external validity refers to the ability to generalize the findings to the target population. (Ibid; 560). Both are very important in analyzing the appropriateness, meaningfulness and usefulness of a research study. Thus, to ensure validity, the researcher has consulted the research advisor who proof read the questionnaire and advised on any necessary changes.

4.4 Methods of Data Analysis

After the required data has been gathered through the stated data collection methods, the next steps were analysis and present these data. For this study Statistical Package for Social Science (SPSS) software version 26 was employed to analyze and present the data by using

the statistical tools for this study. These statistical tools were used for this study are descriptive analysis, correlation and multiple regression analysis.

To present a profile of the respondents through tables, and percentages and to identify the mean and standard deviation of motivation and the performance of employees a descriptive statistical analysis was employed for this study.

In order to determine the relationships between motivation and the performance of employees this study was used Pearson's correlation coefficient. The study was used multiple regression analysis to determine the effect of motivation on the performance of employees.

4.5 Correlation Analysis

The Correlation analysis procedure computes Pearson's correlation coefficient, with its significance levels. Correlations measure how variables or rank orders are related. Pearson's correlation coefficient is a measure of linear association. Two variables can be perfectly related, but if the relationship is not linear, Pearson's correlation coefficient is not an appropriate statistic for measuring their association. This model needs continuous variable and it is used to the effect of motivational factors on employee performance of the workers.

4.6 Regressions analysis

Linear and Multiple linear regressions was employed, linear regression explain the relationship between one independent and one dependent variable whereas multiple regression explain the relationship between two or more independent variables and a response variable by fitting linear equation.

The general formula for multiple linear regression models of p-explanatory variables is defined to be:

$$Y_i = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \dots + \beta_p X_p + \epsilon$$

Where $Y_i \rightarrow$ dependent variable (employee performance)

$X_s \rightarrow$ independent variables (X_1 =goal setting, X_2 =financial incentives, X_3 =recognition and reward, X_4 =job satisfaction, X_5 =job design)

$\alpha \rightarrow$ is constant parameter

β 's \rightarrow are coefficient parameters

$\epsilon \rightarrow$ The error term our model for this study can simply be put as follows

{Residual due to measurement error}

4.7 Descriptive Statistical Analysis

The study was used descriptive statistical analysis to describe the demographic profile, motivational factors and employees performance.

4.8 Descriptive Statistics of Demographic Profile

Table 2: Respondents' profile

	Frequency	Percent
Female	77	45.8
Male	91	54.2
	168	100
Below 25	10	6.0
26-30	22	13.1
31-35	48	28.6
36-40	68	40.5
41 and Above	20	11.9
	168	100
Diploma	21	12.5
BA Degree	106	63.1
Masters and Above	41	24.4
	168	100
> 1 Years	11	6.5
1-3 Years	11	6.5
3-5 Years	23	13.7
5-10 years	90	53.6
< 10 Years	33	19.6
	168	100
Single	75	44.6
Married	93	55.4
	168	100

Sources: - Survey data, SPSS 2023 Result

Regards to the gender, 54.2% were male and 45.8% were female respondents. This implies that the majority of these sampled respondents were males. Therefore, the company should have to concentrate on all of the gender of employee.

From the above Table analysis, it can be inferred that majority of the respondents were 36-40 years of age, specifically 68, and this represents 40.5% of the total sample followed by 48 respondents in the age 31-35 which represents 28.6% of the total sample. 22 respondents are in the age bracket of 26-30 making up 13.1% of the total sample while 20 respondents are above 40 years of age representing just 11.9% of the total sample size.

In the case of education level 63.1% of the respondents were first degree holders, 24.4% were master's degree and above, 12.5% were diploma holders. This implies that the reason large numbers of respondents were first degree holders and master's degree and above.

In respect to work experience side, out of the total respondents' 5-10 Years were 53.6%, above 10 Years represented in 19.6%, 3-5 Years & > 1 Years accounted for 13.7% and 6.5% respectively. This implies that most of the respondents' that Company have 5-10 Years.

Furthermore, regarding the marital status of the sample population; it shows that 93 respondents are married, representing 55.4% of the sample population which is clearly the largest & 75 respondents was single and this represents 44.6% of the total respondents.

5 Descriptive Statistics of Motivational Factors

Descriptive statistical analysis provided the mean and standard deviation for each variable in order to depict the level of agreement on then determinants of motivational factors. The mean and standard deviation were calculated for the interval scale of independent variables (Goal Setting, monetary factors, Recognition and, Job satisfaction & Job design) and dependent variables (employee's performance). The mean indicates to what extent the sample group averagely agrees or does not agree with the different statements whereas standard deviation shows the variability of an observed response from a single sample.

All the questions related with both the dependent and independent variables of this research were prepared using a Likert scale in the form of ordinal scale. But for the sake of simplicity of analysis the variables transformed into interval scale leading the researcher to obtain a single variable for the four constructs based on Al-Said et al. (2016) which summarized as follows.

Scaled Likert Criterion

Mean Range Response Option

1 to 1.80	Strongly Disagree
1.8 to 2.6	Disagree
2.6 to 3.4	Neutral
3.4 to 4.2	Agree
4.2 to 5	Strongly Agree

The following tables present the mean scores and standard deviation of individual characteristics of determinants namely: Goal Setting, monetary factors, Recognition and, Job satisfaction & Job design.

I. Goal Setting

Table 6: Respondents on Goal Setting

Goal setting	N	Mean	Std. Deviation
A manager lets me participate in the setting of my goals/targets	168	4.11	.660
I have specific, clear goals/targets to aim for in my job	168	4.33	.604
My goals/targets are realistic and achievable	168	4.39	.638
As an employee, I have difficult and challenging goals to meet at work	168	4.35	.856
I get fair and constructive feedback regularly related to my goals/targets	168	4.36	.563
Valid N (list wise)	168	4.31	.664

Sources: - Survey data, 2023 SPSS Output

Table 6 above results shows the level of agreements of the respondent's towards Goal Setting on employee motivation. The dimension's result was ranged from the lowest mean 4.11 (A manager lets me participate in the setting of my goals/targets) to the highest mean 4.39 (My goals/targets are realistic and achievable). Thus, the average level of agreements of the respondents on Goal Setting scored 4.31 mean with 0.664 of standard deviation; it is within the range of 4.2 to 5. This implies that most of the respondents strongly agreed on the Goal Setting.

II. Financial Incentives/ Monetary Factors

Table 7: Respondents on monetary factors

Financial Incentives	N	Mean	Std. D
I am satisfied with the level of pay I receive	168	4.45	.499
The pay offered by the company is very competitive compared to other companies in the industry	168	4.67	.473
a company maintains a competitive pay and benefits (e.g. medical insurance) package	168	4.38	.487
I would be satisfied if I received a monthly expense (e.g. fuel and telephone) allowance	168	4.70	.459
a company uses monetary rewards like base pay, commission, bonus, incentives and healthy allowances to motivate us	168	4.38	.487
I believe the money I am paid is a strong indication of the value the organization has placed on my services	168	3.88	.690
Average	168	4.41	.516

Sources: - Survey data, 2023 SPSS Output

Table 7 above, results shows the level of agreements of the respondent's towards financial incentives on employees' performance. The dimension's result was ranged from the lowest mean 3.88 (I believe the money I am paid is a strong indication of the value the organization has placed on my services) to the highest mean 4.70 (I would be satisfied if I received a monthly expense (e.g. fuel and telephone) allowance). Thus, the average level of agreements of the respondents on financial incentives scored 4.41 mean with 0.516 of standard deviation; it is within the range of 4.2 to 5. This implies that most of the respondents were strongly agreed on the financial incentives.

III. Recognition and Reward

Table 8: Respondents' on Recognition and Reward

Recognition and Reward	N	Mean	Std. D
company uses non-monetary rewards like recognition, inclusive decision-making and flexible working hours to motivate us	168	3.41	1.407
It is important to me to be formally recognized by management/supervisor for a job well done	168	3.87	1.092
It is important to me to be recognized by my peers and co-workers for a job well done	168	4.67	.473
company uses non-monetary rewards (e.g. gift vouchers, movie tickets, or Lunch/Dinner for two) to motivate us	168	4.50	.501
company has a fair and equitable reward scheme	168	4.65	.479
Average	168	4.22	.791

Sources: - Survey data, 2023 SPSS Output

Table 8 above, results shows the level of agreements of the respondents towards Recognition and Reward on employees' performance. The dimension's result was ranged from the lowest mean 3.41 (company uses non-monetary rewards like recognition, inclusive decision-making and flexible working hours to motivate us) to the highest mean 4.67 (It is important to me to be recognized by my peers and co-workers for a job well done.) Thus, the average level of agreements of the respondents on employees' performance dimension scored 4.22 mean with 0.791 of standard deviation; it is within the range of 4.2 to 5. This implies that most of the respondents were strongly agreed on the Recognition and Reward factor.

IV. Job satisfaction

Table 9: Respondents' on Job satisfaction

Job satisfaction	N	Mean	Std. D
As an employee, I am satisfied with the challenges provided by my work	168	3.92	.642
I feel very positive and favorable about my job.	168	3.84	.737
As soon as I can find a better job, I will leave	168	3.72	.725
Am generally satisfied with the kind work I do on this job	168	3.83	.838
Average	168	3.83	.736

Sources: - Survey data, 2023 SPSS Output

Table 9 above, results shows the level of agreements of the respondents towards Job satisfaction on employees' performance. The dimension's result was ranged from the lowest mean 3.72 (As soon as I can find a better job, I will leave.) to the highest mean 3.92 (As an employee, I am satisfied with the challenges provided by my work). Thus, the average level of agreements of the respondents on Job satisfaction dimension scored 3.83 mean with 0.736 of standard deviation; it is within the range of 3.4 to 4.20. This implies that most of the respondents were agreed on the Job satisfaction factor.

V. Job design

Table 10: Respondents' on Job design

Job design	N	Mean	Std. D
As an employee, I am not happy with my job design in terms the tasks that I perform	168	4.61	.488
company employs job rotation to help us earn new skills and job independence	168	4.50	.501
Job rotation is also used on the organization to increase our motivation and enthusiasm	168	4.32	.466
Job rotation in our organization has improved management and supervision in the organization	168	4.50	.501
Job rotation has helped our organization to form an interactive control mechanism	168	3.92	.918
Average	168	4.37	.575

Sources: - Survey data, 2023 SPSS Output

Table 10 above, results shows the level of agreements of the respondents towards Job design. The dimension's result was ranged from the lowest mean 3.92 (Job rotation has helped our organization to form an interactive control mechanism.) to the highest mean 4.61 (As an employee, I am not happy with my job design in terms the tasks that I perform). Thus, the average level of agreements of the respondents on Job design dimension scored 4.37 mean with 0.575 of standard deviation; it is within the range of 4.2 to 5. This implies that most of the respondents were strongly agreed on the Job design.

6 Descriptive Statistics of Employees' Performance

Table 31: Respondents' on employees' performance

Employees' Performance	N	Mean	Std. D
The setting of goals/targets has greatly improved my overall performance	168	3.15	1.07
a company pay policy helps attract and retain high performing employees	168	3.67	1.221
If the company had a profit-sharing scheme, it would motivate me to perform	168	3.46	.868
I have sense of worthwhile accomplishment in my work	168	3.75	.716
I get the chance to take decision the performance of my job role.	168	4.32	.612
Average	168	3.67	.885

Sources: - Survey data, 2023 SPSS Output

The Table 11 above, results shows the level of agreements of the employees' performance. Thus, the average level of agreements of the respondent's employees' motivation scored 3.67 mean with 0.885 of standard deviation; it is within the range of 3.4 to 4.20. This implies that most of the respondents were efficient on employees' performance.

7 Inferential Analysis

The basic inferential statistic of all variable utilized in this study and their relationship positively or negatively correlate with employees' performance were discussed for each variables.

7.1 Pearson Correlation Analysis

The correlation coefficient can range from -1 to +1, with -1 indicating a perfect negative correlation, +1 indicating a perfect positive correlation, and 0 indicating no correlation at all.

If the correlation was higher, the points would tend to be closer to the line; if it was smaller, they would tend to be further away from the line. By definition, any variable correlated with it has a correlation of 1. **Sig. (2-tailed)** – This is the P-value associated with the correlation. There is also an associated test of significance P-value. If the value (P) is ≤ 0.05 , then the correlation is deemed to be statistically significant. The footnote under the correlation table explains what the single and double asterisks signify.

Table 42: The Relation between independent and dependent Variables

		Correlations^c					
		Goal Setting	Financial Incentives	Recognition and Reward	Job Satisfaction	Job Design	Employee Performance
Goal Setting	Pearson Correlation	1					
Financial Incentives	Pearson Correlation	-.009	1				
	Sig. (2- tailed)	.905					
Recognition and Reward	Pearson Correlation	.119	.658**	1			
	Sig. (2- tailed)	.125	.000				
Job Satisfaction	Pearson Correlation	-.017	.259**	.151	1		
	Sig. (2- tailed)	.824	.001	.050			
Job Design	Pearson Correlation	.069	.808**	.818**	.422**	1	

	Sig. (2-tailed)	.377	.000	.000	.000		
Employee Performance	Pearson Correlation	.021	.866**	.640**	.291**	.848**	1
	Sig. (2-tailed)	.788	.000	.000	.000	.000	

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

c. List wise N=168

Sources: - Survey data, 2023 SPSS Output

The above table 12 shows that all Determinant factors have positive and significant correlation with employees' performance at level $P < 0.01$ except goal setting and varying degrees of coefficient depending on the type of employee attributes that contain. Thus, Financial Incentive and employees' performance have high positive correlation coefficient (0.866); followed by job design (0.848) & Recognition & Reward has correlation coefficient (.640); Job satisfaction has moderate positive correlation coefficient with correlation coefficient of (.291).

The results of Pearson correlation indicate that, there is positive and strong relationship between motivational factors and employees' performance listed as Job satisfaction and employees' performance, Financial Incentive and employees' performance, Goal Setting and employees' performance, Recognition & Reward and employees' performance. In general, table 16 shows that, the determinants have a positive correlation with employees' performance.

7.2 Multiple Regression Analysis

The multiple regression analysis enables you to assess the strength of relationship between a numerical dependent variable and two or more numerical independent variables. Calculating a multiple regression coefficient and regression equation using two or more independent variables is termed multiple regression analysis. The coefficient of determination (represented by R^2) can take on any value between 0 and +1. It measures the proportion of the

variation in a dependent variable that can be explained statistically by the independent variables (Saunders et al., 2019).

The Multiple regression analysis can also be used to predict the values of a dependent variable given the values of one or more independent variables by calculating a regression equation. Before executing multiple regression analysis, the multiple regression assumptions should be considered.

7.3 Assumptions of Multiple Regressions

Multiple regressions are one of the fussier of the statistical techniques. It makes a number of assumptions about the data, and it is not all that forgiving if they are violated. The following summary of the major assumptions were taken and tested for this study.

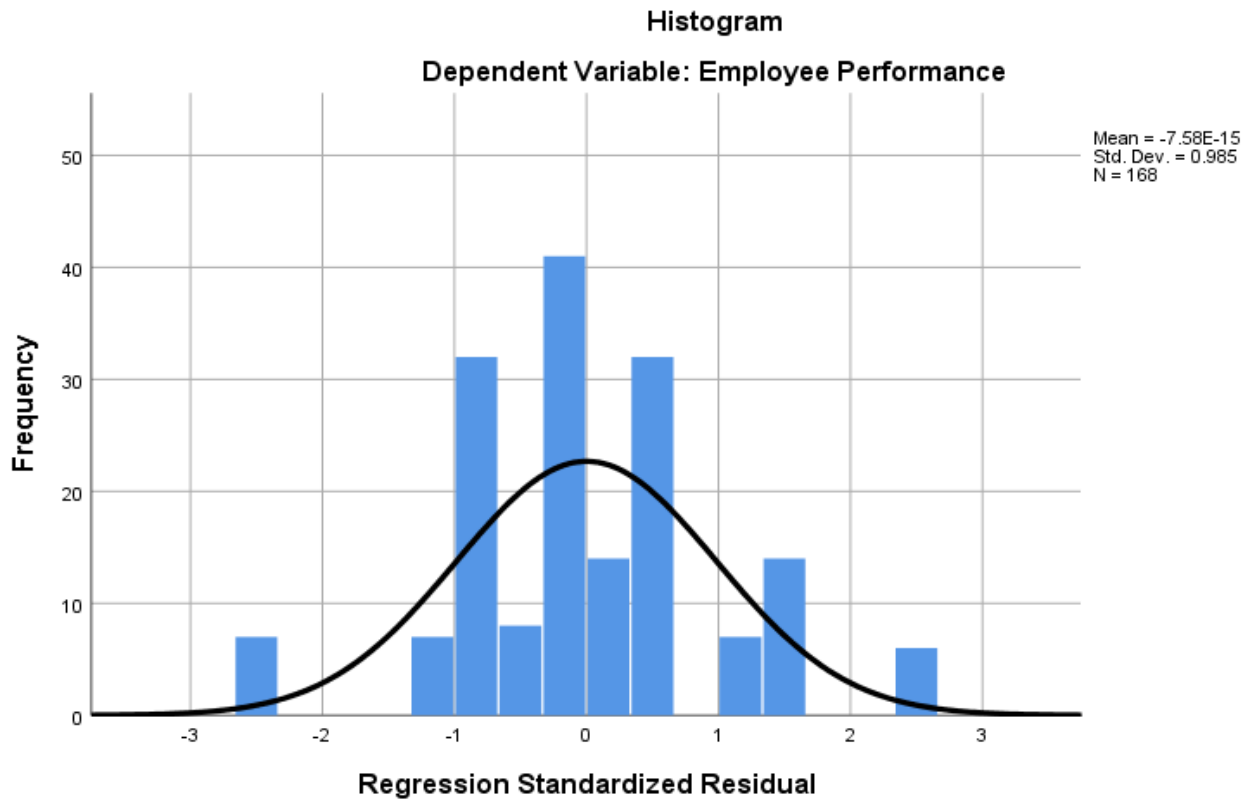
Assumption 1: Sample Size Test

The small samples you may obtain a result that does not generalize (cannot be repeated) with other samples; If your results do not generalize to other samples, then they are of little scientific value. Different authors tend to give different guidelines concerning the number of cases required for multiple regressions. Lin (2015) give a formula for calculating sample size requirements, taking into account the number of independent variables that you wish to use: $N > 50 + 8m$ (where m = number of independent variables). Thus, the present study consists 5 independent variables; $50 + 8(5) = 90$ which is less than observed respondents/sample size/. i.e. $50 + 8(5) = 90 < 93$. Based on the criteria, the sample size exceeds the minimum to run the standard multiple linear regressions

Assumption 2: Normality Test

To check whether the residuals have a normal distribution, the normal probability plot or normal P-P of regression standard residual and histogram should be used. Scores on each variable should be normally distributed. This could be checked by inspecting the histograms of scores on each variable. Therefore, the scattered plots of residuals against each employee motivation dimensions and performance were analyzed and the test results of this study as illustrated on below show Figure that the study's residuals were normally distributed.

Figure 2: Normality Test



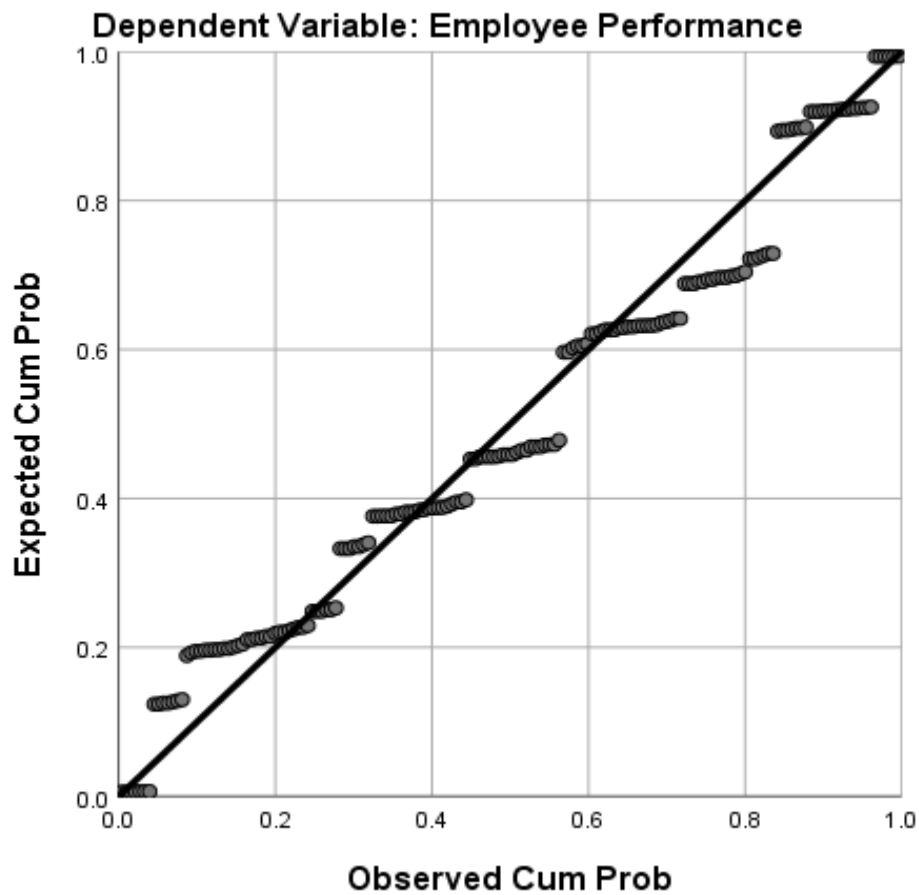
Sources: - Survey data, 2023 SPSS Output

Assumption3: Linearity Test

The relationship between the two variables should be linear. This means that when you look at a scatter plot of scores you should see a straight line (roughly), not a curve. The test results which illustrated on Figure 3 below show that there was a linear between the two variables.

Figure 3: Linearity Test Result

Normal P-P Plot of Regression Standardized Residual

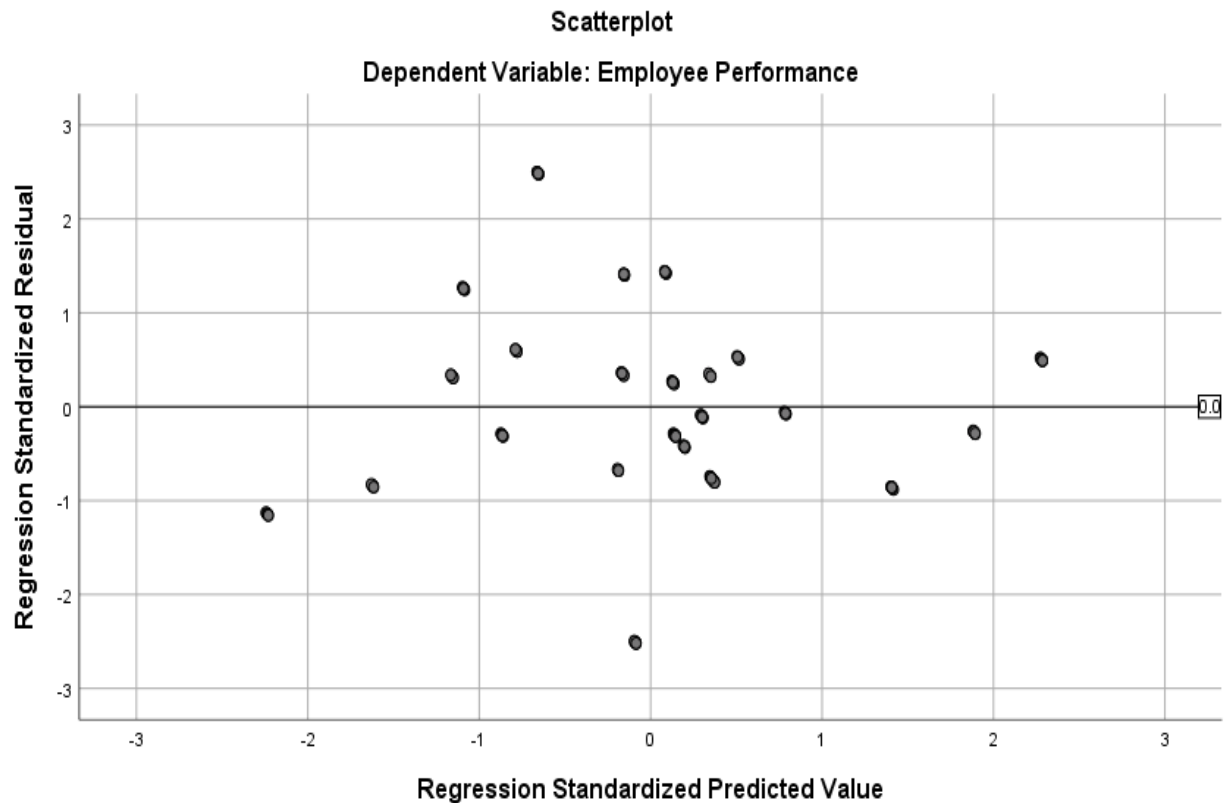


Sources: - Survey data, 2023 SPSS Output

Assumption 4: Homoscedasticity Test

Homoscedasticity mean the variance of the residuals is constant. Homoscedasticity is the assumption that the variation in the residuals (or amount of error in the model) is similar at each point across the model. In other words, the spread of residuals should be fairly constant at each point of predictor variables. Therefore, the scatter plots of the residuals against the predicted looks like similar at each point (Figure 4 below).

Figure 4: Homoscedasticity Test Result



Sources: - Survey data, 2023 SPSS Output

Assumption 5: Multicollinearity Test

Multicollinearity occurs when the independent variables are too highly correlated with each other. It can be checked through Tolerance and Variance Inflation Factor (VIF) by Collinearity Statistics. Tolerance is an indicator of how much of the variability of the specified independent is not explained by the other independent variables in the model and is calculated using the formula $1 - R^2$ for each variable. Any variable with tolerance below 0.10 or tolerance with a VIF value above 10 would have a correlation more than 0.90 with other variables, indicative of the multicollinearity problem. That mean, the value of tolerance which less than 0.1 or the value VIF that higher than 10 indicate that statistics have multicollinearity problem.

Therefore, according to table 17, the present study reveals that the value of tolerance is more than 0.1 and the value of VIF is less than 10, this indicates the study shows that the is no multicollinearity problem.

Table 53: Multicollinearity Test

Model	Collinearity Statistics ^a	
	Tolerance	VIF
(Constant)		
Goal Setting	.971	1.030
Financial Incentive	.333	3.004
Recognition & Reward	.280	3.567
Job satisfaction	.686	1.457
Job Design	.149	6.728

a. Dependent Variable: Employees Performance

Sources: - Survey data, 2023 SPSS Output

8 . Multiple Regression Results

The multiple regression analysis was used in order to examine the correlation more closely and to examine the effects of the independent variables on the dependent variable due to the existence of significant correlations between Goal Setting, Financial Incentive, Recognition & Reward, Job satisfaction & Job Design with Employees Performance.

8.1 Model summary Analysis

The Model Summary table provides the R , R^2 , adjusted R^2 , and the standard error of the estimate, which can be used to determine how well a regression model fits the data.

Table 64: Model Summary Result

Model Summary b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.909 ^a	.826	.820	.185

a. Predictors: (Constant), Goal Setting, Financial Incentive, Job satisfaction, Recognition & Reward, Job Design

b. Dependent Variable: Employees Performance

The "**R**" column represents the value of R , the *multiple correlation coefficients*. R can be considered to be one measure of the quality of the prediction of the dependent variable; in this case, Employees Performance. A value of 0.909 indicates a very good level of prediction.

The "**R Square**" column represents the R^2 value (also called the coefficient of determination), which is the proportion of variance in the dependent variable that can be explained by the independent variables. The higher the R-squared statistic, the better the model fits our data. . As we can see from table 18, $R^2 = 0.826$, that our independent variables explain 82.6% of the variability of our dependent variable.

R^2 (R-square) can increase with increase of independent variables irrespective of how well they are correlated to the dependent variable, this isn't a desirable property of a goodness-of-fit statistic Conversely, adjusted **R-squared** provides an adjustment to the R-squared statistic such that an independent variable that has a correlation to dependent variable increases adjusted R-squared and any variable without a strong correlation will make adjusted R-squared decrease. That is the desired property of a goodness-of-fit statistic.

9 ANOVA Test analysis

Table 15: ANOVA Test Result

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	26.369	5	5.274	133.632	.000 ^b
	Residual	5.561	162	.034		
	Total	31.930	167			

a. Dependent Variable: Employees Performance

c. Predictors: (Constant), Goal Setting, Financial Incentive, Job satisfaction, Recognition & Reward, Job Design

The ANOVA table summarizes the output of the analysis of variance. In regression row, the output for regression displays information about the variation accounted for by the existing model. Residual displays information about the variation that is not accounted for by the model. And total in the table shows the sum of regression and residual. Mean square is the sum of squares divided by the degrees of freedom. And F statistics is the regression mean square divided by the residual mean square. If the significance value of the F statistics is small then the independent variable does a good job in explaining the variation in the dependent variables. The model is not fit if the sig value is higher than p value (0.05). As the sig value then is 0.00 which is not higher than p value the model is fit.

Table 19 on above, gives the ANOVA test on the general significance of the model. As p is less than 0.01, the model is best fit to use and it is significant in explaining variation in the

dependent variable. Thus, Financial Incentive, Recognition & Reward, Job satisfaction & Job Design significantly predict the Employees Performance (dependent variable). ANOVA tells us whether our regression model describes a significant amount of the variance. The large value of F-statistic ($F=133.632$; $p<0.01$) here is depicting that model is significantly describing the variance.

10 Regression Coefficients Result Analysis

Table 16: Regression Coefficient Result

		Coefficients ^a				
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
Model		B	Std. Error	Beta		
1	(Constant)	.364	.188		1.936	.055
	Goal Setting	.001	.010	.004	.131	.896
	Financial Incentive	.379	.043	.501	8.816	.000
	Recognition & Reward	-.150	.045	-.206	-3.323	.001
	Job satisfaction	-.080	.040	-.080	-2.026	.041
	Job design	.970	.128	.645	7.584	.000

a. Dependent Variable: Employees Performance

The significance level indicates whether that variable is or is not a statistically significant predictor of the outcome. Generally when the significance level 95% certain ($p < .05$) that we're not making an error when we declare something to be significant. As shown in the above table, beta (β) sign shows the positive or negative effect of the independent variables coefficient over the dependent variable. The beta sign of three independent variables namely; Goal Setting, Financial Incentive & Job design shows the positive effect of the predicting dependent variable and two variable namely; Job satisfaction, Recognition & Reward shows the negative effect of the predicting dependent variable.

The positive Sign of the of the three variables means, any increase in the independent variables lead to increase in the dependent variable Employees Performance and the negative sign of β means any increase in the independent variables lead to decrease in the dependent variable Employees Performance. The significance of all variable shows that the independent variables have positive or negative effect on the dependent variable Employees Performance.

As from the above table shows, the two independent variable that is, Financial Incentive $=.000$, & Job design $=.000$ are statistically found significant & have positive effect on the dependent variable of Employees Performance.

Moreover, the two independent variable that is, Job satisfaction $= .041$ & Recognition Reward $=.001$ are statistically found significant but have negative effect on the dependent variable of Employees Performance.

However, the only one independent variable Goal Setting is found statistically insignificant ($p=.896$) but it affects Employees Performance positively.

11 Discussions of Variables

There were raised and tested using regression analysis in the course of this study. In regression analysis, when the significant (sig) value is less than 0.05 for 95% confidence level or less than 0.01 for 99% confidence level. The following variables were conducted based on the regression results of the study obtained from the regression output for each variables.

I. Goal Setting and Employees performance

The table 20 above revealed the degree of influence of Goal Setting on Employees Performance and its level of significance. The statistical results is given as; (Goal Setting; $\beta=.004$; $t=.131$; $p>0.05$). The statistical result implies that goal setting is a statistically insignificant predictor of Employees Performance.

These findings corroborate the findings of similar study by (Wubitu, 2012); found out that Goal Setting influence Employees Performance volume. (Amene, 2017); (Shemsu, 2015) Goal Setting is insignificant.

However, Meyer, Vasquez, a (2016) found a positive but insignificant relationship between Employees Performance and Goal Setting.

II. Financial Incentives and Employees Performance

The degree of influence of financial incentives on Employees Performance and its level of significance results is given as; (financial incentives $\beta =.501$; $t=8.816$; $p<0.01$). The statistical result implies that financial incentives are a statistically significant predictor of Employees Performance.

Based on the results in the ANOVA table above, the significance level for financial incentives is less than 0.01. That is financial incentives have a significant effect on the level

of Employees Performance. These findings agree with (Bishop, 2016); According to (Ngula, 2012).

III. Recognition, Reward and Employees Performance

The statistical results is given as; (Recognition & Reward; $\beta = -.206$; $t = -3.323$; $p < 0.05$). The statistical result implies that Recognition & Reward is a statistically significant predictor of the level of Employees Performance.

Based on the results in the ANOVA table 20 above, the significant levels for Recognition & Reward is less than 0.05. That is Recognition & Reward has significant effect on the level of Employees Performance.

On contrary, this is not supported with the findings of (GIRAGN, 2016) shows Recognition & Reward is not the most significant factor of Employees Performance Activity. (Ngula, 2012) Also shows that Recognition & Reward insignificantly affects the Employees Performance. Moreover, (Amene, 2017); found Recognition & Reward has positive impact on Employees Performance India.

IV. Job Satisfaction and Employees Performance

The statistical result is given as (Job satisfaction; $\beta = -.080$; $t = -2.026$; $p < 0.05$). The statistical result implies that Job satisfaction is a significant predictor of the level of Employees Performance. Based on the results in the ANOVA table above, the significant levels for Job satisfaction is less than 0.05. That is, Job satisfaction has a significant effect on the level of Employees Performance.

This result is supported by the findings of Herald (2019); they mentioned Job satisfaction as one of the most determining factor for Employees Performance. Philip (1968), also states that the offering of attractive Job satisfaction on company may be considered to have had a beneficial effect. Rose (2021), also showed that there is a positive relationship between the Job satisfactions has a major influence on Employees Performance.

From the result and discussion of correlation analysis as well as multiple linear regressions it is clearly shown that motivational factors have a very significant effect on employees' performance. This result supports the finding of Frederick- Recascino & Hall (2015).

This study demonstrates that the selected insurance company effectively and appropriately applied positive motivation to make its employees perform extremely well. It also discovered

that there is a strong relationship between motivation and employee performance. The type of motivation determined the level of performance of the employee. When positive motivation was efficiently, skillfully and effectively applied, the level of employee performance increased and vice versa.

The research conducted by Elizabeth Wairimu waiyaki (2017) effect of motivation on employee performance: a case of pam Golding properties limited, Nairobi, show the similar result with this study.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1. Summary of Findings

The main objective of the study was to determine the Effect of Motivation on employee's performance in the case of Moha Soft Drinks Industry at Nefassilk Plant, Addis Ababa. The study adopted explanatory research design with quantitative research approaches. The structured questionnaires were distributed to 93 employees of eleven departments; then, analysis was made based on descriptive statistics, Pearson correlation and multiple regression analysis methods.

The major findings of the study were summarized as follows;

The majority respondents' age was 36-40 years; from the gender perspective 54.2% were male respondents; Most of the respondents (63.1%) were those with a first degree; furthermore from marital perspective 55.4% respondents were married. The most respondents' experience with moha soft drink was above 5-10 years.

In the descriptive statistics analysis, the average mean of respondents on Goal Setting, Financial Incentive, Recognition & Reward, Job satisfaction and job design dimension were scored 4.33, 4.41, 4.22, 3.83 and 4.37 respectively.

The Pearson correlation analysis result show that correlation coefficient and significant level. Goal Setting ($r=.021$ & $P>0.05$), Financial Incentive ($r=.866$ & $P<0.05$), Recognition & Reward ($r=.640$ & $P<0.05$), Job satisfaction ($r=-0.291$ & $P<0.05$). The multiple regression analysis results show, Goal Setting ($\beta=.004$; $t=.131$, $p>0.05$), Financial Incentive ($\beta=.501$; $t=8.816$, $p<0.01$), Recognition & Reward ($\beta=-.206$; $t=-3.323$; $p<0.05$), Job satisfaction ($\beta=-.080$; $t=-2.026$; $p<0.05$). Then, the model summary results reported $R^2=0.826$ and ANOVA test show the model significance at $P<0.05$ level.

5.2. Conclusions

The interaction between motivation and employee performance is strong. If individuals are highly motivated on their working condition, they will perform better. In turn, better performance may well lead to a sense of achievement and result in greater motivation.

The main objective of this study was examining the effect of motivation on the performance of employees in case of Moha Soft Drinks Industry at Nefassilk Plant, Addis Ababa. In order

to achieve the objective of the study all employees have taken for analysis purpose. And both descriptive and inferential statistical analyses were employed. The descriptive result of computed continuous variables shows that the average employee performance of the company workers is 3.55 with standard deviation of 0.613, maximum of 4.62 and minimum of 1.92 from the total of 5 scale of measurement.

Correlation analysis, liner regression and multiple linear regression have been conducted as inferential statistics. Before illustrating multiple covariate analysis, the effect of each motivational factor on employees' performance has been conducted through correlation analysis. And the result revealed that all motivational factors were highly significant to predict employee performance. Statistically Financial Incentive has highest correlation with a value of 0.866 relative to other motivational factors whereas goal setting has weak correlation with employee performance with value of 0.021 relative to other motivational factors. Linear regression has been conducted and it shows that each motivational factor has significant impact on employee performance,

Multiple linear regression has been fitted to the data in order to show the cumulative effect of different motivational factors on employee performance. The result of multiple linear regression analysis also shows that four motivational factors (financial incentive factor, recognition and reward factor, job satisfaction factor and job design factor) have a significant effect on the employee performance except goal setting factor. From the model summary of multiple regression, the value of R squared show that 82.6% of the variation of employee performance explained by the mentioned motivational factors .Separate analysis of each group of motivational factors shows that goal setting factor like; having clear and defined goal, matching personal goal with organizational goal, having realistic and achievable goal increase the performance of employee.

Financial incentive factors also have a significant effect on employee performance that means financial incentive factors like; satisfied on the payment, having commutative payment from other organization, getting full service like house allowance and other incentives are responsible motivational factors in order to enhance the performance of employees. Recognition and reward factor is the third factor with significant effect on the employee performance, the result revealed that recognition and reward factors like; getting non-monetary rewards, getting recognition from manager, getting recognition from coworkers and

having formal reward and recognition system to motivate staffs have positive effect on improving the performance of employees.

Job satisfaction is the most dominant determinant of employee performance the result shows that job satisfaction factors like; feeling positive and favorable on the job, satisfied with the working condition of the organization, having sense of worthwhile in accomplishment of the task given by the organization leads the staffs motivated and increase employee performance.

Job design factor is the last motivational factor with significant effect on employee performance, the result shows that job design factors like: having job rotation, having sense of self-management and merit-based representation of supervisors are responsible to enhance the performance of employees.

Generally, from subsequent analysis of correlation and regression analysis it is clearly shown that motivational factors have a significant effect on employee performance in the Moha Soft Drinks Industry at Nefassilk Plant.

5.3. Recommendations

The following recommendations are made based on the findings of the study;

The successive analysis of the study shows that motivations have a strong link with employee performance. So Moha soft drink Company should work hard in order to enhance the motivation of employees, as a result the productivity and profitability of the company will be maximized by motivated employees. The finding of this study shows that, majority of the employees of the company aged up to 45 years. It implies that, majority employee of the company is young and productive age group. Therefore it is a great advantage to the company to motivate the employees for better performance to achieve the desired objective by the company.

In order to optimize the productivity of employees' recognition and rewards should be given for employees, non-monetary empowerment and rewards lead the staffs more motivated and work with better performance.

Job satisfaction is the most dominant predictor of employee performance, so the company should give especial attention on satisfying the need of staffs in order to make the employees

feel the sense of responsibility and belongingness that optimize the profitability of the company.

Financial incentives and rewards have also undue influence on the performance of employee, so the salary assigned for employees should be competitive with other organization in order to minimize the turnover rate of employees in the bank. More over occasional over payment like incentives for especial contributions of staffs, bonus payment on summer or annual especial events make the employees more motivated.

Goal setting factor like; having clear and defined goal, matching personal goal with organizational goal, having realistic and achievable goal increase the performance of employee. So, the company should give professional training about effective planning and goal setting in order to integrate personal goal with organizational goal, this makes the bank more profitable.

Job design factors like: having job rotation, having sense of self-management and merit-based representation of supervisors are responsible to enhance the performance of employees. So, the company should use systematic job design like job rotation in order to motivate employees and to maximize the profitability of the organization.

Further studies should be conducted on other determinant of employee performance on other public companies.

5.5. Limitations of the Study

The findings of the study should not be generalized because of the scope of study. Data collection was limited to the staff of the Moha soft drink company and therefore findings of this study may not reflect or hold true in other organizations as such may not be generalized to organizations not included in this study. Furthermore, the study utilized some variables of employee productivity, other variables for these concepts may not yield exactly the same results. Also the researcher is limited only to the information provided by the respondents in the research and therefore cannot determine the reliability and accuracy of the information provided. Finally the researcher can only cover limited works given the scope of the study.

5.6. Future Research

This study has contributed to knowledge in the following ways:

In this study taking as a standing point, it could be possible to come up with a better insight and several extensions to this study are possible. Considering the available time and resource

the outcome of this study can be more robust, if future researchers conduct a study on this area.

To contribution the literatures due to the findings of the study which will help policy makers to formulate policy, by further investigation and increases sample size of population and included the whole private companies in Ethiopia, other issues that could be covered in future research include additional variable do not include in this research lack of data and correlated variable.

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APPENDIX

QUESTIONNAIRE

Dear Sir/Madam,

I am a student of St. Mary University taking a Master's degree in Business Administration (MBA). As partial fulfillment of my MBA degree, I am concluding a research on **“The Effect of Motivation on Employees Performance: The Case Of Moha Soft Drinks Industry Sc”**.

I request your involvement in answering the questionnaire to the best of your knowledge.

Kindly note that any information given through this questionnaire is confidential and will only be used for the purpose of this study. Your assistance and response is much appreciated.

Yours faithfully,

Genet Tessema

Thanks in advance

SECTION A: PERSONAL INFORMATION

1. Gender:

Female [] Male []

2. Age Group:

< 25 [] 26-30 [] 31-35 [] 36-40 [] > 41 []

3. Level of your education:

Diploma ☐ 1st Degree ☐ Masters and above ☐

4. Work Experience

< 1 Year [] 1-3 Years [] 4-6 Years [] > 6 years []

5. Marital status

Single ☐ Married ☐

SECTION B: MOTIVATIONAL FACTORS

The questions in these section concern characteristics related to factors within the context of the job itself. Using the key below, please indicate the extent to which you agree with each statement.

1= Strongly Disagree 2=Disagree 3=Neutral 4=Agree 5= Strongly Agree

Goal Setting		1	2	3	4	5
1	A manager lets me participate in the setting of my goals/targets					
2	I have specific, clear goals/targets to aim for in my job					
3	My goals/targets are realistic and achievable					
4	As an employee, I have difficult and challenging goals to meet at work					
5	I get fair and constructive feedback regularly related to my goals/targets					

Financial Incentives/ Monetary Factors		1	2	3	4	5
6	I am satisfied with the level of pay I receive					
7	The pay offered by the company is very competitive compared to other companies in the industry					
8	a company maintains a competitive pay and benefits (e.g. medical insurance) package					
9	I would be satisfied if I received a monthly expense (e.g. fuel and telephone) allowance					
10	a company uses monetary rewards like base pay, commission, bonus, incentives and healthy allowances to motivate us					
11	I believe the money I am paid is a strong indication of the value the organization has placed on my services					

Recognition and Reward		1	2	3	4	5
12	company uses non-monetary rewards like recognition, inclusive decision-making and flexible working hours to motivate us					
13	It is important to me to be formally recognized by management/supervisor for a job well done					
14	It is important to me to be recognized by my peers and co-workers for a job well done					
15	company uses non-monetary rewards (e.g. gift vouchers, movie tickets, or Lunch/Dinner for two) to motivate us					
16	company has a fair and equitable reward scheme					

Job-satisfaction		1	2	3	4	5
17	As an employee, I am satisfied with the challenges provided by my work					

18	I feel very positive and favorable about my job.					
19	As soon as I can find a better job, I will leave					
20	Am generally satisfied with the kind work I do on this job					

Job Design		1	2	3	4	5
21	As an employee, I am not happy with my job design in terms the tasks that I perform					
22	company employs job rotation to help us earn new skills and job independence					
23	Job rotation is also used on the organization to increase our motivation and enthusiasm					
24	Job rotation in our organization has improved management and supervision in the organization					
25	Job rotation has helped our organization to form an interactive control mechanism					

PART B: EMPLOYEES' PERFORMANCE

The questions in this section concern characteristic related to employees performance. Using the key below, please indicate the extent to which you agree with each statement.

1= Strongly Disagree 2=Disagree 3=Neutral 4=Agree 5= Strongly Agree

Performance measurement		1	2	3	4	5
26	The setting of goals/targets has greatly improved my overall performance					
27	a company pay policy helps attract and retain high performing employees					
28	If the company had a profit-sharing scheme, it would motivate me to perform					

29	I have sense of worthwhile accomplishment in my work					
30	I get the chance to take decision the performance of my job role.					

Thank You for Your Time and Cooperation!

Genet Tessema, MBA student

St. Mary University

School of Postgraduate studies

Master of Business Administration

June, 2023

