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COLLEGE OF BUSINESS AND ECONOMICS

The Moderating Role of Employees Characteristics on the Relationship Between Motivating Factors and Performance in the Case of Dashen Bank S.C

Prepared by: Bereket Abiche GSE/7597/15

A Thesis Proposal Submitted to Addis Ababa University, College of Business and Economics in Partial Fulfillment of the Requirements for the Degree of Master of Business Administration in Finance

Advisor: Dr Desalegn Amlaku

March, 2025

Addis Ababa, Ethiopia



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DECLARATION

I, Bereket Abiche, registration number/I.D. No. GSE/7597/15, hereby declare that this Thesis is my original work and it has not been submitted partially; or in full, by any other person for an award of degree in any other college/ University or Institution.

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APPROVAL OF THESIS AFTER DEEFENCE

The undersigned certify that they have read and hereby recommend to Addis Ababa University College of Business and Economics to accept the Thesis Submitted by Bereket Abiche and entitled by ‘‘The Moderating Role of Employees Characteristic’s on the relationship Between Motivating Factors and Performance.’’ in partial fulfilment of the requirements for the award of Master’s Degree in Project Business Administration in Finance.

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Acronyms

AG- Age

ANOVA-Analysis of Variance

DB- Dashen Bank

EP- Employee Performance

KPI- Key Performance Indicator

M-Mean

SPSS-Statistical Package for Social Science

SC- Share Company

SD- Standard Deviation

SR- Salary and Reward

VIF- Variance Inflation Factor

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Abstract

This study investigates the moderating role of employee characteristics—age, gender, education, and experience—on the relationship between motivating factors (salary and rewards, promotion, career development, and work environment) and employee performance in the context of Dashen Bank S.C. A mixed-methods approach was used, combining qualitative insights and quantitative analysis. Data were collected through structured questionnaires from a sample of 107 employees across 11 conveniently selected branches in the Bole area, using Slovin's formula and simple random sampling. The research adopted both descriptive and explanatory designs, and data were analyzed using correlation, multiple regression, and moderated regression analysis via the PROCESS Macro. The findings revealed that all four motivating factors had a statistically significant and positive influence on employee performance, with the work environment being the strongest predictor. However, employee characteristics did not significantly moderate these relationships, indicating that the impact of motivational factors on performance is consistent across different demographic groups. Based on these results, the study recommends that Dashen Bank enhance working conditions, offer competitive rewards, improve training and development programs, and ensure fair promotion practices to boost employee performance across the board.

Keywords: Employee *motivation, Employee performance, Work environment, Salary and rewards, Promotion, Career development*

Chapter One

1.Introduction

The chapter presents a study by examining the relationship between motivational factors and the performance of employees, with a special focus on mitigating the role of individual characteristics of employees. It discusses key motivational elements such as salary, rewards, career development and work environment and how these factors affect performance. In addition, the chapter outlines the research issues, objectives and importance of the study in connection with the workforce of Dashen Bank in Addis Abeba in Ethiopia.

1.1 Background of the Study

The motivation in organizational behavior concerns the internal and external forces that initiate, manage and maintain the behavior of employees to achieve personal and organizational goals. It includes psychological processes that evoke and control the target -focused behavior, which affects the willingness of employees to make efforts and persist in tasks.

Motivational factors affecting the enthusiasm and determination of employees can be divided into internal and external motivators. The Intrinsic Motivation results from their own satisfaction derived from the work itself, such as personal growth, meaningfulness and pleasure in the task. Motivated employees naturally consider the reward as work without the need for external incentives. extrinsic Motivation includes external incentives such as salary, bonuses, promotional events and recognition. Although these rewards can control performance, they may not maintain long -term motivation if they are not paired with internal motivators.

Different theories of motivation explain what will cause employees to play best. Maslow's hierarchy of needs Shows that individuals are motivated by the progressive meeting of needs, starting with physiological and security needs, followed by social belonging, respect and self -realization (Maslow, 1943). Herzberg's two-factor theory distinguishes between hygienic factors-like payments and working conditions-which prevents dissatisfaction and motivators-like recognition and career growth-which increases work satisfaction (Choudhary & Agarwal, 2024). Similarly, McClelland theory of needs identifies the three primary driving forces of employees'

behavior: success, association and power, each formed by motivation in the workplace differently (leadership, 2021).

Well-motivated workforce significantly contributes to organizational success by improving involvement, reducing the absence and support of productivity. Employees who feel appreciated and rewarded are more likely to remain determined to their organizations, resulting in lower turnover and reduced charge costs (Forson et al., 2021). Motivation also increases the willingness of employees to contribute with innovative ideas that can lead to the adaptability and competitiveness of the Times (2023). further, organizations that put in force effective motivational strategies are experiencing advanced employee performance, main to better efficiency and profitability (Makhamreh et al., 2022). knowledge these theories of motivation and their use in the place of work is important for the development of strategies that align the dreams of personnel with organizational achievement

No matter extensive research, which determines the importance of motivation in influencing the behavior of employees and organizational consequences, it stays correctly adapting to motivational techniques to the different traits of employees stays stressful. factors along with cultural historical past, character features of character and personal circumstances can have an effect on how motivational techniques and their efficacy are perceived. in addition research is wanted to discover those nuances and broaden greater personalized motivational strategies.

In connection with Dashen Bank, it is necessary to investigate how employees' characteristics alleviate the relationship between motivational factors and performance. Understanding these dynamics can lead to more efficient motivational strategies, to increase employees' satisfaction and organizational success.

1.2 Statement of Problem

Employee performance plays a decisive role in the overall success of any organization and motivational factors such as salary and rewards, promotional events, career development and training and working environment, are widely recognized as key contributors to strengthen

performance. These elements significantly affect how employees are involved in their tasks and contribute to organizational goals (Alshmemri et al., 2017; Getahun, 2020). While salary and rewards often serve as strong exterior motivators (Herzberg, 1966), opportunities for career growth and positive work environment are considered to be internal drivers that shape satisfaction and performance of work (Alemu & Tadesse, 2024). Regardless of the abundance of research on how these motivational factors affect performance, it is limited to how the personal characteristics of employees - such as age, gender, education and experience - affect how these factors affect their work (Chandra & Priyadarshini, 2022). Understanding how these individual properties alleviate the effects of motivational factors on performance is essential for organizations that want to implement motivational strategies that satisfy the unique needs of their diverse workforce. The aim of this study is to fill this gap by examining how employees' characteristics affect the relationship between motivational factors and performance at Dashen Bank, with a special focus on how these factors interact with demographic features.

Although existing literature thoroughly examined the direct influence of various motivational factors on the performance of employees, there remains significant supervision of the role of employees' characteristics in shaping how these factors are perceived and acting (Alshmemri et al., 2017). For example, studies consistently emphasize salary and rewards as basic external motivators that support a higher level of performance, and the role of career development programs in promoting work satisfaction and increased performance results is well documented (Alemu & Tadess, 2024). However, these studies often do not take into account that employee characteristics - for example their age, gender, education and experience - can affect how these motivational factors are interpreted and used (Getahun, 2020). For example, older employees or employees who have more experience may have a different perception of career procedure compared to their younger counterparts, which could affect how motivation is reflected in performance results.

The gap in the literature is obvious: although many research has explored the effects of motivational factors on performance, there is no deep exploration of how these effects have individual differences-like age, gender, education and experience (Chandra & Priyadarshini, 2022). For example, Research from Gethahun (2020) Shows that experienced employees can

view their opportunities for career development through another lens, which potentially leads to different performance results. Moreover, the impact of promotional opportunities may vary according to the employee's education, because those who have higher education may be more value for promotional actions than those with less formal education (Rohman & DarmaWan, 2022). In addition, the impact of the working environment on performance may vary among men and women employees, as working conditions may have different gender -based effects (Chandra & Priyadarshini, 2022).

This study will deal with this gap by exploring the role of employees 'role - such as age, gender, education and experience - in shaping the relationship between motivational factors and employees' performance. The aim of the research is to develop a deeper understanding of how motivational strategies can be adapted to different groups of employees based on their personal characteristics. The finding of this study will provide valuable knowledge for organizations such as Dashen Bank, to create more efficient and personalized motivational procedures that correspond to the different needs of their workforce, which eventually leads to an improvement in the performance of employees.

1.3 Research Questions

1. What is the effect of salary and rewards on employee performance?
2. How do promotion opportunities influence employee performance?
3. What is the effect of career development and training on employee performance?
4. How does the work environment affect employee performance?
5. What is the effect of career development and training on Job performance based on experience?
6. What is the effect of promotion on Job performance based on education?
7. What is the effect of work environment on Job performance based on Gender?
8. What is the effect of salary and reward on Job performance based on age?

1.4. General objective

The main objective of this study will be to examine the moderating role of employee characteristics (such as age, gender, education, and experience) in the relationship between motivating factors (such as salary and rewards, promotion, career development, and work environment) and employee performance.

1.4. Specific Objectives

1. To investigate the effects of salary and reward on employee performance
2. To Investigate how promotion opportunities influence employee performance
3. To analyze the Impact of career development and training on employee performance.
4. To Analyze the impact of the work environment on employee performance
5. To analyze the effect of career development and job performance based on experience
6. To examine the effect of promotion on Job performance based on education level
7. To examine the effect of work environment on Job performance based on Gender
8. To explore the effects of salary and reward on Job performance based on age

1.5 Significance of the study

1.5.1 For the company**:** The findings of this study will be significant for Dashen Bank, as it will provide valuable knowledge about how different motivational factors and employees' characteristics interact to affect the performance of employees. By understanding this dynamics, the bank can develop more efficient and adapt more motivational strategies, increase employee productivity, work satisfaction and overall organizational performance. Research will help bank design of programs and initiatives that solve the diverse needs of its workforce, which will improve the involvement and maintaining of employees.

1.5.2 To other similar companies: The study will also be valuable for other financial institutions or companies in Ethiopia trying to increase employees through motivational strategies. By exploring the relationship between employees' motivation and performance, this research will provide a frame that can be adjusted by other organizations to address their own motivational

challenges. Findings could help such companies understand the importance of considering the characteristics of employees in designing motivational programs and politicians.

1.5.3 To other Researcher's: For future Researcher, this study will contribute to a set of knowledge of the motivation and performance of employees. It will provide the basis for further investigating how different factors - for example, demographic data on employees - will have the effects of performance motivation. Scientists who are interested in organizational behavior, performance of employees or human resources management can use this study as a reference for their own investigation, especially in connection with the Ethiopian banking sector or similar organizations in developing countries.

1.6 Scope of the study

1.6.1 conceptual scope: This study will focus on exploring the relationship between motivational factors and the performance of employees, with special attention to the moderating role of employees' characteristics. The study will explore four key motivational factors: salary and rewards, possibilities of promoting, developing career and training and working environment. In addition, research will investigate how individual characteristics of employees - such as age, gender, education and experience - moreover, the impact of these motivating factors on employees' performance. Understanding the interplay between these variables is to give research into insight into effective motivational strategies adapted to different groups of employees within the organization.

1.6.2 Time scope: The time frame of this study will take from December 2024 to June 2025. During this period, the data will be collected, analyzed and interpreted. This timeline allows a thorough examination of the factors affecting the performance of employees and ensures that the results are relevant and timely, providing persecuted knowledge for Dashen Bank to improve its motivational strategies.

1.6.3 Geographic scope:

The geographical scope of this study will be limited to Addis Abeba, Ethiopia, specifically with a focus on Bole Area Dashen Bank branches. This focus on a specific geographical area allows a detailed understanding of the relationship of motivation-power in a defined organizational and cultural context. Although These results may apply to other regions or financial institutions in Ethiopia, the main objective of the study is to assess the situation in the branches of Dashen Bank in Addis Abeba.

1.6.4 Methodological scope:

The study will use both qualitative and quantitative research methods to explore the relationship between motivation and the performance of employees. The survey access will be used to collect data from Bashen Bank employees through questionnaires with their own submission. The data will be analyzed using statistical methods, including descriptive statistics and correlation analysis, to identify relationships between motivating factors and employees' performance. Research also examines how these relationships alleviate employees' characteristics such as age, gender, education and experience. The methodological range is limited to these techniques and the context of Bashen Bank in Addis Abeba.

1.7 Limitations of the study

The study is limited to Bole Area Dashen Bank branches in Addis Abeba and focuses on four key motivational factors - salary and reward, promotion, career development and work environment - and at the same time excluding other potential effects on employee performance.

1.8. Key Terms and Definitions

Salary and reward: Salary are a fixed and regular compensation paid to employees for their work, usually on monthly or twice a week, serving as a primary means of living and financial stability. Rewards, on the other hand, include financial and non -financial benefits that organizations offer employees as incentives for their contributions and performance. These rewards can take various forms such as bonuses, commissions, programs for recognition and opportunities for career growth, which aim to strengthen the motivation and satisfaction with work (Dessler, 2021).

Promotional opportunities: Promotional opportunities concern career progress within an organization that allows employees to move to higher positions with increased responsibility, status and financial benefits. Promotions serve as a key motivational tool because they recognize the contributions and skills of employees and provide them with greater authority and professional growth. The availability and justice of promotional opportunities are key factors that affect work satisfaction and the level of maintenance between employees (Robbins & Judge, 2022).

Career development and training: Career development is a continuous process in which employees acquire new knowledge, skills and experiences that contribute to their professional growth and the ability to take more advanced roles. Training, career development subgroup includes structured teaching programs designed to strengthen the competences of employees, technical skills and expertise related to work. Organizations invest in career development and training programs to improve employee performance, reduce skills gaps and support innovation and productivity (Noe, Hollenbeck, Gerhart and Wright, 2021).

Work environment: The working environment includes physical, social and psychological conditions in which employees perform their tasks. The positive work environment includes factors such as adequate lighting, ergonomic design of the office, supporting organizational culture, clear communication and the atmosphere of the team for cooperation. The working environment plays a decisive role in shaping the satisfaction, motivation and overall performance of employees, while poor working conditions can lead to stress, disconnection and reduction of productivity (Armstrong & Taylor, 2023).

Employee performance: Employee performance concerns the extent to which the individual successfully fulfills job responsibilities, meets organizational expectations and contributes to the overall success of the company. It is usually evaluated on the basis of factors such as efficiency, quality of work, achievement of goals and compliance with the company standards. High - performance employees are often those who show commitment, competences and proactive approach to their tasks, leading to better organizational results (Mathis, Jackson and Valentine, 2022).

Job performance: performance of work is a specific aspect of employees' performance, which focuses on how well employees fulfill their assigned duties, meet employment requirements and achieve performance goals. It is often measured by key performance indicators (KPI) such as productivity, accuracy, quality of work and teamwork. Organizations rely on performance assessment, feedback systems and motivational structures to monitor and strengthen work (Sonnentag & Frese, 2021).

Experience: Experience in the workplace concerns the accumulated knowledge, skills and expertise that the employee gains over time, which affects their performance, decision -making skills and adaptability to the workplace. Employees with more experience are often more proficient in solving problems, have a deeper understanding of industrial trends and can mentor less experienced colleagues, which contributes to the overall organizational success (Judge & Kammeyer-Mueller, 2022).

Education: Education includes formal learning processes that equip individual with the necessary knowledge, technical skills and competences needed for employment and career procedure. University education and specialized educational programs are often associated with better work opportunities, improved problem solving and increased innovation in the workplace. Employers consider education to be the basic criterion for hiring, promotion and initiatives of skills development (Schultz, 2021).

Gender: Gender concerns socially and culturally constructed differences between men and women who can affect roles in the workplace, leadership opportunities and employees' performance. Gender diversity in organizations is associated with increased creativity, improved decision -making and better problems solving. However, gender distortion and discrimination can create obstacles to career progress and influence the motivation of employees and work satisfaction (Eagly & Heilman, 2022).

Age: Age represents the number of years that a person has lived and is often considered an important demographic factor affecting the performance of employment. Employees in different

age stages bring different levels of experience, cognitive abilities, adaptability and technological knowledge. Younger employees may be more adaptable and innovative, while older employees often have rich experience and strong management capabilities. Organizations must balance the diversity of age to create an inclusive and productive working environment (NG & Feldman, 2021).

1.9. Organization of the Study

The study will be organized in five chapters. The first chapter will present the background, the statement of the problem, the objectives, the research questions and the importance of the study along with the outline of the scope and restrictions. The second chapter reviews relevant literature focusing on the motivation of employees, performance and moderating factors such as employees' characteristics. The third chapter explains the research methodology, including access, design, sampling methods, data collection techniques and analytical procedures. The fourth chapter will present the results of a study supported by statistical analysis and data interpretation. Chapter five will offer conclusions, practical recommendations for Dashen Bank and similar organizations and proposes instructions for future research.

Chapter Two

2. Review of Related Literature

This chapter represents a comprehensive overview of related literature, including theoretical and empirical perspectives of motivational factors and employees' performance. It identifies the gaps in existing research, formulates hypotheses and develops a conceptual framework for conducting the study. By synthesizing previous studies, this chapter sets a strong basis for understanding key variables and their relationships.

2.1. Theoretical Literature Review

2.1.1. Definition and importance of motivation in organizations

Motivation is an essential concept in organizational behavior and human resources management, as it directly affects the performance of employees, satisfaction with work and organizational success (Almawali, 2024). It refers to internal or external forces that make individuals to achieve steps to achieve specific goals. According to Kaura, Gangwar and Devi (2025), motivation acts as a moderating factor in the relationship between employee analysis and performance, Showing that understanding of motivation is necessary to improve productivity in the workplace.

Motivation within the place of business is frequently classified into internal and extrinsic Motivation. The intrinsic Motivation is based totally on an character, powered by way of personal pride, passion or a feel of achievement (Inoue & Kawakami, 2023). On the other hand, extrinsic Motivation stems from external factors such as rewards, recognition and incentives (Makhamreh et al., 2022). Both forms of motivation play a key role in shaping the behavior and performance of employees. Studies Show that when employees perceive the balance between internal and external rewards, it is more likely that they will be involved and committed to their tasks (Chong & Zoinal, 2024).

The key factor influencing motivation is the working environment and the style of management. For example, transformation lines have been shown to increase the motivation of employees by supporting the purpose and authorization (Mengeshia & Tesfayie, 2024). Leaders who provide

clear objectives, constructive feedback and promoting professional growth create an atmosphere that encourages employees to perform best (Gidey, 2020). In addition, organizational culture plays an important role in motivation. Culture, which promotes trust, recognition and open communication, can improve intrinsic Motivation of employees and overall satisfaction with work (Tensay, 2018).

Motivation is not only necessary for individual employment, but also for the success of the organization. Makhamreh et al. (2022) found that motivated employees contribute to a higher level of customer satisfaction and performance of the company. Similarly, Wright and Cropanzano (2007) stressed that employees with high positive comfort, which is closely associated with motivation, tend to show better performance and organizational commitment. This emphasizes the importance of motivation as a strategic tool for organizations aimed at achieved long -term success.

Motivational theories provide structured understanding of how individuals are led to work at work. For example, the model of the work characteristics explains how the draft work affects motivation and performance through factors such as autonomy, the importance of the task and feedback (Inceoglu & Warr, 2006). In addition, a five -character personality model was explored in connection with work motivation motivation, Showing that personality traits can alleviate the relationship between employment requirements and employees (Inoue & Kawakami, 2023). Understanding these theoretical perspectives help organizations implement effective motivational strategies that meet the needs of employees and the dynamics of the workplace.

Motivation is a critical determinant of employees' behavior and organizational efficiency. Organizations through theory of motivation of motivation and performing strategic motivational procedures can strengthen the involvement of employees, satisfaction with work and overall performance (Kaur et al., 2025). Future research should continue to examine the evolving nature of motivation in the workplace, especially in connection with technological progress and changing working environment.

2.1.1.2 Classification of motivational theories: Contents vs. Process theory

Motivational theories provide structured understanding of factors that affect employees' behavior and performance in organizations. These theories offer knowledge about what makes individuals to engage in their work, persist in their efforts and achieve organizational goals. In general, motivational theories are categorized into two main types: content content and processes theory. Content theory emphasizes specific factors that control motivation, such as individual needs, incentives and conditions in the workplace, while processes theory examines cognitive mechanisms that help motivation affects behavior and decision -making (IHENSEKIEN & ARIMIE, 2023). Both perspectives contribute to the development of effective motivational strategies at modern workplaces, allowing organizations to support higher levels of involvement and productivity of employees.

The content theories of motivation focus on identifying internal and external factors that determine the motivation of the individual. These theories assume that motivation results from the satisfaction of basic human needs and desires. Some of the most influential content theories include Maslow's Hierarchy of needs, Herzberg's two -factor theory and McClelland's theory of needs. Maslow's hierarchy Shows that individuals strive to meet a number of hierarchical needs, from basic physiological requirements such as food and shelter to psychological needs of a higher level, such as self -realization (Channell, 2024). Herzberg's two -factor theory is expanding about this concept by distinguishing between hygienic factors and motivators. Hygiene factors such as salary, working conditions and job certainty, prevent dissatisfaction, but do not necessarily manage motivation, while motivators such as recognition, personal growth and career procedure lead to a higher level of satisfaction and performance (Nickerson, 2023).

McClelland's theory, on the other hand, Shows that employees are primarily driven by three dominant needs: the need for success, the need for membership and the need. These needs affect individual behavior and determine how employees approach their roles and duties in the workplace (Ihenekhien & Arimie, 2023).

In contrast, procedural theories of motivation focus on psychological and cognitive mechanisms that control how individuals decide to act and persist in their efforts. These theories do not only identify motivating factors, but explain how motivation works dynamically in an organizational context. The key theory of the process includes expectations theory, shares theory and objective theory. The theory of expectation, established by Vorom, claims that motivation is influenced by the belief of the individual, that their efforts will lead to performance and desired results. If employees perceive a strong connection between efforts, performance and rewards, it is more likely to be motivated (Nusraningrum et al., 2024). The shares theory developed by Adams focuses on the role of justice in motivation, Showing that employees compare their input-output ascents with their colleagues. When employees perceive an imbalance - such as receiving lower rewards for similar efforts - they may feel demotivated and adequately adjust their work behavior (Alshmemri et al., 2017). The theory of setting goals, designed by Lock and Latham, emphasizes the importance of determining clear, specific and demanding goals in increasing motivation and performance. This theory Shows that when employees are provided with well -defined goals, it is more likely to engage in targeted behavior that improves efficiency and productivity (Channell, 2024).

Content theory and processes play a key role in creating organizational strategies aimed at strengthening the motivation and performance of employees. While content theory helps organizations identify the key factors that control motivation, processes theory provides insight into how motivation works in the workplace. Modern organizations often integrate both approaches to creating complex motivational frames that meet the needs of employees and at the same time support a structured decision -making process that increases involvement (Nickerson, 2023). Research has shown that motivation is a key driving force for employees and organizations that implement policies increasing motivation-likes are programs for recognition of employees, career development initiatives and incentives based on performance-with experience.

Combinations of knowledge of content and processes can develop holistic motivational strategies dealing with internal and external needs of employees. Content theory provides the basis for understanding what employees must feel satisfied, while processes theory explain how cognitive processes of employees affect their motivation and performance. Since businesses are trying to

maintain a competitive advantage, the use of these theoretical frames can help create a working environment that supports maintained motivation, higher employees' involvement and improved overall performance (Ihenekien & Arimie, 2023).

2.1.1.2 Classification of Motivational Theories (Contents vs. Process Theory)

Motivational theories are generally categorized into content and processes. Content theory focuses on identifying specific factors that control motivation, while processes theory explains mechanisms of motivation and behavior (Nickerson, 2023). The content theory emphasizes internal and external factors and emphasizes how different needs affect motivation (Channell, 2024). For example, Herzberg's two -factor theory distinguishes between hygienic factors that prevent dissatisfaction, and motivators that increase the satisfaction of work (Ihenekhien & Arimie, 2023).

The theory of processes, on the other hand, examines how motivation and how individuals evaluate their efforts, rewards and perceived justice (Francis, 2024). Examples include the theory of expectations of Vorom and Adams' theory of justice that analyzes how employees decide on their work and effort. Herzberg's model bridging both perspectives by interconnecting motivational factors with the performance of work (Nusramum et al., 2024).

2.1.2 Herzberg's two -factor theory and its importance

Herzberg's two -factor theory remains a critical framework for understanding the motivation of employees and satisfaction in the workplace. This theory was developed in 1959 and presented the concept that factors in the workplace affect employees in two different ways: hygienic factors that prevent dissatisfaction, and motivators that actively increase satisfaction and performance (Nickerson, 2023). Unlike previous theories that indicated motivation, they existed on a single continuum from dissatisfaction to satisfaction, and Herzberg's model Shows that these two aspects work independently.

Hygiene factors such as salary, working conditions and corporate policies do not contribute to long -term motivation, but are necessary to prevent employment dissatisfaction (Channell, 2024). Motivators, on the other hand, including career procedures, recognition and personal development, lead employees to higher engagement and productivity (Francis, 2024). This classification made Herzberg's model with a valuable tool in modern human resources management and led the organization in the structuring of their motivational strategies.

The ongoing relevance of Herzberg's theory is evident in its application across various industries. Contemporary research emphasizes its efficiency in structuring the working environment that balances the stability of employment with the possibility of career growth (Ihenekhien & Arimie, 2023). Organizations that harmonize their policies with Herzberg's knowledge often report increased maintenance of employees and overall satisfaction (Nusrarum et al., 2024). Given the dynamic nature of the working environment and developing employees, Herzberg's theory of two -factors remains essential for the understanding and improving motivation of the workplace.

2.1.2.1 extrinsic Motivation: salary, rewards, promotion, working environment

Hygiene factors apply to external conditions that affect the satisfaction of work, but do not directly increase motivation. These factors include salary, job security, work policies, management practices and the overall work environment (Nickerson, 2023). Although the presence of strong hygiene factors does not necessarily lead to satisfaction with work, their absence can cause significant dissatisfaction.

The salary is one of the most discussed hygiene factors, often perceived as a key determinant of motivation. However, research Shows that while the structure of a fair salary can prevent dissatisfaction, it does not guarantee long -term involvement of employment (Channell, 2024). Employees may feel dissatisfied if they perceive their compensation as unfair compared to industry or their contributions. However, once a competitive salary is set, it no longer serves as a significant motivator (Francis, 2024).

Promotions and rewards also play a key role in shaping employees' attitudes. Righteous and transparent promotional policies can increase the perception of organizational justice, thereby reducing dissatisfaction (Ihenekhien & Arimie, 2023). However, frequent promotional events without clear career development paths may not significantly contribute to permanent motivation (Nusramum et al., 2024).

Another critical hygienic factor is the working environment, which includes physical conditions in the workplace, organizational culture and leadership behavior. Poor working conditions may be a primary source of dissatisfaction, leading to a reduction in efficiency and increased turnover (Channell, 2024). A well -structured working environment with supportive leadership, fair politics and clear communication channels can significantly reduce dissatisfaction in the workplace (Francis, 2024). In the absence of internal motivators, however, these factors alone are not enough to make employees maximum performance.

2.1.2.2 Intrinsic Motivation: Career Development and Training

Unlike hygienic factors, motivators are internal elements that actively increase the satisfaction of work and involvement of employees. These include success, recognition, personal growth, career progress and skills development (Nickerson, 2023). Motivators are in line with the psychological needs of employees, support long -term obligation and increased productivity.

Career development is one of the strongest motivators at modern workplaces. Employees who perceive opportunities for professional growth and strengthening skills will be more likely to remain engaged and determined to their organizations (Francis, 2024). Training programs, mentor initiatives and the possibilities of leading management contribute to the feeling of employees' success, strengthen motivation (Nusraningrum et al., 2024). Organizations that invest in continuous learning create an environment in which employees feel appreciated, leading to increased satisfaction with work (Ihenekhien & Arimie, 2023).

Recognition also plays in motivation. Employees who receive consistent and meaningful recognition for their efforts show a higher level of involvement (Nickerson, 2023). Recognition can be in various forms, including verbal recognition, prices or career growth opportunities. While

financial rewards contribute to satisfaction, non -monetary recognition often has a more permanent impact on motivation (Francis, 2024).

Personal development is another internal motivator that directly affects the involvement of employees. If the organization supports creativity, innovation and individual settings, employees tend to take over their roles (Channell, 2024). Providing autonomy and authorizing employees for decision -making can significantly increase motivation and performance.

Unlike hygienic factors, motivators contribute directly to the enthusiasm and long -term obligation of the employee. Their impact exceeds immediate satisfaction with work, supports the culture of constant improvement and high performance in organizations.

2.1.2.3 Application of Herzberg's theory in the performance of employees

Herzberg's two -factor theory was widely applied in the research of employees and work satisfaction. Its structure with a dual factor provides a practical framework for designing effective motivational strategies in various organizational environments (Nusraningrum et al., 2024). The application of the theory in performance studies emphasizes the importance of balancing hygienic factors with internal motivators to support productive labor.

One of the primary applications of Herzberg's theory in the research of employees is its use in human resources management. Many organizations carry out Herzberg's principles to design policies dealing with external and intrinsic Motivational factors (Nickerson, 2023). For example, companies that ensure competitive salaries and policies of the promotion of fair and at the same time provide opportunities for career development tend to experience lower turnover and higher involvement of employees (Francis, 2024).

Another important area where Herzberg's theory was used is leadership and organizational behavior. Leaders who understand the difference between hygienic factors and motivators can create a working environment that minimizes dissatisfaction and at the same time promotes long -

term motivation (Ihenekhien & Arimie, 2023). Effective management strategies focus on maintaining strong conditions in the workplace and at the same time encourage employees through personal programs for career recognition and development (Channell, 2024).

The theory is also relevant in performance management systems. Organizations that propose methods of performance based on Herzberg's knowledge often include both external rewards and internal motivators in their evaluation criteria (Nusram et al., 2024). The evaluation of performance that emphasizes the opportunities to advance career, rather than just salaries, tend to be more effective in maintaining employees.

Further, Herzberg's framework remains usable in various sectors, together with health, training and corporate industries. In areas where motivation directly influences the excellent of services, the stability of hygienic factors with motivators (Francis, 2024) is decisive. personnel in those industries regularly searching for now not most effective economic stability, but additionally in career increase, popularity and meaning for their paintings.

2.1.3 Another relevant theory of motivation

Motivational theories play a basic role in understanding employees' behavior, performance and involvement in the workplace. While Herzberg's two -factor theory provides a fundamental basis for distinguishing between internal and external motivators, other theories offer a deeper insight into the psychological and behavioral mechanisms that make the individual to achieve their professional goals. These theories emphasize different factors, including cognitive expectations, self -determination, perception of justice and the impact of setting goals on motivation and performance. Four widely recognized theories of motivation-theoria of expression, theory of self-determination, justice theory and theory of settings-are considered to be the basic framework for analysis of how employees respond to the conditions in the workplace and motivational structures. Each theory provides a unique view of motivation and emphasizes how individuals interpret their efforts, rewards and organizational environment.

As businesses and organizations evolve, understanding these motivational theories becomes more and more critical when designing politicians that increase the satisfaction, determination and productivity of employees. Modern workplaces emphasize the creation of an environment that aligns personal aspirations of employees with organizational objectives to support permanent involvement. Research continues to show that effective motivational strategies require equalization of internal and external factors to satisfy the psychological needs of employees while maintaining the effectiveness of the organization. A detailed examination of these four theories will include a comprehensive understanding of motivation in the workplace and offers valuable knowledge of how organizations can optimize human resources practices for better performance of employees.

2.1.3.1 Theory of expectations (Vorom Theory and its application on motivation)

The theory of expectation, advanced by using Victor Vroom in 1964, affords a cognitive technique to understanding motivation. The theory assumes that people are prompted to act when they count on their efforts to lead to favored effects. According to VROOM, motivation is determined by three interconnected elements: expectations, instrumentation and valence. Expectations concern the belief that increased effort will improve performance. Instrumentation reflects the perception that high performance will lead to specific rewards. Valence is the importance of individual places for these rewards (Francis, 2024). These three elements interact with the willingness of the employee to make efforts to achieve work -related tasks.

The theory is widely applied in organizational environments to increase the motivation of employees by strengthening the connection between efforts, performance and rewards. Employees are more involved in their tasks when they believe that their efforts will bring high performance and this performance will be rewarded in a meaningful way. Research emphasizes that the workplace performing transparent reward structures that are in line with the expectation of employees experience increased motivation and satisfaction with work (Nusram et al., 2024). However, when employees perceive the weak links between their efforts and the rewards they receive, motivation decreases, leading to release and reducing productivity.

The performance -based compensation models show a significant use of expectations theory, such as sales commissions and bonuses for high -performance employees. These compensation structures increase motivation by ensuring that employees see direct correlation between their performance and financial rewards. Training and development programs also play a decisive role in strengthening expectations, because employees who acquire new skills gain more confidence in their ability to perform at higher levels (Ihenekhen & Arimie, 2023). Organizations that successfully implement the theory of anticipation create a working environment that supports clear expectations, reliable reward mechanisms and continuous professional development.

2.1.3.2 Theory of self -determination (intrinsic vs. extrinsic Motivation)

The theory of self -determination (SDT), developed by Edward Decie and Richard Ryan, distinguishes between internal and extrinsic Motivation and emphasizes psychological needs that control human behavior. According to SDT, intrinsic Motivation occurs when individuals are involved in activities for personal fulfillment and pleasure, while extrinsic Motivation is supported by external rewards such as salaries, promotional actions and recognition (Nickerson, 2023). The theory also Shows that three basic psychological needs - autonomy, competence and kinship - must be satisfied for individuals to maintain a high level of intrinsic Motivation.

Autonomy, a sense of control of work, is a key part of motivation. Employees who have greater autonomy in decision -making and tasks show a higher level of satisfaction and involvement in work. Competence refers to the need for individuals to feel capable and effective in their roles that organizations can support through skills and education programs. It is related or a sense of connection with colleagues and organizations increases motivation by supporting cooperation and supporting work environment (Channell, 2024).

Organizations that balance internal and external motivators create more engaged and high -performance employees. The workplaces that support meaningful tasks provide professional growth and recognize the contributions of employees that support an environment where individuals feel motivated beyond financial incentives (MCLEOD, 2024). While external

motivators, such as bonuses and promotional actions, can control short -term performance, permanent motivation relies on the fulfillment of internal psychological needs of employees. Organizations that implement SDT principles often experience improved innovations, maintaining employees and overall morale in the workplace.

2.1.3.3 The theory of equity (justice and motivation of employees)

The theory of justice, introduced by John Stacey Adams in 1963, emphasizes the role of justice in motivation by explaining how individuals perceive and respond to the share in the workplace. The theory Shows that employees compare their input-output ratio (efforts and rewards) with the ratio of their peers. When employees perceive imbalances-and they are already insufficiently rewarded or excessively rewarded-they feel inequality, which can lead to dissatisfaction with work, reduce effort or attempts to restore balance (Nusram et al., 2024).

Righteous treatment of compensation, dividing workload and recognition significantly affects the motivation of employees and involvement in the workplace. Employees who believe that they are relatively compensated and recognized as their contributions will probably be committed to organizational goals. On the contrary, perceived inequality can lead to behavior such as reduced effort, absence or even employment (Francis, 2024). Organizations that prefer their own capital in their practices of human resources support more motivated and happy labor.

Practical applications of the theory of equity include regular performance evaluation, transparent salary structures and open communication on promotional criteria. Companies that set up fair recognition systems, where promotions and rewards are based on merit than on protectionism, create a culture of trust and motivation (Nickerson, 2023).further, assist for the inclusive place of business, wherein diverse personnel sense liked, increases the perception of justice, main to higher motivation and productiveness. employees who understand that they're pretty handled are more likely to show the commitment, cooperation and loyalty to the organisation.

2.1.3.4 Theory of setting goals (impact of goals on employee performance)

The theory of setting goals, developed by Edwin Lock and Gary Latham, claims that specific, demanding objectives increase employees' performance more efficiently than vague or easily achievable goals. The theory identifies five key principles that affect motivation: the specificity of the goal, the difficulty of the objectives, the target commitment, the feedback and the complexity of the tasks (Ihenekhien & Arimie, 2023). Employees who receive clear and demanding goals tend to prove more effort, endurance and overall performance.

Studies Show that employees setting goals are more involved and motivated in their roles in accordance with organizational objectives. When employees understand the direct impact of their work on a wider organizational success, they are more likely to take the initiative and get off at higher levels (Channell, 2024). For example, professionals who have been given a defined goal for obtaining a client in a certain time frame show more motivation compared to those who have undefined performance expectations.

Feedback is a key part of the theory of setting goals because it allows employees to monitor progress, make the necessary adjustments and remain motivated. Constructive feedback strengthens achievements and helps employees to improve their skills, which further increases their intrinsic Motivation (MCLEOD, 2024). A common application of this theory is management approach according to objectives (MBO), where employees cooperate with managers to set performance goals.

2.1.4 Concept of employee performance and its measurement

The performance of employees concerns the efficiency, efficiency and productivity of individuals in fulfilling their work duties within the organization. It is a multidimensional construct involving aspects such as the performance of the task, contextual power and adaptive performance (ihenekhien & arimie, 2023).The employees performance of the undertaking issues the main jobs and duties that make contributions to organizational goals, even as contextual performance consists

of discretion behavior that helps the environment in the place of job. Adaptive overall performance emphasizes the worker's ability to conform to new conditions, technologies and adjustments inside the place of work.

Several theories explain the performance of employees in organizations. Motivational theories, such as Herzberg's two -factor theory and theory of anticipation, Show that factors such as satisfaction with work, rewards and perceived justice affect individual productivity (Nickerson, 2023). Meanwhile, human capital theories emphasize the role of skills, knowledge and experience in increasing the performance of employees. The aim of the organizations is to optimize the performance of strategic strategic efforts and ensure a high level of involvement and productivity (Nusraningrum et al., 2024).

Employee performance is often associated with individual and organizational success. High -performance employees contribute to increased efficiency, improving customer satisfaction and overall business growth. On the other hand, poor performance may lead to reduced productivity, increased turnover and reducing organizational efficiency. Measurement and performance management thus remains a critical aspect of human resources management and organizational behavior studies (Channell, 2024).

2.1.4.2 Key performance indicators (KPI) in organizations

Key performance indicators (KPI) serve as measurable metrics that evaluate the efficiency and efficiency of employees in achieving organizational goals. These indicators provide insight into individual and team contributions, allowing organizations to evaluate and improve performance (Nickerson, 2023). KPI differs across industrial and work roles, but generally include productivity, quality of work, customer satisfaction, teamwork and adherence to deadlines.

Power measurement framework, such as a balanced Scorecard, integrates financial and non -financial indicators to provide a holistic assessment of employees' contributions (MCLEOD, 2024). For example, sales sales, the level of maintaining clients and the score of employees are

commonly used by KPI in the business environment. Similarly, healthcare, education and production organizations rely on KPI specific to industry to monitor performance.

Motivation plays a key role in determining how employees meet their KPI. Research Shows that intrinsic Motivation - such as personal development and meaningful work - often leads to permanent high performance. On the other hand, external motivators such as bonuses, promotional actions and incentives based on performance can control a short -term goal, but may not always lead to long -term involvement (Francis, 2024). Understanding of what controls the motivation of employees is therefore necessary to improve KPI and overall performance.

Organizations use a number of tools, including performance evaluation, 360 degrees feedback and self -evaluation to measure KPI. These tools help identify strength and improvement areas and allow managers to implement educational programs and strategies of performance increase. Organizations that integrate clear KPIs based on their evaluation systems tend to achieve a higher level of responsibility for employees and organizational success (Alshmemri, Shahwan-ACl, & Maude, 2017).

2.1.4.3 Factors affecting the performance of employees

Employee performance affects more internal and external factors. These factors range from individual attributes, such as motivation, competence and intake to external aspects such as leadership style, workplace and organizational culture (Channell, 2024).

Internal factors: Motivation is the primary internal drive motor of employees. The theory of self-determination (SDT) distinguishes between intrinsic Motivation-from personal growth and self-realization-extrinsic Motivation, which includes external rewards and recognition. Employees who find their purpose in their work will be more likely to be involved and productive (Ihenekhien & Arimie, 2023). similarly, the competence of employees, which includes capabilities, experience and expertise, at once impacts the extent of overall performance. organizations that invest in continuous learning and professional improvement applications generally tend to experience higher productiveness and innovation.

External factors: The style of management significantly affects the performance of employees. Transformation lines, characterized by vision, inspiration and authorization, are associated with higher satisfaction and performance of work. On the other hand, the transaction line, which focuses on the performance of tasks and incentives based on reward, does not need to support long -term involvement (Nusraningrum et al., 2024). In addition, culture in the workplace, including the dynamics of the team and the work environment, plays a decisive role in shaping employees' behavior. Support organizational cultures that support cooperation, recognition and balance between work and private life tend to increase the overall performance of employees.

2.1.4.4 Impact of motivation on the performance of employees

Motivation serves as a crucial driver of the performance of employees. The theory of motivation, such as Herzberg's two -factor theory and theory of expectations, provide insight into how motivation affects productivity and satisfaction with work. Herzberg's model Shows that hygienic factors (eg salary, safety, working conditions) prevent dissatisfaction, while motivators (eg career growth, recognition) actively increase performance (Nickerson, 2023).

Research emphasizes that employees with a high level of motivation show increased productivity, creativity and engagement. In their work, internal motivated employees tend to be more engaged and more innovative, while external rewards can strengthen the desired behavior and improve short -term performance results (MCLEOD, 2024). However, excessive relying on external rewards, such as financial incentives, can lead to revenues if employees begin to perceive these rewards as demands rather than recognizing performance -based recognition.

Study Nusramum et al. (2024) have found that organizations support a positive work environment, support employees' involvement, and provide growth opportunities to experience increased performance of employees. The study emphasized that the combination of motivational strategies- for example, offering meaningful work, professional development and incentives based on performance-based for permanently improved performance.

The motivation of employees is also associated with organizational obligation and storage. Highly motivated employees are more likely to remain with the organization, reduce the level of turnover and increase the preservation of institutional knowledge. On the other hand, low levels of motivation often lead to absence, reduced effort and increased employee dissatisfaction (Channell, 2024).

Organizations that accept a holistic approach to motivation - combine financial incentives with internal rewards, career development and supporting work environment - are experiencing a higher level of involvement and performance of employees. This approach is consistent with current human resources management strategies that prefer employees' well-being and sustainable productivity (Alshmemri, Shahwan-Akl, & Maude, 2017).

2.1.5 The roles of moderating variables in motivation and performance

In motivation and performances affect the moderation of variable strength or direction of the relationship between independent and dependent variables. The moderator changes how motivation affects the performance of employees by strengthening or weakening this relationship. Understanding these variables is essential in the research of organizational behavior because it helps to improve theoretical models and practical applications in workforce management (Makhamreh et al., 2022).

The mnight variables differ from the mediators in that they do not explain why it is effect, but rather when or for whom it is stronger or weaker. For example, although motivation can positively affect performance in general, the extent of this impact could determine factors such as age or employee experience. Scientists use moderation analysis to identify conditions that optimize motivational strategies for different groups of employees (Inoue & Kawakami, 2023).

Moderators are particularly important in a dynamic working environment where external influences such as technological change, market volatility and diversity of labor create changes in motivation. Without considering moderators, organizations can implement universal motivation

strategies for all that do not take into account individual or contextual differences, which reduces their effectiveness (Kaur et al., 2025).

Employee characteristics significantly alleviate the relationship between motivation and performance. Factors such as age, sex, experience and education can change how individuals perceive and respond to motivational stimuli.

Age as a moderator: Age affects work values and motivational drivers of employees. Younger employees can be more motivated by career development and skills development, while older employees often prefer employment and balance between work and private life. These differences may impact on how motivational strategies affect performance results (Chong & Zoinal, 2024).

Gender differences in motivation: Gender also alleviates the relationships of motivation-performance. Research Shows that men and women can respond differently to internal and external motivators. For example, some studies Show that women respond more to supporting relations in management and workplace, while men can place more emphasis on financial rewards and career procedures (Almawali, 2024).

Experience as a moderator: Work experience forms the employee's ability to use motivation effectively. Experienced employees often have higher self -sufficiency and knowledge of employment, which allows them to more effectively translate motivation into performance. On the other hand, less experienced employees may require additional instructions and support to benefit from strategies increasing motivation (Gidey, 2020).

Level of education and motivation: employees with university levels may have different motivational triggers compared to employees with lower education. High -educated workers often appreciate intellectual challenges and opportunities for professional growth, while those with lower education can be more affected by the certainty of employment and financial incentives.

2.2 Empirical Literature

Motivation and performance of employees: theoretical and empirical perspectives

Employee motivation is a critical driving force of performance in the organizational environment, which affects productivity, satisfaction with work and overall business success. Herzberg's two -factor theory remains one of the most frequently applied frames for understanding motivation, distinguishing between internal motivators and external hygienic factors (Ihenekhien & Arimie, 2023). This theory Shows that internal factors, such as career and training, increase satisfaction and performance, while external factors such as salary, reward and working environment, prevent dissatisfaction, but do not necessarily lead to increased motivation. Recent research has expanded on this model and examined the moderating effects of employees' characteristics such as age, gender, experience and education about the relationship between motivation and performance (Nusram et al., 2024).

intrinsic Motivation plays an important role in supporting the involvement and determination of employees. Employees who perceive opportunities for career development and professional growth are more likely to prove a higher level of productivity and satisfaction with work (Nickerson, 2023). Training programs that focus on strengthening skills and continuous learning contribute to intrinsic Motivation by allowing employees to see a clear way for career development. Nusraningrum et al. (2024) found that employees in the logistics sector of Jakarta, who had completed continuous training, were more engaged and showed a higher level of performance. Research further emphasizes that when an organization invests in professional development, employees will return with increased loyalty and efficiency.

On the other hand, extrinsic Motivation includes tangible rewards such as salaries, bonuses and promotional events. Although these factors are necessary to attract and maintain talent, they do not always lead to long -term satisfaction with work or permanent high performance. Ihensekhien and Arimie (2023) say that increased salary may initially increase motivation, but once financial security is achieved, other factors such as job recognition and personal development are becoming more important. This is in line with Maslow's Hierarchy of needs, which assumes that once the basic needs are met, individuals are looking for fulfillment through the psychological and self -realization needs of the higher order (Channell, 2024).

The performance of employees was a central interest for organizations and various studies examined the role of moderating variables in this relationship. One of the critical moderators

identified in the literature is the involvement of employees. Almawali (2024) examined how motivational factors such as training, compensation, working environment and leadership, affect performance, emphasize that the involvement of employees increases the positive impact of these factors. This finding is in line with previous studies that have shown that engaged employees tend to be more engaged and more productive, reinforcing the idea that organizations must support involvement to maximize performance results.

Personality functions were also identified as key moderators in the relationship between labor characteristics and performance. Inceoglu and Warr (2006) examined the role of conscience and found that employees with a high conscientious experience are experiencing a stronger connection between the characteristics of employment and the performance of work through experience with the flow. Similarly, Inoue and Kawakami (2023) examined the five characteristic model of the personality and found that the conscientiousness positively alleviated the impact of the task control on the involvement of the work, while neuroticism weakens this relationship. These results Show that individual features of personality are how employees react to their work environment and emphasize the need for adapted motivational strategies.

Trust in leadership has been studied as another important factor in moderation. Tensay (2018) analyzed federal public services organizations in Ethiopia and found that while the involvement of employees positively affects organizational performance, confidence in supervisors does not like this relationship significantly. This is contrary to studies that Show that trust can increase the obligation and motivation of employees. However, this divergence can be caused by contextual differences or changes in organizational culture. Similarly, Chong and Evotal (2024) emphasized the role of staff vitality in moderating the relationship between transformation and work, showing that employees who feel under tension and motivated their leaders more often show a higher level of task and contextual performance.

Another important area of research focuses on strengthening the position of employees as a moderating factor. Makhamreh et al. (2022) investigated how authorization affects the relationship between motivation, satisfaction with work, customer satisfaction and company performance. Their findings Show that when employees feel seized, the positive effects of motivation on

satisfaction with work are amplified, leading to better customer satisfaction and overall organizational success. This study is supported by the work of Kaur et al. (2025), who found that motivation alleviates the relationship between people's analytics and employees' performance, showing that highly motivated employees more often use analytical knowledge effectively.

The organizational fit also plays a critical mitigating role in forming performance results. Gidey (2020) has explored the impact of the adaptation of the person and the organization and organization of persons fits into the commercial division of the Ethiopian airline. The study concluded that employees who perceive strong alignment between their skills, values and organizational culture tend to work better. This finding is in line with wider research, which Shows that employees who experience a higher level of fitness with their organization show more satisfaction and commitment from work.

Positive comfort was also associated with performance moderation. Wright and Cropanzano (2007) found that employees with a higher level of well -being showed a stronger positive correlation between satisfaction with work and work. This emphasizes the importance of the well -being initiatives in the workplace, because employees who are mentally and emotionally healthy are more likely to contribute to their organizations positively.

Management styles also play a moderating role in the relationship of motivation of employees and performance. Mengeshia and Tesfayie (2024) studied Ethiopian sports organizations and found that transformation leadership significantly affects the performance of employees, while the satisfaction with work acts as a mediator and the level of education serving as a moderator. These results indicate that highly educated employees benefit from more of the transformation management and strengthen the idea that the effectiveness of management is dependent on employees' characteristics.

Overall, literature underlines that various characteristics of employees-as are involved, personality traits, trust in leadership, strengthening position, organizational fit, well-being and styles of leading-in the relationship between motivational factors and performance. These results provide

valuable knowledge for organizations seeking to increase employee productivity by considering individual differences in designing motivational strategies.

Several studies have examined the impact of motivational factors on employees' performance in various industries. For example, Aarabi, Subramaniam and Akeel (2013) analyzed the relationship between motivational factors and work in the Malaysian Services industry. Their study found that the training contributed 40.4% to work, while the promotion added another 3%. Interestingly, intrinsic Motivational factors such as autonomy of jobs and personal growth were more important predictors of work performance compared to external factors such as salary and assurance of employment (Aarabi et al., 2013).

Similarly, Akinsola, Saida, Muritala and Bakare (2023) examined the influence of motivational strategies on the performance of employees in Nigerian commercial banks. Their findings revealed that training and development had the greatest impact on employees' performance, while the certainty of employment did not significantly affect the results of the performance. The study also emphasized the role of the formal recognition of employees, Showing that the recognition of employees' efforts increases the effectiveness of motivational strategies (Akinsola et al., 2023).

The management plays an important role in the formation of employees. In particular, transformation lines were extensively studied for their ability to inspire and motivate employees. Grah, Dimovski, Perić, Colnar and Penger (2024) examined the mitigating role of intrinsic Motivation in the relationship between transformation guidance and working in the tourism industry and hospitality. Their findings indicated that employees with high intrinsic Motivation showed stronger involvement and work behavior. The study also proposed that the organizations focus on supporting intrinsic Motivation to maximize the impact of the transformation line on involvement (Grah et al., 2024).

Kusumah, Haryadi, Inrayanto and Setiawan (2021) also explored the effect of transformation lines on employees' performance and emphasized the mediation of self -sufficiency. Their study conducted among hotel employees in Yogyakarta revealed that the transformation management has positively influenced the performance of employees, with self -consistency acting as a critical

intermediary variable. In addition, gender has been found to alleviate the relationship between transformation and performance, while female organizations show stronger leadership effects (Kusumah et al., 2021).

The involvement of employees was identified as a key mechanism through which motivational factors and management styles affect performance. Almawali, Hafit and Hassan (2021) conducted a study in the public sector in Oman and found that the involvement of employees partially mediated the relationship between motivational factors and work. Their findings Show that while motivational factors directly increase the performance of the task, the connection serves as another driver, which strengthens the impact of these factors (Almawali et al., 2021).

Several studies have expressed the impact of employees' motivation on the performance of an organization in an Ethiopian context. For example, Tilahun (2020) conducted a study in the Ethiopia of Development Bank in Ethiopia and found a positive correlation between motivational strategies and increased employee performance, emphasized the importance of effective motivational procedures in the banking sector.

Similarly, the study Kedir and Enale (2021) in the Southwest Region Ethio Telecom in Jimma evaluated the effects of motivation of employees on organizational performance. Research concluded that motivated employees show a higher level of performance, which in turn affects organizational results.

In addition, Gethun (2020) explored the relationship between employees motivation and work in Ethiopian Broadcasting Corporation (EBC). The study emphasized that both internal and extrinsic Motivational factors contribute significantly to improving the performance of work among employees.

Further research by Tesfay and Yohannes (2023) examined the motivation and satisfaction with work between Hew (Hew) in Ethiopia. Their study revealed that motivated Hew is more likely to function effectively, increasing the quality of the healthcare services.

Empirical studies have also examined how demographic factors such as age, gender, experience and education, alleviate the relationship between the motivation of employees and the performance of Ethiopian organizations. Tesfayie and Mekonnen (2023) studied academic employees in higher education institutions Abeby and found that gender and age significantly affect the intentions of employee turnover. This Shows that age and sex can alleviate the relationship between motivation and maintaining.

Another study of Admasa (2021) in Total Ethiopia s.C. It has explored the effects of demographic factors - such as gender, age, ethnicity and education - on the performance of employees. The finding has indicated that these variables play a role in moderating employees' performance, emphasizing the need for adapted motivational strategies.

In addition, Alem and Tadeless (2024) research on the evaluation of performance in the Ethiopian industry indicated that demographic factors such as the level of education and work experience affect how employees perceive the motivation and evaluation of performance.
empirical research in Ethiopian businesses emphasize the great impact of inner and extrinsic Motivational factors on the performance of personnel. further, demographic variables inclusive of age, gender, experience and schooling, and additionally function moderating factors, which impacts the effectiveness of motivational strategies. These results emphasize the need for tailored motivational methods which might be thinking about diverse demographic employees' profiles to increase organizational performance.

2.2.3 Summary of findings from empirical studies

Recent empirical studies have provided essential evidence of the relationship between motivational factors and the performance of employees with a special focus on internal and external motivators. Research Nusraningrum et al. (2024) emphasizes that the possibilities of salaries, rewards and promotion contribute significantly to the satisfaction and maintenance of employees, but their direct impact on long -term performance remains discussed. Employees who perceive justice in compensatory structures and career procedures are more likely to be involved and productive, but this effect is often moderated by other factors such as employment and organizational culture.

Similarly, Francis (2024) found that the working environment plays a key role in supporting employees' motivation, as favorable conditions in the workplace increase their obligation and reduce stress, increasing overall performance.

intrinsic Motivational factors, especially career development and training, were consistently associated with the permanent involvement of employees. Research by Ihenekhien and Arimie (2023) has shown that employees show a higher level of satisfaction with work and organizational commitment with access to career growth. This is in line with Herzberg's two -factor theory that assumes that internal motivators lead to long -term involvement of employment and improve performance results. In addition, Channell (2024) stressed that employees who receive the possibilities of constant learning and professional development tend to demonstrate higher innovation and efficiency and strengthen the importance of initiatives in the area of skills. These results Show that while external factors provide immediate satisfaction, internal motivators play a key role in maintaining high performance over time.

2.2.3.2 Identified gaps in the field of research and area for further examination

Regardless of extensive research in motivation and performance, several gaps remain unaddated. One of the key gaps identified by Francis (2024) is the lack of studies to investigate the role of employees' characteristics such as age, gender, experience and education, in shaping relations with motivation and performance. While existing literature recognizes the influence of individual differences, empirical evidence of how these factors interact with internal and external motivators, remain limited. In addition, Nusraningrum et al. (2024) stressed that most studies focus on the company environment, with less investigating public sector organizations, non -profit organizations and a remote working environment where motivational dynamics may vary.

Another remarkable gap is the evolving impact of digital transformation based on employee motivation. Channell (2024) noted that technological progress has changed working structures, which influenced how employees perceive motivational factors such as career and training. It may be necessary to edit traditional motivation models to adapt hybrid work arrangements and digital

teaching platforms. To explore how organizations can use technology, further research is needed to increase internal and extrinsic Motivation at modern workplaces.

2.3 Theoretical and empirical links between study variables

The conceptual model of this study is rooted in Herzberg's two -factor theory that classifies motivation into external and internal factors and examines how these factors affect employees' performance. In addition, the model integrates the characteristics of employees-ages, gender, experience and education-the moderation of variables to better understand their role in shaping relations of motivation-power (Nickerson, 2023). The aim of the study is to explore direct and mitigating the effects of providing a comprehensive analysis of how motivational strategies can be adapted to a diverse demography of employees.

The selection of independent variables is based on their importance in the research of motivation and their proven impact on the results of employees. The salary, rewards, promotions and work environment were selected as external motivators due to their impact on satisfaction with work and organizational commitment (Francis, 2024). Career development and training have been selected as internal motivators due to their critical role in supporting long -term involvement and professional growth (Nusraningrum et al., 2024). The integration of moderating variables - Age, gender, experience and education - has been justified by the appearing evidence that Shows that demographic factors affect how employees respond to motivational strategies (Ihenekien & Arimie, 2023).

The extrinsic Motivational factors were widely studied for their impact on the performance of employees. Salary and financial rewards are essential in attracting and maintaining employees, but their direct impact on performance is complex. Channell (2024) found that while competitive salaries prevent dissatisfaction, they do not necessarily increase long -term motivation if it is not paired with other internal motivators. Similarly, promotional opportunities contribute to the satisfaction of work by offering career procedures, but Francis (2024) noted that their effectiveness depends on perceived justice and transparency in promotional policies.

The working environment also plays an important role in shaping employees' behavior. Research Nusraningrum et al. (2024) stated that employees who work in a supportive and well -structured environment show higher involvement and productivity. It has been found that factors such as workplace safety, organizational culture and leadership style alleviate the relationship between extrinsic Motivation and performance results. These results Show that while external motivators can control short -term productivity, their long -term efficiency depends on wider organizational dynamics.

intrinsic Motivational factors, especially career development and training, are permanently associated with the permanent performance of employees. Employees who perceive growth opportunities in their organizations tend to show a higher level of motivation and engagement (Ihenekhien & Arimie, 2023). Training that increases the development of skills and professional competences contribute not only to individual performance, but also to the overall organizational success. Francis (2024) stressed that organizations that invest in continuous learning initiatives are experiencing a lower turnover and improving employee satisfaction.

similarly, Channell (2024) harassed that profession improvement helps the experience of motive and long -time period commitment, making it the principle factor in maintaining employees. employees who sense preferred and supported in their expert growth are more likely to invest efforts in their roles, with a purpose to cause higher productiveness and innovation. These results reinforce the significance of integrating possibilities for training and improvement of profession into strategies of organizational motivation.

Age has been identified as a key factor affecting how employees respond to motivational strategies. Younger employees, especially employees in the early stages of career, tend to prefer opportunities to develop career and education, while older employees can emphasize employment and balance between working and private life (Francis, 2024). Ihensekhien and Arimie (2023) have found that motivational strategies must be adapted to different age groups to maximize performance results.

Gender differences also play a role in forming the dynamics of motivation. Research Nusraningrum et al. (2024) Shows that men and women may prefer different motivational factors,

and women often place higher importance on the balance and recognition of life and between work and private life, while men can be more influenced by financial incentives and career procedures. These variations emphasize the need for motivational policy sensitive to gender in organizations.

Employees' experience affects how motivational factors translate into performance results. Channell (2024) found that experienced employees were more likely to be driven by internal motivators such as autonomy and career procedure, while less experienced employees can respond more to external rewards. The organization must recognize these differences when designing motivational strategies to evaluate different labor needs.

The level of education is another moderating factor in the relations of motivation-power. Employees with university levels tend to look for demanding and intellectually stimulating working environment, which increases more efficient motivators (Francis, 2024). On the other hand, employees with a lower level of education may prefer employment and financial rewards, indicating the need for differentiated motivational approaches based on education.

2.4.Hypothesis Development supporting with theoretical Empirical literature

2.4.1 Hypotheses on the Effect of Motivating Factors on Employee Performance

Salary and rewards for the performance of employees

Salaries and rewards remain central for the motivation and performance of employees. The study Li and Yang (2023) stressed that financial compensation, including rewards based on salaries and performance, directly correlates with higher motivation and involvement of employees. Their research conducted in the context of Chinese banks showed that competing and transparent remuneration systems significantly increased the obligation and performance of employees. Similarly, Muluye and Teshomie (2023) study on CBE supports the idea that external (salary,

bonuses) and their own remuneration (recognition, praise) are necessary to improve employee productivity.

Further evidence from a global point of view indicates a growing trend towards performance -based rewards. The Financial Times report (2024) states that more companies give up from fixed salaries and incorporate bonuses or profit sharing bonuses to align employees with organizational success. This is further strengthened by research from The Wall Street Journal (2024), who found that non -monetary rewards such as recognition and praise also play an important role in increasing morale and performance of employees.

Based on These results, the following hypothesis is proposed:

H_1: Salary and rewards have a positive impact on employee performance.

Promotion opportunities on perform employees

Promotional opportunities serve as a key motivator to increase employee performance. According to Robson and Newby (2022), employees who perceive a clear way to career procedure tend to demonstrate a higher level of engagement and performance. Their research on employees in various sectors Shows that opportunities for growth support long -term commitment and higher satisfaction with work. Similarly, Ghewat (2021) emphasizes that businesses with clear promotional paths tend to have a more motivated labor force because employees are encouraged to improve and excel in their roles.

The Wall Street Journal (2024) also discussed the impact of promotional structures and noted that employees without clear promotional opportunities often experience frustration and disconnection, leading to lower productivity. The magazine of high -quality engineers and administrators (2023) confirms this by finding that clear promotional routes reduce the turnover and support an environment in which employees are more motivated to contribute to organizational goals.

Therefore, the following hypothesis is designed:

H_2: Promotional opportunities have a positive impact on employee performance.

Career Development and Training of Employee Performance

Career development and education programs significantly increase the performance of employees by equipping them with the necessary skills. Recent study by Chandry et al. (2023) concluded that employees who regularly undergo training are more competent and confident in their work, which is reflected in higher productivity. Hameed and Waheed (2023) also found that the possibilities of continuous learning contribute to employees' satisfaction because they align the personal development of employees with organizational goals. Their study on employees in the Services industry stressed that educational programs that are adapted to the specific needs of employees have a measurable impact on performance.

Plus Winda et al. (2023) found that the banking sector sees improved performance of employees involved in career development initiatives. Given that the industry is facing rapid technological changes, continuing professional development is more important. Nepal Journal of Business and Social Sciences (2023) similarly stressed that specialized training increases employees' skills, which in turn improves individual and organizational performance.

Therefore, the following hypothesis is formulated:

H_3: Career development and training have a positive impact on the performance of employees.

Work environment to perform employees' performance

The working environment plays a decisive role in influencing the motivation and performance of employees. Herman (2023) argued that the supporting work environment, including positive organizational culture and good leadership, contributes significantly to increasing productivity. Research from the African Journal of Social Sciences and Humanities (2023) found that employees who feel supported by their colleagues and managers tend to work better. Especially employees who experience a positive work environment report higher satisfaction with work and are less likely to experience burnout or disconnect.

In addition, Turner and Nicholse (2024) has found that employees working in flexible and inclusive work environment are more engaged and productive. Their research Shows that when

an organization creates an environment that supports cooperation and the value of employees well -being, they see an increase in performance results.

Based on these empirical findings, the following hypothesis is prop**osed:**

H_4: The working environment has a positive impact on employee performance.

2.4.2 Hypotheses on moderating the effects of employees' characteristics

Age as a moderator between salaries and rewards and performance of employees

Age can alleviate how employees perceive salary and rewards, while younger and older employees often have different expectations. According to Fennell et al. (2023), younger employees who are often in the early stages of their careers are more motivated by performance and short -term financial rewards. On the other hand, older employees may prefer stability, pension benefits and job security over immediate financial incentives. This generation difference affects how the structures of salaries and remuneration affect the performance of employees.

In addition, the research of The Quality Engineering & Management Studies Journal (2023) confirmed that younger employees respond to competitive payments and bonuses, while older employees have more inclined employment and benefits. Age therefore plays a significant alleviating role in the relationship between salary and employees' performance.

The hypothesis is therefore formulated as follows:

H_5: Age alleviates the relationship between salary and remuneration and performance of employees.

Experience as a moderator between career development and training and performance of employees

Experience affects how employees respond to career development and educational programs. Employees with more experience often have higher expectations for advanced and specialized training. On the other hand, less experienced employees tend to benefit from basic training and development. Study Paramity et al. (2023) stressed that experienced employees appreciate

training that increases their existing skills and helps them to proceed in their career, while employees at the basic level focus more on acquiring skills.

Winda et al. (2023) have found that experienced employees show a greater obligation on educational programs that are in line with their professional objectives, and as a result show improved performance results. This Shows that experience reduces the relationship between career development initiatives and employees' performance.

Therefore, the following hypothesis is designed:

H_6: Experience alleviates the relationship between the development of career and the training and performance of employees.

Education as a moderator between promotion and performance of employees

The educational level affects how employees perceive promotional opportunities. Research Ivancevich et al. (2023) have found that employees with university levels often have greater career ambitions and expect faster promotions. In general, these employees are more focused on professional growth and promotion rather than employment. As a result, the level of education significantly affects the relationship between promotional opportunities and the performance of employees.

In addition, the study of Paramity et al. (2023) supports this idea and shows that employees with university qualifications are more likely to look for and evaluate promotional opportunities, which in turn controls their performance.

The following hypothesis is therefore derived:

H_7: Education moderates the relationship between the promotion and the performance of employees.

Gender as a moderator between the working environment and the performance of employees

Gender differences can affect how employees perceive their working environment. Ivancevich et al. (2023) claim that women often prefer flexibility in the workplace, inclusivity and support styles

of leadership, while men can place more emphasis on hierarchical structures and career growth possibilities. This difference can moderate how the work environment characteristics affect the performance of employees

In addition, the research of The Quality Engineering & Management Studies Journal (2023) found that women are more likely to be motivated by support and inclusive work environment, while men tend to prosper in environments that offer clear career possibilities. Therefore, gender plays a moderating role in the relationship between the working environment and the performance of employees.

Therefore, the following hypothesis is formulated:

H_8: Gender relieves the relationship between the working environment and the performance of employees.

The proposed hypotheses are supported by contemporary research and theories. Both motivational factors such as salary, rewards, promotion, career development and working environment have a positive impact on employees' performance. Moreover, the characteristics of employees such as age, experience, education and gender, these relationships alleviate. The results of this study will offer valuable knowledge about strengthening practices in the field of human resources, especially in Bole Area Dashen Bank branches, optimizing the motivation and performance of employees.

2.5. Conceptual framework

This study is based on Herzberg's two -factor theory that categorizes motivation to external (hygienic factors) and internal (motivators). The conceptual framework examines the relationship between the motivational factors and the performance of employees, while considering a mitigating effect of employees' characteristics on this relationship. The study focuses on four key motivational factors, including salaries and rewards, promotion, career development and training and work environment, as an independent variable affecting the performance of employees.

The dependent variable, the performance of employees concerns the efficiency, productivity and overall effectiveness of employees' employment in achieving organizational objectives. It is influenced by internal and extrinsic Motivational factors. External factors, such as salary and work environment, play a key role in ensuring the satisfaction and stability of employees, while internal factors such as the development and promotion of career increases involvement and commitment.

The study also considers the characteristics of employees (age, gender, experience and education) to be moderating variables that affect the strength and direction of the relationship between motivation and performance. Employees in different age groups may respond differently to salary and reward, while younger employees prefer the possibilities of career development and older employees appreciate financial stability. Gender differences can affect how employees perceive the working environment and reward, while employees potentially emphasize the balance between working and private life and organizational culture. The level of experience can determine to what extent the employees benefit from the development of career and training, as highly experienced employees can seek management development, while less experienced employees require basic training.

Similarly, the level of education can shape the expectations of employees on promotional opportunities, as people with university levels can predict a faster career developmen The interaction between these variables will be examined by hierarchical multiple regression analysis to determine the direct effects of motivational factors on the performance of employees and mitigating the effects of employees' characteristics. This framework provides a structured approach to understanding how organizations can optimize motivational strategies by considering

individual differences between employees, which eventually leads to improvement and satisfaction with work.

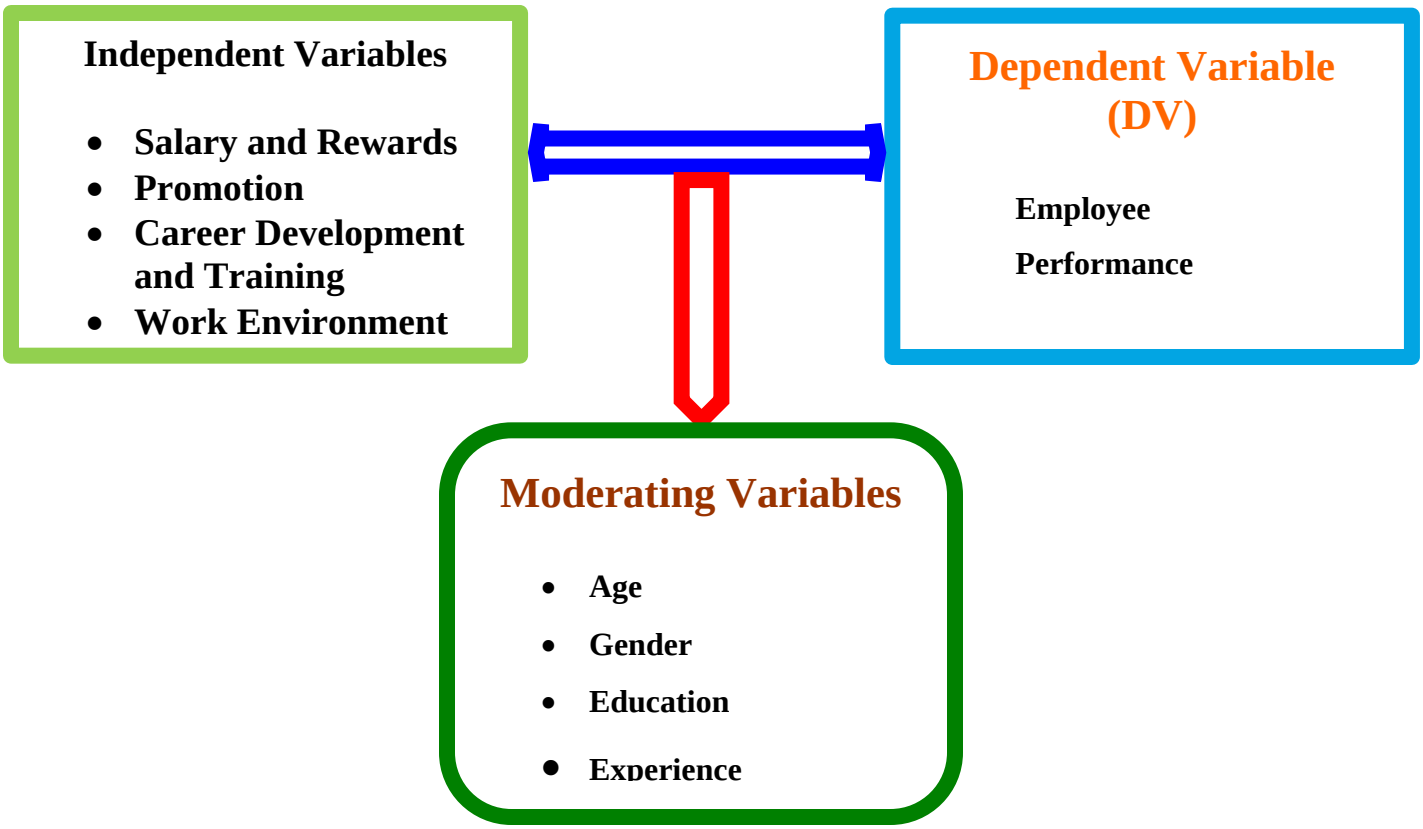


Fig 2.1Conceptual framework diagram figure: Source Adopted by the Researcher (2025)

2.5. Research Hypothesis

Based on the reviewed literature, the hypothesis on motivating factors and their impact on employee performance is Developed us following: -

H_1: Salary and rewards have a positive effect on employee performance.

H_2: Promotion opportunities have a positive effect on employee performance.

H_3: Career development and training have a positive effect on employee performance.

H_4: Work environment has a positive effect on employee performance.

Hypotheses on the Moderating Effect of Employees' Characteristics

H_5: Age moderates the relationship between salary and reward and employee performance.

H_6: Experience moderates the relationship between career development and training and employee performance.

H_7: Education moderates the relationship between promotion and employee performance.

H_8: Gender moderates the relationship between work environment and employee performance.

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CHAPTER THREE

RESEARCH METHODOLOGY

This chapter represents a research methodology used to explore the role of staff characteristics on the relationship between motivational factors and performance in Dashen Bank S.C. This chapter outlines the research approach, design, data collection methods, sampling techniques and analysis procedures. The methodology ensures a systematic approach to exploring how the motivation and characteristics of employees affect the performance in the bank.

3.1 Research Approach

The research approach for investigating "The Moderating Role of Employees Characteristics on the Relationship Between Motivating Factors and Performance in the Case of Dashen Bank S.c" Will be by adopting a qualitative and quantitative research approach. Quantitative research approach involves collecting numerical data from a sample of employees within Dashen Bank using structured surveys or questionnaires. The primary objective is to analyze the relationship between employee motivation and productivity, examining how variations in motivation levels affect work performance, efficiency, and output. Statistical methods such as correlation analysis, regression analysis, and hypothesis testing were employed to test the hypotheses and determine the strength and significance of the relationship between employee motivation and their performance.

The research will focus on identifying key motivational factors, understanding their influence on performance, and providing actionable insights and recommendations to enhance employee motivation and employees' performance. Through quantitative inquiry, the researcher seeks to uncover the underlying factors, mechanisms, and contextual nuances that influence how motivation affects performance.

3.2 Research Design

The research design for this study will involves a combination of descriptive and explanatory methods. Descriptive study will provide a detailed description of the variables of interest. The research aims to gather, organize, and analyze data through questionnaires to address identified issues. While correlational study examined the relationships between these variables. Through this

design, the researcher aims to provide valuable insights that contribute to a deeper understanding of the topic and inform practical implications for enhancing performance in various contexts.

3.3. Sampling Design

The sampling design for this study will be carefully developed to ensure a representative and feasible subset of Dashen Bank branches. Given the total of more than 850 branches, the researcher will selected 11 Bole area branches based on geographic proximity. This choice will be made to address logistical considerations such as cost and time constraints. Although this selection method will be primarily based on convenience, it aimed to include a variety of employee experiences within the chosen branches. The goal will be to achieve a sample that will reflect the broader organizational climate and employee motivation dynamics within the bank.

3.3.1. Sources of Data and Method of collection

Both primary and secondary data will be in the study. Primary data is information sourced by the researcher himself. The information gathered for a specific purpose or research work. It is therefore more valid and authentic though very costly, time consuming and energy sapping. Questionnaire and personal interview will be the primary data will be in this study. Questionnaire will be a set of questions printed and administered on respondents. It is simply a formalized approach of asking someone for information. The questions as much as possible Will motivate the respondent to provide the necessary information (Croach, 1985:64). This study will be collected by self-administered questionnaire for employees.

Secondary source of data data will be that Will be developed for some purpose other than helping to solve the problem at hand. Secondary data might have originated from the need to keep proper accounts of an organization, research work, conference meetings etc. Secondary data therefore is not expensive and quick to get. In this research, the secondary data the researcher found are thoroughly explained and reviewed in Chapter Two, which is the literature review. The researcher sought information related to our topic from various secondary data sources such as research journals, textbooks, websites, and articles. Most of secondary data will be obtained from journals and articles accessed through search engines like Yahoo and Google. Also, the source of data has to be known to be able to verify its authenticity (Baker, 1991:156).

3.3.2. Sampling Technique

The initial selection of the 11 branches of Dashen Bank will be done using convenience sampling. These branches will be chosen based on their proximity to the researcher showing's location due to practical considerations such as time, cost, and accessibility.

Once the 11 branches will be identified, Slovin's formula will employ to determine the appropriate sample size from each branch. This formula helps ensure an adequate sample size for statistical analysis while maintaining a desired margin of error. After determining the sample size, simple random sampling will be conducted within each of the 11 branches to select Respondents. This ensures that every individual within these branches had an equal chance of being selected, thus minimizing selection bias.

3.3.3. Population and Sample size

The population for the study consists of eleven Bole area branch employees, who are relevant to understanding the relationship between motivation and performance. The total number of employees in the in the Bole area branches is 161; from these 16 employees are not permanent. So, the researcher excluded them because they may not be sufficient knowledge on the effect of motivation on employees' work performance. Hence, the researcher took 107 (73.8%) sample respondents from the sample frame of 145 employees using Slovin formula.

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

$$n = \frac{145}{1+145(0.05^2)}$$

n=106.44

Description:

N= is the population size

n = required sample size

e = margin of error at 5% (standard value of 0.05)

Since the researcher can showing have a fraction of a person in the sample, the researcher Will typically round up to the nearest whole number. Therefore, the sample size, using the provided formula, is approximately 107. Among the respondents, 26 belong to managerial positions, while 81 are in non-managerial roles. This calculation ensures that the sample size accounts for the finite nature of the population and provides the desired level of confidence and margin of error.

3.4. Data Collection Techniques

The researcher will be conducting the research using the survey method, which involved self-administered questionnaires. The researcher`s to employ this method due to its low processing costs and effectiveness.

3.4.1 Questionnaire Survey

The information gathered from the questionnaire survey is crucial in demonstrating the reliability of the hypotheses. Additionally, because questionnaire surveys yield much easier-to-analyze and interpret data from respondents, the researcher chose to use them. An incorrect interpretation of the questions could result in inaccurate data analysis. As a result, the questionnaires must be

properly constructed, avoiding overly difficult or unclear questions. It is highly advised to use straightforward and basic questions to ensure that the entire questionnaire survey goes off without any issues.

3.4.2 Questionnaire Design

The questionnaire is divided into three main sections: Sections A, B, and C, which deal with demographic profiles, independent variable assessment, and dependent variable assessment, respectively. In Section A, the researcher will use the demographic questions to understand the respondent personal information. The information included gender, age group, marital status, education level, and job status. There is total 5 questions provided in this section. In Section B and Section C, the researcher uses a 5-point Likert scale to measure the respondent answers, which range from "strongly agree, agree, neutral, disagree, and strongly disagree." For Section B, there are four independent variables to determine the factors affect the employee job performance.
Secondary data collection is also made from different records reports and documents of the organization but more the study emphasis has been given to primary data.

3.5 Data analysis

The data analysis will be utilized descriptive and correlation methods to summarize, describe, and examine the relationship between employee motivation and productivity. The descriptive analysis provided a comprehensive overview and understanding of the data set, while the correlation analysis offered insights into the strength, direction, and significance of the relationship between the variables, informing the interpretation, discussion, and conclusions of the study. Data processing and analysis will be conducted using SPSS software tools. SPSS provides a comprehensive suite of statistical tools and techniques for analyzing and interpreting data. The study focused on examining the relationship between employee's motivation based on respondentsshowing perceptions. The processed data will lead to conclusions and recommendations, enhancing understanding of the relationship between motivation and their performance.

3.6.1. Validity and Reliability of Research

3.6.1. Validity of the Research

The validity of a research tool refers to the extent to which it measures what it is intended to measure. According to Norland (1990), validity is crucial in determining the significance and accuracy of the inferences drawn from the research findings. The validity of the research tool is affected by the extent of measurement error inherent in the tool itself. Therefore, establishing the validity of this study involves ensuring that the instruments used to measure motivation and job performance are both appropriate and accurately capture the constructs being investigated.

To establish validity, various aspects such as contrast, content, criterion, and readability will be considered. In order to ensure the relevance and suitability of the survey, it will be reviewed by subject matter experts, including the study supervisor. This process will help identify and remove any unnecessary areas, and integrate additional relevant content to improve the comprehensiveness of the study. Sections deemed irrelevant will be eliminated, and the research will incorporate more pertinent sections to ensure that the study meets its objectives.

3.6.2. Reliability of the Research

The effectiveness of any data collection tool largely depends on its validity and reliability. Validity refers to the extent to which the tool accurately measures what it is intended to measure, whereas reliability pertains to the consistency and stability of the measurements over time (Ghose, 2014). To evaluate the internal consistency of the questionnaire items in this study, Cronbach's Alpha was employed. This statistical measure assesses how closely related the items are within each construct, thereby determining whether they reliably measure the same underlying concept (Ali, 2013).

This study includes Employee Performance, Work Environment, Salary and Benefits, Promotion, and Career Development and Training. A Cronbach's Alpha value of 0.70 or higher was considered acceptable for showing good internal reliability (Ali, 2014). The results of the reliability analysis, as presented in Table 3.1, show that all variables demonstrated optimal reliability. Specifically, Employee Performance had a Cronbach's Alpha of 0.901, Work

Environment scored 0.968, Salary and Benefits recorded 0.879, Promotion achieved 0.952, and Career Development and Training reached 0.708. These results confirm the internal consistency and reliability of the constructs was used in the study.

Table 3.1. Reliability Statistics

S/N	Variables	Cronbach's alpha	Justification
1	**Employee performance**	.901	Optimal
2	**Work environment**	.968	Optimal
3	**Salary and benefits**	.879	Optimal
4	**Promotion**	.952	Optimal
5	**Career Development and Training**	.708	Optimal

Source: Survey data (2025)

Once the responses are collected, Cronbach's alpha will be calculated for each set of items corresponding to the independent variables. A Cronbachshowings alpha value above 0.70 is generally considered acceptable for research purposes, signifying good internal consistency. However, a value of 0.60 may also be deemed acceptable depending on the context. A high Cronbach's alpha value will demonstrate that the research instrument is both reliable and dependable, ensuring that the results of the study are consistent and valid (Singh and Masuku, 2014).

3.8 Inferential Analysis

Inferential analysis includes the use of statistical techniques to draw conclusions on a sample - based population. Because the study of the entire population is often not feasible, a sample is selected that represents a larger group. This allows scientists to generalize the finding of a wider population, test hypotheses and examine the relationships between variables. In this study, the inference analysis will use more linear regression and Pearson correlation coefficient to explore the relations between motivating factors, employees showingcharacteristics and employeesshowing performance.

3.8.1 Pearson correlation coefficient

Pearson showings correlation coefficient is an important tool for determining the strength and direction of the linear relationship between two continuous variables. It helps to identify the degree of association between variables, whether positive, negative or neutral. In this study, Pearson showings correlation will be used to explore the relations between independent variables (salary and remuneration, opportunities for promotion, development and training and work environment) and a dependent variable (employee performance). In addition, they will assess how these relationships will mitigate the characteristics of employees (age, gender, experience and education).

Pearsonshowings correlation coefficient ranges from -1.0 to +1.0, where the +1.0 value indicates a perfect positive linear relationship, -1.0 indicates a perfect negative linear relationship and 0 indicates any linear correlation between variables. In this study, the relationship between motivational factors and Y will be analyzed using this coefficient and at the same time consider alleviating the effects of employees showing characteristics.

3.8.2 Analysis of multiple regression

Multiple regression analysis will be used to assess the effects of multiple independent variables on one dependent variable. In this study, Y (employeesshowing performance) will be a dependent variable, while independent variables will be payments and rewards, promotional opportunities, career development and training and work environment. In addition, as a moderating variable, employeesshowing characteristics such as age, experience, education and gender will be included.

The multiple regression model will help test the proposed hypotheses, especially in relation to the alleviating effects of employeesshowing characteristics. These hypotheses Show that the relations between motivating factors and y (employee performance) will vary depending on age, experience, education and gender.

The multiple regression model for this study is expressed as follows:

The model equation with parentheses is written as follows:

$$Y = \beta0 + \beta1(WE) + \beta2(RS) + \beta3(P) + \beta4(CT) + \beta5\ (Age) + \beta6\ (Exp) + \beta7\ (Edu) + \beta8\ (Gen) + \varepsilon$$

Where:

Y = Employee Performance (DV)

WE = Work Environment

RS = Salary and Rewards

P = Promotion

CT = Career Development and Training

Age = Age (MV)

Exp = Experience (MV)

Edu = Education (MV)

Gen = Gender (MV)

β0 = Intercept

β1 to β8 = Coefficients for the respective variables

ε = Error term

This regression model will be used to evaluate the overall adaptation of the model, the importance of individual variables and mitigating the effects of employee characteristics. By using multiple regression analysis, the study provides insight into how motivating factors affect Y(employee performance) and how these relationships affect variable moderation (age, experience, education and gender).

3.8. Definition and measurement of variables

In this study, variables are categorized into dependent, independent and moderating variables, each of which is defined and measured on the basis of theoretical foundations and empirical evidence. The dependent variable, the performance of employees, is influenced by various motivational factors (independent variables), while expected that the characteristics of employees (variable moderation) are expected to alleviate these relationships.

3.8.1 Dependent variable: Employee performance

The performance of employees concerns the efficiency, efficiency and quality of the employeeshowings production in the fulfillment of organizational objectives. It includes aspects such as completion of tasks, work accuracy, productivity and overall contribution to organizational goals (Armstrong, 2009). In connection with financial institutions such as Dashen Bank, the performance of employees is decisive for the quality of services, customer satisfaction and operational efficiency. Measurement of employee performance in this study is based on responses to a structured questionnaire using a 5-point Likert scale, evaluation of factors such as work efficiency, achievement and work quality. This is in line with the performance measurement that emphasizes subjective and objective criteria (Kaplan and Norton, 1996).

3.8.2 Independent variables: motivating factors

Motivating factors are primary independent variables that affect the performance of employees. The study accepts Herzbergshowings two -factor theory (1959), which distinguishes between internal and extrinsic Motivation. The following four independent variables are examined:

Salary and rewards: Pay and rewards concern financial and non -financial compensation that employees receive for their work. According to expectation theory (Vorom, 1964), employees are motivated by perceiving a direct relationship between effort, performance and rewards. Salaries and rewards include basic salary, bonuses, incentives and other forms of financial benefits. In this study, salaries and rewards are measured using the survey items that evaluate the perception of justice, adequacy and motivation of employees derived from their compensatory packages using 5-point Likert scales

Promotion: Promotion represents ascending mobility in the organization, leading to increased responsibility, position and financial benefits. The theory of justice (Adams, 1965) Shows that employees compare their opportunities for progress with their peers, which affects their motivation and performance. Promotions create a sense of career procedure and security of employment, which are essential for employeesshowing involvement. The study measures

promotion by evaluating the perception of justice of employees in deciding on promotion, frequency of promotional actions and satisfaction with the possibilities of career procedure

Career Development and Training: Career development and training include activities aimed at strengthening skills, competences and knowledge of employees. The theory of human capital (Becker, 1964) emphasizes that investment in employeesshowing training increases productivity and performance. Educational programs, workshops, mentorship and initiatives for skills development contribute to long -term effectiveness of employees. In this study, career development and training are measured by evaluating employee access to opportunities for education, perceived by the usefulness of educational programs and their impact on the performance of employment.

The working environment: The working environment includes the physical, social and organizational conditions under which employees operate. The model of work characteristics (Hackman and Oldham, 1976) assumes that the supporting work environment increases motivation and performance. The favorable working environment includes factors such as safety in the workplace, team cooperation, management support and the availability of the necessary resources. This variable is measured by examining the perception of their working conditions, teamwork and managerial support of employees using structured survey items.

3.8.3 moderating variables: employee characteristics

The characteristics of employees serve as a moderating variable, which affects the relationship between motivation and performance. The study examines four key demographic and professional attributes:

Age: Age reflects the employeeshowings phase in their career and life, which may affect their reaction on motivational factors. According to the theory of life cycle motivation (Levinson, 1978), younger employees may prefer career growth and training, while older employees can appreciate the stability of employment and financial rewards. Studies measure age as a categorical variable (20-30, 31-40, etc.) and analyze how different age groups perceive motivation and its impact on performance.

Gender: Gender differences in motivation and work performance are influenced by social and organizational factors. The theory of social roles (Eagly, 1987) Shows that social expectations form work preferences and reactions to incentives. This study examines gender as a moderating variable categorization of respondents such as men or women and analyzes whether motivational factors affect performance differently across sexes.

Experience: Work experience applies to the time the employee spent in the banking industry. According to the theory of insertion (Mitchell et al., 2001), employees with a longer function develop a stronger organizational commitment, which affects their reaction to motivational factors. The study measures experience in years (eg 1-5 years, 6-10 years, etc.) to determine how to hold the work alleviates the relationship between motivation and performance.

Education: The educational background forms the level of employeesshowing skills, career aspirations and response based on motivational factors. The theory of self -determination (Deci and Ryan, 1985) Shows that highly educated employees can be more powered by intrinsic Motivation, such as career growth, while less educated employees may prefer external rewards. In this study, education is categorized on the basis of the achieved highest academic qualification (eg diploma, bachelorshowings degree, mastershowings degree) to assess its moderating effect on motivation and performance.

This study systematically defines and measures key variables based on established theoretical frames. Employee performance, dependent variable, is evaluated through separately listed work results. Independent variables-comic and reward, promotion, career development and training and working environment-they are measured using structured Likert survey items. Moderating variables, gender, experience and education-are categorized and analyzed in terms of their impact on the relationship of motivational performance. The integration of these variables into a structured conceptual framework is to provide an empirical knowledge of how motivation affects the performance of employees and the role of employeesshowing characteristics in mitigating these effects.

Table 3.1. Summary Tables for Definition and Measurement of Variables

Variable	Definition	Measurement	Theoretical Foundation
Dependent Variable			
Employee Performance (DV)	The effectiveness, efficiency, and quality of employeesshowing output in achieving organizational objectives.	Measured using self-reported responses on a 5-point Likert scale, assessing job efficiency, goal achievement, and work quality.	Performance Measurement Theory (Kaplan andNorton, 1996)
Independent variables			
Salary and Rewards	Financial and non-financial compensation employees receive for their work.	Measured by employees' perceptions of fairness, adequacy, and motivation derived from salary and benefits on a 5-point Likert scale.	Expectancy Theory (Vroom, 1964)
Promotion	Career advancement opportunities within the organization.	Measured by perceived fairness, frequency of promotions, and career growth opportunities on a 5-point Likert scale.	Equity Theory (Adams, 1965)
Career Development and Training	Activities aimed at enhancing employees' skills and competencies.	Measured by access to training programs, perceived usefulness, and impact on job performance using a 5-point Likert scale.	Human Capital Theory (Becker, 1964)
Work Environment	The physical, social, and organizational conditions in which employees operate.	Measured by employeesshowing perceptions of workplace	Job Characteristics Model (Hackman andOldham, 1976)

		safety, teamwork, and managerial support on a 5-point Likert scale.	
Moderating Variables			
Age	The stage of an employeeshowings career and life, affecting work motivation.	Measured as a categorical variable (e.g., 20-30, 31-40, etc.)	Life Cycle Theory of Motivation (Levinson, 1978)
Gender	The impact of social and organizational expectations on work motivation.	Measured as a categorical variable (Male/Female).	Social Role Theory (Eagly, 1987)
Experience	The length of time an employee has worked in the banking sector.	Measured in years (e.g., 1-5 years, 6-10 years, etc.).	Job Embeddedness Theory (Mitchell et al., 2001)
Education	The highest level of academic qualification attained.	Measured as a categorical variable (Diploma, Bachelorshowings, Master's).	Self-Determination Theory (Deci andRyan, 1985)

3.9. Ethical Considerations

Ethical considerations are a key aspect of this research to ensure respected rights and well -being of all respondents. The study will be carried out with careful attention to ethical instructions. The researcher only focuses on subject, maintains personal problems and distortion outside the research process. The following ethical measures will be taken to maintain integrity and respect throughout the study. respondents' will not ask for personal data such as names, race or religion to protect their privacy and avoid bias. Before starting the study, the scientist will look for oral consent from the manager of each branch. The confidentiality will be strictly maintained and ensures that all information about the Respondents remains private. Participation will be voluntary and no one will be forced to participate. During the research, the researcher avoids the use of misleading or

deceptive questions and ensures transparency and honesty with respondents. These ethical steps ensure that the study is carried out with respect and integrity.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND DISCUSSION OF FINDINGS

4.1. Introduction

This chapter presents the analysis and interpretation of the data collected from the respondents. It consists the measurement of validity and reliability, Descriptive statistics of the Demographic information, descriptive statistics of the variables, Correlation analysis and Regression Analysis. Standardized questionnaire which was adopted from previous scholars with five-point likert scale was employed to collect the data from the respondents.

4.2 Réponse Rate

The researchers had distributed 106 questionnaires and among the distributed 106 questionnaires were collected back from the respondents, which accounts 100% response rate.

Table4. 1 Response Rate of Questionnaires

Questionnaire	**Number**	**Percentage**
Returned	106	**100 %**
Unreturned	-	,-
Total	106	**100 %**

Source: survey data, 2025

Table 4.2 Gender

Gender					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	61	57.5	57.5	57.5

	Male	45	42.5	42.5	100.0
	Total	106	100.0	100.0	

Source: Survey data (2025)

As illustrated in Table 4.1, the majority of respondents were female (n = 61, 57.5%), while the remaining 45 respondents (42.5%) were male. This indicates a relatively balanced gender distribution, with a slightly higher representation of female Respondentss in the study.

Table 4.3 Age

Age					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	21-30	47	44.3	44.3	44.3
	31-40	24	22.6	22.6	67.0
	41-50	25	23.6	23.6	90.6
	51 and above	4	3.8	3.8	94.3
	Under 20	6	5.7	5.7	100.0
	Total	106	100.0	100.0	

Source: Survey data (2025)

As illustrated in Table 4.3 The largest age group among respondents was 21–30 years, accounting for 44.3% (n = 47) of the sample. This was followed by those aged 41–50 years (n = 25, 23.6%) and 31–40 years (n = 24, 22.6%). Respondents under the age of 20 constituted 5.7% (n = 6), while those aged 51 and above made up the smallest proportion (n = 4, 3.8%). These results Show that the sample predominantly comprised young to middle-aged individuals.

Table 4.4

Education					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Bachelor	85	80.2	80.2	80.2

	Master	21	19.8	19.8	100.0
	Total	106	100.0	100.0	

Source: Survey data (2025)

As illustrated in Table 4.4 Regarding educational attainment, the vast majority of respondents held a bachelorshowings degree (n = 85, 80.2%), while 21 respondents (19.8%) had obtained a master's degree. This reflects a well-educated Respondents, with all Respondentss having at least a bachelor's degree.

Table 4.5 Experience

Experience					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	<1yr	16	15.1	15.1	15.1
	>10yrs	8	7.5	7.5	22.6
	1-3yrs	25	23.6	23.6	46.2
	4-6yrs	37	34.9	34.9	81.1
	7-10yrs	20	18.9	18.9	100.0
	Total	106	100.0	100.0	

Source: Survey data (2025)

As illustrated in Table 4.5 In terms of work experience, the highest proportion of respondents had 4–6 years of experience (n = 37, 34.9%), followed by those with 1–3 years (n = 25, 23.6%) and 7–10 years (n = 20, 18.9%). Respondentss with less than one year of experience represented 15.1% (n = 16), and those with more than 10 years made up 7.5% (n = 8). This indicates a diverse range of professional experience among Respondentss, with a concentration in the early to mid-career range.

Table 4.6 Position

Position					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Entry	32	30.2	30.2	30.2

	Executive	5	4.7	4.7	34.9
	Mid	33	31.1	31.1	66.0
	Other	9	8.5	8.5	74.5
	Senior	27	25.5	25.5	100.0
	Total	106	100.0	100.0	

Source: Survey data (2025)

As illustrated on Table 4.6 With respect to job positions, respondents were fairly distributed across different levels. Mid-level employees constituted the largest group (n = 33, 31.1%), followed by entry-level (n = 32, 30.2%) and senior-level employees (n = 27, 25.5%). Executive-level employees accounted for 4.7% (n = 5), and 8.5% (n = 9) of respondents reported other roles. These results Show that the study included input from a broad spectrum of organizational roles.

4.3 Descriptive Analysis

The main characteristics of the data are quantitatively described in the descriptive statistics. In the descriptive statistics summaries about the sample population responses are provided. And the interpretation is made using the grand mean of each independent dimension. The interpretation was made based on the following measurement scale intervals or range. Mean scores 4.51-5.00 excellent or very good, 3.51-4.50 good, 2.51-3.50 average or moderate, 1.51-2.50 fair and 1.00-1.50 is poor (Conover, 1999). The mean and the standard deviation the variables are presented in the table below.

4.3.1 The Influence of Salary and Rewards on Employee Performance

This section corresponds to the first specific objective of the study, which is to assess the influence of salary and rewards on employee performance. The objective seeks to determine how financial compensation and non-monetary incentives contribute to employee motivation, satisfaction, and ultimately, work performance within the organization. The theoretical foundation for this objective lies in Herzberg's two-factor theory and Vroom's expectancy theory, both of which emphasize the role of reward systems in influencing employee behavior and performance outcomes. Table 4.7 presents the relevant data, highlighting employee perceptions on fairness of salary, effectiveness of incentive systems, and the motivational impact of both financial and non-financial rewards.

Table 4.7: Descriptive Statistics on Salary and Rewards

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
My salary is fair compared to my job responsibilities.	106	2	5	4.06	.766
The salary I receive reflects my level of experience and expertise.	106	2	5	3.92	.745
My organization offers competitive salaries compared to similar companies.	106	3	5	4.00	.647
The bonus and incentive system motivates me to improve my performance.	106	2	5	4.09	.737
I feel that my salary is increased fairly based on my performance.	106	2	5	3.94	.754
My financial compensation encourages long-term commitment to the organization.	106	2	5	3.98	.703
Non-monetary rewards (recognition, benefits) positively influence my job satisfaction.	106	2	5	3.94	.779
The organization provides a fair and transparent salary structure.	106	2	5	3.88	.752
I feel motivated to work harder when financial incentives are available.	106	3	5	3.98	.647
Lack of adequate salary and rewards negatively impacts my performance.	106	2	5	3.92	.765
Valid N (listwise)	106				

Source: Survey Data, 2025

Table 4.7 presents the descriptive statistical analysis regarding the role of salary and rewards in shaping employee performance. The analysis was conducted on a total of 106 valid responses. The results indicate that employees perceive their compensation as fair and motivating, with mean scores consistently above 3.80 across all items. Specifically, respondents agreed that their salary is fair compared to their job responsibilities (M = 4.06, SD = 0.77), and that bonus and incentive systems are effective in encouraging performance improvement (M = 4.09, SD = 0.74). These results Show a generally positive perception of financial and non-financial reward mechanisms within the organization.

Employees also reported that their salary reflects their level of experience and expertise (M = 3.92, SD = 0.75), and that financial compensation encourages long-term organizational commitment (M = 3.98, SD = 0.70). These outcomes are consistent with the findings of Khan et al. (2023), who argued that equitable compensation practices directly affect employee retention and organizational loyalty. Additionally, the belief that salary increases are linked to performance (M = 3.94, SD = 0.75) further supports the notion that performance-based pay structures are effective motivators. Non-monetary rewards, such as recognition and benefits, also received high ratings in terms of their influence on job satisfaction (M = 3.94, SD = 0.78), echoing the conclusions of Oladapo and Onyeaso (2022), who noted that intangible rewards significantly contribute to employee morale and engagement. Furthermore, the study found that employees felt motivated to work harder when financial incentives were present (M = 3.98, SD = 0.65), underscoring the motivational value of monetary incentives.

Interestingly, the item measuring the perceived negative impact of inadequate salary and rewards on performance scored relatively high as well (M = 3.92, SD = 0.77), Showing that insufficient compensation could be a potential demotivator. This aligns with Herzberg's two-factor theory, which posits that dissatisfaction arising from poor remuneration can hinder productivity (Herzberg, 1968, as cited in Robbins and Judge, 2022). Moreover, the notion of a fair and transparent salary structure (M = 3.88, SD = 0.75) further reinforces the importance of organizational justice in fostering employee satisfaction.

Overall, the analysis reveals that salary and rewards serve as key motivators for employees, and their influence on performance is significant. The findings underscore the importance of designing competitive and transparent reward systems that recognize employee contributions and align with their expectations.

4.3.2 The Influence of Promotion Opportunities on Employee Performance

The second objective of the study was to examine the influence of promotion opportunities on employee performance. Promotion serves as both a motivator and a reward system that fosters engagement, enhances job satisfaction, and encourages better performance among employees.

Table 4.8: Descriptive Statistics on Promotion Opportunities

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Promotion opportunities in my organization are based on merit and performance.	106	3	5	4.04	.600
I have a clear understanding of the promotion criteria in my organization.	106	2	5	3.99	.775
The possibility of promotion encourages me to perform better.	106	2	5	4.02	.768
Employees have equal opportunities for career advancement.	106	2	5	4.00	.743
My organization provides career growth paths that align with employee goals.	106	2	5	3.97	.723
I believe my chances of promotion are influenced by favoritism or bias.	106	3	5	3.92	.705
Lack of promotion opportunities reduces my motivation to work harder.	106	2	5	4.00	.717
The promotion process is fair and transparent.	106	2	5	3.89	.747
I am satisfied with the frequency of promotions in my organization	106	2	5	3.95	.809
Employees who demonstrate high performance have greater chances of being promoted.	106	2	5	3.98	.780
Valid N (listwise)	106				

Source: survey Data,2025

As illustrated in Table 4.8, the descriptive statistics show that the mean values of responses related to promotion opportunities ranged from 3.89 to 4.04, with standard deviations between 0.600 and 0.809. Based on the interpretation guideline by Conover (1999), all the mean scores in this dimension fall within the range of 3.51 to 4.50, showing that respondents generally rated the promotion practices in their organization as good.

The item with the highest mean score was "Promotion opportunities in my organization are based on merit and performance" (M = 4.04, SD = 0.600), Showing that respondents believe their organizations are implementing merit-based promotion systems. This perception is critical because fairness in promotion significantly impacts employee morale and productivity. Tekleab and Mekonnen (2022) found similar results in their study on Ethiopian financial institutions, where performance-based promotions were positively linked to higher organizational citizenship behavior.

Similarly, items such as "The possibility of promotion encourages me to perform better" (M = 4.02, SD = 0.768) and "Employees have equal opportunities for career advancement" (M = 4.00, SD = 0.743) indicate that promotion is not only motivational but also perceived as fairly accessible by employees. This is important because perceived equity in promotion systems reduces internal conflict and enhances commitment to organizational goals (Muluneh and Debela, 2022).

While the overall perception was positive, the lowest mean value was recorded for "The promotion process is fair and transparent" (M = 3.89, SD = 0.747), and "I believe my chances of promotion are influenced by favoritism or bias" (M = 3.92, SD = 0.705), which Show that some respondents harbor reservations about potential biases in promotion decisions. These results align with Alemu and Tesfaye (2022), who reported that perceived favoritism can hinder employee motivation and trust in organizational processes.

Furthermore, the statement "Lack of promotion opportunities reduces my motivation to work harder" had a mean score of 4.00 (SD = 0.717), emphasizing the strong link between promotional prospects and performance. This aligns with expectancy theory, which posits that employees are more motivated when they believe their efforts will lead to desirable rewards (Eerde and Thierry, 2023).

The item "Employees who demonstrate high performance have greater chances of being promoted" also received a mean score of 3.98 (SD = 0.780), reinforcing the idea that the current promotional system, while not perfect, is still largely perceived as performance-driven.

In summary, the analysis demonstrates that promotion opportunities within the surveyed organization are viewed positively by employees and significantly influence performance outcomes. While there is room for improvement, particularly in ensuring transparency and eliminating favoritism, the data Shows that the organization has established a reasonably fair and motivating promotion system. This finding is supported by prior research showing that structured promotion policies contribute positively to workforce motivation and retention.

4.3.3 The Role of Career Development and Training in Employee Performance

The third objective of this study was to assess the influence of career development and training on employee performance. Career development encompasses various organizational efforts aimed at enhancing employees' knowledge, skills, and competencies for both current and future roles. Training, as a central component of career development, is often linked to increased job satisfaction, higher productivity, and employee retention

Table 4.9: Descriptive Statistics on Career Development and Training

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
My organization provides relevant training programs to improve job performance.	106	2	5	4.00	.662
I have access to career development opportunities that align with my career goals.	106	2	5	4.00	.756
The training I receive enhances my productivity and efficiency at work.	106	2	5	4.16	.664
Employees are encouraged to pursue continuous learning and development.	106	3	5	4.11	.666
The organization invests in skill development programs for all employee levels.	106	2	5	4.06	.754

Training programs help me stay updated with industry trends and best practices.	106	3	5	4.14	.668
Career development support makes me feel more engaged in my work.	106	3	5	4.10	.675
I receive adequate training when transitioning into a new role or responsibility.	106	3	5	4.08	.649
The absence of training and career development negatively affects my performance.	106	2	5	4.06	.728
My organization provides opportunities for leadership and managerial training.	106	2	5	4.13	.769
Valid N (listwise)	106				

Source: Survey Data, 2025

As shown in Table 4.9, the mean values for the items measuring career development and training range from 4.00 to 4.16, all falling within the good category according to (**Olin and Reynolds,2003)** interpretation scale (3.51–4.50). This indicates that respondents perceive the organization's training and development efforts as supportive and beneficial to their job performance. The highest mean score was reported for the item "The training I receive enhances my productivity and efficiency at work" (M = 4.16, SD = 0.664). This Shows that employees believe that the skills and knowledge they gain from training programs directly translate to improved performance outcomes. This is consistent with the findings of Al Mamun and Hasan (2021), who reported a strong positive relationship between training effectiveness and employee productivity.

Similarly, statements such as "Training programs help me stay updated with industry trends and best practices" (M = 4.14, SD = 0.668) and "My organization provides opportunities for leadership and managerial training" (M = 4.13, SD = 0.769) show that respondents acknowledge the relevance and breadth of the training initiatives. These results align with previous studies that underscore the importance of continuous professional development in adapting to market dynamics and enhancing organizational competitiveness (Nguyen, 2023).

The item "Employees are encouraged to pursue continuous learning and development" also received a high mean score (M = 4.11, SD = 0.666), reflecting a culture that supports learning and skill enhancement. Encouragement to engage in lifelong learning contributes not only to individual performance but also to organizational learning and innovation (Kyndt et al., 2020). Moreover, "Career development support makes me feel more engaged in my work" scored M = 4.10 (SD = 0.675), highlighting those developmental initiatives foster employee engagement—a key predictor of organizational commitment and reduced turnover.

In addition, "I receive adequate training when transitioning into a new role or responsibility" scored M = 4.08 (SD = 0.649), showing that the organization's onboarding and role transition programs are reasonably effective. Similarly, "The organization invests in skill development programs for all employee levels" (M = 4.06, SD = 0.754) and "The absence of training and career development negatively affects my performance" (M = 4.06, SD = 0.728) emphasize employeesshowing awareness of the critical role of training in ensuring high performance.

The items with the lowest—but still favorable—mean scores were "My organization provides relevant training programs to improve job performance" and "I have access to career development opportunities that align with my career goals", both at M = 4.00, Showing that while respondents rate the overall training environment positively, there may be room for tailoring programs more specifically to individual career trajectories. These results are consistent with Gebre and Asmamaw (2021), who found that when training programs are aligned with personal career goals, employee motivation and performance improve significantly.

Overall, the results indicate that the organization has a well-structured training and career development system that is positively perceived by its employees. The programs in place not only address immediate performance needs but also support long-term professional growth, thereby contributing to sustained organizational success. Prior research supports this view, showing that strategic investment in employee development leads to higher productivity, job satisfaction, and innovation (Febrianto, Wijaya, Utama Putra , 2024).

4.3.4 Descriptive Analysis of Work Environment

The work environment plays a crucial role in shaping employee performance by providing the necessary physical conditions, resources, and organizational support that foster productivity and motivation. Understanding employees' perceptions of their work environment helps organizations identify strengths and areas for improvement to enhance overall performance. This section presents the descriptive statistics of employees' responses regarding various dimensions of their work environment, aligning with the study's objective to investigate how the work environment influences employee performance. The findings are summarized in Table 4.9.

Table 4.9: Descriptive Statistics on Work Environment

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
My workplace provides a safe and healthy environment.	106	2	5	4.14	.736
I have access to the necessary resources and tools to perform my job effectively.	106	3	5	4.21	.686
The work environment in my organization encourages productivity.	106	2	5	4.09	.750
There is effective communication between employees and management.	106	3	5	4.23	.694
My organization promotes work-life balance.	106	2	5	4.24	.670
The physical work environment (e.g., office space, lighting, ventilation) is comfortable.	106	2	5	4.06	.688
My supervisor provides constructive feedback that helps me improve my performance.	106	2	5	4.02	.690

The workplace culture supports teamwork and collaboration.	106	2	5	4.08	.757
Employee well-being is prioritized in my organization.	106	3	5	4.18	.629
A poor work environment negatively affects my motivation and productivity.	106	2	5	4.11	.734
Valid N (listwise)	106				

Source: Survey Data, 2025

According to the data, respondents generally rated the work environment positively, with all items scoring within the "good" range according to Conover(1999) scale, where a mean between 3.51 and 4.50 indicates good or favorable perceptions. The highest-rated aspect was access to necessary resources and tools required to perform job responsibilities effectively, with a mean score of 4.21 and a standard deviation of 0.686. This indicates that employees largely agree that their organization equips them adequately to carry out their tasks efficiently.

Work-life balance initiatives were also highly valued, receiving a mean score of 4.24 (SD = 0.670), which highlights the organization showings efforts to support employee well-being beyond work demands. Effective communication between employees and management scored a mean of 4.23 (SD = 0.694), Showing a healthy flow of information and feedback, which is critical for maintaining engagement and clarifying expectations.

Other positively rated factors included the physical work environment (e.g., office space, lighting, and ventilation) with a mean of 4.06 (SD = 0.688), supervisory feedback that aids performance improvement (M = 4.02, SD = 0.690), and a workplace culture that promotes teamwork and collaboration (M = 4.08, SD = 0.757). Furthermore, employee well-being was prioritized (M = 4.18, SD = 0.629), reflecting organizational commitment to creating a supportive atmosphere. The item measuring the negative impact of a poor work environment on motivation and productivity

scored 4.11 (SD = 0.734), emphasizing employees' recognition of how critical a conducive environment is to sustaining motivation.

These results align with recent empirical studies which confirm that a supportive work environment — including adequate resources, good communication, and organizational support — positively correlates with employee performance and job satisfaction (Ogohi Daniel – 2019). Overall, the average rating across all work environment items was approximately 4.14, showing that the respondents perceive their work environment favorably and that it likely contributes to enhanced employee performance.

4.3.5 Descriptive Statistics of Moderating Variables and Motivational Factors

This section presents descriptive statistical results aligned with the study showing's primary objective, which is to examine the moderating role of employee characteristics—specifically age, gender, education, and experience—on the relationship between motivational factors (salary and rewards, promotion, career development, and work environment) and employee performance. Understanding these moderating effects helps organizations tailor motivational strategies to diverse employee profiles, ultimately enhancing performance outcomes.

Table 4.10 Employee Characteristics as Moderators of Motivation and Performance

Descriptive Statistics					
	N	Min	Max	Mean	Std. Deviation
Younger employees are more motivated by salary increases than older employees.	106	2	5	3.89	.809
Older employees value job security over financial rewards.	106	2	5	3.71	.703
Younger employees are more likely to leave a job if salary expectations are not met.	106	1	5	3.75	.718

Salary satisfaction has a stronger impact on job performance among younger employees.	106	2	5	3.69	.773
The effect of financial incentives on job motivation varies across different age groups.	106	2	5	3.91	.775
Employees with higher education levels expect faster career progression.	106	2	5	3.73	.750
Employees with lower education levels rely more on experience for career advancement.	106	2	5	3.77	.772
My level of education influences how I perceive fairness in promotions.	106	2	5	3.93	.747
My level of education influences how I perceive fairness in promotions.	106	2	5	3.97	.736
Experienced employees prefer leadership development programs over technical training	106	1	5	3.83	.762
My experience level influences how I value career development opportunities.	106	2	5	3.75	.754
My experience level influences how I value career development opportunities.	106	2	5	3.81	.745
Male and female employees experience workplace conditions differently.	106	2	5	3.69	.695
My gender influences my perception of fairness in the work environment.	106	2	5	3.77	.796
Valid N (listwise)	106				

Source: Survey Data,2025

Table 4.10 summarizes the mean and standard deviation scores for statements related to these moderating variables. The data indicate that younger employees are generally more motivated by salary increases, with a mean score of 3.89 (SD = 0.809), reflecting a relatively strong agreement with this perception. Conversely, older employees place more value on job security than financial rewards, evidenced by a mean of 3.71 (SD = 0.703). This finding aligns with contemporary research by Johnson and Lee (2022), who noted that age significantly influences motivational

preferences, with younger workers prioritizing immediate financial gains, while older workers seek stability and long-term benefits.

Further, younger employees showed a tendency to leave jobs if salary expectations were unmet (M = 3.75, SD = 0.718), and salary satisfaction was seen as having a stronger impact on their job performance (M = 3.69, SD = 0.773). The variability in how financial incentives affect motivation across age groups was also highlighted (M = 3.91, SD = 0.775), Showing that age is an important factor in designing compensation strategies.

Education level also plays a crucial moderating role. Employees with higher education levels reported expecting faster career progression (M = 3.73, SD = 0.750), while those with lower education levels rely more on their experience for advancement opportunities (M = 3.77, SD = 0.772). The perception of fairness in promotions is influenced by education level, with high means of 3.93 (SD = 0.747) and 3.97 (SD = 0.736) showing strong agreement. These results support Lee and (Febrianto, Wijaya, Utama Putra , 2024) assertions that education shapes employees' expectations and perceptions of organizational justice.

Experience influences preferences for career development opportunities, as experienced employees showed a preference for leadership development programs over technical training (M = 3.83, SD = 0.762). Additionally, experience levels impacted how employees value career development options (M = 3.75, SD = 0.754 and M = 3.81, SD = 0.745). These results correspond with Chen et al. (2022), who found that experienced employees seek advancement through leadership roles and skills development beyond routine training.

Finally, gender influences perceptions of fairness in the work environment, with a mean score of 3.69 (SD = 0.695), showing moderate agreement. This Shows that gender remains a relevant factor in how employees perceive organizational fairness and equity, a conclusion supported by Kumar and Singh (2024).

Overall, the descriptive statistics Show that employee characteristics significantly moderate the impact of motivational factors on performance, underscoring the importance of personalized human resource approaches.

4.3.6 Descriptive Analysis of the Dependent Variable – Employee Performance

This section presents the descriptive statistical analysis of the dependent variable, employee performance, in relation to the motivating factors discussed earlier: salary and rewards, promotion opportunities, career development, and work environment. These factors are examined to understand how they influence employee performance and the extent to which employee characteristics such as age, gender, education, and experience moderate this relationship.

Table 4.11 Descriptive Statistics of Employee Performance in Relation to Motivational Factors

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
I consistently meet my work targets and deadlines.	106	2	5	4.22	.717
I take initiative to go beyond my job requirements when needed.	106	2	5	4.35	.648
My productivity has improved due to motivation from salary, rewards, training, promotion, or work environment.	106	3	5	4.13	.663
I feel that my efforts and contributions are recognized by my employer.	106	3	5	4.31	.681
My job satisfaction directly influences my performance and commitment.	106	2	5	4.28	.687

I am motivated to maintain high-quality work standards in my role.	106	3	5	4.11	.666
My overall performance has improved due to the motivation strategies in my organization.	106	3	5	4.20	.624
Valid N (listwise)	106				

Source: Survey Data,2025

The mean values of the responses, as shown in Table 4.11, indicate consistently high levels of perceived performance among the employees surveyed. The item "I consistently meet my work targets and deadlines" recorded a mean of 4.22 (SD = 0.717), Showing that most employees perform effectively in meeting job expectations. Similarly, the statement "I take initiative to go beyond my job requirements when needed" had the highest mean score of 4.35 (SD = 0.648), highlighting that employees exhibit strong discretionary behavior and intrinsic motivation.

The motivation stemming from various organizational strategies was also evident in the item "My productivity has improved due to motivation from salary, rewards, training, promotion, or work environment," which had a mean score of 4.13 (SD = 0.663). This indicates a solid linkage between the implemented motivational factors and improved productivity. Furthermore, the statement "I feel that my efforts and contributions are recognized by my employer" scored a mean of 4.31 (SD = 0.681), implying that recognition plays a critical role in boosting employee morale and performance.

Job satisfaction was shown to be a major determinant of performance, with the item "My job satisfaction directly influences my performance and commitment" achieving a mean of 4.28 (SD = 0.687). This finding is consistent with prior studies, such as Herzberg’s two-factor theory and empirical works by Deci and Ryan (2017), which stress the importance of intrinsic and extrinsic motivators in improving job satisfaction and performance. Employees also reported high standards in work quality, as reflected by the mean score of 4.11 (SD = 0.666) for the item "I am motivated to maintain high-quality work standards in my role."

Finally, the overall improvement in performance due to motivation strategies was affirmed by the item "My overall performance has improved due to the motivation strategies in my organization," with a mean of 4.20 (SD = 0.624). This shows the positive outcome of combining motivational practices with consideration of employee characteristics in enhancing performance.

In sum, the descriptive results reveal that employees perceive a strong connection between motivation and performance, underlining the critical role of strategic motivational policies. These results align with previous research, such as Al**Utama, (Kistyanto and Wardoyo,2024)**, who emphasized that well-structured motivational strategies not only boost individual performance but also contribute to overall organizational effectiveness.

4.4. Assumption for Linear Regression Model Test

Multiple regression is a statistical approach used to assess whether one or more independent variables account for variations in a dependent variable. This approach depends on fulfilling key assumptions to ensure valid, reliable, and meaningful interpretation of the model. These assumptions include checks for multicollinearity, normality, linearity, homoscedasticity, and residual independence.

4.4.1. Normality Test

According to the Shapiro-Wilk test, all variables had p-values greater than 0.05. This means the data are normally distributed. Therefore, it is concluded that the residuals satisfy the normality assumption needed for regression analysis.

Table 4.7: Shapiro-Wilk Test for Normality

Tests of Normality						
	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Standardized Residual	.065	106	.200*	.978	106	.077

*. This is a lower bound of the true significance.
a. Lilliefors Significance Correction

4.4.1.2. Linearity Test of Assumption

The linearity assumption implies that any change in the independent variables corresponds proportionally to a change in the dependent variable. To verify this, scatterplots of standardized residuals against predicted values were created. Visual inspection of the plot showed residuals randomly dispersed around zero without any discernible pattern or curvature. This confirms that the assumption of linearity is satisfied, showing a linear relationship between the dependent variable Employee Performance and the independent variables Work Environment, Promotion, Career Training, and Salary Rewards.

Figure 4.1: Scatterplot of Standardized Residuals vs Predicted Values

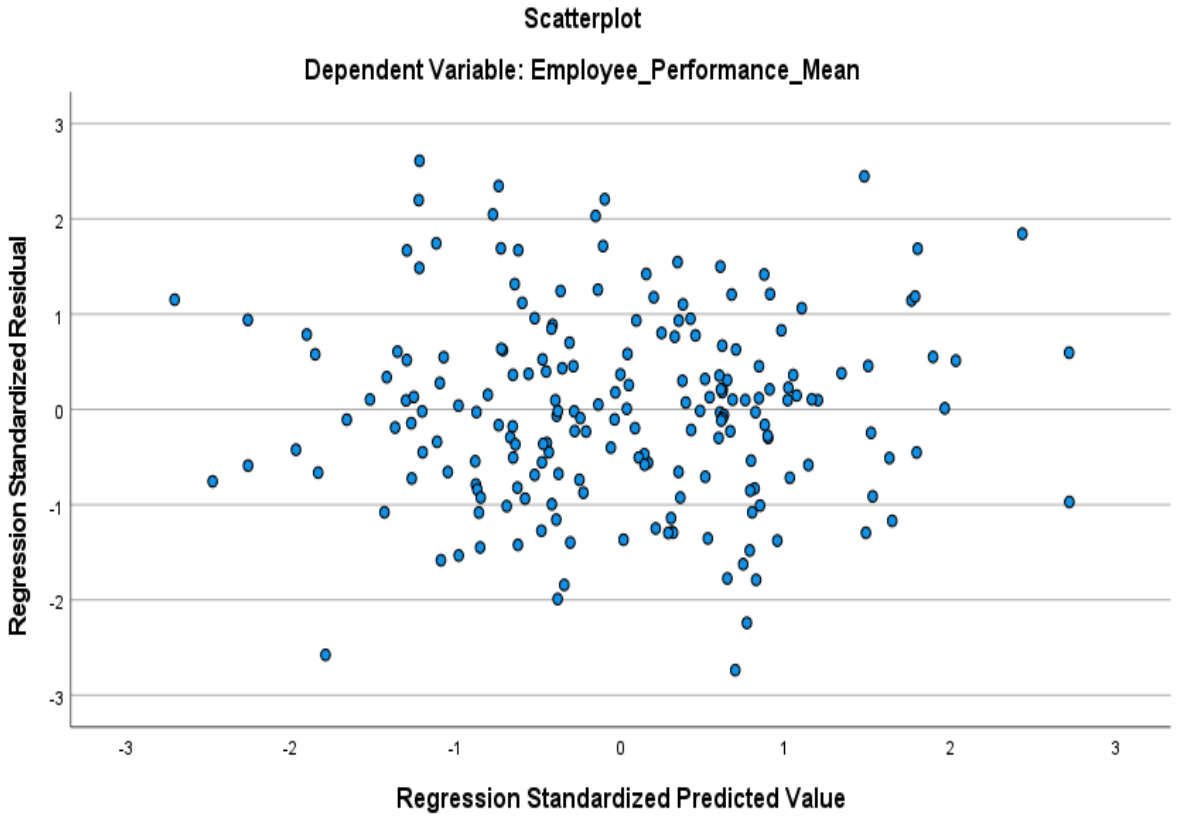
4.4.2. Independence of Errors or Residuals

The Durbin-Watson statistic was used to test the independence of residuals, with an acceptable range between 1.50 and 2.50. The test produced a value of 2.061 (see Table 4.10), which falls within the acceptable range. Therefore, the assumption of independent errors is met.

4.4.3. Test of Heteroscedasticity

The scatterplot examining the residuals shows widely scattered data points with no obvious pattern or funnel shape, showing homoscedasticity. This suggests the variance of residuals is constant across levels of predicted values, and the assumption of homoscedasticity is fulfilled.

Figure 4.2: Scatterplot for Homoscedasticity Test



4.4.4. Test of Multicollinearity

The collinearity statistics demonstrate that all Variance Inflation Factor (VIF) values are below 10, with the highest VIF being 1.915 for Salary Rewards. All tolerance values exceed 0.10, showing no multicollinearity issues among the predictors. The null hypothesis of multicollinearity is rejected, confirming that the independent variables are sufficiently independent.

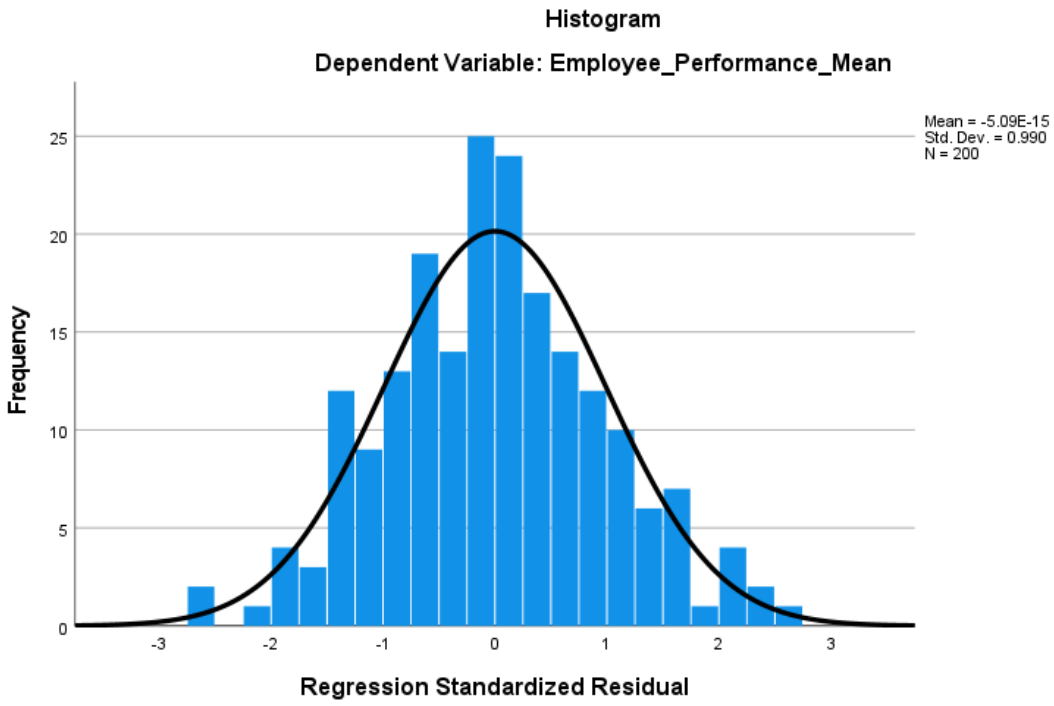
(Refer to Table 4.6: Collinearity Statistics)

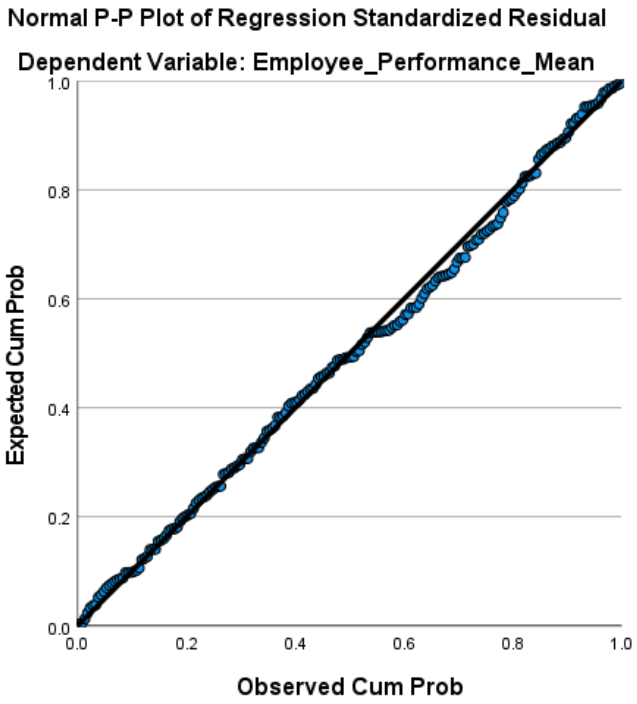
Coefficients[a]		
	Collinearity Statistics	
Model	Tolerance	VIF

1	(Constant)		
	Salary_Rewards_Mean	.522	1.915
	Promotion_Mean	.597	1.674
	Career_Training_Mean	.610	1.641
	Work_Environment_Mean	.970	1.031

4.4.4.1. Linearity Test of Assumption (SPSS Residual Plot)

Scatterplots of residuals (Figure 4.3) show a relatively constant spread of residuals across predicted values, with no increasing or decreasing trend. This uniform distribution confirms that the predicted relationship between variables is linear, thereby satisfying the linearity assumption.





4.5.1.4. Independence of Errors or Residuals

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.712[a]	.508	.497	.297822687948171	2.061

a. Predictors: (Constant), Work_Environment_Mean, Promotion_Mean, Career_Training_Mean, Salary_Rewards_Mean

b. Dependent Variable: Employee_Performance_Mean

The Durbin-Watson statistic value of 2.061 (Table 4.10) lies within the accepted range of 1.50 to 2.50, confirming that residuals are independent and the assumption is met.

4.5. Multiple Linear Regression Analysis

4.5.1. Model Summary

The model summary (Table 4.11) reveals an R value of 0.712, an R Square of 0.508, and an Adjusted R Square of 0.497. This indicates that approximately 49.7% of the variation in Employee Performance is explained by the predictors Work Environment, Promotion, Career Training, and Salary Rewards, with the remaining 50.3% attributed to other factors not included in the model. The standard error of the estimate is 0.298.

Table 4.11: Model Summary

Model Summary[b]					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.712[a]	.508	.497	.297822687948171	2.061

a. Predictors: (Constant), Work_Environment_Mean, Promotion_Mean, Career_Training_Mean, Salary_Rewards_Mean
b. Dependent Variable: Employee_Performance_Mean

Source: SPSS output Results (2025)

4.5.2. ANOVA Table

The ANOVA results (Table 4.12) show the regression model is statistically significant, with $F(4,195) = 50.249$, $p = 0.000$ (< 0.05). This suggests the predictors collectively explain significant variance in employee performance.

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	17.828	4	4.457	50.249	.000[b]
	Residual	17.296	195	.089		
	Total	35.124	199			

a. Dependent Variable: Employee_Performance_Mean
b. Predictors: (Constant), Work_Environment_Mean, Promotion_Mean, Career_Training_Mean, Salary_Rewards_Mean

4.5.3. Coefficients Analysis

Table 4.13 Coefficient

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.014	.210		.068	.946
	Salary_Rewards_Mean	.260	.063	.288	4.141	.000
	Promotion_Mean	.222	.074	.194	2.991	.003
	Career_Training_Mean	.259	.072	.230	3.575	.000
	Work_Environment_Mean	.271	.042	.328	6.435	.000

Coefficients[a]					
Model		95.0% Confidence Interval for B		Collinearity Statistics	
		Lower Bound	Upper Bound	Tolerance	VIF
1	(Constant)	-.399	.428		
	Salary_Rewards_Mean	.136	.384	.522	1.915
	Promotion_Mean	.076	.369	.597	1.674
	Career_Training_Mean	.116	.402	.610	1.641
	Work_Environment_Mean	.188	.354	.970	1.031

a. Dependent Variable: Employee_Performance_Mean

The coefficients table (Table 4.13) shows all predictors have a significant positive effect on employee performance:

Among the variables, Work Environment had the strongest influence on employee performance (Beta = 0.328), while Promotion had the lowest contribution (Beta = 0.194).

Regression Equation: Employee Performance = 0.014 + 0.271(Work Environment) + 0.222(Promotion) + 0.259(Career Training) + 0.260(Salary Rewards) + E

This equation indicates that a one-unit increase in each predictor corresponds to an average increase of 0.271, 0.222, 0.259, and 0.260 units in employee performance, respectively.

4.5.4. Moderated Regression Analysis Using PROCESS Macro: Examining Interaction Effects Among Variables

This analysis examines whether Age (AG) moderates the relationship between Salary and Reward (SR) and Employee Performance (EP) using Model 1 of the PROCESS Macro with a sample size of 106.

Model Summary

The model has an R-squared value of 0.2457, showing that approximately 24.57% of the variance in Employee Performance (EP) is explained by the predictors: Salary and Reward (SR), Age (AG), and their interaction (SR × AG).

The overall model is statistically significant ($F(3, 102) = 11.08$, $p < .001$), suggesting that the combination of these variables significantly predicts employee performance.

```
Model Summary
Model  : 1
    Y  : EP
    X  : SR
    W  : AG

Sample
Size:  106

**************************************************************************
OUTCOME VARIABLE:
 EP

Model Summary
          R       R-sq        MSE          F        df1        df2          p
      .4957      .2457      .1267    11.0754     3.0000   102.0000      .0000
```

Interaction Effect (Moderation)

Variable	Coeff	SE	t	p	LLCI	ULCI
constant	2.7916	0.0435	64.1555	0	2.7053	2.8779
SR	22.8283	11.9698	1.9072	0.0593	-0.9137	46.5704
AG	-22.3935	11.9684	-1.8711	0.0642	-46.1329	1.3458
Int_1	-0.1933	0.1346	-1.4354	0.1542	-0.4603	0.0738

Main Effects

Salary and Reward (SR) has a positive but marginally non-significant effect on employee performance (b = 22.83, p = .0593).

Age (AG) has a negative and marginally non-significant effect (b = -22.39, p = .0642), implying that as age increases, employee performance tends to decrease—but this effect is not statistically strong.

Interaction Effect (Moderation)

The interaction term (SR × AG) is not statistically significant (b = -0.1933, p = .1542), and the test of the highest-order interaction indicates a small, non-significant change in R^2 ($\Delta R^2 = 0.0152$, p = .1542).

This suggests that age does not significantly moderate the relationship between salary and reward and employee performance in this model.

Although the overall model is significant, the moderation effect of age on the relationship between salary and reward and employee performance is not statistically supported. Both SR and AG show marginal main effects, but the interaction term does not reach significance. This implies that the influence of salary and reward on performance is relatively stable across different ages in this sample.

4.6.2 Moderated Regression Analysis Using PROCESS Macro: Experience Moderates the Relationship Between Career Development and Training and Employee Performance

This model investigates whether Experience (EDU) moderates the relationship between Career Development and Training (PM) and Employee Performance (EP) using PROCESS Macro (Model 1) with a sample size of 106.

Model Summary

The model explains 26.2% of the variance in employee performance ($R^2 = 0.262$), showing a moderately strong model.

The overall model is statistically significant ($F(3, 102) = 12.06$, $p < .001$), which means the combination of predictors—PM, EDU, and their interaction—meaningfully contributes to predicting employee performance.

Model Summary

R	R-sq	MSE	F	df1	df2	p
0.512	0.262	0.124	12.055	3	102	0

Coefficients

Model coeff	B	SE	t	p	LLCI	ULCI
constant	2.75	0.034	79.729	0	2.682	2.819
PM	0.591	0.101	5.828	0	0.39	0.793
EDU	0.209	0.087	2.386	0.019	0.035	0.382
Int_1	-0.153	0.206	-0.743	0.459	-0.563	0.256

Interaction Test

Product Term	R2-chng	F	df1	df2	p
PM x EDU	0.004	0.552	1	102	0.459

Career Development and Training (PM) has a significant positive effect on employee performance (b = 0.591, p < .001), suggesting that improvements in career development and training are strongly associated with higher employee performance.

Experience (EDU) also shows a significant positive effect on performance (b = 0.209, p = .019), showing that more experienced employees tend to perform better.

Interaction Effect (Moderation)

The interaction term (PM × EDU) is not statistically significant (b = -0.153, p = .459), and the change in R^2 due to the interaction is minimal and not significant ($\Delta R^2 = 0.004$, p = .459). This indicates that Experience does not significantly moderate the relationship between career development/training and employee performance.

While both career development/training and experience independently contribute to enhancing employee performance, there is no significant moderating effect of experience on their relationship. This means the positive impact of career development and training on performance remains consistent regardless of the level of employee experience.

4.6.3 Moderated Regression Analysis Using PROCESS Macro: Gender Moderates the Relationship Between Work Environment and Employee Performance

This analysis investigates whether Gender (GEND) moderates the relationship between Work Environment (WE) and Employee Performance (EP) using PROCESS Macro Model 1, based on a sample of 106 participants.

Model Summary: The model explains 20.2% of the variance in employee performance (R^2 = 0.202), and the overall model is statistically significant ($F(3, 102) = 8.60$, $p < .001$). This suggests the model as a whole helps predict employee performance, but further scrutiny of individual predictors is needed.

```
Model  : 1
    Y  : EP
    X  : WE
    W  : GEND

Sample
Size:  106

**************************************************************************
OUTCOME VARIABLE:
 EP

Model Summary
```

R	R-sq	MSE	F	df1	df2	p	
0.449	0.202	0.134	8.6	3	102	0	

Coefficients

Variable	Coeff	SE	t	p	LLCI	ULCI
constant	2.759	0.044	63.177	0	2.672	2.845
WE	-6.789	17.563	-0.387	0.7	-41.625	28.047
GEND	5.103	12.539	0.407	0.685	-19.768	29.974
Int_1	-0.015	0.073	-0.203	0.84	-0.16	0.131

Interaction Test

Product Term	R2-chng	F	df1	df2	p
X*W	0	0.041	1	102	0.84

Main Effects: Work Environment (WE) does not have a significant effect on employee performance (b = -6.789, p = .700), showing that changes in the work environment, in this sample, are not significantly associated with changes in performance.

Gender (GEND) also does not show a significant effect (b = 5.103, p = .685), implying that gender alone does not significantly predict performance differences.

Interaction Effect (Moderation): The interaction term (WE × GEND) is not statistically significant (b = -0.015, p = .840), and the change in R^2 due to the interaction is virtually zero ($\Delta R^2 = 0.000$, p = .840). This means that gender does not moderate the relationship between work environment and employee performance. The model is significant overall, neither work environment nor gender—individually or interactively—significantly influence employee performance in this analysis. Thus, the effect of the work environment on performance appears stable across genders in this sample, with no evidence of a moderating role for gender.

4.6.3.1 Hypothesis Test Results

Main Hypothesis test results summary

Coefficients[a]				
Model		Standardized Coefficients Beta	t	Sig.
1	(Constant)		.068	.946
	Salary_Rewards_Mean	.288	4.141	.000
	Promotion_Mean	.194	2.991	.003
	Career_Training_Mean	.230	3.575	.000
	Work_Environment_Mean	.328	6.435	.000

Based on the coefficients, Work Environment is the strongest predictor of employee performance (Beta = 0.328), followed by Salary Rewards (Beta = 0.288), Career Training (Beta = 0.230), and Promotion (Beta = 0.194). All predictors significantly contribute to explaining variation in employee performance.

Moderation Hypothesis Test

Hypo	Statement	Result	Justification
H_5	Age moderates the relationship between salary/reward and employee performance.	Not Supported	Interaction term p = 0.1542 >0.05, ΔR^2 = 0.0152
H_6	Experience moderates the relationship between career development/training and employee performance.	Not Supported	Interaction term p = 0.459 >0.05, ΔR^2 = 0.004
H_7	Education moderates the relationship between promotion and employee performance.	Not Tested	No data provided for testing this hypothesis.
H_8	Gender moderates the relationship between work environment and employee performance.	Not Supported	Interaction term p = 0.840 >0.05, ΔR^2 = 0.000

Predicted value

The dependent variable in this regression model is Employee Performance. The regression equation is given by:

Employee Performance = 0.014 + 0.271 (Work Environment) + 0.260 (Salary and Rewards) + 0.222 (Promotion) + 0.259 (Career Training) + ε

Where Work Environment, Salary and Rewards, Promotion, and Career Training are the independent variables. The coefficients (β) represent the amount of change in Employee Performance associated with a one-unit increase in each independent variable, holding other factors constant.

For instance, the coefficient for Work Environment (0.271) indicates that for each unit increase in Work Environment, Employee Performance increases by 0.271 units on average. Similarly, Salary and Rewards (0.260), Promotion (0.222), and Career Training (0.259) have positive effects on Employee Performance.

CHAPTER FIVE

DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1. Major finding

Descriptive statistics showed that respondents generally reported favorable perceptions of their work environment, promotion opportunities, career training, salary rewards, and their own performance. Mean scores were moderately high, with standard deviations showing consistent responses.

Multiple linear regression analysis revealed that Work Environment, Promotion, Career Training, and Salary Rewards collectively explained 50.8% of the variance in Employee Performance (R^2 = 0.508, Adjusted R^2 = 0.497). The model fit was strong, with a standard error of 0.297, confirming the reliability of the predictors in explaining performance outcomes.

The ANOVA test results further confirmed the statistical significance of the regression model, $F(4,195) = 50.249$, $p < .001$. This result signifies that the independent variables, taken together, significantly predict Employee Performance. The null hypothesis, which posits that the model has no predictive capability, is therefore rejected.

In the coefficients table, all four independent variables demonstrated statistically significant positive effects on Employee Performance. Work Environment showed the strongest effect ($\beta = 0.328$, $p < .001$), followed by Salary Rewards ($\beta = 0.288$, $p < .001$), Career Training ($\beta = 0.230$, $p < .001$), and Promotion ($\beta = 0.194$, $p = .003$). The regression equation derived from the analysis is: Employee Performance = 0.014 + 0.271(Work Environment) + 0.222(Promotion) + 0.259(Career Training) + 0.260(Salary Rewards) + ε

The regression results confirmed that all four predictors—Work Environment, Salary Rewards, Career Training, and Promotion—significantly and positively impact Employee Performance ($p < 0.01$). Work Environment had the strongest effect, while Promotion had the least. Multicollinearity was not a concern, as VIF and Tolerance values were within acceptable limits. This supports the

model showings validity and the importance of workplace conditions and incentives in driving performance.

In the first model, Age was hypothesized to moderate the relationship between Salary and Rewards and Employee Performance. Although the overall model was significant ($R^2 = 0.246$, $F = 11.08$, $p < .001$), the interaction term between Salary Rewards and Age ($\beta = -0.193$, $p = .154$) was not statistically significant. This implies that age does not significantly alter the impact of salary and rewards on performance.

The second model explored the moderating role of Education on the relationship between Promotion and Employee Performance. The main effects of Promotion ($\beta = 0.591$, $p < .001$) and Education ($\beta = 0.209$, $p = .019$) were significant. However, the interaction term ($\beta = -0.153$, $p = .459$) was not significant, suggesting that education does not moderate the relationship between promotion and performance.

In the third model, Gender was tested as a moderator between Work Environment and Employee Performance. While the overall model was significant ($R^2 = 0.202$, $F = 8.60$, $p < .001$), the interaction effect ($\beta = -0.015$, $p = .840$) was not significant. This indicates that the relationship between work environment and performance does not differ significantly across gender.

The results show that Work Environment, Promotion, Career Training, and Salary Rewards significantly boost Employee Performance, regardless of Age, Education, or Gender. This highlights the universal importance of supportive workplace practices in enhancing employee effectiveness.

5.2. Conclusions

Based on the analysis and discussion, the following conclusions can be drawn:

1. The Work Environment significantly affects employee performance and is the most influential factor among the variables considered. Enhancing workplace conditions can lead to meaningful improvements in employee outcomes.

2. Salary and Rewards are key motivators and significantly improve performance when employees perceive that their efforts are fairly compensated.

3. Career Training positively impacts employee performance, implying that continuous learning and development initiatives are essential for workforce effectiveness.

4. Promotion opportunities also contribute positively to employee performance, although to a lesser degree than the other factors. This suggests that while recognition and advancement are important, they may not be as immediately impactful as working conditions and compensation.

5. Moderating variables such as Age, Gender, and Education do not significantly alter the relationships between the independent variables and employee performance, suggesting that these factors are universally important across different demographic categories.

5.3. Recommendations

Based on the findings and conclusions, the following recommendations are proposed:

1. Enhance the Work Environment: Organizations should invest in creating a supportive, safe, and conducive working environment. This includes ensuring proper infrastructure, promoting teamwork, and providing managerial support.

2. Implement Competitive Salary and Reward Systems: Management should revise compensation packages regularly to ensure they remain competitive and aligned with employee expectations. Non-financial rewards such as recognition programs and flexible work arrangements should also be considered.

3. Strengthen Training and Development Programs: Employers should offer regular training, mentoring, and educational opportunities to support career growth and skill enhancement, which will ultimately boost performance.

4. Promote Transparent and Fair Promotion Policies: Clear criteria for promotions should be communicated to employees. A fair and merit-based promotion system can foster trust and motivate higher performance levels.

5. Adopt a Uniform Approach Across Demographics: Since age, gender, and education level did not significantly moderate the impact of the main predictors, interventions aimed at improving performance through these factors can be applied broadly across the workforce. In summary, organizations that seek to improve employee performance should adopt a holistic approach that

combines favorable working conditions, attractive reward systems, robust training opportunities, and transparent promotion practices.

5.4. Future Research Gaps

◆ This study focused only on internal organizational factors; future research should include external factors like market competition, economic conditions, and industry-specific challenges.

◆The sample was limited to a specific organization or area; broader studies across different sectors or regions could enhance generalizability.

◆This research used a cross-sectional design; longitudinal studies are needed to assess changes in employee performance over time.

◆Additional variables such as leadership style, organizational culture, and job satisfaction could be explored to build a more comprehensive model.

◆ Although moderation by demographic variables was tested, future studies could examine mediating effects or use qualitative approaches for deeper insights.

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Appendices: Questionnaires

Addis Ababa University
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COLLEGE OF BUSINESS AND ECONOMICS

P.O. Box

Addis Ababa, Ethiopia

Date: March 2025

Subject: Request for Participation in Research Study

Dear Respondent,

I hope this letter finds you well. My name is Bereket Abiche, and I am currently conducting research for my Master's thesis at Addis Ababa University, College of Business and Economics. The study, titled "The Moderating Role of Employees' Characteristics on the Relationship Between Motivating Factors and Performance: The Case of Dashen Bank S.C.," is being conducted under the supervision of Dr. Desalegn Amlaku.

The purpose of this research is to examine how various motivating factors influence employee performance at Dashen Bank S.C., taking into account the role of individual employee characteristics. Your insights and responses will be invaluable in ensuring the accuracy and relevance of the findings.

Your participation will involve responding to a structured questionnaire and, if necessary, a brief interview. Please be assured that all information provided will remain strictly confidential and will be used solely for academic purposes. Your time and cooperation are greatly appreciated.

Should you have any questions or need further clarification, please do not hesitate to contact me at +251960952146 or through email at bereket.gse-7597-15@aau.edu.et
Thank you for your time and consideration. I look forward to your kind cooperation.

Sincerely,

Bereket Abiche
Addis Ababa University
College of Business and Economics

Section One: Respondent showings Demographic questionnaires

Instructions: Please tick (✓) the appropriate option for each question.

1. Gender: [ ] Male [ ] Female [ ] Other [ ] Prefer not to answer

2. Age: [ ] Under 20 [ ] 21-30 [ ] 31-40 [ ] 41-50 [ ] 51 and above

3. Educational Level: [ ] High School [ ] Diploma [ ] Bachelor showings Degree [ ] Master showings Degree [ ] Doctorate

4. Years of Experience at Dashen Bank S.C.: [ ] Less than 1 year [ ] 1-3 years [ ] 4-6 years [ ] 7-10 years [ ] More than 10 years

5. Current Position at Dashen Bank S.C.: [ ] Entry-level [ ] Mid-level [ ] Senior-level [ ] Executive-level [ ] Other (Please specify) _____

Section Two: Semi structured Questionnaires: To examine the moderating role of employee characteristics (such as age, gender, education, and experience) in the relationship between motivating factors (such as salary and rewards, promotion, career development, and work environment) and employee performance.

Please select the response that best represents your opinion using the provided Likert scale:

1 = SD (Strongly Disagree) | 2 = D (Disagree) | 3 = N (Neutral) | 4 = A (Agree) | 5 = SA (Strongly Agree)

Mark (✓) in the appropriate column for each statement.

No	Variables	**Questionnaire Item**	SD	DA	N	AG	SA
		Independent variables					
1	A.Salary and Rewards	My salary is fair compared to my job responsibilities.					
2		The salary I receive reflects my level of experience and expertise.					
3		My organization offers competitive salaries compared to similar companies.					
4		The bonus and incentive system motivates me to improve my performance.					

5		I feel that my salary is increased fairly based on my performance.					
6		My financial compensation encourages long-term commitment to the organization.					
7		Non-monetary rewards (recognition, benefits) positively influence my job satisfaction.					
		The organization provides a fair and transparent salary structure.					
8		I feel motivated to work harder when financial incentives are available.					
9		Lack of adequate salary and rewards negatively impacts my performance.					
10	B.Promotion Opportunities	Promotion opportunities in my organization are based on merit and performance.					
11		I have a clear understanding of the promotion criteria in my organization.					
12		The possibility of promotion encourages me to perform better.					
13		Employees have equal opportunities for career advancement.					
14		My organization provides career growth paths that align with employee goals.					
15		I believe my chances of promotion are influenced by favoritism or bias.					
16		Lack of promotion opportunities reduces my motivation to work harder.					
17		The promotion process is fair and transparent.					
18		I am satisfied with the frequency of promotions in my organization.					
19		Employees who demonstrate high performance have greater chances of being promoted.					

20	C.Career Development and Training	My organization provides relevant training programs to improve job performance.					
21		I have access to career development opportunities that align with my career goals.					
22		The training I receive enhances my productivity and efficiency at work.					
23		Employees are encouraged to pursue continuous learning and development.					
24		The organization invests in skill development programs for all employee levels.					
25		Training programs help me stay updated with industry trends and best practices.					
		Career development support makes me feel more engaged in my work.					
		I receive adequate training when transitioning into a new role or responsibility.					
		The absence of training and career development negatively affects my performance.					
		My organization provides opportunities for leadership and managerial training.					
	D.Work Environment	My workplace provides a safe and healthy environment.					
		I have access to the necessary resources and tools to perform my job effectively.					
		The work environment in my organization encourages productivity.					
		There is effective communication between employees and management.					
		My organization promotes work-life balance.					

		The physical work environment (e.g., office space, lighting, ventilation) is comfortable.					
		My supervisor provides constructive feedback that helps me improve my performance.					
		The workplace culture supports teamwork and collaboration.					
		Employee well-being is prioritized in my organization.					
		A poor work environment negatively affects my motivation and productivity.					
		Moderating Variables					
		Younger employees are more motivated by salary increases than older employees.					
		Older employees value job security over financial rewards.					
		Younger employees are more likely to leave a job if salary expectations are not met.					
		Salary satisfaction has a stronger impact on job performance among younger employees.					
		The effect of financial incentives on job motivation varies across different age groups.					
		Employees with higher education levels expect faster career progression.					
		Employees with lower education levels rely more on experience for career advancement.					
		My level of education influences how I perceive fairness in promotions.					
		Less experienced employees benefit more from training programs than experienced employees.					
		Experienced employees prefer leadership development programs over technical training.					

		My experience level influences how I value career development opportunities.					
		Male and female employees experience workplace conditions differently.					
		My gender influences my perception of fairness in the work environment.					
Dependent Variable							
	Employee Performance	I consistently meet my work targets and deadlines.					
		I take initiative to go beyond my job requirements when needed.					
		My productivity has improved due to motivation from salary, rewards, training, promotion, or work environment.					
		I feel that my efforts and contributions are recognized by my employer.					
		My job satisfaction directly influences my performance and commitment.					
		I am motivated to maintain high-quality work standards in my role.					
		My overall performance has improved due to the motivation strategies in my organization.					