



**Addis Ababa University**

**College of Business and Economics**

**Department of Management MBA Distance Program**

**THE EFFECT OF MOTIVATION ON EMPLOYEES PERFORMANCE AT  
ETHIOPIAN ROADS ADMINISTRATION**

**A Research Work Submitted to Addis Ababa University in  
Partial Fulfillment of the Requirements for the Degree of Master  
of Business Administration (MBA)**

**By: Abel Tadesse**

**(GSD/0731/14)**

**Adviser: Tilahun Teklu (PhD)**

**June, 2024**

**ADDIS ABABA, ETHIOPIA**

## DECLARATION

I, the undersigned, certify that the thesis was written entirely by myself and was guided by Tilahun Teklu. (PHD). Each and every source of information used in this thesis has been properly credited. I further certify that the thesis has not been submitted to a higher education institution in whole or in part for the intention of receiving a degree.

---

Signature

Abel Tadesse      GSD/0731/14

---

Date

**Approval Page**

**Addis Ababa University**

**College of Business and Economics**

**Department of Management**

**The Effect of Motivation on Employees Performance at Ethiopian Roads Administration**

**By**

**Abel Tadesse**

**ID No. GSD/0731/14**

**Under Supervision of Tilahun Teklu (PhD)**

**Approved by Boards of Examiners:**

	<b>Signature</b>	<b>Date</b>
Advisor	_____	_____
External Examiner	_____	_____
Internal Examiner	_____	_____

## **ACKNOWLEDGEMENTS**

I want to start by expressing my sincere gratitude to the omnipotent GOD for blessing me and making every aspect of my life possible. Second, I want to express my sincere gratitude to my advisor Tilahun T. (PhD) who gave his undivided attention to correcting my report and giving me advice on how to strengthen the thesis.

Thirdly, I am very grateful to thank my family for everything they have done for me up to these days. Moreover, I would like to acknowledge the participant and individual who have been contributing to the study for their willingness, participation and valuable information. Final, those individual who have been contributing a lot for the entire work deserved to be acknowledged.

## **Abstract**

*Motivation is regarded as one of the most significant factors influencing high performance in any company. Particularly, intrinsic and extrinsic motivational factors are taken as motivation system to encourage employees to perform at their optimum performance. Thus, the purpose of this research was to examine the effect of motivation on the performance of employees in Ethiopia, taking evidence from the Ethiopian Roads Administration. Methodologically, for this particular study, mixed research approach was employed. Descriptive and an explanatory research design were employed since it describes the intended scenario and responds to the questions of why and how employee motivation affects their performance respectively. Simple Random sampling technique is used to select the target sample. A survey was conducted using Questionnaire and semi-structured interview to gather relevant primary data among the 300 target sample. Secondary data is acquired from internet, brochures and publications. The collected data was then analyzed using Statistical Package for Social Science software. Accordingly, descriptive statistics such as mean, standard deviation, percent and frequency are conducted and inferential statistics such as correlation, multiple regression and ANOVA analysis had been done. Pearson correlation method is used to test the relation between the dependent and independent variable and multiple-regression test is conducted to test the predictability of the dependent variable by the independent variable and test hypothesis. The findings of the analysis illustrates that, all the motivational factors had significant positive relationship with employee performance. Besides, the results of the multiple regression analysis revealed that, the dependent variable had been significantly influenced by the linear combination of all the independent variables taken into account in the present study. The output of ANOVA test also suggested that the predictability of the dependent variable by the independent variable is significant. According to the findings of the beta coefficient analyses, extrinsic factors are the most significant factor that has a substantial impact on an employee's performance. In general, as per the results of the study, ERA should stress more on the extrinsic factors in order to increase the performance of its employees to a satisfactory level.*

*Key words: extrinsic motivating factors intrinsic motivating factors, employee performance*

# Contents

ACKNOWLEDGEMENTS.....	v
Abstract.....	vi
List of Figures .....	v
ACRONYMS/ABBREVIATIONS .....	vi
CHAPTER 1: INTRODUCTION.....	1
1.1 Background of the Study .....	1
1.2 Statement of the Problem .....	5
1.3 Research Questions .....	7
1.4 Objective of the Study.....	7
1.4.1 General Objective .....	7
1.4.2 Specific Objective .....	7
1.5 Definition of Terms.....	7
1.6 Significance of the study .....	7
1.7 Scope of the Study .....	8
1.8 Limitation of the Study.....	8
1.9 Organization of the Study .....	9
CHAPTER 2: RELATED LITERATURE REVIEW .....	10
2.1 Theoretical Literature Review .....	10
2.1.1 Concept and Definition of Motivation .....	10
2.1.2. Types of Motivation .....	12
2.1.3 Importance of Motivation .....	14
2.1.4 Factors of Motivation .....	14
2.1.5 The Effects of Motivation on Employees’ Performance .....	16
2.1.6 Theory of Motivation .....	17
2.1.7 Performance .....	20
2.2 Empirical Review.....	22
2.3 Conceptual Framework.....	23
CHAPTER 3: RESEARCH DESIGN AND METHODOLOGY .....	25
3.1 Research Design and Approach.....	25
3.1.1 Research Design .....	25

3.1.2 Research Approach .....	25
3.2 Target Population .....	25
3.3 Sampling Design .....	26
3.4 Sources of Data Collection .....	26
3.5 Data Collection Instruments.....	27
3.6 Procedure of Data Collection.....	28
3.7 Reliability and Validity .....	28
3.7.1 Reliability.....	28
3.7.2 Validity .....	29
3.8 Method of Data Analysis .....	29
3.9 Ethical Considerations.....	29
<b>CHAPTER 4: DATA ANALYSIS AND INTERPRETATION .....</b>	<b>30</b>
4.1 Introduction .....	30
4.2 Response Rate.....	30
4.3 Demographic Profile of Respondents .....	30
4.4 Descriptive Statistics .....	33
4.5 Inferential Statistics .....	36
4.5.1 Normality test .....	36
4.6 Linearity Test.....	37
4.6.2 Correlation Analysis.....	38
4.5.3 Multiple Regression Analysis.....	40
<b>CHAPTER 5: SUMMARY, CONCLUSION AND RECOMMENDATIONS.....</b>	<b>43</b>
5.1 Summary of Major Findings .....	43
5.2 Conclusion.....	44
5.3 Recommendation .....	46
5.4 Suggestions for Further Studies .....	47
<b>REFERENCES.....</b>	<b>48</b>
<b>APPENDIX .....</b>	<b>51</b>

## List of Figures

Figure 2.1-----	18
Figure 2.2-----	19
Figure 2.3-----	20
Figure 2.4-----	24
Figure 4.1-----	37
Figure 4.2-----	38

## **ACRONYMS/ABBREVIATIONS**

ERA: Ethiopian Roads Administration

ANOVA: Analysis of variance

SPSS: Statistical package for the social sciences

# CHAPTER 1: INTRODUCTION

## 1.1 Background of the Study

Motivation is a force that inspires individuals to behave, and from the perspective of management, the goal of establishing motivation in employees is to have a behavior that delivers the most advantage to the organization.

However, it is critical to recognize that motivation is not a one-size-fits-all concept. Individuals are driven by a variety of variables, and recognizing their requirements is critical for successful management. Furthermore, motivation is not a static condition, but rather a dynamic process that must be fostered and maintained throughout time. Organizations must consequently use methods and approaches to consistently engage and inspire their staff, fostering motivation and driving great performance.

It is commonly known that there are two types of motivation: extrinsic and intrinsic. Extrinsic motivation is motivation that comes from outside of the self. (Jaqulyn Johnson, 2023). External rewards, such as money or grades, act as motivators. These incentives give satisfaction and pleasure that employment alone may not provide. While intrinsic motivation refers to motivation that comes from within an individual rather than from external or outside sources, such as money or grades. According to the study, employees might be motivated both intrinsically and extrinsically, with both originating from different sources. Intrinsic motivation originates from the worker himself. When an external impulse arises for monetary gain and reputation rather than one's personal good. (Arrieta et al, 2018).

According to Sunyoto (2015), in order to achieve high levels of job productivity, employees must be motivated to work hard and joyously. Work motivation has an undeniable influence on performance. Even if employees have high ability, their performance will suffer due to a lack of motivation (Mitchell, 2012).

Because motivation is a need-satisfaction process, employees will work relentlessly to help the organization succeed its goals while generating the greatest potential job outputs when specific circumstances are satisfied. According to Newstrom (2014), job satisfaction will grow if improved performance may raise employee benefits in an acceptable and balanced manner; in other cases, employee happiness is the feedback that impacts self-image and motivation to improve performance. Gibson, Ivancevich, and Konopaske (2011) define motivation as an attitude that leaders and workers hold toward activities and the workplace environment. Those who conduct negatively (contrary to their work conditions) will, on the other hand, have poor work drive. Those that are favorable (pro) about their job condition will show high levels of motivation. High job motivation is related with excellence. Those that are positive (pro) about their job circumstances will show strong work motivation. Employees that are highly motivated in their jobs perform very well.

As per Aamodt (2012), there are several theories support employee motivation, including the Needs Theory, Achievement Theory, Two-Factor Theory, Justice Theory, and Expectation Theory, which propose that an employee would have fulfillment if they. These needs are part of work motivation and serve to create job satisfaction. Although the findings of prior studies were inconsistent, motivation has a favorable and considerable impact on employee performance. Alnaç et al. (2012) found that career drive is positively correlated with organizational commitment and work satisfaction. Aras, Daşkun, and Saydam (2014) found a substantial positive link between intrinsic motivation and work satisfaction. Anghelache (2015) concluded that motivation and work satisfaction are not correlated.

Motivation is the key to a successful organization, since it keeps work going ahead and contributes to a company's existence. Finding a need that employees have and assisting them in meeting it efficiently is what motivates them. Getting employees excited will assist them develop their skill sets to meet the expectations of the organization's group of folks. Employee job satisfaction is tough to build since it is dependent on the consistency of work motivation, leadership, and the company's organizational culture, which must be properly adapted and accepted by all employees.

Professional human resource management is necessary to achieve a balance between employees' wants, organizational demands and skills, and the value of outstanding human resources to the company's success (Mappamiring et al., 2020). Two elements influence a company's capacity to thrive and survive: the power of its money or capital and the performance of its human resource management. (Arfah and Aditya, 2019; Nurhilalia et al., 2019; Firman et al., 2020).

Individual performance has an impact on organizational performance, or, to put it another way, its output influences organizational performance. (Nguyen et al., 2019; Haerani et al., 2020; Akob et al., 2020). Because motivation influences organizational performance, corporate members' conduct, both individually and collectively, provides them power over that performance.

Understanding the variables that drive individual performance enables companies to develop strategies and interventions to improve overall organizational performance. Motivation is an important factor in this equation since it is strongly related to individual behavior and production. Numerous studies have demonstrated that motivated individuals are more engaged, dedicated, and productive, resulting in higher organizational performance (Robbins & Judge, 2018; Latham & Pinder, 2005). As a result, firms must create a compelling work atmosphere that motivates workers to achieve to their full potential.

Therefore, the fundamental premise of motivating incentives for people pursuing various goals is that they consider needs or expectations. The dynamic and changeable character of the introduction and purpose of work necessitates a distinct, consistent, or two broad categories of excellent motivation. n. Motivation encourages employees to coordinate and collaborate in order to maximize the use of human resources (Javed et al. 2014).

Organizations must foster a compelling work environment in which people desire to stay and progress (Waiyaki 2017).

To establish a motivating workplace environment, firms must understand the many forms of motivation and how to develop them. One type of excellent motivation is intrinsic motivation, which relates to an individual's own drive and satisfaction when executing a job. This form of motivation is frequently driven by personal interest, enjoyment, and a sense of success. Extrinsic motivation refers to external influences such as prizes, recognition, and incentives that drive people to perform well. While both methods of incentive may increase employee engagement and productivity, employers must strike the correct balance.

As previously said, employee performance is a critical issue for any business since it influences whether the firm achieves its goals. "An organization needs a variety of resources to be successful and achieve its goals, including human resources, or personnel" (Shanks, 2012, p. 1). Yet, if an employee is not motivated, they may not provide the anticipated results, which are why "motivation is also viewed as a significant value which is vital in the attainment of the organization's goals" (Osei, 2011).

A person's need to take action toward a certain goal may manifest consciously or instinctively as work motivation. It might play an important role in your lifestyle, education, or at job. Motivation may help you do any activity faster and easier. Work motivation theory often emphasizes on justification rather than competence; that is, some individuals do jobs better than others (Dal Forno & Merlone, 2010).

Motivation is a crucial factor in deciding how much effort and devotion people put into their profession. When people feel motivated, they are more likely to be proactive, persistent, and involved in achieving their objectives. This can lead to increased production and, eventually, help the business achieve its goals. However, it is vital to remember that external variables such as incentives or penalties do not completely determine motivation. Personal values, beliefs, and goals play an important influence in motivating others.

According to equity theory, motivation is usually the product of equity in social commerce. Employees may actively engage in the organization if they understand the organizational reality. Employees reduce their engagement due to the injustice they face. As a result, employees want the firm to strike a better balance between their contributions and the working environment (Giauque et al., 2012). Work motivation is measured to assess the organization's goals, behavioral persistence, and work-related intensity (Virgiawan et al., 2021; Arshadia, 2010).

Situational inputs, individual preferences, and relationships all have the potential to impact an individual's motivation to pursue a goal. Several incentives based on internal (self-evaluation) and external (activities, outputs, and consequences) elements, each weighted according to personal aims, might be combined to achieve the desired tendency (Barbuto & Story, 2011). The desired goal and the actual action taken might often be at conflict. As

a result, achieving the right balance of internal and external motivating elements will be useful (Farrell and Finkelstein, 2011).

Every company may reach a certain level because its people are sufficiently proud of their job, and increasing utility is an implicit motivation. Given that the value of choice may be a quadratic function of working hours, this hypothesis may be tested (Kattenbach et al., 2010). The terms motive and motivation have various connotations; in everyday language, the term motive is used in particular contexts. Psychologists commonly use this word to characterize those who believe there is a cause for everything they do (Yurchisin & Park, 2010). While some new task-oriented approaches to objectives show an increase in worker motivation, others complete tasks in any way to attain academic achievement or avoid negative feedback from others (Reio & Ghosh, 2009; Ryan, 2010).

The value of hope, hope, and self-determination are three motivational ideas that, when taken together, show how one's motivation may change in response to external conditions (Kenny et al., 2010; Setiyani et al., 2020). Staff motivation can be difficult to achieve, and even more difficult to maintain (Levy, 2013). Today, as firms compete more fiercely, it is increasingly difficult for them to create and implement initiatives that will keep employees motivated.

Furthermore, employee turnover is a global concern that all firms must address (Stanley, 2012). Job dissatisfaction due to a lack of motivation is one of the causes of employee turnover (Mosley, Pietri, and Mosley Jnr, 2012). Managers and leaders are increasingly agreeing that including effective motivating incentives is critical for promoting high performance (Cole and Kelly, 2011). As a result, for any business to achieve its planned goals, it must have a highly motivated workforce.

Motivation is a three-fold responsibility, not only that of the line manager. It lies on top management, the direct supervisor, and the employee (Bhuvanaiah and Raya, 2015). A manager's job in the workplace is to get things done through their people. To do this, the manager must be able to encourage the staff. As a result, everyone in a company should contribute to self-motivation.

As a result, keeping individuals motivated is essential for getting them to work hard. People nowadays need to understand why they are putting up so much effort. Every person in a company is motivated in some manner (Dobre, 2013). According to Dobre (2013), every employee in a company is driven in some manner. This means that managers must grasp the wide spectrum of motivating elements that drive their teams. By doing so, they may personalize their strategy to properly motivate each individual while also ensuring that they work hard to achieve organizational goals. Managers must communicate and offer feedback to workers on a regular basis so that they realize the importance of their job and how it contributes to the organization's overall performance. Employees will feel more purposeful and inspired to give their all.

Thus, the current study examines the effect of motivation on employee performance in Ethiopia taking evidence from ERA. This assist ERA management focus their attention on

employee motivation and uncover things that encourage people to meet the organization's goals. It also assist management understand how motivated people enhance their regular operations, hence increasing the organization's performance.

## **1.2 Statement of the Problem**

Employee motivation has a significant influence on individual and organizational performance. Low employee motivation has an influence on both individual and organizational performance. Employees that are highly driven are loyal, dedicated, and productive, providing outstanding services to the firm. Employers could utilize prizes for job well done and better organizational performance to inspire their employees (Sevanson, 2011).

Since any company must use physical, financial, and human resources to achieve its goals, employee motivation is essential. Incentives can help to optimize the use of human resources. This may be accomplished by improving employees' willingness to work. This will allow the public sector to make the greatest use of available resources. As a result, it increases productivity, reduces operating costs, and improves overall effectiveness (Grant 2008).

The workforce of a company determines its strength. Human resources must be handled with extreme caution since they are a one-of-a-kind resource that demands particular managerial attention and effort (Storey, 2013). Effective human resource management may significantly improve an organization's overall performance and success. Managers must recognize the value of growing and nurturing their personnel, as well as implementing ways to increase employee engagement and happiness. According to Markova and Ford (2011), true corporate success stems from workers' willingness to utilize their talents, expertise, and creativity to the advantage of the company. As a result, employee performance functions as a motivational factor. Organizations that invest in their employees and create a happy work environment may increase productivity, attract top talent, and gain a competitive advantage in the market. Employee motivation and performance are directly linked to a range of factors that support their physical and psychological needs.

Employee commitment to the organization is linked to increased productivity and organizational performance. Furthermore, an organization must be able to excite its employees and maintain their energy and drive in order to assure employee performance. Because losing an employee results in the loss of information, skills, and experiences, which can have a substantial financial impact on the company's expenses and client demands.

Bashir et al. (2014) found a relationship between employee motivation and performance. Furthermore, the study revealed that employee motivation and performance are impacted by intrinsic motivation and perceptions of employee training effectiveness. In contrast, the study conducted by these researchers did not include extrinsic incentives, which may have an influence on employee performance and motivation.

It is generally known that some employees who migrate from one company to another or who work in the same organization complain bitterly about a lack of motivation on the job. In order to reduce employee migration, some organizations raise their employees' wages and provide rent/vehicle allowances, while others employ various modes of employee retention, such as beautification of the working environment and appreciation. Based on the above assumption, one may conclude that the manner of incentive used to keep employees at their peak performance is subjective (George & Jones, 2013).

Ramita et al. (2015) identified that offering employees extrinsic rewards is simpler than giving them intrinsic ones in terms of boosting employee creativity in the short term by pushing them to work toward a specific corporate goal. The majority of operational people, who are critical to the organization's performance, would be disregarded in favor of management and industrial employees. Managerial staff, on the other hand, make judgments and are less concerned with incentive schemes because they are among the system's designers.

Salary, incentives, recognition, and job content are key sources of employee demotivation, according to the researcher's early assessment of the organization's motivating tactics.

According to the researcher's early findings, administration staff encounter a number of challenges with the presents they receive, both monetary and non-monetary. For example, it is said that the basic salary, advantages health insurance coverage, and loan restrictions are inadequate and unjust when compared to those of other Federal Government companies. Additionally, employees have claimed that the administration's present scholarship offers are insufficient. Also, because the Administration pays lower wages than other federal government entities, employee turnover is increasing. These and other variables contribute to employee dissatisfaction, absenteeism, a bad work attitude, and staff turnover.

A lot of research on employee motivation have been conducted by different researchers. For example, Kuwas (2020) evaluated the influence of motivation on staff performance at Majalengka Regency Education Office, using Participation, Communication, Recognition, and Delegated Authority as motivators. Al-Abbadi and Agyekum-Menash (2019) investigated the effect of motivating variables on construction professionals' productivity in Jordan.

The majority of study findings show a link between employee performance and motivation, however the conclusions about how this relationship influences performance differ. Because of disparities in economic, social, and cultural aspects, the findings and conclusions cannot be generalized globally. Moreover, the researcher observed subpar employee performance in ERA, and the road sectors study areas do not specifically address the researcher's opinions on the relationship between employee motivation and performance.

However, the focus of this study is on how motivation affected Ethiopian Roads Administration employees' performance. Given the challenges that managers have in improving employee performance, the primary research question for this study is: What is

the relationship between employee motivation and employee performance in the Ethiopian Roads Administration?

As a result, the researcher analyzed the aforementioned difficulties and attempt to undertake a study of how employees' motivation affects their performance.

Hence, this study would add value to the administration's mitigation measures for addressing poor employee performance caused by a lack of motivation.

### **1.3 Research Questions**

- Does Intrinsic Motivation affect performance of the Employee?
- Does Extrinsic Motivation affect performance of the Employee?

### **1.4 Objective of the Study**

#### **1.4.1 General Objective**

The general objective of the study was to check the effect of motivation on employees Performance in Ethiopia, taking evidence from Ethiopian Roads Administration.

#### **1.4.2 Specific Objective**

The specific objective of the study was stated as follows:

- To illustrate how Intrinsic Motivation factors affect employees performance
- To illustrate how Extrinsic Motivation factors affect the performance of employees.
- To examine the Administration's weakness and strength in order to strengthen its motivating practices for the optimum utilization of its employees potential.

### **1.5 Definition of Terms**

**Motivation:** According to Shanks (2012), motivation is "the act of providing motive that causes someone to act."

**Intrinsic Motivation:** "Comes from a person's internal desire to do something, motivated by such things as interest, challenge, and personal satisfaction" (Mc Gregor 2004).

**Extrinsic Motivation:** as "things that come from outside the person and include tangible rewards like pay and bonuses" (Mc Gregor, 2004).

**Performance:** "a continuous process for improving individuals' performance by using a variety of means to align actual performance with that desired." Kelly and Cole (2011).

### **1.6 Significance of the study**

The study is hoped to give a comprehensive idea about how employee performance is influenced by motivation in recent time. Furthermore, it is also expected from the study that it will be found helpful for the administration to pinpoint its weak points and develop and carryout plans based on the administration's advantage. Additionally, the study aims to explore the various factors that contribute to employee motivation, such as job

satisfaction and rewards systems. By understanding these factors, organizations can implement strategies to enhance employee performance and productivity.

The completion of this study will assist employers generate fresh perspectives on the motivation function in public sectors by designing better motivating programs that will help to increase individual and organizational performance. The study's findings are deemed critical for the Administration because they provide insight into how well employees are motivated and assist the Administration in determining how much its employees are working at their peak performance, which is critical for the Administration's ability to achieve its goals. Furthermore, the research will contribute to the body of knowledge already accessible on how employees are motivated. It will also help future academics who want to investigate the link between performance and motivation.

Understanding the relationship between organizational performance and motivational variables in general: Learn more about how highly motivated employees improve a company's overall success, including variables such as increased profitability, greater customer satisfaction scores, and lower employee turnover rates.

### **1.7 Scope of the Study**

Only the professional personnel of the Ethiopian Roads Administration who work in the main office were included in the study's purview. The study's objectives were to evaluate these employees' levels of job satisfaction and pinpoint the variables influencing their work performance. The researchers were able to acquire in-depth knowledge and insights that could be immediately implemented to enhance working conditions and productivity inside the business by concentrating entirely on this particular group. It is crucial to remember that the conclusions and suggestions might not be relevant to staff members in other divisions or districts within the Ethiopian Roads Administration. This is because it is challenging to cover every district in the nation, given the demography. However, the findings can serve as a starting point for further research and improvements in similar settings. Additionally, the researcher recommend conducting similar studies in different regions and departments to obtain a comprehensive understanding of the overall working conditions and productivity throughout the organization. By doing so, a more targeted and effective approach can be developed to address the specific needs and challenges faced by each group, ultimately promoting overall organizational success.

### **1.8 Limitation of the Study**

It is difficult to say that a single research study is completely accurate and comprehensive. The study has three significant flaws. Firstly, the sample size of the study was relatively small, limiting the generalizability of the findings. Secondly, the research design itself may have introduced bias, as it relied heavily on self-report measures. Lastly, the study failed to consider potential confounding variables that could have influenced the results, such as socioeconomic status or prior medical history. Therefore, it is crucial to interpret the findings of the study consider the need for further research to address these limitations.

In conclusion, the aforementioned limitations highlight the need for caution when interpreting the results of this study. While the findings may offer some insights into the research question at hand, they cannot be applied universally due to the small sample size. Additionally, relying solely on self-reported measures may have introduced bias into the data, reducing the overall reliability and validity of the results. Future research should aim to include a larger and more diverse sample, use objective measures wherever possible, and account for potential confounding variables to provide a more comprehensive understanding of the topic.

### **1.9 Organization of the Study**

There were five chapters in the study. The backdrop, problem statement, aims, research question, scope, and importance for starting this research project are all covered in chapter one. In Chapter 2, the study's current literature is examined to help readers grasp the topic of the investigation. The research approach utilized by the researcher to carry out the study is presented in Chapter 3. The conclusions and explanations of the study's conclusions are included in Chapter 4. In chapter five, the study's results are summarized along with suggestions for further research and solutions to the problem that was raised.

## **CHAPTER 2: RELATED LITERATURE REVIEW**

The purpose of this chapter is to review major theoretical and empirical works that have been referenced by various authors. The goal of the study was to determine how employee motivation affects performance by using the case of Ethiopian Roads Administration. It focuses on the historical context, ideas about motivation and performance, as well as the definition, kinds, characteristics, significance, outcomes, and theory of motivation.

### **2.1 Theoretical Literature Review**

#### **2.1.1 Concept and Definition of Motivation**

Many researchers tried to define Motivation in different times. This area is highly researched in different academic fields, for instance psychology, sociology, economics and the like. According to (Baron, Henley, McGibbon and McCarthy, 2012), Motivation is derived from a Latin word called "Movere" which means to move.

"Motivation" describes the reasons behind someone's actions. It is what motivates people to behave in certain ways. The process of starting, directing, and maintaining goal-directed activities is known as motivation.

The reasons behind someone's actions are referred to as their motivation. It is what motivates people to act in certain ways. The process of starting, guiding, and maintaining goal-oriented activities is known as motivation. For example, motivation is what helps you lose weight or gets you that promotion at work. To put it simply, motivation inspires you to do actions that move you toward your objectives. The biological, emotional, social, and cognitive elements that affect behavior are all included in the concept of motivation (Kendra Cherry, Everything Psychology Book, 2023).

According to (Jufrizen & Sitorus, 2021), motivation is the driving factor that causes a member of an organization to be eager to carry out a task and achieve his responsibilities. According to (Lantara, 2018), the term "motivation" is derived from the simpler word "motive," which refers to a catalyst, reason, or rationale for individuals to behave in a specific way. As a result, a motivating element is anything that nurtures or develops into an intentional cause. The researcher may get to the conclusion that motivation is an instinct that exists inside a person to do or not do anything in terms of actions to achieve organizational goals. This conclusion is based on the perspectives of these experts. Motivation is defined as "the way in which urges, drivers, desires, aspirations, striving, or needs direct, control, or explain human behavior." (Koontz and O'Donnell, 2015).

Motivation involves motivating and encouraging subordinates to work to accomplish shared objectives. A manager has to understand how and why employees behave in accordance with corporate standards. He must possess the knowledge necessary to complete a certain task with precision. The manager has a responsibility to create an atmosphere where employees can work as effectively as feasible (Sujan, 2023).

According to Indahingwati et al. (2019), Employee motivation is critical to completing the task assigned to them in accordance with the company's operating requirements. Motivation is the ability to guide one's behavior toward a certain objective. This drive is equivalent to deciding outcomes such as productivity, performance, and perseverance. People are motivated by the existence of autonomy support, which means that organizational administrators carefully analyze each action that is designed to benefit employees.

The most fundamental definition of motivation is desire (Baumeister, 2016). We want a change in our behaviors, attitudes, feelings, sense of ourselves, environment, and interpersonal relationships.

An individual must be internally motivated. Motivation, whether referred to as a need or a drive, is an internal condition in which we want for change, either in the environment or in ourselves. Motivation provides us with the drive and direction we need to engage with the environment in a flexible, open-ended, problem-solving manner (Reeve, 2015).

According to Joe Kelly, motivation is the process by which needs drive behavior toward objectives that will meet those needs. "Motivation means a process of stimulating people to action to accomplish the desired goals," states W. G. Scot. "The act of stimulating someone or oneself to get a desired course of action, to push the right button to get a desired result," said Michael J. Jucius. Francis (2012).

Motivation refers to all urges, wants, needs, wishes, and similar factors. To suggest that managers inspire their subordinates is to state that they do things in the hopes of satisfying these urges and desires and causing the subordinates to perform in the desired manner.

Thompson(2022) defines motivation as "any and every element of the root of human action from the beginning to the end," including attitudes, biases, urges, impulses, cravings, incentives, desire, wish, interest, will, intention, longing, and aim.

Motivation is the act of encouraging and engaging people to satisfy their needs. Their demands, as well as human and social needs, will be addressed if their energy is directed in this manner. If societal needs are addressed, it is reasonable to conclude that the objectives have been met.

It defines how a person is motivated at work to boost their desire and willingness to use their skills to attain organizational objectives. Robert Dubin defines motivation as "that which moves a person to act and sustains him in the course of an already initiated action." (P, 2020).

Motivation is the process of motivating someone to do something because they want to. It was long considered that motivation had to come from outside, but it is now acknowledged that everyone is motivated by a variety of influences.

Motivation is the impulse that prompts a person to begin and maintain an action. 'Motivation is a biological, social, or psychological condition that propels a person to perform a certain activity. 'Motivation is a desire that drives an individual to execute or

continue an action in response to the individual's needs and desires." (Motivation: Definition, Meaning, and Types, n.d.)

Compared to less motivated employees, motivated workers are more self-motivated and focused on autonomy and independence, which benefits them when it comes to growth chances (Demircioglu & Chen, 2019; Arshadia, 2010).

Motivation is the process of encouraging and persuading someone to act in a certain way. In the context of an organization, motivation is the process of pressing and motivating employees to give their all in order to achieve the goals of the company. Stated differently, it alludes to psychologically inspiring an individual to become more driven to perform and produce superior outcomes. In an organization, motivation may manifest itself in a variety of ways, contingent upon the expectations and desires of the person. These might include advancement, appraisal, recognition, and so on. For example, an assessment might motivate a worker to do better. The senior manager's praise might motivate another employee to do even better. (Definition of Motivation, n.d.)

Motivation has been defined as "the sum of the processes that influence the arousal, direction, and maintenance of behaviors relevant to work settings" in an organizational environment. Employee motivation at work is seen as significant since it drives action and effort in job-related tasks, such as employees' willingness to work hard to attain a common objective or receive a reward. When an employee is motivated, he or she exhibits enthusiasm for the job, as well as a strong desire to carry out and accomplish the tasks (Moran 2013).

People utilize motivation as a "driving force" to achieve their goals, satisfy their wants, and uphold moral standards. The crucial terms here are needs, values, and objectives, which serve as the foundation for motivation and conduct (Mullins 2002).

### **2.1.2. Types of Motivation**

There are two types of motivations: intrinsic and extrinsic. People's motivation varies according to where they live on the planet. Keeping the prior idea in mind, one should understand about various motivating techniques. It assists a person in appropriately categorizing their personnel with the appropriate motivation.

Each member is distinct, with various motivating requirements. Some people are more open to intrinsic, which means "from within," and complete all of their tasks in a subject they are enthusiastic about. Others, on the other hand, prefer extrinsic motivation, which permits them to finish challenging activities in exchange for a reward. Become an expert in recognizing which kind works best with which teammates.

As a result, by understanding and implementing effective motivating strategies, organizations may boost team productivity and work satisfaction levels. Identifying whether a person thrives on intrinsic or extrinsic motivation ensures that they are engaged and motivated to succeed in their jobs. This individualized approach to motivating creates a good work atmosphere and promotes individual progress inside the business. As a result,

managers must have the ability to identify the best motivational technique for each individual in order to effectively lead their teams.

### **2.1.2.1 Extrinsic Motivation**

Extrinsic motivation is motivated by advantages from outside sources. These might be material, like money or grades, or immaterial, like praise or reputation. Extrinsic motivation is only focused on external incentives, as opposed to intrinsic motivation, which originates from inside the individual.

People that are naturally driven will continue to work even if the task is not very fun. For example, someone may have to undertake an unpleasant duty at work in order to pay their bills. Extrinsic motivation is used in operant conditioning, which is the training of a person or item to do a certain behavior in exchange for a incentive or penalty. (How Does Extrinsic Motivation Influence Behavior?, 2022)

For instance

- Benefit package
- Bonuses
- Employee of the month award
- Job security etc.

### **2.1.2.2 Intrinsic Motivation**

Intrinsically motivated individuals are those who are motivated by personal fulfillment or happiness rather than external factors such as reward or punishment. It is possible to improve intrinsic motivation at work.

The act of doing something without any evident external rewards is referred to as internal motivation. Instead of being driven or under pressure from other causes, such as a deadline or a reward, you do it because it is interesting and enjoyable. (Intrinsic Motivation Theory: Overview, Factors, and Examples, n.d.)

Intrinsic motivation is defined as acts driven by internal incentives. Motivation to engage in a behavior stems from the intrinsic enjoyment of the activity, rather than a desire for a reward or a certain outcome. People are intrinsically driven when they can act autonomously, believe that their efforts are worthwhile, and derive joy from becoming more professional. Some examples are provided below.

- Acceptance: It's important to feel accepted by coworkers for ourselves and our decisions.
- Curiosity: Everyone craves knowledge.
- Social Status: We all want to feel significant.
- Social contact: Everyone needs interaction in their social life.
- Order: Everyone need to be organized.
- Power: Everyone have the desire to be able to have influence.
- Independence: Everyone need to feel we are unique.

- Honor: Everyone need to respect the rules and to be ethical.

### 2.1.3 Importance of Motivation

Several studies show that motivated employees outperform uninterested ones at work. Motivated employees are more innovative since they are always looking for new and better methods to complete a task. Employee motivation greatly influences an organization's capacity to execute effectively (Paul 2017).

Motivation's importance cannot be effectively expressed in one or more pages since it affects the entire organizational environment. The value of employee motivation may assist the firm in a variety of ways. Some of the benefits include;

- **Improves performance level:** - The incentive supplied by the organization creates a unique attitude and drive to work harder. They are also delighted with the accurate assessment of their job. All of these things will help an employee increase their performance.
- **Reduction in resistance to change:** Even if the financial benefits are measurable, no person wants to leave the firm if the work atmosphere, coworkers, and recognition are inspiring. As a result, there is less resistance to change inside the company.
- **Healthy corporate image:** The reputation of a business may also be used to assess the importance of motivation. If the company provided appropriate inspiration and motivation, its staff may establish a favorable perception of the brand.
- **Productive Utility of Resources:** Another finding that emphasizes the importance of motivation is the effective utilization of resources. If there are strong incentives in the workplace, the relationship will be successful. After then, everyone is free to talk on their benefits and drawbacks. Consequently, every resource is utilized to the greatest extent feasible.
- **Achievement of Goals:** - The effective utilization of resources is an additional outcome that emphasizes the importance of motivation. If there are strong incentives at work, the connection will flow smoothly. Then everyone may talk about their benefits and drawbacks. All resources are therefore utilized as effectively as feasible.

### 2.1.4 Factors of Motivation

No one works for free, and they shouldn't. Workers want to feel like they are getting a fair salary and other benefits, while employers want their employees to feel the same way (Sakiru et al, 2013). Motivational variables are strategies, rewards, and other things that increase an employee's overall drive to complete their professional tasks. You or your team can employ a range of incentive tactics to increase production and satisfaction. The success of a firm in Robbins' favor is significantly dependent on its employees' motivation, as well as their passionate and energetic conduct toward job completion (2003).

The research attempts to describe the factors in this area that motivate workers.

**Leadership styles:** - Leaders within an organization, including managers and supervisors, have a significant impact on employee motivation. Effective leadership techniques encourage employees to define goals and objectives for themselves in their jobs, strive toward those goals, and support employees in maintaining motivation during the course of their employment with the organization.

**Recognition and Appreciation:** - In a professional environment, recognition and gratitude are two essential components of motivation. Offering employees praise and congratulations not only helps them feel important and successful, but it also encourages them to keep up the efforts that result in the performance. When positive employee conduct is recognized more frequently, employees are more motivated to repeat similar actions. Well-known employees at work exhibit high levels of motivation and productivity. This is because highly motivated employees provide results that raise interest in engaging in such activities (Anwar & Qadir, 2017).

**Meaning and Purpose:** - those who feel that their job has a particular meaning and purpose tend to be more motivated than those who don't. Employees want to feel that their efforts are truly impacting the performance of the company and that their duties and successes help the firm as a whole growth.

**Positive Company Culture:** - An organization's culture may have a big influence on how motivated its people are at work. A good corporate culture that supports and routinely unites workers makes many of them feel more appreciated and makes their work more enjoyable.

**Professional Development Opportunities:** - Employees often feel more engaged at work when they have several opportunities for professional and personal development. Giving employees the opportunity to grow as people and improve their productivity at work creates a sense of accomplishment and pride that works as a strong motivation for employees. Furthermore, enabling employees to grow may eventually impact an organization's performance, resulting in a win-win scenario for all relevant parties.

**Job Advancement Opportunities:** - A clear path for job advancement is another way that employers may boost worker enthusiasm. If workers feel they are confined to a single role with no opportunity for growth, they are more likely to experience burnout and look for alternative jobs.

**Financial Benefits:** - Financial benefits can increase the overall job motivation of many employees, even if not all employees are driven by money. Providing many opportunities for workers to get financial prizes for their good work is a great way to boost motivation and give them a sense of accomplishment and gratitude. Financial incentives might include bonuses, pay increases, promotions, competitive benefit plans, and extra paid time off. This is an aspect that managers should consider, since it may be enhanced to increase staff motivation and productivity (Hassan et al. 2020).

**Training:** - "The methodical accumulation of abilities, mastery, ideas, or mentality results in enhanced performance" is the definition of training. In 2011. Lazzara and Bombelli.

People who are more pre-motivated to attend training based on their willingness to do so get higher learning outcomes than those who are less driven, according to Baldwin et al. (1991). Commeiras et al. (2013) state that traineeship is growing. Within the business sector, context training mostly refers to the process of teaching employees and equipping them with the know-how and abilities needed to integrate into their jobs and organizations. Since training teaches people how to perform their jobs and helps them grow their abilities, it increases employee motivation. In the current highly competitive world, every firm wants to gain a competitive advantage over its competitors. This is hard to do without worker engagement, thus management must use a variety of employee motivating strategies.

**Job Satisfaction:** - Parvin and Kabir (2011) studied the factors influencing work satisfaction in the pharmaceutical industry. They said that, although they are unquestionably connected, job satisfaction and motivation are not the same thing. They defined job satisfaction as a person's degree of job fulfillment.

According to Pantouvakis and Bouranta (2013), physical attributes and interaction elements are equally relevant in determining work satisfaction. Research by Wickramasinghe (2009) indicates that gender and tenure have a significant role in affecting work satisfaction. Thus, it may be said that job satisfaction is often determined by how well results meet or exceed expectations.

**Job Security:** - Yamamoto (2013) states that "performance will automatically be better if an employee perceives they will be rewarded for good work and their job is a secured one."

"With job security, an employee grows confident with the future of their career and they give their all to the organization's goals," claim Zhang and Wu (2004). Consequently, we may say that the strongest motivator is work satisfaction. It maintains a worker very stress-free and motivates him to give the business his best, which ultimately leads to profit maximization.

**Working Condition:** - Good work environments and favorable working conditions have been shown to increase employees' organizational commitment and job satisfaction (Jung and Kim, 2012). The team will put forth their best effort to enhance their work performance. Cheng et al. (2013) came to similar conclusions, demonstrating that age had moderating effects on the associations between psychosocial work situations and health. Having now identified or characterized the physical environment, it is critical to take notice of its elements or dimensions in order to comprehend the need for working circumstances.

Good working conditions are necessary for employees since their jobs require a lot of physical and mental effort. Poor working circumstances will only lead to subpar work output.

### **2.1.5 The Effects of Motivation on Employees' Performance**

No matter the challenges, workers will make an attempt to complete their finest work while making the most use of the resources at their disposal. A motivated individual is someone who dedicates all of their time and attention to completing a task (Wuryani et al., 2021).

As a result, there is a strong link between resources and outcomes. Good strategic planning delivers the best outcomes, or positive results; nevertheless, resource waste only has negative repercussions. According to Dewydar (2017), this relationship regulates, supports, and sustains the organizational life cycle. According to Pak et al. (2019), motivation is commonly defined as the idea of job motivation, motivation to work, and motivation to work beyond the legal retirement age.

According to (Sunyoto, 2015), motivation is vital because it encourages employees to work hard and joyfully in order to reach high levels of productivity.

Low morale and demotivation at work can be caused by a number of variables, which vary from person to person. As a result, poor employee motivation has a wide range of negative effects on worker productivity.

### **2.1.6 Theory of Motivation**

Several motivational theorists have been extensively researched, including Abraham Maslow (1979) and his hierarchy of needs, which provided insights into individual behavioral patterns. Frederick Herzberg (1993), who investigated job satisfaction, and Douglas McGregor (2008), whose theory identifies management styles that encourage and demotivate people, have conducted more influential research. Their research provides useful insights into the various aspects that influence employee motivation and satisfaction. Maslow's hierarchy of needs highlighted the significance of meeting fundamental physiological and safety requirements before addressing higher-level wants such as self-esteem and self-actualization. Herzberg's study clarified the distinction between internal and extrinsic motivators, emphasizing the importance of recognition, advancement chances, and meaningful work. McGregor's thesis defined two opposing management styles, thesis X and Theory Y, and examined their effects on employee engagement and production. These theorists' contributions have had a profound impact on our knowledge of workplace motivation and influenced managerial practices throughout the world.

Maslow's hierarchy of needs theory, McClelland's need theory, Vroom VIE theory, Adam's equity theory, ERG theory, Hertzberg's two component theory, and the current theory of motivation were selected as the most relevant content theories to study for the topic at hand. The study under review is based on Mac Clelland's Needs theory and Abraham Maslow's Hierarchy of Needs theory.

#### **Maslow's Hierarchy of needs**

Maslow says that human behavior is goal-directed. Motivation influences goal-directed behavior. Motivation allows requirements to be handled and consciously addressed. Maslow's Hierarchy classified requirements into five sorts or stages, ranging from the most fundamental to the most complex. People must first handle lower level demands before moving on to higher order ones. Satisfied needs will no longer motivate. Understanding where a person sits in the hierarchy is critical for motivating them. (2009; Jones & George).



**Figure 2.1:** Maslow's Hierarchy of needs; source (internet)

Each need must be addressed at each level of the Abraham Maslow hierarchy of needs before attempting to meet a need at a higher level, such that one follows after the other. This hierarchical structure implies that people must first meet their physiological needs, such as food, water, and shelter, before progressing to the next level of safety demands, such as personal security and financial stability. After these needs are met, people may concentrate on meeting their social wants, such as belonging and love. Individuals may only seek to achieve their esteem needs, which include earning recognition and developing a good feeling of self-worth, if they have a sense of belonging and acceptance. Finally, people can rise to the top of the hierarchy by pursuing self-actualization, which encompasses personal development, reaching one's full potential, and obtaining a sense of purpose.

### **Hertzberg's two-factor Theory**

Hertzberg classified needs into two main categories: hygienic factors and motivational factor. Hygiene factors are defined as the fundamental or extrinsic demands that must be satisfied in order to avoid employee unhappiness. Salaries, job security, working environment, and business rules are all important considerations. Motivating elements, on the other hand, are intrinsic needs associated with the job and can contribute to employee happiness. These elements include acknowledgment, accomplishment, accountability, and opportunity for growth and progress. Hertzberg's approach emphasizes the significance of addressing both cleanliness and motivational aspects in order to foster a good and stimulating work environment.

- Inadequate hygiene elements can erode motivation, but correcting them in most cases will not increase team motivation.
- Motivator elements are necessary in addition to hygienic aspects in order to encourage individuals.

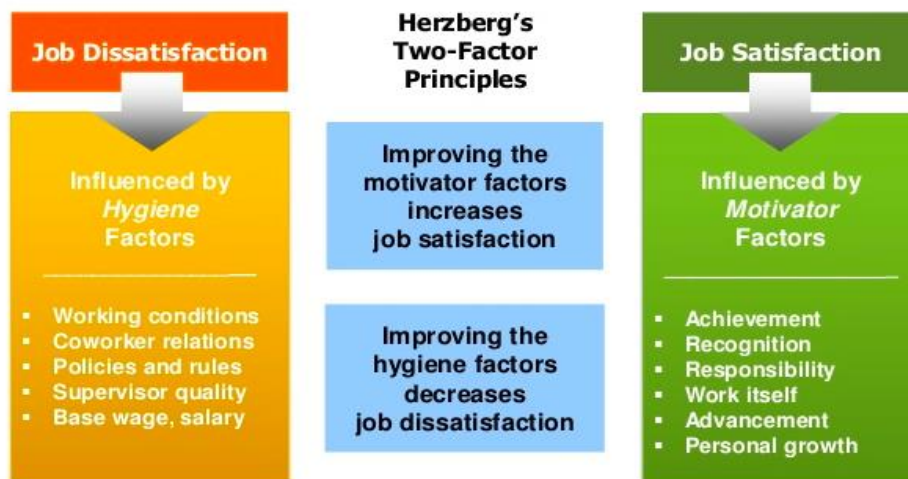


Figure 2.2: Herzberg's two factor theory; source (internet)

### Vroom's Theory of Expectancy

Vroom's expectancy theory of motivation states that a person's motivation is impacted by their future expectations. As a result, the following elements can influence someone's motivation. The idea that their efforts will result in desirable outcomes, as well as their appraisal of their value and confidence in their capacity to attain such objectives. In other words, if a person feels that their efforts will yield favorable results and values those outcomes, they are more likely to be motivated to strive toward obtaining them. Furthermore, if they believe strongly in their own talents to achieve their goals, their motivation will be enhanced. As a result, knowing and addressing these elements can be critical in motivating and maintaining motivation in individuals.

**Expectancy:** In this instance, the assumption is that working harder would improve things or lead to improved performance. This is affected by things such as:

- Having the appropriate resources available (e.g., raw materials, time)
- Having the appropriate management skills to do the job
- Having the required support to get the job done (e.g., supervisor support, or correct information on the job)

**Instrumentality:** The underlying presumption in this case is that I will gain something if you succeed. In other words, there is benefit for me if I do well. This is affected by things such as:

- A thorough comprehension of the connection between results and performance, such as the reward 'game' rules.
- Have faith in those who will make decisions about who will receive what results.
- The process's transparency determines who receives what results.

**Valence:** The degree to which a person values the anticipated result is known as their valence. Someone who is driven solely by money, for instance, might not be interested in offers of more time off.

$$\text{Motivation} = V * I * E$$

Due to their clear definition, the three components are significant when selecting one over the other:

- E>P expectancy: our assessment of the probability that our efforts will lead to the required performance level.
- P>O expectancy: our assessment of the probability that our successful performance will lead to certain outcomes.



Figure 2.3: Vroom's expectancy theory; source (Render & posts by Joshua Render, 2019)

### 2.1.7 Performance

Employee performance refers to how your workers act at work and how well they do the duties you have set them. "Your company typically establishes performance goals for both individual employees and the entire business in the hopes of providing good value to customers, reducing waste, and running smoothly (Employee Performance Definition | Bizfluent, 2019)."

"The key to success in every business is employee performance. Each employee must pursue the company's vision and objectives. There is no single, overarching guideline for how to manage, train, and motivate employees; rather, it varies each business. According to SHRM's 2020 report, more than 85% of employees do not feel engaged at work. To ensure staff productivity, businesses must figure out how to increase employee engagement (Periyasamy, 2020).

Performance management is an ongoing, year-round process of communication between the business and the supervisor of an employee aimed at helping the latter achieve its

strategic objectives. Setting clear expectations, establishing objectives and goals, giving feedback, and assessing outcomes are all parts of the communication process (Performance Management: Concepts & Definitions | People & Culture, n.d.).

The performance of employees is not explained by a single, comprehensive theory. How successfully businesses manage, develop, and support their workforces is a critical component of their operations (What Is Employee Performance? 2018).

There are several aspects to the idea of performance. They are capable of differentiating between contextual performance and task-related performance at the most basic level. Task performance is the capacity to finish tasks that support the "technical core" of an organization. Depending on the situation, its contribution can be direct (as in the case of manufacturing workers) or indirect (as in the case of managers or staff members). Contextual performance refers to actions that enhance the social, psychological, and organizational environments in which organizational goals are accomplished; these actions do not progress the technology base. Contextual performance includes suggestions on how to improve the effectiveness of company processes in addition to actions like lending a hand to colleagues or being a reliable employee.

Employee performance is a crucial aspect of any business as it affects customer satisfaction, the company's financial success, corporate culture, and employee retention rates. It relates to the standard, effectiveness, and efficiency of a worker's output and demonstrates the worth of that worker to the organization. Workers are an investment, and the return on that investment is based on how well they perform. Consequently, it is imperative that businesses consider employee performance when making choices (What Is Employee Performance? How to Measure & Improve 2023).

It is the responsibility of every manager to anticipate the efforts of his team members to become better motivators and leaders. Managers need to help mold and encourage their workers' behavior so that they may work successfully and efficiently. Therefore, a manager's ability to motivate their subordinates will depend on how well they understand the motivations of their workforce. In this case, the employer expects that employees will be capable, skilled, and competent in addition to being eager to work hard and achieve the best possible results (Harahap, & Tirtayasa, 2020).

Finding out on a frequent basis if an employee's efforts are in accordance with the goals and objectives of the organization is part of monitoring employee performance. Employee performance management now includes more than just annual reviews. It is always evolving. Evidence for moving away from an individual-focused performance management paradigm and toward one that prioritizes team performance was provided by a McKinsey study. The research tank's suggestions seem to be being followed by companies (Meaning, Definition, Nature, Types and Functions of Motivation, 2022).

Employees with a strong desire to advance in the company are probably capable of increasing productivity at work in order to support corporate goals, and vice versa. A manager who understands the role motivation plays in the workplace may help his

employees perform better and be more productive. When workers finish a task, their supervisors tend to show less appreciation for it. Conversely, a highly motivated worker also often does excellent work. As a result, attempts to raise employee performance must focus heavily on motivation (Rivaldo & Ratnasari, 2020).

Performance, according to Rosmaini & Tanjung (2019), is the result of the amount and quality of work that workers do while doing their duties in line with the responsibilities that have been delegated to them. High work satisfaction is closely linked to increased performance and employee loyalty to the organization. Employees are increasingly essential to the growth of the company, along with new products and initiatives. Performance within the company is impacted by job satisfaction. Stated differently, a quality business is one that provides its people with a respectable standard of living while they are at work and can foster their growth to enable them to become competent and capable workers.

## **2.2 Empirical Review**

Numerous scholars have investigated and empirically evaluated the factors influencing worker performance. According to a study by Helen Hiluf (2017), Africa Humanitarian Action (AHA) employed two different kinds of incentive programs to raise staff performance. The study's objectives and results indicate that, in the presence of good motivating conditions, both extrinsic and internal motivational factors have a considerable impact on respondents' performance.

Regardless of the challenges, employees will strive to perform to the best of their abilities and utilize all available resources. A motivated individual is precisely defined as one who gives their work their whole focus and effort to complete it (Wuryani et al., 2021). As a result, there is a strong relationship between results and resources. The best results, or positive outcomes, come from strategic planning; resource waste, on the other hand, only leads to negative outcomes.

Dewydar (2017) states that this relationship controls, upholds, and maintains the life cycle of organizations. Motivation is commonly defined as the notion of job motivation, motivation to work, and motivation to work past the legal retirement age, according to Pak et al. (2019).

Employee job satisfaction and reward systems are today's issues that affect every business. Any business that wants to advance to a new level must locate competent human resources and manage work to meet organizational objectives. Reward systems are the formulation and execution of plans and procedures intended to pay workers regularly and equitably in accordance with company principles. It also focuses on the design, implementation, upkeep, and communication of motivation procedures to help the business adopt it (Demir, 2020).

The enhancement of an organization's overall performance is facilitated by the development of a supportive and cooperative workplace culture and the formulation of an

effective compensation package for personnel. Taking into account the significance of human resources for an organization's success (Stefurak et al. 2020).

According to a health-care survey (Borst et al., 2020; Kontodimopoulos et al., 2009; Rubel et al., 2020), there may be some type of pay to boost the productivity and job satisfaction of medical and nursing personnel. Each healthcare practitioner might thus be more productive if there was a comparable incentive to increase his or her level of job satisfaction. This might improve the overall performance of the health unit, raising the quality of services provided.

Taylor (2010) did study on how employee motivation affects production. The study's purpose was to discover how motivation influenced worker performance. The major data gathering instrument was a questionnaire. The study found that success had a positive influence on worker performance.

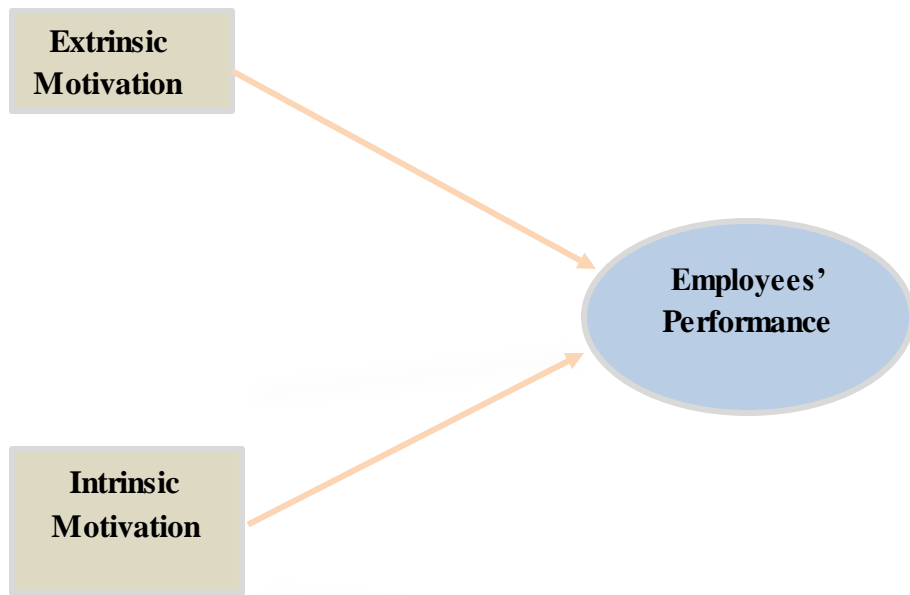
Some scholars emphasize the significance of employee recognition as a source of motivation (Syamsir, 2020). Indeed, it acts as a spur for personal development as well as a binding and complicating factor in working interactions. It is also critical for mental wellness in the office. According to Ali (2021), a lack of recognition is the second most common cause of occupational psychological suffering.

Job performance and employee appreciation are intricately related. High performance is the result of a partnership of job-related motivation and skill (Febrianti & Se, 2020). Employee gratitude raises morale, which improves productivity across the board for the business.

Many academics have attempted to demonstrate the relationship between employee performance and motivation based on empirical research that have been assessed. Even though there are several studies on employee performance and motivation, Ethiopian Federal Institutions, notably the Ethiopian Roads Administration, can't get enough of them.

### **2.3 Conceptual Framework**

In this study, employee performance is the dependent variable that is examined through the independent variables, which are motivation factors (intrinsic motivation and extrinsic motivation). The researcher was analyze how different motivational factors, such as salary, bonuses, recognition, and job satisfaction, impact employee performance. By examining both intrinsic motivation and extrinsic motivation, the study aims to provide a comprehensive understanding of the factors that drive employee performance. The results of this study could have significant implications for organizations looking to improve employee motivation and, in turn, enhance overall productivity and success. Understanding the relationship between motivational factors and employee performance is crucial for organizations striving to create a positive work environment. By analyzing salary, bonuses, recognition, and job satisfaction, the researcher was able to identify which factors have the most significant impact on employee motivation. This comprehensive study is provide valuable insights that can help organizations develop effective strategies to enhance employee motivation, leading to increased productivity and overall success.



**Figure 2.4:** Conceptual Framework

## **CHAPTER 3: RESEARCH DESIGN AND METHODOLOGY**

### **3.1 Research Design and Approach**

#### **3.1.1 Research Design**

The study employed both descriptive and explanatory research designs. A population, circumstance, or phenomena is intended to be correctly and methodically described through descriptive study. What, where, when, and how inquiries can be answered, but why questions cannot. A descriptive research strategy can study one or more variables using a wide range of research techniques. Explanatory study uses the limited knowledge that is available to investigate why something occurs. It aids in deepening our grasp of a subject, determining how or why a specific phenomenon is occurring, and making predictions about the future. As a result, in this instance, the researcher employs both descriptive and explanatory designs since he deemed both to be appropriate for the study in order to address the research questions and accomplish the objectives of the research. One counterargument could be that using both descriptive and explanatory designs may result in a lack of focus and clarity in the study, making it difficult to draw definitive conclusions or make accurate predictions.

#### **3.1.2 Research Approach**

The study follows a quantitative and qualitative research approaches. Questionnaire and semi-structured interviews were used to collect both quantitative and qualitative primary data. So that, the researcher was employ a mixed research strategy that combines quantitative and qualitative methods. This kind of research is based on the core idea that integrating qualitative and quantitative approaches leads to a deeper understanding of a research problem than either approach alone. The study was able to compile a wide range of data by combining quantitative and qualitative research methods. While the semi-structured interviews allowed for in-depth insights and personal experiences from the participants, the questionnaire gave statistically assessed numerical data. With the use of this hybrid research approach, the researcher was able to triangulate the results and develop a more comprehensive knowledge of the study topic. As the advantages of each technique balanced the disadvantages of the other, it also gave the data a deeper and more nuanced interpretation.

### **3.2 Target Population**

The study's population was Head Office employees in Addis Ababa, Ethiopia. The head office has 1324 employees, according to the HRM report. 1200 professionals from various organizational departments who made up the target population were included in the study because they provided the essential answers to the questions and acted as the study's source. The respondents were chosen for the research because of their skill and experience in the sectors in which they work, making sure that their comments were insightful and helpful. Following an analysis of the information gathered from these people, judgments and insights concerning the performance of the company as a whole and employee happiness were made. The study's conclusions can be regarded as typical of the Head Office population in Addis Ababa, Ethiopia, because to the studies vast and varied sample size.

### 3.3 Sampling Design

The total populations of the research include engineers and other employees found in the head office. Simple random sampling was applied to select the samples. As each population element has a known and equal chance of selection, simple random sampling is the simplest type of probability sampling because it must provide a known non-zero chance of selection for each population element.

This ensures that every individual in the population has an equal opportunity to be selected for the sample, minimizing any bias or favoritism. By using simple random sampling, the researchers can ensure that their sample is representative of the entire population, allowing for generalizations and conclusions to be made with greater confidence. Additionally, the known and equal chance of selection allows for statistical techniques to be applied accurately, providing reliable and valid results for analysis.

The sample size of the research is determined using the Slovin formula. This is commonly used in social science research. This formula takes into account the desired level of confidence, the margin of error, and the size of the population. By applying the Slovin formula, researchers can ensure that their sample size is representative of the population they are studying, reducing the chances of sampling bias. This method allows for a more accurate analysis and interpretation of the data collected.

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

Whereas

n = no. of samples

N = total population

e = error margin / margin of error

Thus, the known population size N= 1200

Assuming that a 95% confidence interval and the error level (e) is 0.05 which means 5%

$$n = \frac{1200}{1 + 1200 * 0.05 * 0.05}$$

**n=300**

According to the above formula the sample size taken from the target population is 300.

### 3.4 Sources of Data Collection

The study's production used both primary and secondary data. To properly answer the study topics, primary data is acquired from the original sources. The main techniques use to collect primary data was the staff interviews and questionnaires (both closed- and open-ended).

Additionally, the researcher conducted thorough literature reviews to gather secondary data from previously published studies and reports related to the study's topics. This combination of primary and secondary data sources allowed for a comprehensive analysis and a more robust understanding of the research subject. The use of primary data collection techniques such as staff interviews provided valuable insights from those directly involved in the field, while questionnaires offered a broader perspective from a larger sample size. The closed-ended questions helped to gather quantitative data, while the open-ended questions allowed for qualitative insights and in-depth responses.

Internal publications are those that are only available within the Administration. External publications are those that are available to the public. The Administration incentive systems, along with other frequently cited sources including the Internet and published books, were also used as references.

### **3.5 Data Collection Instruments**

The study examines how employees' motivation impacted their performance through observation and a questionnaire. A questionnaire is a research tool composed of many inquiries and other requests intended to gather information from respondents (Sir Francis Galton, 1997).

The list of observational instruments that follows is divided into categories based on how much an experimenter interferes with or modifies the environment. An important instrument for the development of a new good or service will be observation.

Observation plays a crucial role in the development of a new good or service. By closely observing the needs and preferences of potential consumers, companies can gather valuable insights that help them create products that truly meet customer demands. Through observation, businesses can identify gaps in the market, understand consumer behavior, and make informed decisions about product features and improvements. This allows them to develop goods or services that are tailored to their target audience, increasing the chances of success in the marketplace.

Furthermore, observation allows for a more accurate assessment of consumer satisfaction and feedback. By directly observing how customers interact with a product or service, companies can gather real-time data on its usability and effectiveness. This information is invaluable for identifying any flaws or areas for improvement, enabling businesses to make necessary decisions.

An important instrument for the development of a new good or service is observation. The list of observational instruments that follows is divided into categories based on how much an experimenter interferes with or modifies the environment.

A questionnaire was used to collect data on every relevant variable, and manager interviews was used to enhance it.

Thus, five scales The questionnaire used a Likert Scale with ratings of Strongly Agree (SA), Agree (A), Neutral (N), Disagree (D), and Strongly Disagree (SD). Because the study's participants are professional employees with a diploma or higher degree background, the questionnaires were generated and distributed in English.

### 3.6 Procedure of Data Collection

For this study, the researcher specifically constructed a questionnaire. The information was gathered via a structured questionnaire, particularly one that was self-administered. The questionnaire was also pretested with a sample of respondents before being sent to every employee. A letter was addressed to the responders ensures their confidentiality and is included with the questionnaire. The researcher employed the dump and pick later technique to boost returns (response rate).

The dump and pick later technique involves randomly selecting a portion of the questionnaires and mailing them back to the respondents after a certain period of time. This method helps to remind and encourage those who have not yet returned their questionnaire to do so. By using this technique, the researcher aims to increase the response rate and ensure a more representative sample of employee opinions and experiences. This systematic approach allows for a more accurate and comprehensive analysis of the data collected.

### 3.7 Reliability and Validity

#### 3.7.1 Reliability

Reliability in this context refers to how well the research tool maintains consistency. So, in order to guarantee the reliability of this study, the tool was pre-test and the questionnaire was restructured and redefine, and specific language was altered so that respondents could comprehend it. The questionnaires were reviewed by human resource experts and managers to ensure the reliability. Reliability test was conduct by using a Cronbach alpha.

When using Cronbach's alpha to describe internal consistency, it is generally understood that the range should be between 0 and 1. The internal consistency of the scale's items is inversely correlated with how near Cronbach's alpha coefficient is to 1.0. According to George and Mallery (2003), " $\geq 0.9$  - Excellent,  $\geq 0.8$  - Good,  $\geq 0.7$  - Acceptable,  $\geq 0.6$  - Questionable,  $\geq 0.5$  - Poor, and  $= 0.5$  - Unacceptable," are the general guidelines.

Table 3.1: Reliability Assurance Test

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
0.764	0.778	3

Source: (Researcher's SPSS output, 2024)

As it is revealed in Table 3.1, the results revealed that, the overall cronbach's alpha for the sub-categories is 0.764. As a rule of thumb, a value greater than 0.7, it is said to be, the value falls within an acceptable range. Therefore, the results are at the acceptable for further analysis.

### **3.7.2 Validity**

The degree to which the study's results are accurate study findings is referred to as validity. Hence, with the utmost neutrality on the part of the researcher, the research was given based on the actual results. Additionally, social science software was used to analyze the surveys in order to reduce any potential biasing effect and inaccuracy. In close collaboration with the adviser, the researcher was also make an attempt to ensure the reliability of the research instrument, incorporating any suggestions given by practitioners and subject-matter experts. The goal is to increase the measurements' content validity.

### **3.8 Method of Data Analysis**

Data sets were assembled, sorted, and coded to ensure the required quality, accuracy, and completeness. The data were analyzed using the Statistical Package for Social Sciences statistical software. Statistical methods of analysis include descriptive analysis as well as correlation and regression analysis via SPSS. The data collected through questionnaires were presented and interpreted using a descriptive analysis. Descriptive statistics, such as frequency distribution, were used to make the analysis more meaningful, clear, and understandable. To determine the relationship between the dependent and independent variables, a Pearson correlation and regression analysis was used. The quantitative data analysis method was used in the study.

### **3.9 Ethical Considerations**

The information was acquire from those who were willing to fill out the questionnaire, without engaging in any unethical action or utilizing compulsion. The researcher will only use the study's findings for academic pursuits; participant replies will remain anonymous and will only be evaluated in aggregate. Out of respect for past study or studies, the researcher also accurately credited any sources that will be used as a foundation.

## CHAPTER 4: DATA ANALYSIS AND INTERPRETATION

### 4.1 Introduction

This chapter presents the analysis and interpretation is based on data gathered from respondents regarding the impact of motivation on employees' performance in the Ethiopian Roads Administration. The data was examined in accordance with the study's objectives, using a statistical tool for descriptive analysis to produce frequency distribution tables and an inferential analysis to examine the correlation and regression of the results that were revealed.

### 4.2 Response Rate

A total of 300 questionnaires were distributed And Out of these, 262 responses were documented, with a response rate of 87%.

**Table 4.1:** Response rate

Item	No. of Distributed Questionnaires	Returned Questionnaires	Non-returned Questionnaires	Response rate
Number	300	262	38	300
			Percentage	87.33%

Source: (Researcher's SPSS output, 2024)

### 4.3 Demographic Profile of Respondents

This section displays the respondents' gender, age group, marital status, educational attainment, occupation, and employment history at the Ethiopian Roads Administration.

**Table 4.2:** Gender Distribution of Respondents

		Frequency	Valid Percent	Cumulative Percent
Valid	Male	177	67.6	67.6
	Female	85	32.4	100.0
	Total	262	100.0	

Source: (Researcher's SPSS output, 2024)

It is shown from the table above, of the 286 respondents, 177 (67.6%) were male, while 85 (or 32.4%) were female. This suggests that there are more men working for Ethiopian Roads Administration than there are women.

**Table 4.3:** Age of Respondents

		Frequency	Valid Percent	Cumulative Percent
Valid	below 25 yrs.	56	21.5	21.5
	25 - 35 yrs.	201	77.0	98.5
	36 - 45 yrs.	4	1.5	100.0
	Total	261	100.0	
Missing	System	1		
Total		262		

Source: (Researcher's SPSS output, 2024)

Result in Table 4.3 shows that, 56 respondents, or 21.4% of the total, are under the age of 25, which is the youngest age group. In the age category of 26 to 35 years, there were 201 responders, or 76.7% of the total. The other age range, 36 to 45, represents 1.5% of respondents with 4 in total. One person out of the entire sample size, or 0.4% of the sample, does not fit the age range. This outcome suggests that the company employs a young workforce.

**Table 4.4:** Marital Status of the Respondents

		Frequency	Valid Percent	Cumulative Percent
Valid	single	192	73.6	73.6
	married	69	26.4	100.0
	Total	261	100.0	
Missing	System	1		
Total		262		

Source: (Researcher's SPSS output, 2024)

As it is shown on the above table, Out of the total respondents 73.3% or 192 individuals are single while the rest 69 individuals are married which constitutes 26.3% of the total sample size.

**Table 4.5:** Educational Background of the Respondents

		Frequency	Valid Percent	Cumulative Percent
Valid	diploma	6	2.3	2.3
	degree	201	76.7	79.0
	masters	51	19.5	98.5
	Other	4	1.5	100.0
	Total	262	100.0	

Source: (Researcher's SPSS output, 2024)

The respondents in this study have qualifications ranging from a diploma to a master's, with a few exceptions. The majority of respondents (76.7%) have a degree, followed by those with a master's degree, who make up 19.5% of the total. Six of the respondents are diploma holders, while four of the overall sample size's participants have different educational backgrounds.

**Table 4.6:** Work experience of the respondents

		Frequency	Valid Percent	Cumulative Percent
Valid	below 5 yrs.	125	48.6	48.6
	5 - 10 yrs.	127	49.4	98.1
	10 - 15 yrs.	5	1.9	100.0
	Total	257	100.0	
Missing	System	5		
Total		262		

Source: (Researcher's SPSS output, 2024)

According to results depicted in the above Table 4.6 48.6% of the respondents had less than five years of work experience; while 49.4% of respondents worked for the company for between five and ten years. Only 5 people have worked for the company for between 10 and 15 years.

**Table 4.7:** Working positions of the respondents

		Frequency	Valid Percent	Cumulative Percent
Valid	Junior Engineer/Officer	48	18.8	18.8
	Engineer/Officer	64	25.0	43.8
	Senior Engineer/Officer	91	35.5	79.3
	Lead Engineer/Officer	49	19.1	98.4
	Team Leader	4	1.6	100.0
	Total	256	100.0	
Total		262		

Source: (Researcher's SPSS output, 2024)

The percentage composition of the respondents' positions in the organization is read as follows in light of the aforementioned table. Senior Engineer/Officer respondents make up 35.5% of the entire sample size, making up the majority of the respondents. With 25% of the overall sample size, respondents who work as engineers or officers are in second place. Lead Engineer/Officer is the third position that respondents hold, making up 19.1% of the whole sample size. Junior Engineer/Officer is the following job title held by respondents,

accounting for 18.8% of the sample size. Team leaders, who make up the final respondents, had a percentage of 1.6. According to the organization's personnel distribution, the majority of respondents appear to be seniors.

#### 4.4 Descriptive Statistics

Various statistical data analysis techniques, such as mean, standard deviation, frequency, and percentile, are used to examine the gathered data in this phase. All characteristics are rated on a 5-point Likert scale, with 1 is “strongly disagree” and 5 is “strongly agree.” All variables' descriptive statistics are compiled. According to the comparison criteria for the mean score on the five-point Likert scale, the mean scores between 1 and 1.8, 1.9 and 2.6, 2.7 and 3.4, 3.5 and 4.2, and 4.3 and 5 are referred to as Very low, low, Moderate, High, and Very High, respectively. The details of the analysis are as follows.

**Table 4.8:** Descriptive Statistics

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Extrinsic Motivational Factors	262	1.00	4.74	2.6600	.54788
Intrinsic Motivational Factors	262	1.00	4.75	3.1187	.61617
Employee Performance	261	1.00	5.00	2.7936	.79999
Valid N (listwise)	261				

Source: (Researcher’s SPSS output, 2024)

**Table 4.9:** Summary of survey Findings for Extrinsic Motivational Factors

Sub-categories used for evaluation	Rating point %					Remark
	1	2	3	4	5	
Recognition	13	28	31	24	4	Neutral
Reward	13	42	33	11	1	Dis-agree
Salary	13	38	30	17	2	Dis-agree
Job Security	8	29	31	25	6	Neutral

Source: (Researcher’s SPSS output, 2024)

According to the data gathered by the researcher, it is found that, 13% of the respondents strongly disagree, 28% disagree, 31% neutral, 24% agree and 4% strongly agree on the Recognition system of the administration. Based on the percentage of respondents for this specific category we can deduce that employees are neither satisfied with their recognition motivator elements nor dissatisfied with the recognition system that the administration is exercising. As a result, ERA should improve its recognition system for better employee performance.

From the gathered data through questionnaire, it is depicted that 13%, 42%, 33%, 11% and 1 % of the total respondents strongly disagree, disagree, neutral, agree and strongly agree respectively the reward system exercised by the Administration. Based on the percentage of respondents for this specific category we can deduce that employees are dissatisfied with the rewarding system that the administration is exercising. As a result, ERA should improve its rewarding system for better employee performance.

From the gathered data through questionnaire, it is depicted that 13%, 38%, 30%, 17% and 2% of the total respondents strongly disagree, disagree, neutral, agree and strongly agree respectively on the monthly salary system exercised by the Administration. In reference to the semi structured interview held with some of the respondents, the administration's monthly salary system which is currently employed is an outdated system that doesn't take the inflation in to consideration. As a result, several respondents suggest that, the administration should revise its salary system as they are suffering of the lower monthly income. Thus, we can conclude that the majority of Administration employees do not have positive attitudes towards the monthly income structure in place at the moment. This is because; they lack sufficient monthly income to perform their duties.

The raw data used for the analysis for this specific sub-category described by the average percentile of the statement of variables is 8%, 29%, 31%, 25% and 6% are scored for strongly disagree, disagree, neutral, agree and strongly agree respectively. This value reveals that the majority of the respondents in this analysis neutral with the job security system that is implemented in the administration.

In conclusion, the above stated sub-categories are summed up to make the extrinsic motivation factor which is proposed by the researcher to have an impact on the performance of employees of Ethiopian Roads Administration. As a result, based on the findings of the SPSS analysis as tabulated above on Table 4.8, the mean value for this independent variable is 2.66. As per the ranges classified, this value falls on the lower range. From this finding the researcher concluded that, the employees of the Administration are dis-content with the extrinsic motivation factor found in the Administration.

**Table 4.10:** Summary of survey Findings for Intrinsic Motivation Factors

Sub-categories used for evaluation	Rating point %					Remark
	1	2	3	4	5	
Competence	2.6	26.5	31.6	33.3	6	Agree
Interest	3.7	25.4	33.8	30.3	6.8	Neutral
Effort	2.7	21.3	39.9	31	5.1	Neutral

Source: (Researcher's SPSS output, 2024)

As per the data gathered from respondent, for the sub-category Competence, the percentages of respondents that strongly disagree, disagree, neutral, agree and strongly agree are 2.6%, 26.5%, 31.6%, 33.3% and 6% respectively. Based on the percentages stated the researcher concluded that, the majority of the respondents in this analysis are neutral with the Competence culture of the Administration. So, one can tell from this value the competence exercise of the Administration is normal.

From the total number of respondents of this study 3.7% strongly disagree, 25.4% disagree, 33.81% neutral, 30.3% agree and 6.8% strongly agree for the statement of variables under the sub-category of Interest. The respondents are neither content nor dis-content with the interest aspect as the majority of the respondents falls on the neutral range.

The last sub-category of Intrinsic motivation factor, Effort, The percentages of the respondents that strongly disagree, disagree, neutral, agree and strongly agree to the statements of variables are 2.7%, 21.3%, 39.9%, 31% and 5.1% respectively. Accordingly, the researcher concluded from these percentages majority of the respondents are neither content nor discontent with the effort aspect.

The independent variable intrinsic factor is an aggregate the above stated aspects. In relation to this, the researcher takes the raw data to SPSS for further analysis. Accordingly, the value stated under table 4.8 reveals that, the independent variable intrinsic factor has a mean value of 3.11. This value shows that, the employees of Ethiopian Roads Administration are neither satisfied nor dis-satisfied with the intrinsic motivation factor exercised in the Administration as the mean value falls on the moderate category.

**Table 4.11:** Summary of survey Findings for Employee Performance

Sub-categories used for evaluation	Rating point %					Remark
	1	2	3	4	5	
Performance	6.1	38.2	28.8	24.1	2.8	Dis-agree

Source: (Researcher's SPSS output, 2024)

The percentages of the respondents that strongly disagree, disagree, neutral, agree and strongly agree to the statements of variables under sub-category employee performance are 6.1%, 38.2%, 28.8%, 24.1% and 2.8% respectively. Besides, in the above table, Table 4.8, it is shown that the average mean score of ERA employee performance is 2.7936, which can be considered as moderate mean score. It shows that employees have average level of job performance because the mean value is considered as moderate.

Therefore, we can conclude that employees' of ERA have moderate/neutral level job performance because they are neither dissatisfied nor satisfied with those motivational factors which are incorporated in the aforementioned table. Besides, it is clear that the mean score is around the lower margin of the moderate range which reveals that if the employees are not motivated more their performances will dropdown to the lower range.

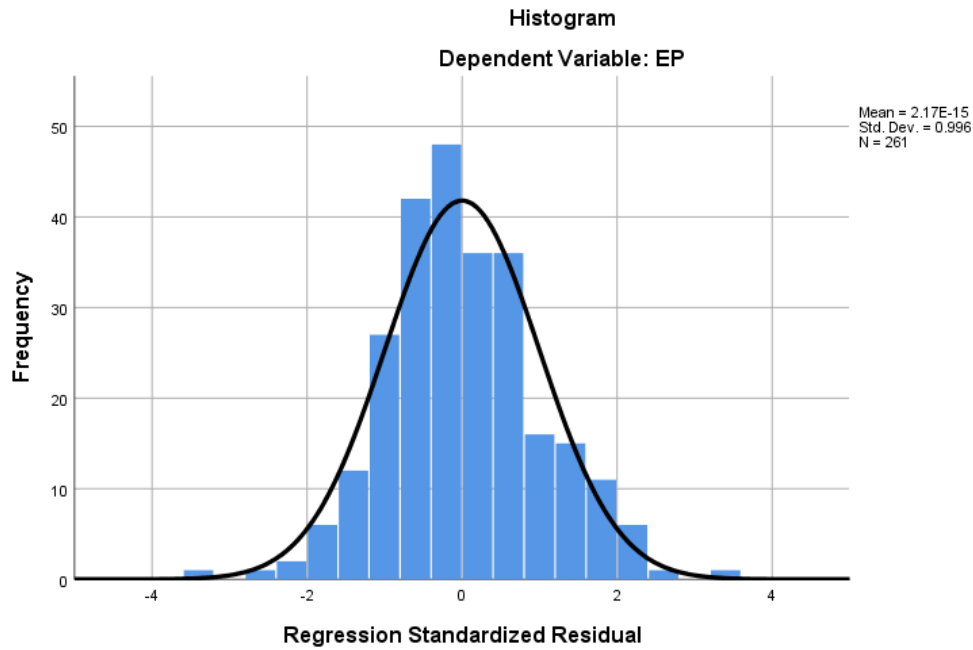
#### **4.5 Inferential Statistics**

In this part, the researcher used inferential statistics to assess the influence of motivation on employee performance. The researcher attempts to analyze the study's purpose by obtaining Pearson correlation coefficients and doing multiple regression analyses. The study is based on the data received from ERA employee respondents.

##### **4.5.1 Normality test**

To ascertain whether the residuals are regularly distributed, this presumption is applied. The Histogram can be used to verify this. The Histogram must be symmetrical along the center 0 for the study's normality assumption to be true. In this instance, the histogram is symmetric, showing that the five-point Likert scale's mean score serves as the basis for the normalcy assumption. The analysis's specifics are as follows.

**Figure 4.1: Normality test**



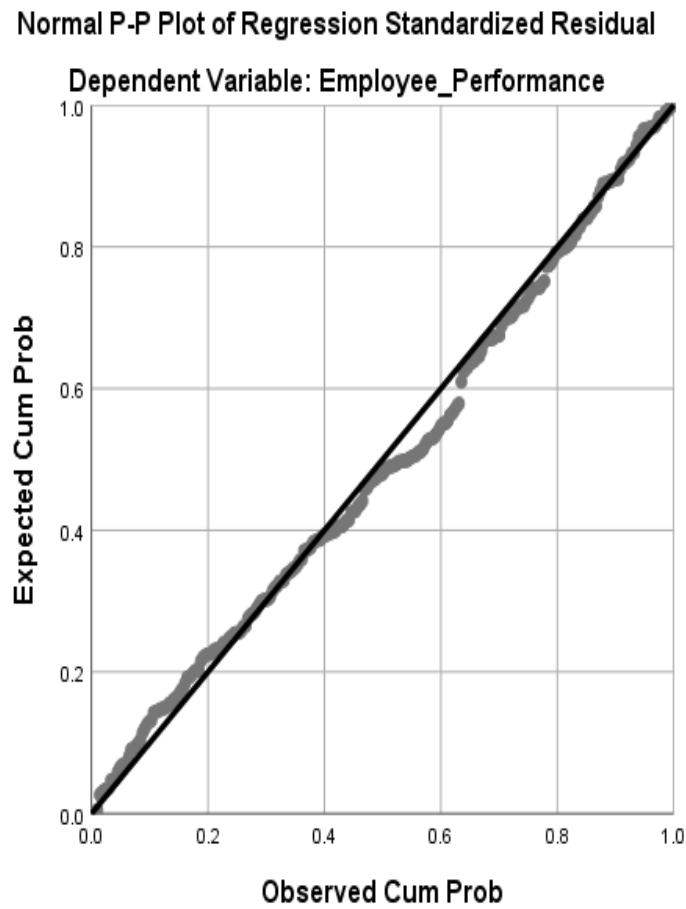
Source: (Researcher's SPSS output, 2024)

The histogram examines the residual's normalcy distribution. Basically, this histogram shows that the majority of the scores are located towards the middle of the distribution. The assumption of multiple regressions is thus satisfied.

#### **4.6 Linearity Test**

Employee motivation and performance are thought to be linearly connected. The scatter plot below shows a straight line as the outcome, indicating that there is a linear relationship between the variables in this study's independent and dependent variables. The premise of linearity is met because the plots include no evidence of non-linearity.

**Figure 4.2: Linearity test**



Source: (Researcher's SPSS output, 2024)

#### **4.6.2 Correlation Analysis**

As a result, the findings of the researcher for the correlation analysis is presented as follows

The correlation analysis for the 9 sub-categories grouped by the researcher is attached on the annex.

**Table 4.10: Correlation Analysis**

		Correlations		
		EMF	IMF	EP
EMF	Pearson Correlation	1	.504**	.587**
	Sig. (2-tailed)		0.000	0.000
	N	262	262	261
IMF	Pearson Correlation	.504**	1	.544**
	Sig. (2-tailed)	0.000		0.000
	N	262	262	261
EP	Pearson Correlation	.587**	.544**	1
	Sig. (2-tailed)	0.000	0.000	
	N	261	261	261
**. Correlation is significant at the 0.01 level (2-tailed).				

Source: (Researcher's SPSS output, 2024)

#### 4.5.2.1: Correlation between Extrinsic Motivation Factors and Employee Performance

The correlation between Extrinsic factors and employee performance was found as (R=.587\*\*), P-value=0.000 and p-value < 0.05. Thus, there is a strong positive relationship between direct Extrinsic factors and employee performance. As a result, for an increase in the value of Extrinsic factors there is a positive increase in the employee performance. Accordingly, the researcher rejected the null hypothesis which states that, extrinsic motivational factors have no significant effect on the employee performance and accepted the alternate hypothesis which states that, extrinsic motivation factors have significant effect on the performance of employees.

#### 4.5.2.2: Correlation between Intrinsic Motivation Factors and Employee Performance

The correlation between Intrinsic factors and employee performance was found as (R=.544\*\*), P-value=0.000 and p-value < 0.05. Thus, there is a strong positive relationship between Intrinsic factors and employee performance. As a result, for an increase in the value of Intrinsic factors there is a positive increase in the employee performance. Accordingly, the researcher rejected the null hypothesis which states that, intrinsic motivational factors have no significant effect on the employee performance and accepted the alternate hypothesis which states that, intrinsic motivation factors have significant effect on the performance of employees.

### 4.5.3 Multiple Regression Analysis

The researcher also performed multiple regression analysis in this part to determine the extent to which the independent variable explains the dependent variable. It is frequently used to determine the degree to which the dependent variable, employee performance, is impacted by the independent variables, extrinsic factors and intrinsic factors. Additionally utilized for forecasting and explaining the relationships between the dependent and independent variables is regression analysis.

Therefore, the researcher uses employee performance as a dependent variable, direct, indirect extrinsic factors, and intrinsic factors as an independent variable to assess the impact of motivation on employee performance at Ethiopian Roads Administration.

As a result, the researcher evaluates the beta coefficient, the ANOVA test result and the model summary. The outcome is presented as follows.

#### 4.5.3.1: Model Summary Analysis

**Table 4.11:** Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.0.713 <sup>a</sup>	.508	.505	.55645
a. Predictors: (Constant), IMF, EMF				
b. Dependent Variable: EP				

Source: (Researcher's SPSS output, 2024)

The value of R, which expresses the correlation between the actual and expected values of the dependent variable, employee performance, is 0.713, as seen in the table above. Additionally, it suggests that employee performance, extrinsic factors, and intrinsic factors are strongly positively correlated.

R square ( $R^2$ ) is the square which measures a correlation and indicates the percentage of the variance of employees' performance with the extrinsic Factors and intrinsic factors. Therefore, R Square = 0.508 indicates that 50.8% of employee performance is described by the predictor's (extrinsic Factors and intrinsic factors.) accordingly, this table reveals that the rest 49.2% is described by other factors which are not included in this study.

### 4.5.3.2: ANOVA Analysis

**Table 4.12:** ANOVA Analysis

ANOVA <sup>a</sup>						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	95.268	2	36.114	68.199	.000 <sup>b</sup>
	Residual	92.268	256	.360		
	Total	187.536	258			
a. Dependent Variable: EP						
b. Predictors: (Constant), IMF, EMF						

Source: (Researcher's SPSS output, 2024)

This model's significance was examined using an ANOVA (F-test). As it is shown on the aforementioned table, table 4.12, ANOVA Analysis, the model as a whole is significant ( $F(2,256) = 68.199, P=.000$ ). F test is a statistical test its purpose is to examine whether the independent variables, taken together, have a significant effect to the dependent variable.

If the significance value of the F statistic is small; that means smaller than the error margin 0.05, then the independent variables explain the variation in the dependent variable significantly.

It can be observed in table 4.12 above, there is a significant relationship between motivational factors (extrinsic Motivation and intrinsic motivation factors) and employee performance which indicates that the proposed hypothesis which states that there is positive and significant relationship between motivation and employee performance is accepted.

### 4.5.3.3: Coefficient Analysis

The coefficient value represents how much a one-unit change in the independent variable impacts the mean of the dependent variable while maintaining all other model variables constant. The capacity to evaluate one variable's influence independently of the others is enabled by the property of maintaining the other variables constant. (Jim Frost, <https://statisticsbyjim.com/regression/interpret-coefficients-p-values-regression>, 2023).

**Table 4.13:** Coefficient Analysis

Coefficients								
Model		Unstandardized Coefficients		Standardized Coefficient	t	Sig.	Collinearity Statistics	
		B	Std. Error				Beta	Tolerance
1	(Constant)	-0.241	0.224		-1.076	0.283		
	EMF	0.616	0.082	0.410	7.531	0.000	0.755	1.325

	IMF	0.444	0.071	0.341	6.273	0.000	0.755	1.325
a. Dependent Variable: EP								

Source: (Researcher's SPSS output, 2024)

The model for the relationship between extrinsic and intrinsic motivation factors with Employee performance can be seen as:

$$Y_i = \alpha + \beta_1 x_1 + \beta_2 x_2$$

$$Y_i = -.241 + .616x_1 + .444x_2$$

As a result, Employee Performance (Y) will be

$$Y = -.241 + .616(\text{Extrinsic Motivation Factor}) + .444(\text{Intrinsic Motivation Factor})$$

We can easily assess the relative contributions of each of the variables from the above table 4.13 by getting the beta value under the unstandardized coefficients. The greater the beta value, the stronger the contribution.

Extrinsic factors, which have a beta value of 0.616 at a 95% confidence level and a p-value of less than .01, are the most significant factor that significantly influences an employee's performance, according to the model's output presented in table 4.13. This shows that a unit change in the variable would result in .556 unit positive increase in employee performance. In relation to this the hypothesis, which states, Extrinsic factors significantly affects the performance of the employees is consistent and totally accepted.

Since the value of VIF is less than 10 there is no severe multi-collinearity exist in the model.

## CHAPTER 5: SUMMARY, CONCLUSION AND RECOMMENDATIONS

### 5.1 Summary of Major Findings

From the data analysis the researcher has found the following major findings;

The overall model statistics box of the dependent variable, employee performance, gave R value of  $R = 0.713$ , indicating good correlation between employee performance and the set of independent variables (motivational factors), which was done to verify the hypothesis using multiple regression analysis. Employee performance was the dependent variable, and the R square value for all independent variables in the model was 0.508, which explained 50.8% of the variation.

The conclusion that motivational factors have a favorable impact on employees' performance is thus corroborated by the overall multiple regression statistic of Employee performance which gives us a value of ( $R^2 = 0.508$ ). The dependent variable (employee performance) is predicted by the independent variables (which are divided into extrinsic and intrinsic variables) by 50.8%, leaving 49.2% of the variables in this study unexplained. As per the analysis done for each sub-category of motivational factors, the extrinsic motivation factor, reward, took the first rank in demotivating the employees for not achieving their optimum performance followed by salary.

In terms of Extrinsic motivating factors with ( $\beta = 0.616$ ) and a p value less than .01 indicates for a unit increase in the values of extrinsic factors, there will be a 61.6% increase in the dependent variable (Employee Performance). When we get in to Intrinsic motivating factors with ( $\beta = 0.444$ ) and p value less than .01 shows for a unit increase in the values of intrinsic factors, there will be a 44.4% increase in the dependent variable (Employee Performance), according to the Pearson correlation coefficient these factors have positive and significant relationships with the dependent variable (employee performance). Of these independent variables, the extrinsic motivating factors have the greatest impact on explaining employee performance. As a result, altering the aforementioned elements will have a significant impact on how well employees perform.

To test significance of this model ANOVA (F- test) was performed. It can be revealed above the ANOVA Analysis table, it is revealed that the model as a whole is significant ( $F_{(2, 256)} = 68.199, P = .000$ ). Hence, it is concluded that the proposed hypothesis which states that there is positive and significant relationship between motivational factors and employee performance is accepted. It also indicates there is positive and significant relationship between motivation and employee performance.

## 5.2 Conclusion

Motivational factors which are brought to study in this research are extrinsic and intrinsic motivating factors. These categories include other sub categories of motivational factors such as extrinsic motivational factors and intrinsic motivating factors.

Under extrinsic motivational factors Recognition, Reward, Salary and Job security, while under intrinsic motivating factors Competence, Interest, Effort. Those are thought to have an effect on the employee performance of Ethiopians Roads Administration.

Depending on the results of the study of Table 4.8, the Dependent variable, employee performance, with mean value of 2.7936 rests on the moderate range, which tells us the employees of ERA are neither satisfied nor dissatisfied with the execution of motivational practices within the organization.

However, if we try to see from the sub category of the study, the employees of ERA are majorly dissatisfied by salary and reward. Besides, as per the interviews made with some of the respondents; we can conclude that the salary policy executed within the organization is not capable to go forward with the current inflation occurred with in the country and recommended that it is better for the organization to revise its policy. Results of the analysis are attached as an annex at the end of the paper.

In addition to this, employees are neither satisfied nor dissatisfied with Recognition, Job security, Competence, Interest and Effort factor implemented in the organization. As per the interviews made with respondents, competence based on qualification is implemented even if it was started a few years ago.

Depending on the correlation analysis, there is a strong and significant relationship between the motivational factors and employee performance. Out of the total motivation factors extrinsic motivation factors contributes more for the current state of the employee performance in the organization.

When we come to employee performance, as per the findings of the study, the performance of employees of ERA falls on Moderate/Neutral level. If we take a closer look in to it, the score is around the bottom margin of moderate level, which indicates, the employees are not far away from dissatisfaction.

An organization needs motivation because it helps staff members embrace organizational changes, improves their level of performance, and lowers absenteeism and turnover.

Furthermore, the variations in employee performance are largely explained by the motivational factors mentioned above.

The results of this study show that employee performance and motivation are inversely related. The outcome logically implies that employee motivation will raise their degree of contribution to their work and, as a result, their level of performance. The employees could also perform considerably better than they are right now. Therefore, motivation is a toolkit

for energizing and rousing employee performance inside a certain organization and overall organizational productivity.

As per the results of the study, the Administration is doing its best on the working environment, which is the extrinsic motivation factor that improves the performance of employees. As a result, the employees of the administration state this factor as the strength of the Administration.

Investigating the impact of motivation on employee performance was the study's general objective. Therefore, based on the study's evaluation, increase in motivation in the workplace will lead to increase in the performance to do better job.

The study employed descriptive methods to evaluate the employee's motivation for carrying out their duties. Additionally, the study's findings indicate a relationship between employee motivation and performance, with performance increasing whenever motivation does.

### **5.3 Recommendation**

As per the findings of the study, among all of the motivation factors taken in to study the extrinsic motivation factor, Salary and Reward are the most demotivating factors for the sample under study. Hence, I recommend if the organization checks and adjust its current monthly salary policy or bring other modes of earning more incentives.

As per the findings of the study, among all of the motivation factors taken in to study the intrinsic motivating factors, Competence, Interest and Effort, are the desirable factors even if it falls on the moderate range. Therefore, it is suggested that improving those factors will lead to higher employee performance as those are the strength of the organization.

Based on the above analysis, the intrinsic motivation factor is slightly dominant than the extrinsic motivating factors. Thus, it is better to focus on extrinsic motivational factors to narrow the gap between the extrinsic and intrinsic motivation factors.

Based on the descriptive analysis the mean value of Employee performance falls on the lower margin of moderate level. As a result, if the process keeps on the same way for the future, it is doubtless that the employee performance will fail to the lower range. Hence, it is suggested that the organization should focus on motivating its employee in order to retain them.

As per the descriptive analysis of the premises used in employee performance, it is shown that all the mean values fall on the lower margin of the moderate range. So, it is better to implement the motivational factors in addition to the stated factors to improve the tardiness, working extra time, and overall performance of the employee. By incorporating motivational factors, such as recognition programs and reward, employees are more likely to feel valued and motivated to improve their performance. This can lead to a decrease in tardiness and an increase in productivity as employees are motivated to work extra hours when necessary. Overall, implementing these additional factors can greatly contribute to enhancing the overall performance and job satisfaction of employees.

It is better for the organization to keep on improving the working environment. This can be achieved by regularly soliciting feedback from employees and implementing their suggestions. By creating a positive and supportive workplace, employees will feel more motivated and engaged, leading to increased productivity and employee satisfaction. Furthermore, a better working environment can attract top talent and help retain skilled employees, ultimately benefiting the organization's success and growth.

## **5.4 Suggestions for Further Studies**

This study is limited to the employees in the head office of ERA. However, as it is discussed in the introduction part this organization has 11 districts and comprises more than 10,000 employees (including contract employees). Therefore, it is suggested that further researches can be done on the majority of the population of the organization. Besides, any interested researcher can engage on such research studies by increasing the factors of motivation. Finally it could be a motivator for interested researchers to employ a research in an organization that have a long duration in the country with the allocation of the nation's highest budget.

In addition, conducting research on such a large and diverse organization could provide valuable insights into management practices, employee satisfaction, and overall organizational effectiveness. The wide range of districts and employees can offer a rich sample for researchers to explore various aspects of the organization. Furthermore, with the organization's significant budget allocation, there may be ample resources available to support extensive research projects, making it an attractive opportunity for scholars and researchers.

In addition to this, as per the results of the analysis the value R square is 50.8% which shows there is 49.2% of variance between the dependent and independent variables. The researcher has stated one factor for achieving this value; i.e. the variables used in this study are not sufficient and respondents were not interested in filling the questionnaire as well. Therefore, it is my recommendation for future researchers to incorporate further variables that best describes the dependent variable and try to reach respondents who are very attracted and interested to cooperate as well.

## **REFERENCES**

- Adams, J. S. (1965). Inequity in Social Exchange, in L. Berkowitz (ed.), *Advances in experimental social Psychology*. Academic Press, New York
- Ahmad, M. B., Wasay, E., & Malik, S. U. (2012). Impact of Employee Motivation on Customer Satisfaction: Study of Airline Industry in Pakistan. *Interdisciplinary Journal of Contemporary Research in Business*, 4(6), 531-539.
- Albeiti, M. (2015). The Role of Motivation on Employees' Performance: The Case of Victoria Commercial Bank of Kenya. Unpublished MBA, Thesis. United States International University - Africa.
- Alderfer, C. P. (1972). *Existence, Relatedness, and Growth: Human Needs in Organizational Settings*. Free Press, New York
- Alexandria, V. A. (2009). 2009 Employee Benefits: A survey Report by Society for Human Resource Management, *SHRM Research Quarterly*, 1.
- Andreas, D. (2022). EMPLOYEE PERFORMANCE: The Effect of Motivation and Job Satisfaction. *PRODUKTIF: Jurnal Kepegawaian Dan Organisasi*, 1(1), 28–35.
- Arabian J Bus Manag Review 2017, Impact of Motivation on Employee Performances: A Case Study of Karmasangsthan Bank Limited, Bangladesh
- Arfah & Aditya, 2019; Nurhilalia et al., 2019; Firman et al., 2020
- Armstrong, M. (2007). *Employee Reward Management and Practice*. Kogan Page Limited London and Philadelphia.
- Asim, M. (2013). Impact of Motivation on Employee Performance with the Effect of Training: Specific to Education Sector of Pakistan. *International Journal of Scientific and Research Publications*, 3(9), 1-9.
- Bartol, K. M. and Martin, D. C. (1998), *Management*, 3rd ed., McGraw Hill, New York, NY, 268–279.
- Bennett, B. (2009). Challenging Maslow's Hierarchy of Needs, Retrieved from <http://www.billbennett.co.nz/2009/02/02/challenging-maslows-hierarchy-of-needs/> [accessed 11th Feb, 2014]
- Bratton, J., Callinan, M., Forshaw, C. and Sawchuk, P. (2007) *Work and Organizational Behavior*, Palgrave Macmillan, Basingstroke.
- Brian C. Cronk, 2017, *How to Use SPSS®: A Step-By-Step Guide to Analysis and Interpretation*
- Burns, L. R. and Alexander, J. A. (2020) 'The Impact of Employee Motivation on Organizational Commitment: The Impact of Employee Motivation on Organizational Commitment', *European Journal of Business and Management*, 9(15), pp. 134–137.
- Campbell, Brandit T. Northcentral University ProQuest Dissertations Publishing, 2022: *The Impact of Motivation on Employee Performance: (A Correlational Study.)*

- Chartered Management Institute. (2001). „Motivating Your Staff in a Time of Change“, Management Checklist 068, Portland Place.
- Cofer, C.N. & Appley, M.H. (1968). Motivation. New York: John Wiley & Sons, Inc.
- Cole, G. A. & Kelly, P. (2011). Management Theory and Practice. London, UK: Cengage.
- Colquitt, J., Lepine, J. & Wesson, M. (2014). Organizational Behavior: Improving Performance and Commitment in the Workplace. New York, NY: McGraw-Hill.
- Condly S., Clark, R. & Stolovitch, H. (2008). The Effect of Incentives on Workplace Performance: A meta-analytic Review of Research Studies. Performance Improvement Quarterly, Volume 16 Issue 3, 46 - 63.
- Frank E. Harrell & Jr. second edition, (2015): Regression Modeling Strategies: With Applications to Linear Models, Logistic and Ordinal Regression, and Survival Analysis,
- Frey, B. & Osterloech, M. (2002). Successful Management by Motivation –Balancing Intrinsic and Extrinsic Incentives. Zurich: Springer.
- Govender, M., & Bussin, M. H. (2020). Performance management and employee engagement: A South African perspective. SA Journal of Human Resource Management, 18(1), 1–19.
- Kalogiannidis, S. Vol. 8, Iss. 3, pp 984 – 996. September 22, 2021, Impact Of Employee Motivation on Organizational Performance. A Scoping Review Paper for Public Sector
- Khaltumi S.G Mustapha, The Impact of Motivation on Employee’s Performance in some Public and Private Schools in Talata Mafara
- Marc S. Paoletta, 2018, Linear Models and Time-Series Analysis: Regression, ANOVA, ARMA and GARCH
- Nkafu Fondu Fomenky, Soongsil University, 2015: The Impact Of Motivation On Employee Performance
- Osei, M. (2011). The Effect of Motivation on Employee Performance in Ghana Education Service: A Case Study of Angel Educational Complex. Unpublished MBA, Thesis. Institute of Distance Learning, Kwame Nkrumah University of Science and Technology.
- Purnama., I., Nyoto., & Komara, A. H. (2019). The Influence of Leadership Style, Work Motivation, and Work Environment on Job Satisfaction and Employee Organizational Commitment in Pelita Indonesia Pekanbaru College. Procuratio: Jurnal Ilmiah Manajemen, 7(2), 152–164.
- Re’em, Y. (2011). Motivating public sector employees: An application-oriented analysis of possibilities and practical tools. Hertie School of Governance Working Papers, 60, 1-17.
- Richard, (2014). The effect of motivation on employees’ performance: empirical evidence from the brongahafo education directorate. School of business, KNUS
- Ryan, R. M., & Deci, E. L. (2000). Intrinsic and Extrinsic Motivations: Classic Definitions and New Directions. Contemporary Educational Psychology, 25, 54-67.

- Saunders, M. N. (2011). *Research methods for business students* (5th ed.). London, UK: Pearson Education
- Shahzadi, I., Javed, A., Pirzada, S. S., Nasreen, S., & Khanam, F. (2014). Impact of Employee Motivation on Employee Performance. *European Journal of Business and Management*, 6(23), 159-167.
- Siddiqui, Danish Ahmed and ul Rida, Noor, Impact of Motivation on Employees Performance in Pakistan (2019). Rida, N. and Siddiqui, D. A. (2019). Impact of Motivation on Employees Performance in Pakistan. *Business Management and Strategy*, 10(1), 1-22.
- Steers, R. M. & Porter, L. W. (2011). *Motivation and work performance*. New York, NY: McGraw-Hill.
- Suryamas Elsindo Primatama.(2022),*International Journal of Artificial Intelligence Research* Vol. 6, No. 1, June 2022, The Influence of Training, Work Environment and Career Development on Work Motivation That Has an Impact on Employee Performance at PT.
- Tahiri, Alberta and Kovaci, Idriz and Dimoska, Tatjana and Meha, Arbresha (2022) Impact of Motivation on Employee Performance in the Hospitality Industry. *Quality Access to Success*, 23 (187). pp. 58-64.
- T Bhuvanaiah, P J S J O I M & R, Raya, Mechanism of improved performance. *Intrinsic motivation and employee engagement*, volume 12, 2015
- Uzona, U. R. (2013). Impact of Motivation on Employees Performance: A Key Study of Credit West Bank Cyprus. *Academy of Management Journal*, 15, 2-29.
- Van Niekerk, W.P. (1987). *Eietydse bestuur* (Contemporary management).
- Vroom V, (1964). *Work and Motivation*. Malabar, Florida: Robert E. Krieger Publishing Company
- Vroom, V. H., (1969), in J. Steven Ott, (1989), *Classic Readings in Organisational Behaviour*, Brooks/Cole Publishing Company, Pacific Grove, CA.
- Wahba, M. A. and Bridwell, L. G. (1976). Maslow Reconsidered: A Review of Research on the Need Hierarchy Theory, *Organizational Behavior & Human Performance*, Vol. 15(2), Apr 1976, 212-240.
- Weber, R. P. (1990). *Basic Content Analysis*. Sage, Beverly Hills, CA.
- Yang, H. (2008). Efficiency Wages and Subjective Performance Pay. *Economic Inquiry*, 46(2), 179-196.
- Yazıcı, N. K. (2008). *The Effect of Reward System Applications on Employee Performance in Service Sector*. Unpublished MBA, Thesis. Marmara University, Institute of Social Sciences

**APPENDIX**  
**QUESTIONNAIRE**

**Addis Ababa University**

**College of Business and Economics**

**Department of Management MBA Distance Program**

Letter of Introduction

Dear Respondent,

Being a graduate student in the Department of General MBA Program, I am currently conducting a thesis on employee motivation. In order to research the effect of employee motivation on employee performance in your organizations, I would like to get some information from you as part of my thesis.

Please take a moment to answer the accompanying questionnaire as truthfully as you can. You are only being asked for information for academic purposes. Your name and signature are not required because I will consider all of the information you supply as confidential. Your truthful responses to this questionnaire will help to produce data that will aid organizations in increasing employee motivation.

I appreciate your cooperation in advance. Please provide your feedback by checking the box that corresponds to your response. If you have any queries about the questions in this questionnaire, please don't hesitate to phone or email me. There is no right or wrong responses; what is required is your judgment based on your individual experiences.

Yours Sincerely,

Tel: +251923598031

Email: [abelt3589@gmail.com](mailto:abelt3589@gmail.com)





4.3	I am happy with my employment because I have a Job Security.					
-----	--	--	--	--	--	--

**Section 3:** This section focuses on the traits of Intrinsic motivating factors for employees and how they affect work output. Please rate how much you agree with each statement using the key below, which is used to measure employee performance.

Please use: SA – Strongly agree      A - Agree      N – Neutral  
D – Dis-agree      SA – Strongly Dis-agree

I No.	Intrinsic Motivation Factors that Motivate Employees	SA	A	N	D	SD
1	Competence					
1.1	I am satisfied with my performance at my workplace.					
1.2	I think I do pretty well at my work, compared to others					
1.3	I am a team player and have managed a team in a difficult situation.					
1.4	I feel that I have the opportunity to grow in this company by my performance.					
2	Interest					
2.1	My team inspire me to do my best at my work place.					
2.2	I'm often do my work during vacation days.					
2.3	The majority of my organization's personnel like their jobs.					
2.4	I feel comfortable and secure because of the environment that the company has created.					
3	Effort					
3.1	I can learn new skills at work to advance my career.					
3.2	I do my best at my work place to meet the job goal and objects.					
3.3	I always try to put my effort to improve the company work culture in a positive way					
3.4	It is essential for me to accomplish effectively at the workplace.					

**Section 4:** Employee performance; Please rate how much you agree or disagree with the following statement. Please use the same measurement scales as the above tables.

I No.	Employee Performance	SA	A	N	D	S D
1	I saw that there is a lower degree of employee turnover as a result of the Organization's incentive practices.					
2	In comparison to other workers who work in other organization and have comparable qualifications, I perform better due to the motivational practice exercised in my organization.					

3	I can confirm that the Organization's motivating exercise assisted me in cutting down on tardiness and absences.					
4	Because of the Organization's motivating program, I've been more inclined to put in extra hours at work.					
5	The motivational program of the Organization raises my performance evaluation score.					
6	My accomplishments, competences, commitments, and general performance all improve as a result of the organization's motivational practices.					

**Section 5:** Open-ended questions (Interview questions)

1. How do you describe the exercise of motivating employees in your organization?
  
2. There are two types of motivation namely **extrinsic motivation** which involves doing something because you want to earn a reward or avoid punishment and **Intrinsic Motivation** which involves doing something because it's personally rewarding to you. Regarding this, how well are those types of motivations are implemented in your organization? Which type of motivation do you think is better?
  
3. Please indicate some of the motivation factors that your organization implements? Do you think it helps?
  
4. Please mention any motivational factors that you recommend to be implemented in your organization and factors that demotivate you as well?