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ASSESSMENT OF EFFECTIVENESS OF EMPLOYEE MOTIVATION STRATEGIES ON EMPLOYEES' PERFORMANCE: THE CASE OF ETHIOPIAN ELECTRIC POWER ENTERPRISE.

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By AkaluWondimu

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Letter of Certification

This is to certify that this research paper titled, **"Assessment of Effectiveness of Employee Motivation Strategies on Employees' Performance the Case of Ethiopian Electric Power Enterprise (EEP).",** undertaken by AkaluWondimu andsubmitted in partial fulfillment to the requirements of master's of degree in human resource management

AtAddisAbabaUniversity, is an original work and not submitted earlier for any degree either at this university or any other university.

_____

Abdurazak M. (PhD)

Research advisor

Letter of Declaration

I, AkaluWondimu, declare that this work titled **"Assessment of Effectiveness of Employee Motivation Strategies on Employees' Performance the Case of Ethiopian Electric Power Enterprise (EEP).",** is my own effort and study and that all sources of materials used for the study have been duly acknowledged. I have produced it independently except for the guidance and supervision of the research advisor.

This study has not been submitted for any degree in this University or any other universities. It is offered for the partial fulfillment of the MA degree in Human Resource Management [HR].

AkaluWondimu

Researcher

Abstract

The study was about concerning Ethiopian Electric Power enterprise of the major problems are the issue of motivation and retention, that why are so many voluntary resignations among the employees. The main objective of this study was to assess the effect of motivational strategies on the employees' performance of EEP enterprise while the specific objectives were: to identify the existing motivational packages; to identify motivation packages influence employee performance; to assess the managers' perception of what motivate employees? And identify other effective motivational package in order to enhance the performance of the selected EEP employees. The study was based mainly on Primary data in form of questionnaires, interviews for these purpose 317 respondents selected from Ethiopian Electric power head officeusing the stratified sampling method. The population of the study was 1817 workers from different departments. The study used descriptive statistics (frequencies, mean, and percentages) to answer the research questions posed for the study. Chi-Square Test was used to test the significant relation between employee motivation strategies and employees performance. The result obtained from the analysis showed that there existed relationship between employee motivation and the organizational performance. The study reveals that: financial motivational strategies given to employees in an enterprise had a significant influence on the employees' performance; non-financial motivation strategies had no significant influence on employees performance; enterprise motivation strategies were not inconformity with employees expectation and EEP enterprise employees prefer financial motivation strategies then non financial motivation strategies. This is in line with Maslows hierarchy theorywhich emphasizes that proper in the remuneration package and Vroom's expectancy theory which states that individuals make choices based on their perceived expectancy that certain rewards will follow tend to produce higher performance from employees. The researcher recommends enterprise should adopt extrinsic rewards in their various departments to increase employee performance. On the bases of these findings, employers are continually challenged to develop pay policies and procedures that will enable them to attract, motivate, retain and satisfy their employees. The researcher therefore suggest that more research should be conducted on the relationship and influence motivational strategies on employees performance using many private and public organizations which will be a handy tool that could be used to provide solutions to individual conflict that has resulted from poor motivation system.

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CHAPTER ONE

INTRODUCTION

The researcher has identified and clearly indicated the major problem which is focused on the assessment of motivational strategy influence on employee performance. Therefore, based on this background of the study, statement of the problem, general and specific problems of the study, research questions, hypothesis, significance of the study, scope and limitations of the study, and definition of terms were clearly incorporated in this chapter.

1.1. Background of the Study

One of the most important factors that move every human being to achieve his or her goal is motivation. Indeed, motivation is that guiding principle that enables people to stay focused on the path of success regardless of the challenges that may be encountered. This includes personal as well as professional goals and targets (Baumeister & Voh, 2004). Kovach (1987) supports this suggestions by saying different factors motivate individuals and teams differently. Some people are motivated by money, others by the opportunity for professional development, understanding what factor or factors motivate your employee is key to gaining the human resource advantage that leads to success in our challenging work place. Discovering what motivates your staff is one of the most challenging aspects of management. Everyone is motivated, but for their own reasons, not necessarily yours.

Public-sector organizations are under constant pressure to improve their productivity and reduce their costs. Because public sectors often have missions with brooder scope and more profound impact than is typically found in the private sector (Balwin 1984). The public sector context may found it easier to constrain employees from doing anything wrong than to motivate them to do something right (Behn 1995; whorton and worthily 1981). Regarding organizational rewards, two studies have shown that employees in public organizations perceive a weaker relationship between extrinsic rewards such as:

pay and job security and performance than do employees in private sector organizations (Porter and Lawler 1989; Rainey 1983). But a better understanding of work motivation is essential to any efforts to describe, defend, or improve the efficiency and effectiveness of public organizations

The Ethiopian Electric Power as public enterprise was established for indefinite duration by regulation No. 302/2013, and the rights and obligations of the Ethiopia electric power corporation re-established under council of Ministers regulation No. 170/2009 which is directly related to its power generation, transmission and substation activities are transferred to the EEP enterprise. The existing annual electricity production capacity of the Ethiopian Electric power (EEP) is about 8000GWh and the number of customers is about 1.9 million. Even if the number of customers has increased by more than 20 percent annually, EEP cannot meet the need for electric power. The enterprise, therefore, ought to think about it and work hard strategically to meet the power supply need of the socio-economic development of the country. Because of this EEP should have made every effort in recruiting and motivating its human resource. This study assesses the impacts of Ethiopian Electric power (EEP) motivational strategies implemented on employees. It is based on ideas of motivation strategies. The study identifies the set of motivational packages that the organization is implemented. It has been proposed that high motivational strategies practices are not only beneficial for the employee but also for the organization productivity. The study aim to observe the impact of the organization different motivational strategy packages, which are: bonus, promotion, Salary increments, supervision of others, and etc.

The main focus of this thesis is to assess the effectiveness of EEP motivation strategies on employees' performance at work and practical guidance for the management to reduce the knowing-doing gap when improving and implementing the motivational strategies. This study also offers significant insight to the employees' attitudes and satisfaction towards the motivational strategies in use and the level of motivation the employees feel to have.

Therefore, the research believe the finding of this thesis can be applied generally and could be used as a starting point by enterprise, to make available what their employees prefer in their job.

1.2 Statement of the Problem

Effective employee motivation has long been one of management most difficult and important duties. Success in this endeavor is becoming more challenging in light of organizational trends to downsize and in relation to the demands associated with managing a diverse workforce (Kreitner and Kinicki 1992). Employee motivation is a complex process as individuals are complex, diverse and often difficult to predict.

Managers may lack knowledge in implementing successful motivational programs that increase performance and create a positive work environment. Although there are many types of motivation, management must identify with their associates (employees) on an individual level for successful programs. The objective of every manager is to increase production and efficiency to reach maximum results for the organization. Motivation for better performance depends on job satisfaction, achievement, recognition, and professional growth (Boyett and Boyett, 2000). Providing a positive motivational work environment is a challenging managerial activity. Concerning EEP one of the major problems is the issue of inefficient motivation strategies it has, that why are so many voluntary resignations among the employees. If the organization wants these individual to succeed and stay with the company, it must provide a motivational Strategy that motivates them to do so.

Therefore, as research question to answer what the enterprise strategies to motivate employees; the effectiveness' of the motivational strategies and what actually motivate employee the researcher assess the effectiveness of enterprise financial and non financial motivational strategies on employees' performance in the case of Ethiopian electric power enterprise (EEP)

1.3 Research Questions

The research will address the following specific questions:

i) What are the employee motivational packages at EEP enterprise?

ii) Which employee motivational factors affect the performance of EEP enterprise employees?

iii) In what ways do the enterprise motivational packages affect performance of EEP?

vi) What are other motivational factors (strategies) that employees' prefer than existing?

V) How managers perceive the essentiality of motivational strategies?

1.4 Objectives of the Study

In trying to find answers to the research questions, and on the basis of the above back ground discussion.

1.4.1. General Objective

The general objective for this thesis is to examine the effectiveness of the motivation strategies on employee performance at EEP enterprise. This is done by carrying out a survey on existing motivation strategies and asking employee preference on other motivation factors.

1.4.2. Specific Objective

The specific objectives are:

I) To assess the existing motivational packages of EEP enterprise.

ii) To determine which of these motivational packages influence staff performance at EEP enterprise.

iii) To assess the managers perception of what motivate employees?

vi) To identify and suggest other effective motivational package in order to enhance the performance of the selected EEP employees.

V) To identify whether intrinsic or extrinsic factors more motivate EEP employees.

1.5. Hypothesis

Based on the literature and model the study is designed to test the following hypothesis

$H_{1,}$ There is an effect of Organization's financial motivation strategies on employee performance.

H_2 There is an effect of Organization non financial motivation strategies on employee performance.

H_3, There is a relation between what employees' value and what motivate them and the organization motivation Strategies.

$H_{4,}$ There is a relationship between employees' motivations and employees' performance.

$H_{5:}$ As public organization Dose EEP employees more motivated by intrinsic reward than extrinsic reward?

1.6. Definition of Terms

Strategy: A method or plan chosen to bring about a desired future, such as achievement of a goal or solution to a problem.

Motivation: in the work context is defined as„an individual's degree of Willingness to exert high level of effort to reach organizational goals"(Robin and Decenzo, 1995).

Motivational Strategy: This is a method or technique or art developing inner urge to put effort on successful performance

Performance: is about behavior or what employees do, not about what employees produce or the outcomes of their work (Aguinis, 2009, P.171)

1.7 Significance of the Study

The study will help the organization to manage the human resources to achieve maximum employees' performance in Ethiopian electric power enterprise it suggest and recommend strategies that will motivate and improve productivity in the public service. It will also add to the existing body of knowledge on the issue of motivation and performance in the public sector.

1.8. Scope of the study

The scope of the study was limited to the Ethiopian Electric Power enterprise. EEP consists of twenty-two (29) Projects and One (1) Head office. Only Head office was covered. Most theories of motivation and employee performance concepts were considered. Limited resources and time constraints affected the completion of the project on time. There was less participation from respondents due to the busy schedule during the day.

1.9. Organization of the Study

The structure of this thesis can be broken down into five general parts. The first Chapter is an introduction, back ground of the study, statement of the study basic research questions, objective of the study, hypothesis, and definition of terms and significance of the study. The second part is a theoretical background of the thesis. It is based on findings from the literature and previous research on motivation. The third part of this thesis is based on author's own research design and methodology. It starts with describing the type and design of the research; the sampling technique used to determine the sample size; the population studied, and the instrument used. The fourth chapter contains information about the way data was analyzed and discuss the findings. The final part of the paper presents the summary of findings, recommendations, limitation of the study and future research direction based on the study.

CHAPTER TWO

LITERATURE REVIEW

In this chapter covered and explained the concepts, models and theories that are relevant in the field of motivation and necessary to facilitate a comprehensive analysis and understanding of the research question .It may be useful to conceptualize the term employee motivation and what its concepts are. A broader definition of motivation is introduced

2.1 Motivation - an Overview

Increasing motivation, commitment and engagement levels are key organizational aspects nowadays. The development of compensation policies has an important role in motivating workforce to deliver high levels of performance, flexible effort and contribution. The process of motivation usually starts with someone recognizing an unsatisfied need. Then a goal is established to be reached and that way to satisfy the need. Rewards and incentives can be established for people to better accomplish the given goal. Considering the given emphasis in recent years on people as a key source of competitive advantage, it is not surprising to see corporate initiatives introduced to "buy" employee commitment. (Mick Marchington and Arden Wilkson, 2008).To motivate is to create a desire or willingness to perform in the manner in which managers want to get the work done which is distinct from the capacity to work. Mullins (1996) states that, "the underlying concept of motivation is some driving force within individuals by which they attempt to achieve some goals in order to fulfill certain needs". It is a feeling or an urge to do or not to do a thing to fulfill certain need. It is important for enterprise management to know and understand what motivates people as it affect work performance, recruitment and retention. Also employees must think through what expectations they have of work and whether they are happy with their delivery.

2.2 Motivation Defined

Many contemporary authors have also defined the concept of motivation. According to Greenberg and Baron (2000 p190) this definition could be divided into three main parts. The first part looks at arousal that deals with the drive, or energy behind individual (s) action. People turn to be guided by their interest in making a good impression on others, doing interesting work and being successful in what they do. The second part referring to the choice people make and the direction their behavior takes. The last part deals with maintaining behavior clearly defining how long people have to persist at attempting to meet their goals. Kreitner (1995), Buford, Bedeian &Linder (1995), Higgins (1994) all cited in Linder (1998,p3) defined motivation as "the psychological process that gives behavior purpose and direction, a predisposition to behave in a purposive manner to achieve specific unmet needs, an unsatisfied need, and the will to achieve, respectively. Young (2000, p1) suggest that motivation can be defined in a variety of ways, depending on who you ask .Ask someone on the street, you may get a response like "it's what drives us" or "it's what make us do the things we do." Therefore motivation is the force within an individual that account for the level, direction, and persistence of effort expended at work." Halepota (2005, p16) defines motivation as "a person's active participation and commitment to achieve the prescribed results. Halepota further presents that the concept of motivation is abstract because different strategies produce different results at different times and there is no single strategy that can produce guaranteed favorable results all the times." According to Antomioni (1999, p29), "the amount of effort people are willing to put in their work depends on the degree to which they feel their motivational needs will be satisfied. On the other hand, individuals become de-motivated if they feel something in the organization prevents them from attaining good outcomes.

It can be observed from the above definitions that, motivation in general, is more or less basically concern with factors or events that moves, leads, and drives certain human action or inaction over a given period of time given the prevailing conditions. Furthermore the definitions suggest that there need to be an" invisible force" to push people to do something in return. It could also be deduced from the definition that having a motivated work force or creating an environment in which high levels of motivation are

maintained remains a challenge for today's management. . This challenge may emanate from the simple fact that motivation is not a fixed trait –as it could change with changes in personal, psychological, financial or social factors.

For this thesis, the definition of motivation by Greenberg & Baron (2003) is adopted, as it is more realistic and simple as it considers the individual and his performance. Greenberg &Baron defines motivation as:

"The set of processes: Those arouse, direct, and maintain human behavior towards attaining some goal". (Greenberg &Baron, 2003, p190)

2.3 The Role of Motivation

Why do we need motivated employees? The answer is survival (Smith, 1994). Motivated employees are needed in our rapidly changing workplaces. Motivated employees help organizations survive. Motivated employees are more productive. To be effective, managers need to understand what motivates employees within the context of the roles they perform. Of all the functions a manager performs, motivating employees is arguably the most complex. This is due, in part, to the fact that what motivates employees changes constantly (Bowen & Radhakrishna, 1991). For example, research suggests that as employees' income increases, money becomes less of a motivator (Kovach, 1987). Also, as employees get older, interesting work becomes more of a motivator.

2.4 Sources of Motivation

Motivation can be intrinsic or extrinsic.

Intrinsic motivation: - It can be described as the process of motivation by work itself in so far as it satisfies the personal needs of the employee. Intrinsic motivation is self-generated and it is thought that people seek for a job they think will most satisfy their needs. The factors affecting intrinsic motivation include for example responsibility, freedom to act, courage to use and develop persons own skills, interesting tasks and opportunities for advancement.

Extrinsic motivation: - Extrinsic motivation is the amount of effort other people give to the person to motivate them. Extrinsic motivation is for example the rewards management provide such as pay rise, praise or promotion.

Intrinsic and Extrinsic motivation: - Extrinsic motivators are efficient but the influence doesn't last long.

Intrinsic motivators tend to have a longer effect as they are inherent and not imposed from outside. (Armstrong 2007, 60) As the needs of individuals differ a lot, it is important to concentrate carefully on the attachment of goals and incentives given when goals are accomplished. Motivation theories help to understand different motivators. Motivation theories have been examined for decades. These theories can be implemented to the company's human resource policies to get the best out of the employees

To get the best from their people, managers should emphasize anticipated reward value, whether extrinsic or intrinsic. So managers' job is to strengthen effort-performance-reward expectancies. For employees who have difficulty attributing outcomes to their performance, managers must make sure they realize performance-reward connections and provide performance feedback.

2.5 Characteristics of Motivation

Mitchell (1982) quartered by Mullins (2005) identified four characteristics, which underline the definition of motivation namely:

- **Motivation is typified as an individual phenomenon**: Every person is unique and all the major theories of motivation allow for this uniqueness to be demonstrated in one way or the other

- **Motivation is usually intentional:** Motivation is assumed to be under the control of the worker, and behaviors that are influenced by motivation such as effort expended, are seen as choices of action.

- **Motivation is multifaceted**: The two factors of greatest importance.

i. What get people activated?

ii. The force of an individual to engage in desired behavior.

- The purpose of motivational theories is to predict behavior motivation is not behavior itself and it is not performance. Motivation concerns actions and internal and external forces, which influence a person's choice of action.

2.6 The importance of motivation to employees

Why do organizations try to motivate employees? Rutherford (1990) stated that all managers realize that motivation is important and if employees are enthusiastic about task accomplishments, try to do their jobs the best, the organization will benefit. Rutherford also noted that organizational goals cannot be effectively attained unless employees work together, so it is obvious that the need for teamwork in the energy sector is essential. One thing that managers should realize is their job is not just to "motivate an employee". All employees come to a work situation motivated to attain personal goals which they have established. One goal for the service manager is to develop motivated employees and increase their morale about their work. Employee morale towards work, such as supervisors and peers, organization, work environment, can be defined as the feelings an employee has about all aspects of the job. There are many benefits to be gained from building good morale. Besides, there are proven relationships between morale levels, turnover, and absenteeism. However, research indicates that high employee morale levels do not always yield high productivity levels (Daschler and Ninemeier, 1989).

2.7 Historical Roots of Modern Motivation Theories

According to Wren (1987) historically, efforts to motivate people fell into three categories and upon close inspection, appear to have changed only in application but not in theory, up to the present day. The offering („the carrot"), negative sanctions and efforts to build a new "factory ethos" became the methods for providing motivation and discipline. The "carrot" was the opportunity to earn more money through wage incentives; thus the employee's pay was based on output or performance. This notion of

wage incentives represented a major break with tradition. Economists of the seventeenth and eighteenth centuries of the “mercantilist”, school of Economics believed that income and the supply of were negatively related, that is, as wage rose, less labor would be forth coming. This pre-industrial revolution’s point of view justified keeping wages low to ensure an abundant and motivated workforce.

On the contrary, however, the classical economist such as Adam Smith disagreed with the tradition that the worker must be kept at the subsistence level and that the best worker was the hungriest one. Rather he thought that monetary incentives brought out the best in people and that they would work harder to get more (Steers and porter, 1997). Often called the “economic man” assumption, this smithian break with mercantilisation theory brought the opportunity for individual rewards based on initiative and efforts. The “stick”, negative sanctions became a practice for which the early industrial system was frequently criticized. Graduated fines were common methods of discipline to get workers to do the right thing.

The third method of motivation had a general conception and was oriented toward creating a new factory philosophy. The goal was to use religious morals and values to create the proper work attitudes. The encouragement of moral education, even on company time and reading of “the good book”, regular church attendance and exhortations to avoid the deadly sins of laziness, sloth and avarice were methods of inculcating in the working population the right habits of industry.

According to Kreitner and Kinicki (1992), most contemporary theories of motivation are rooted partially in the principle of hedonism, which states that “people are motivated to consciously seek pleasure and avoid pain”. Kreithner and Kinicki(1992),suggested that four ways of explaining behavior are; needs reinforcement, cognition and job characteristics, which underlie the evolution of modern theories of human motivation.

a. **Needs**: Needs theories are based on the promise that individuals are motivated by unsatisfied needs. Dissatisfaction with one’s social life, for example, a 1930 psychologist, was the first behavioral scientist to propose a list of needs thought to underlie goal-directed behavior.

b. **Reinforcement**: Reinforce theorists such as Edward L.Thorndike and BF Skinner (1961), proposed that behavior is controlled by the consequences, and not by the result of hypothetical Internal States such as instincts, drives or needs. This preposition was based on research data demonstrating that people repeat behaviors followed by favorable consequences and avoid behaviors resulting unfavorable consequence.

c. **Cognitions**: Uncomfortable with the idea that behavior is shaped completely by environmental consequences, cognitive motivation theorists contend that behavior is a function of beliefs, expectations, values and other mental conditions. Behavior is therefore viewed as a result of rational and conscious choices among alternative courses of action.

d. **Job Characteristics**: According to this motivation theory, the task itself is said to be the key to employee motivation. Specifically, a boring and monotonous job stifles motivation. Three ingredients of a more challenging job are variety, autonomy and decision authority. Two popular ways of adding variety and challenge to routine jobs are job enrichment (or job design) and job rotation.

2.8 Motivation Theories

There are many theories explaining how motivation is created and how managers could take the best advantage of the literature they have about motivation. Still one of the hardest issues managers are facing is how to keep the employees motivated. Motivation theories are said to be complementary and the theories can support each other's and if one theory is found to be valid it does not mean that the other would not be valid. (Robbins 2003, 176). Due to the amplitude of the motivation theories the presentation of all the motivation theories existing would have been irrelevant for this thesis. The selection of motivation theories is restricted to the most relevant ones to this thesis and the selection criteria is explained in the following sub chapters reviewing motivation theories.

Four major approaches that have led to our understanding of motivation are Need theory, Cognitive theory, Reinforcement theory, Hack man and Oldham's theory. Ones and

summarized them here. I looked up several resources for each and created a short description, as well as practical implications on the work floor.

2.8.1 Need Theories

Needs theories revolve around the fulfillment of an internal state that makes certain outcomes appear attractive. These theories form the basic foundations of motivation theories, and are the straightest forward. There are three main needs theories:

2.8.1.1 Maslow's Pyramid Hierarchy of Needs

In 1943, psychologist Abraham Maslow published his now famous need theory of motivation. Maslow's theory states that people have a pyramid hierarchy of needs that they will satisfy from bottom to top. There are deficiency needs, that will stifle any other movement if they're not satisfied, and growth needs, that can be progressively satisfied once the basics have been covered. According to need theories, motivation is 'the willingness to exert high levels of effort toward organizational goals, conditioned by the effort's ability to satisfy some individual need'.

A need in this context is an internal state that makes certain outcomes appears attractive. An unsatisfied need creates tension that stimulates drives within the individual. These drives then generate a search behavior to find particular goals that, if attained, will satisfy the need and lead to the reduction of the tension. Needs are physiological or psychological deficiencies that arouse behavior. These vary over time and place, as the can be strong or weak and influenced by environmental factors.

Maslow Deficiency Needs vs. Growth Needs

Maslow's theory states that people have a pyramid hierarchy of needs that they will satisfy from bottom to top. Starting from mere physiological subsistence, they cover belonging to a social circle to pursuing your talent through self---actualization. Important to this theory is that Maslow felt that unfulfilled needs lower on the ladder would inhibit the person from climbing to the next step.

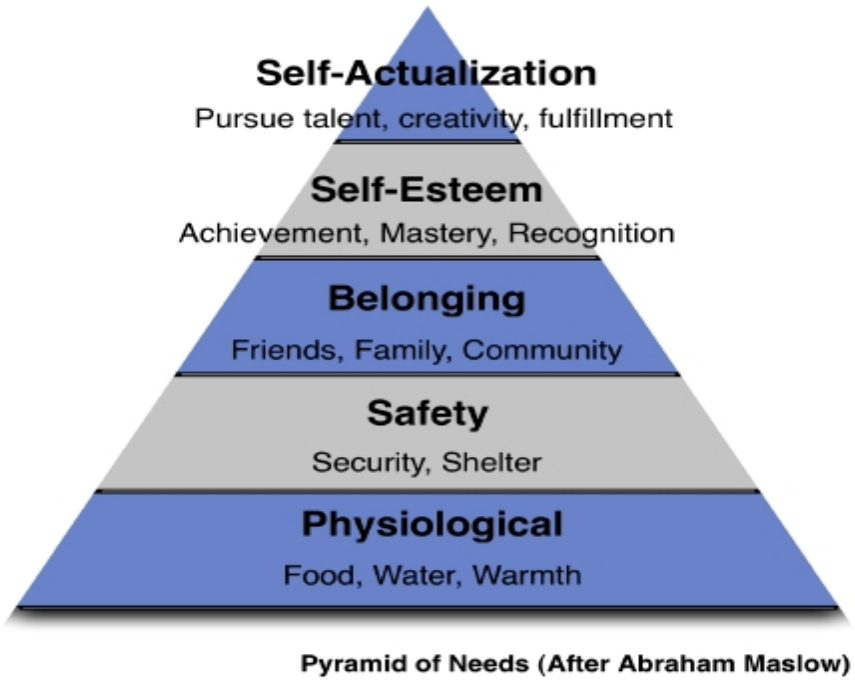


Figure-1: - A diagrammatic representation of Maslow's hierarchy of needs
Source: - Michael Armstrong (2005)

The needs are divided into two categories: deficiency needs (physiological and safety) and growth needs (belonging, self---esteem and self---actualization). If the deficiency needs aren't satisfied, the person will feel the deficit and this will stifle his or her development

In the Workplace

Maslow's hierarchy of needs applied to work situations implies that managers have the responsibility, firstly, to make sure their people's deficiency needs are met. This means, in broad terms, a safe environment and proper wages. Secondly, it implies creating a proper climate in which employees can develop their fullest potential. Failure to do so would theoretically increase employee frustration, and could result in poorer performance, lowers job satisfaction, and increased withdrawal from the organization. For example, in this theory job insecurity and the threat of layoffs will block the person from their higher growth needs. They might work harder to get security, but without

fulfilling their other needs. If security doesn't return they will fulfill their needs elsewhere or burn out.

How to Satisfy Employee's Needs

Maslow's hierarchy of needs shows a few potential ways of satisfying employee needs. Some of these are easy and inexpensive to implement, others are hard and costly. Also, the employees' needs may vary.

However, if you manage to implement at least some of these strategies you will most likely be looked at as more considerate, supportive and interested in your employees'

Maslow's theory has not avoided criticism. Robbins (2003, 157) referred to Wahba and Bridwell (1976) who claimed that there is lack of evidence that the needs are organized as Maslow presented i.e. in an hierarchical manner and it is unclear whether the unsatisfied needs create any motivation or that once an individual has satisfied a need level does this activate an individual to seek for another, higher level need satisfaction? Hall & Nougaim (1968), Lawler & Suttle (1972) and Rauschenberger et al (1980) were unable to validate Maslow's theory in practice. (see Robbins 2003, 157) welfare.

2.8.1.2 Alderfer's Existence Related Growth Model

Clayton P. Alderfer's ERG theory from 1969 condenses Maslow's five human needs into three categories: Existence, Relatedness and Growth.

1. Existence Needs: includes all material and physiological desires (e.g., food, water, air, clothing, safety, physical love and affection).This corresponds closely to Maslow's first two levels.

2. Relatedness Needs: encompass social and external esteem; relationships with significant others secure as part of a group or family. Correspond to Maslow's third and fourth levels.

3. Growth Needs: internal esteem and self actualization; these impel a person to make creative or productive effects on himself and the environment (e.g., to progress toward one's ideal self).

Maslow's fourth and fifth levels. This includes desires to be creative and productive, and to complete meaningful tasks. Even though the priority of these needs differ from person to person, Alberger priorities in terms of the categorize concreteness. Existence needs are the most concrete, and easiest to verify. Relatedness needs are less concrete than existence needs, which depend on a relationship between two or more people. Finally, growth needs are the least concrete in that their specific objectives depend on the uniqueness of each person.

Relationships Between the Concepts

There are three relationships among the three needs: Satisfaction---progression: moving up to higher---level needs based on satisfied needs. This is the main movement of Maslow's model. Individuals move up the need hierarchy as a result of Satisfying lower order needs. In Alderfer's ERG theory, this isn't necessarily the case. The progression upward from relatedness satisfaction to growth desires does not presume the satisfaction of a person's existence needs.

Frustration---regression: if a higher level need remains un fulfilled, a person may regress to lower level needs that appear easier to satisfy. Frustration---regression suggests that an already satisfied need can become active when a higher need cannot be satisfied. For example: if a person is continually frustrated in his/her attempts to satisfy growth, relatedness needs can resurface as key motivators.

Satisfaction---strengthening: iteratively strengthening a current level of satisfied needs.

Satisfaction---strengthening indicates that an already satisfied need can maintain satisfaction or strengthen lower level needs iteratively when it fails to gratify high---level needs.

Differences with Maslow's Model

ERG theory differs from Maslow's theory in three ways:

(1) a lower level need does not necessarily have to be gratified for a higher level to become relevant (i.e., a person may satisfy a need at hand, whether or not a previous need has been satisfied);

(2) if a relatively more significant need is not gratified, the desire to gratify a lesser need will be increased (i.e., the frustration in meeting high---order needs might lead a person to regress to a more concrete need category);

(3)ERG theory does have some form of hierarchy according to concreteness, but it also allows the order of the needs to differ for different people (e.g., it accounts for the "starving artist" who may place growth needs above existence ones).

In the Workplace

On a work level, Alderfer's model implies that managers must recognize their employees' multiple simultaneous needs. Focusing exclusively on one need at a time will not motivate your people.

The frustration---regression principle impacts workplace motivation. For example, if growth opportunities are not provided to employees, they may regress to relatedness needs, and socialize more with co---workers. If you can recognize these conditions early, steps can be taken to satisfy the frustrated needs until the employee is able to pursue growth again.

2.8.1.3. McClelland's Achievement Motivation Theory

In his 1961 book 'The Achieving Society', David McClelland expounded on his acquired---needs theory. He proposed that an individual's specific needs are acquired over time and are shaped by one's life experiences. A person's motivation and effectiveness in certain job functions are influenced by these three needs.

Achievement Motivation (n---ach)

The n---ach person is 'achievement motivated' and therefore seeks achievement, attainment of realistic but challenging goals, and advancement in the job. There is a strong need for feedback about achievement and progress, and a need for a sense of accomplishment. People with a high need for achievement seek to excel and thus tend to avoid both low---risk and high--- risk situations. Achievers avoid low---risk situations because the easily attained success is not a genuine achievement. In high---risk projects, achievers see the outcome as one of chance rather than one's own effort. High n---ach individuals prefer work that has a moderate probability of success, ideally a 50% chance. They prefer either to work alone or with other high achievers.

Authority or Power Motivation (n---pow)

The n---pow person is 'authority motivated'. This driver produces a need to be influential, effective and to make an impact. There is a strong need to lead and for their ideas to prevail. There is also motivation and need towards increasing personal status and prestige. A person's need for power (n---pow) can be one of two typesPersonal and institutional; those who need personal power want to direct others, and this need often is perceived as undesirable. Persons who need institutional power (also known as social power) want to organize the efforts of others to further the goals of the organization. Managers with a high need for institutional power tend to be more effective than those with a high need for personal power.

Affiliation Motivation (n---affil)

The n---affil person is 'affiliation motivated', and has a need for friendly relationships and is motivated towards interaction with other people. They need harmonious relationships with other people and need to feel accepted by other people. The affiliation driver produces motivation and need to be liked and held in popular regard. These people are team players. High n---affil individuals tend to conform to the norms of their work group. They prefer work that provides significant personal interaction. They perform well in customer service and client interaction situations.

How to Interpret the Model

McClelland stated that most people possess and exhibit a combination of these characteristics. Some people exhibit a strong bias to a particular motivational need, and this motivational or needs 'mix' consequently affects their behavior and working/managing style. McClelland's theory also allows for the shaping of a person's needs; training programs can be used to modify one's need profile.

McClelland suggested that a strong n---affil 'affiliation---motivation' undermines a manager's objectivity, Because of their need to be liked and that this affects a manager's decision---making capability. A strong n---pow 'authority---motivation' will produce a determined work ethic and commitment to the organization, and while n---pow people are attracted to the leadership role, they may not possess the required flexibility and people---centered skills.

McClelland argues that n---ach people with strong 'achievement motivation' make the best leaders, although there can be a tendency to demand too much of their staff in the belief that they are all similarly and highly achievement---focused and results driven, which of course most people are not.

In the Workplace

McClelland's needs are found to varying degrees in all workers and managers, and their mix of motivational needs characterizes a people or manager's style and behavior. Both in terms of being motivated and in the management and motivates others.

People with different needs are motivated differently.

- High need for achievement --- High achievers should be given challenging projects with reachable goals. They should be provided frequent feedback. While money is not an important motivator in itself. Rather, it is an effective form of feedback.
- High need for affiliation --- Employees with a high affiliation need perform best in a cooperative environment.

- High need for power --- Management should provide power seekers the opportunity to manage others.

Relation to Other Theories

McClelland's concept of achievement motivation is also related to Herzberg's motivation---hygiene theory (see below). People with high achievement motivation tend to be interested in the motivators (the job itself). Achievement---motivated people want feedback. They want to know how well they are doing on their job. On the other hand, people with low achievement motivation are more concerned about the environment. They want to know how people feel about them rather than how well they are doing

2.8.1.4. Two Factors Theory

The two –factor model of satisfiers and dissatisfies was developed by Herzberg et al (1957) following investigation into the sources of job satisfaction and dissatisfaction of some accountants and engineers. The research sought to elicit responses from interviewees as to what made them feel exceptionally bad about their jobs and how long these feelings persisted.

The research results or responses reveal two different factors affecting motivation and work and concluded that

- Job satisfaction and job dissatisfaction derive from different sources
- Removing the source of dissatisfaction will not cause a person to be motivated to produce better results

Herzberg blended the two premises into the dual factor explanation of motivation and referred to them as **Hygiene factors**: These are the basic factors surrounding the job and can trigger dissatisfaction when not adequate. The factors include, job security, working condition, quality of supervision, interpersonal relationships, adequacy of pay and fringe benefits. These factors are extrinsic or external and when present produces a neutral feeling with realization that the basic maintenance needs are taken care of and trigger dissatisfaction when lacking.

Motivators: According to Herzberg an individual feels the potential for satisfaction if he or she is able to marshal momentous work motivation. These are intrinsic and unique to every individual. Job challenge, responsibility, opportunity for growth and recognition provide feelings of satisfaction. (Mullins 2005; Bloise et al,

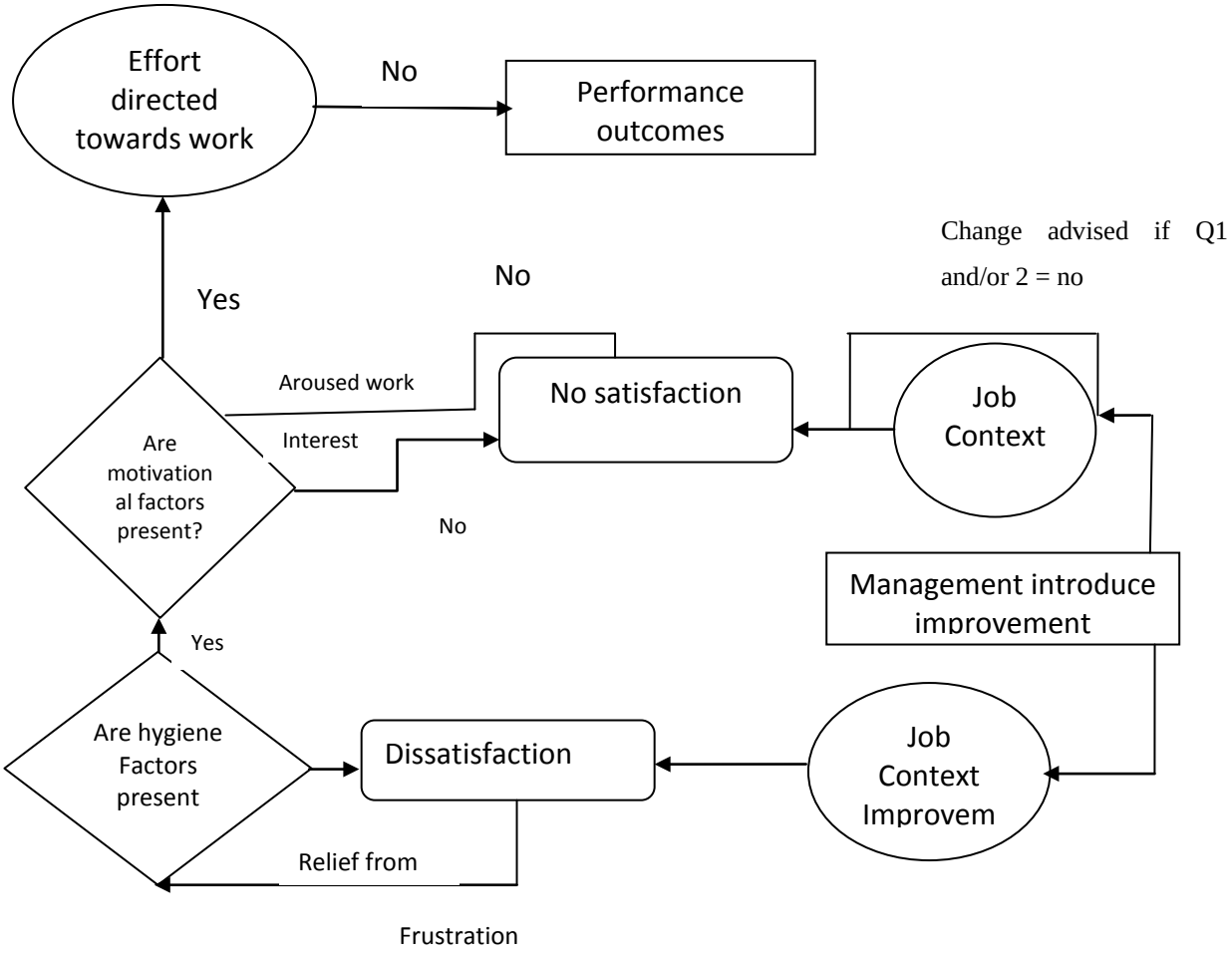


Figure-2: - Herzberg Dual Factor Theory of Motivation
Source: - (Mullins 2005;Bloise etal ,2003)

Therefore, managers who seek to eliminate factors that create job dissatisfaction can bring about peace, but not necessarily motivation. Herzberg suggests that work be enriched (or 'vertically loaded') for true motivation to spark up. This is different from horizontal job loading, which reduces the personal contribution rather than giving opportunities for growth. Some examples are:

- Challenging the employee by increasing the amount of production expected.
- Adding another meaningless task to the existing one
- Rotating the assignments of a number of jobs that need to be enriched
- Removing the most difficult parts of the assignment

Motivating People with Herzberg's Model

I imagine that after reading about all the ways people AREN'T motivated, you'd like to hear some good news. Well, here you go. Herzberg offers seven principles for vertically enriching jobs:

Table-1: - Herzberg's model

Principle	Motivation involved
Removing some controls while retaining accountability	Responsibility and personal achievement
Increasing the accountability of individual from own work	Responsibility and recognition
Giving person a complete natural unit of work(module, division, area---)	Responsibility, achievement and recognition
Granting additional authority to employee in their activity; job freedom	Responsibility, achievement and recognition
Making periodic report directing available to the workers themselves rather than to supervisors.	Internal recognition
Introducing new and more difficult tasks not previously handled	Growth and training
Assigning individual specific or specialized tasks, enabling them to become experts	Responsibility, growth and advancement

Source: - Benjamin Ball

2.8.2. Theory (Cognitive Theory)

In the process theory, the emphasis is on the psychological process or forces that affect motivation as well. According to Guest (1992), provides a much more relevant approach to motivation than the theories of Maslow and Herzberg which he suggest, have been shown by extensive research to be wrong.

Process or cognitive theory can certainly be useful to managers than needs theory because it provides more realistic guidance on motivation techniques. The processes are:

- Expectation (expectancy theory)
- Goal achievement (goal theory)
- Feeling about equity (equity theory)

2.8.2.1. Vroom's Expectancy Theory

This theory is also known as Valency-Instrumentally which was formulated by vroom (1964). His expectancy theory emphasizes the mental processes regarding choice, or choosing. It looks at self---interest in the alignment of rewards with people's wants and the connections among expected behaviors, rewards and organizational goals.

For organizations, it helps them to relate rewards directly to performance and to ensure that the rewards provided are those rewards deserved and wanted by the recipients. Vroom's theory assumes that behavior results from conscious choices among alternatives whose purpose it is to maximize pleasure and to minimize pain. Vroom realized that an employee's performance is based on individual factors such as personality, skills, knowledge, experience and abilities. He stated that effort, performance and motivation are linked in a person's motivation. He uses the variables Expectancy, Instrumentality and Valence to account for this. Expectancy is the belief that increased effort will lead to increased performance i.e. if I work harder than this will be better.

Crucially, Expectancy theory works on perceptions – so even if an employer thinks they have provided everything appropriate for motivation, and even if this works with most people in that organization, it doesn't mean that someone won't perceive that it doesn't work for them. Expectancy: According to (Armstrong, 2006) expectancy is defined as a momentary belief concerning the likelihood that a particular act will be followed by a particular outcome. It is a relationship between a chosen course of action and the associated predicted outcome. Individuals with this develop a perception of the degree of probability that the choice of a particular action will really lead to desired outcome (Mullins, 2005: Blouse et al, 2003)

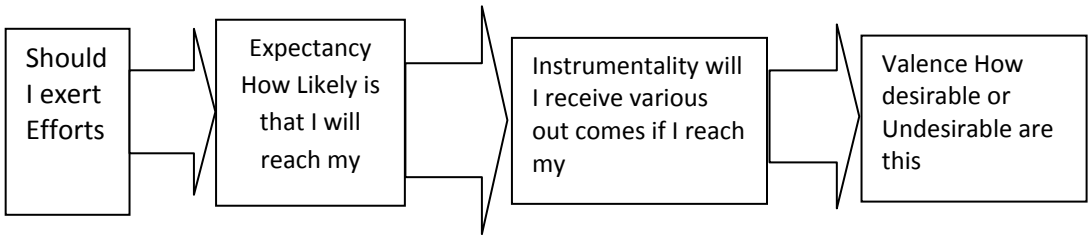


Figure-3(a): - A Graphical representation of expectancy theory

Source: - Based on Porter, L. W., & Lawler, E. E. (1968).

In the Workplace

At first glance this theory would seem most applicable to a traditional---attitude work situation where how motivated the employee is depends on whether they want the reward on offer for doing a good job and whether they believe more effort will lead to that reward. However, it could equally apply to any situation where someone does something because they expect a certain outcome. For example, I recycle paper because I think it's important to conserve resources and take a stand on environmental issues (valence); I think that the more effort I put into recycling the more paper I will recycle (expectancy); and I think that the more paper I recycle then less resources will be used (instrumentality). So the expectancy model is not about self---interest in rewards, but about the associations people make towards expected outcomes and the contribution they feel they can make towards those outcomes.

Expectancy theory predicts that employees in an organization will be motivated when they believe that:

- putting in more effort will yield better job performance
- better job performance will lead to organizational rewards, such as an increase in salary or benefits
- These predicted organizational rewards are valued by the employee in question.

In order to enhance the performance---outcome tie, managers should use systems that tie rewards very closely to performance. Managers also need to ensure that the rewards

provided are deserved and wanted by the recipients. In order to improve the effort---performance tie, managers should engage in training to improve their capabilities and improve their belief that added effort will in fact lead to better performance

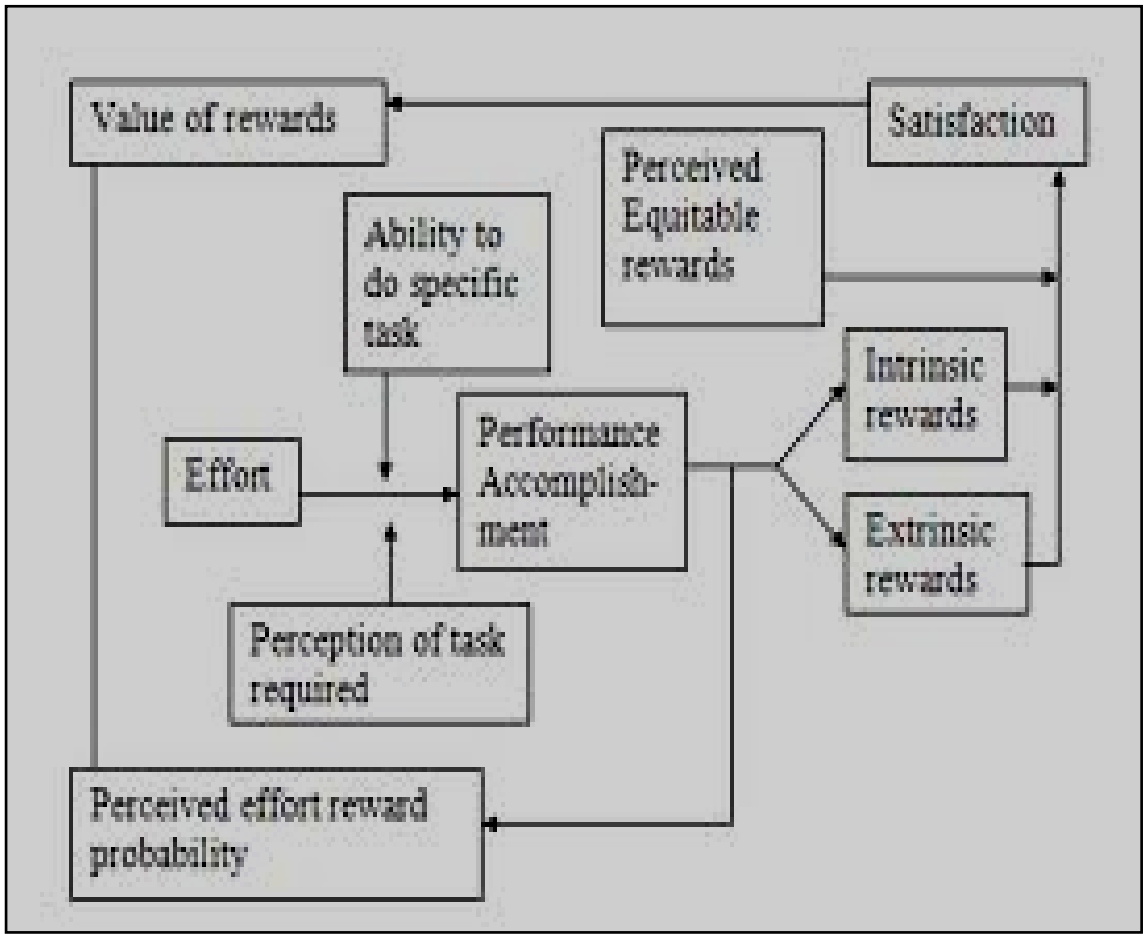


Figure-3(b): - A Graphical representation of Vroom's expectancy theory

Source: - (Werner and Desimone, 2006)

The picture on the above page (Figure 3(b) Vroom's Expectancy theory) demonstrates the individual's expectation towards outcomes. In an organizational context employees are often evaluated by their performance. If an employee believes that the effort given will lead to performance which is acknowledged by the management they will try to put their best efforts into practice. This leads to the expectancy that great effort will lead to performance which is noticed and rewarded. Instrumentality is used to explain the suitability of the rewards to performance. If the outcomes (rewards) are corresponding to

individual's personal goals a positive emotional attitude towards the outcomes (rewards) will be developed. Ramlall explained that an individual estimates an outcome to be positively valence once the outcome is considered wanted in other words once the reward matches one's personal goals. (Ramlall, 2004)

Comparison to Other Models

Whereas Maslow and Herzberg look at the relationship between internal needs and the resulting effort expended to fulfill them, Vroom separates effort (which arises from motivation), performance, and outcomes. Vroom's model partly resembles the Equity theory of motivation: people will also compare outcomes for themselves with others.

Equity theory suggests that people will alter the level of effort they put in to make it fair compared to others according to their perceptions. So if we got the same raise this year, but I think you put in a lot less effort, this theory suggests that I would scale back the effort I put in.

Other theories don't allow for the same degree of individuality between people. This model takes into account individual perceptions and thus personal histories, allowing a richness of response not obvious in Maslow or McClelland, who assume that people are essentially all the same.

Expectancy theory could also be overlaid over another theory (e.g. Maslow). Maslow could be used to describe which outcomes people are motivated by and Vroom to describe whether they will act based upon their experience and expectations.

In conclusion according to the expectancy theory what motivates employees is the relatedness of the expected outcome. One's motivation can be influenced by providing rewards which are in accordance with individual's personal goals so that they will create valence. In condition to the aforementioned is that an effective evaluation system where the effort-performance relationship is well evaluated, visibile and measurable is created.

2.8.2.2. Goal Theory

Goal theory as developed by Latham and Locke (1979) states that motivation and performance are higher when individuals set specific goals, when goals are difficult but accepted, and when there is feedback on performance. Participation in goal setting is important as a means of getting agreement to the setting of higher goals. Difficult goals must be agreed and their achievement reinforced by guidance and advice. Finally feedback is vital in maintaining motivation, particularly towards the achievement of even higher goals.

Erez and Zidon (1984) emphasized the need for acceptance of and commitment to goals. They found that, as long as they agreed, demanding goals lead to better performance than easy ones. Erez (1997) also emphasized the importance of feedback. As Robertson et al (1992) point out:

Goals inform individuals to achieve particular levels of performance, in order for them to direct and evaluate their actions; while performance feedback allows the individual to track how well he or she has been doing in relation to the goal, so that, if necessary, adjustments in effort, direction or possibly task strategies can be made.

Perry (2000) conferred that some characteristics of public organization goals such as goal clarity or goal ambiguity, influence public service motivation. He developed a process theory of public service motivation in which the critical variables were divided into four categories: Socio-historical context, motivational context, Individual characteristics and behavior. Rainey (1993) argued the possibility that ambiguous goals can frustrate public employees‟ service or altruistic motives since it can be difficult to see the effect of their work efforts.

Perry Hondeghem (2008) propose that public sector leaders and managers can gain organizational value from public service motivation by setting clear public service goals, and by translating broad public service missions into clear and meaningful work expectations.

2.8.2.3. Equity Theory

Equity theory helps explain why pay and conditions alone do not determine motivation. It also explains why giving one person a promotion or pay---raise can have a demotivating effect on others.

When people feel fairly or advantageously treated they are more likely to be motivated; when they feel unfairly treated they are highly prone to feelings of disaffection and demotivation. Equity theory argues that satisfaction is related to perceptions about the ratio between what one receives from the job(outcome in the form of pay) to what one puts into it(inputs in the form of efforts and skill) compared with ratios obtained by others.(Armstrong and Helen Murrlis,2004). Therefore employees seek to maintain equity between the inputs that they bring to a job and the outcomes that they receive from it against the perceived inputs and outputs of others. The belief is that people value fair treatment which causes them to be motivated to keep the fairness maintained within the relationships of their co---workers and the organization.

Words like efforts and rewards, or work and pay, are an over---simplification ---hence the use of the terms inputs and outputs. Inputs are logically what we give or put into our work. Outputs are everything we take out in return.

Outputs are defined as the positive and negative consequences that an individual perceives a Participant has incurred as a consequence of his/her relationship with another.

Equity is All About Perception

Adams' Equity Theory is a far more complex and sophisticated motivational model than merely assessing effort (inputs) and reward (outputs). Equity Theory adds a crucial additional perspective of comparison with 'referent' others (people we consider in a similar situation).

Equity does not depend on our input---to---output ratio alone --- it depends on people’s comparison between our own input---output ratio and the ratio of others. People form perceptions of what constitutes a fair ratio (a balance or trade) of inputs and outputs by

comparing their own situation with other 'referents' (reference points or examples) in the market place as they see it.

When people feel that their inputs are fairly rewarded by outputs (the fairness benchmark being subjectively perceived from market norms and other comparable references) then generally they are happier in their work and more motivated to continue inputting at the same level.

If they feel, however, that their ratio of inputs to outputs is less beneficial than the ratio enjoyed by referent others, then they become de-motivated in relation to their job and employer. Subtle variables play an important role for the feeling of equity. Just the idea of recognition for the job performance and the mere act of thanking the employee can cause a feeling of satisfaction and therefore help the employee feel worthwhile and have more outcomes.

Generally the extent of de-motivation is proportional to the perceived disparity with other people or inequity. But for some people just the smallest indication of negative disparity between their situations. And other people are enough to cause massive disappointment and a feeling of considerable injustice, resulting in demotivation, or worse, open hostility. Some people reduce effort and application and become inwardly disgruntled, or outwardly difficult, recalcitrant or even disruptive. Other people seek to improve the outputs by making claims or demands for more reward, or seeking an alternative job.

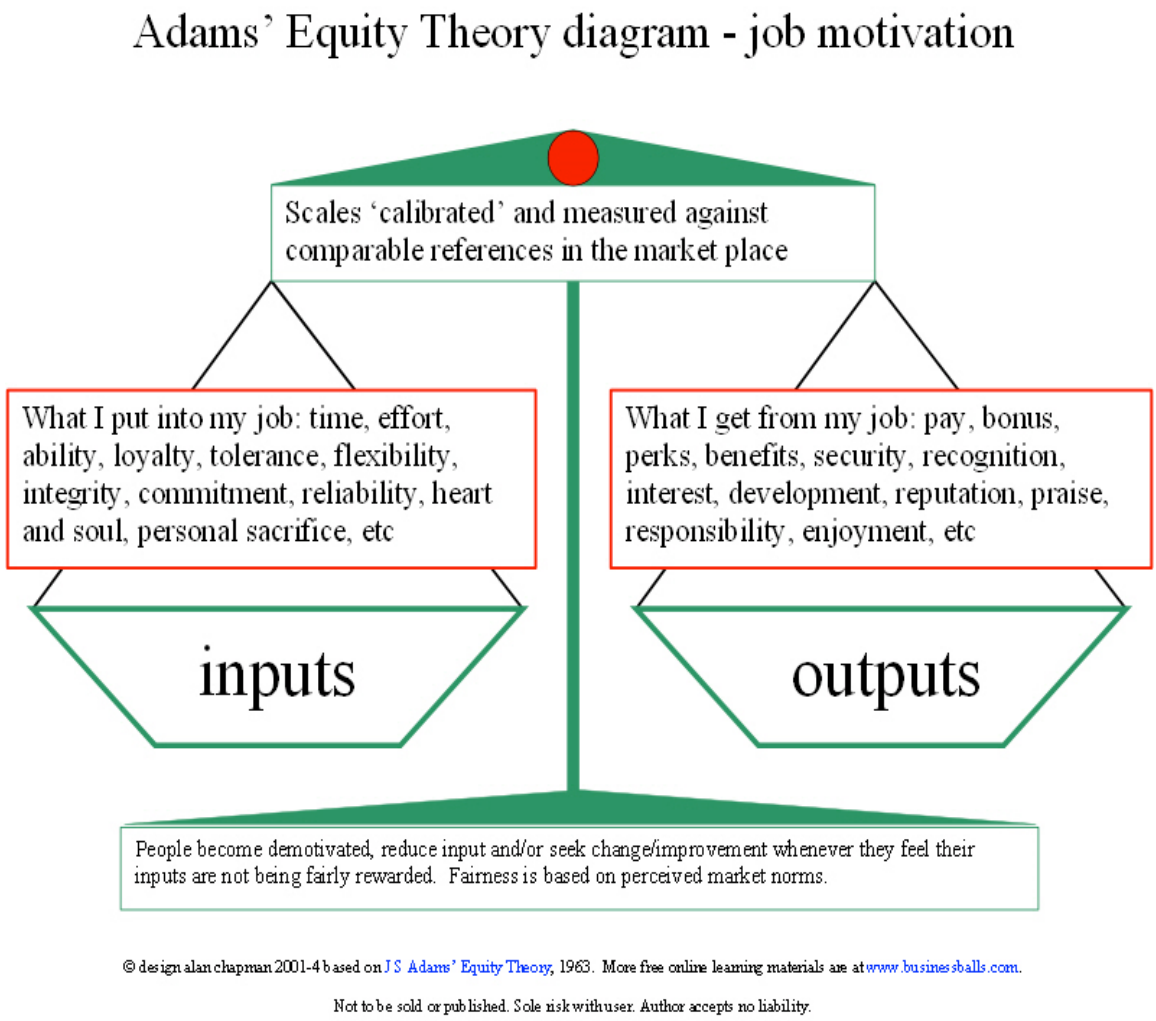


Figure-4: - Adams' equity theory diagram-job motivation

Source: - Based on research findings reported in Carrell, M. R., & Dittrich, J. E. (1978).

Mechanisms

Equity Theory identifies four mechanisms for (de)motivation:

1. Individuals seek to maximize their outcomes (where outcomes are defined as rewards minus costs).

2. Groups can maximize collective rewards by developing accepted systems for equitably apportioning rewards and costs among members. Systems of equity

will evolve within groups, and members will attempt to induce other members to accept and adhere to these systems.

The only way groups can induce members to equitably behave is by making it more profitable to behave equitably than inequitably. Thus, groups will generally reward members who treat others equitably and generally punish (increase the cost for) members who treat others inequitably.

3. When individuals find themselves participating in inequitable relationships, they become distressed. The more inequitable the relationship, the more distress individuals feel.

According to equity theory, both the person who gets “too much” and the person who gets “too little” feel distressed. The person who gets too much may feel guilt or shame. The person who gets too little may feel angry or humiliated.

4. Individuals who perceive that they are in an inequitable relationship attempt to eliminate their distress by restoring equity. The greater the inequity, the more distress people feel and the more they try to restore equity.

In the workplace

Equity Theory in business introduces the concept of social comparison. Employees who perceive inequity will seek to reduce it, either by distorting inputs and/or outcomes in their own minds ("cognitive distortion"), directly altering inputs and/or outcomes, or leaving the organization. Thus, the theory has wide---reaching implications for employee morale, efficiency, productivity, and turnover.

It also explains why people can be happy and motivated by their situation one day, and yet with no change to their terms and working conditions can be made very unhappy and demotivated.

They might learn that a colleague (or worse: an entire group) is enjoying a better reward---to---effort ratio. It shows why and how full---time employees will compare their

situations and input---to---output ratios with part---time colleagues. These probably earn less, however it is the ratio of input---to---output --- reward---to---effort --- which counts.

If the part---timer is perceived to enjoy a more advantageous ratio, it will have a negative effect on the full---timers sense of Equity, and with it, their personal motivation.

How to Motivate People Using Equity Theory

Equity Theory reminds us that people see themselves and crucially the way they are treated in terms of their surrounding environment, team, system, etc --- not in isolation --- and so they must be managed and treated accordingly.

Equity theory has several implications for business managers:

- People measure the totals of their inputs and outcomes. This means a working mother may accept lower monetary compensation in return for more flexible working hours.
- Different employees ascribe personal values to inputs and outcomes. That means that two employees of equal experience and qualification performing the same work for the same pay, may still have quite different perceptions of the fairness of the deal.
- Employees are able to adjust according to purchasing power and local market conditions.

A teacher from Alberta may accept lower compensation than his colleague in Toronto if his cost of living is different.

- Although it may be acceptable for more senior staff to receive higher compensation, there are limits to the balance of the scales of equity and employees can find excessive executive pay demotivating.
- Staff perceptions of inputs and outcomes of themselves and others may be incorrect, and perceptions need to be managed effectively. For example, an employee who believes he is over---compensated may increase his effort.

However he may also adjust the values that he ascribes to his own personal inputs. It may be that he or she internalizes a sense of superiority and actually decrease his efforts.

Relation to Other Theories

The comparative aspect of Equity Theory provides a far more fluid and dynamic appreciation of motivation than typically arises in motivational theories and models based on individual circumstance alone. There are similarities with Maslow and Herzberg in that the theory acknowledges that subtle and variable factors affect each individual's assessment and perception of their relationship with their work, and thereby their employer. However, awareness and cognizance of the wider situation --- and crucially comparison --- feature more strongly in Equity Theory than in other earlier motivational models.

2.8.3. Reinforcement Theory: a non cognitive theory of motivation

This theory is rooted in behaviorism, which attempts to explain behavior without referring to unobservable internal forces such as needs or thoughts (Werner and Desimone, 2006). Behaviorism seek to explain behavior by forcing only on things that can be directly observed, the behavior itself and environmental events that precede and follow the behavior.

Reinforcement theory argues that behavior is a function of its consequences. This is based on the law of effect, which states that behavior that is followed by a pleasurable consequence will occur more frequently (a process called reinforcement) and behavior that is followed by an aversive consequence will occur less frequently. According to reinforcement theory, a manager can control an employee’s behavior by controlling the consequence that follows the employee’s behavior. Reinforcement theory can be applied using a set of techniques known as behavior modification. Behavior modification suggests four choices for controlling an employee’s behavior.

1. Positive reinforcement refers to increasing the frequency on a behavior by following the behavior with a pleasurable consequence.

2. Negative reinforcement increases the frequency of a behavior by removing something aversive after the behavior is performed.

3. Extinction seeks to decrease the frequency of a behavior by removing the consequence that is reinforcing it.

4. Punishment seeks to decrease the frequency of a behavior by introducing the frequency of a behavior by introducing the frequency of a behavior by introducing an aversive consequence immediately after the behaviorism.

2.8.4. Hackman & Oldham's Job Characteristics Model

Hackman and Oldham's theory is based on the idea that **the task itself is key to employee motivation**. Specifically, a boring and monotonous job stifles motivation to perform well, whereas a challenging job enhances motivation. Variety, autonomy and decision authority are three ways of adding challenge to a job.

Job enrichment and job rotation are the two ways of adding variety and challenge. It states that there are **five core job characteristics** (skill variety, task identity, task significance, autonomy, and feedback) which impact **three critical psychological** states (experienced meaningfulness, experienced responsibility for outcomes, and knowledge of the actual results), in turn influencing **work outcomes** (job satisfaction, absenteeism, work motivation, etc.).

The five core job characteristics can be combined to form a motivating potential score (MPS) for a job, which can be used as an index of how likely a job is to affect an employee's attitudes and behaviors

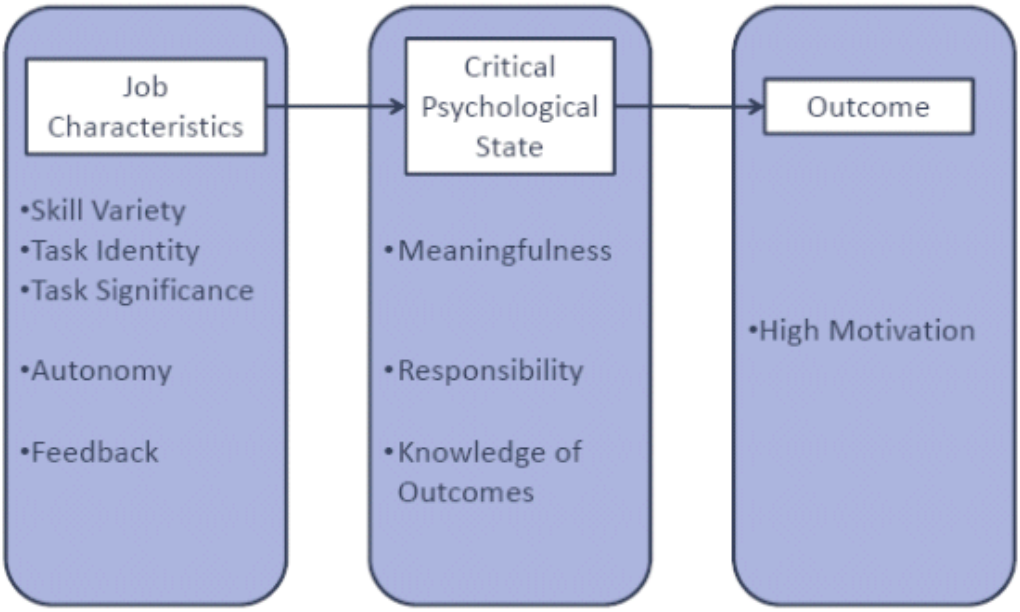


Figure-5: - Job characteristics and psychological state

Source: - Benjamin Ball

Psychological states

1. Meaningfulness of work: that labor has meaning to you, something that you can relate to, and does not occur just as a set of movements to be repeated.

This is fundamental to intrinsic motivation, i.e. that work is motivating in one of itself (as opposed to motivating only as a means to an end)

2. Responsibility: that you have been given the opportunity to be a success or failure at your job because sufficient freedom of action has given you. This would include the ability to make changes and incorporate the learning you gain whilst doing the job.

3. Knowledge of outcomes: This is important for two reasons. Firstly to provide the person knowledge on how successful their work has been which in turn enables them to learn from mistakes.

The second is to connect them emotionally to the customer of their outputs, thus giving further purpose to the work (e.g. I may only work on a production line, but I know that the food rations I produce are used to help people in disaster areas, saving many lives)

Characteristics of the job

1. Meaningfulness: The work must be experienced as meaningful (his/her contribution significantly affects the overall effectiveness of the organization). This is derived from:

    - Skill variety: using an appropriate variety of your skills and talents: too many might be overwhelming, too few, boring
    - Task Identity: being able to identify with the work at hand as more whole and complete, and hence enabling more pride to be taken in the outcome of that work (e.g. if you just add one nut to one bolt in the same spot every time a washing machine goes past it is much less motivating than being the person responsible for the drum attachment and associated work area (even as part of a group)
    - Task Significance: being able to identify the task as contributing to something wider, to society or a group over and beyond the self. For example, the theory suggests that i will be more motivated if I am contributing to the whole firm's bonus this year, looking after someone or making something that will benefit someone else. Conversely I will be less motivate if I am only making a faceless owner wealthier, or am making some pointless item (e.g. corporate give---away gifts)

2. Responsibility is derived from autonomy, as in the job provides substantial freedom, independence and discretion to the individual in scheduling the work and in determining the procedures to be used in carrying it out)

3. Knowledge of outcomes. This comes from feedback. It implies an employee awareness of how effective he/she is converting his/her effort into performance. This can be anything from production figures through to customer satisfaction scores. The point is

that the feedback offers information that once you know; you can use to do things differently if you wish. Feedback can come from other people or the job itself.

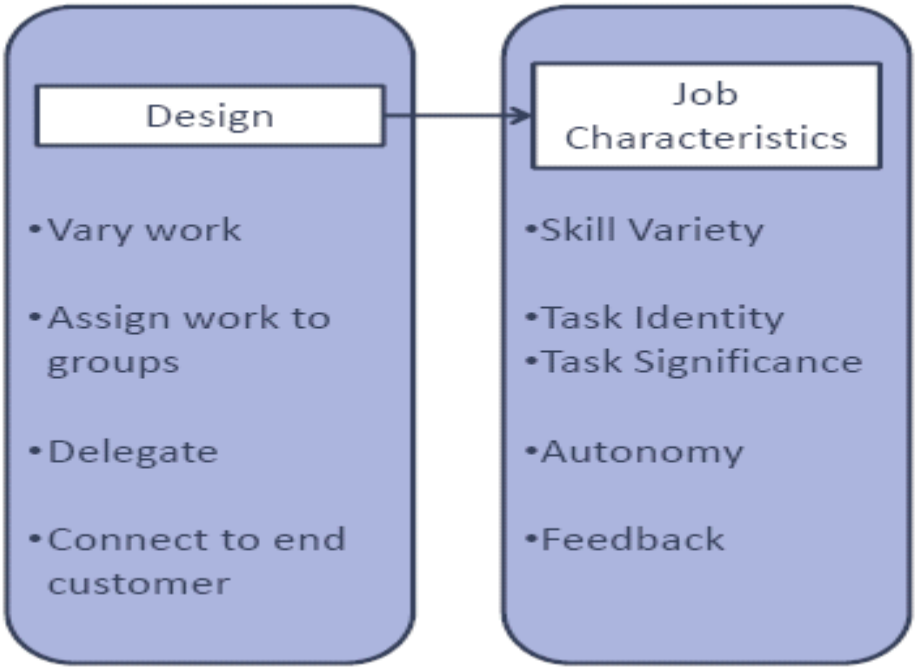


Figure-6: - Job design and characteristics

Source: - Benjamin Ball

Key components of the design of a job

1. Varying work to enable skill variety

2. Assigning work to groups to increase the wholeness of the product produced and gives a group to enhance significance

3. Delegate tasks to their lowest possible level to create autonomy and hence responsibility

4. Connect people to the outcomes of their work and the customers that receive them so as to provide feedback for learning

2.9. Summary of Motivation Theory

All the Motivation theories explained their own school of thoughts in a different and reasonable approach, but Maslow's Hierarchy of Needs got the primary importance because it is the pioneer in need theories and this theory give insight other scientist so that they may share their ideas and find out the demerits in this theory and develop that kind of theory which is free from all kinds of demerits and perfect for an organization.

Such an attempt was made by Alderfer's Theory, Equity theory and Vroom's expectancy Theory, all the three scientist attempt was good because Alderfer's Theory listed the need into three categories like Maslow whereas; Equity theory have similarity with Maslow Herzberg in that the theory acknowledges that subtle and variable factors affect each individual's also introduce the concept of social comparison that people see themselves as crucially the way they are treated in terms of their surroundings and Vroom's expectancy Theory predicts that employees in an organization will be motivated when they believe that more effort better job performance, better job performance will lead to reward and this rewards are valued by the employee..

So, in short I am in the favor of above Theories keeping in mind the organization as well as individual perspective because in these theories are tried to recognize which need is dominating in an employee at a particular time of life so that it will proof helpful for both the employee as well as organization.

2.10 Motivation Strategy

Motivation strategy should aim to increase the effective contribution of members of the organization in achieving its objective. Motivation strategy will refer to the performance of management and reward systems and in particular to the type and scale of financial incentives which are to be provided. But it will also be concerned with other process which should yield favorable attitudes including job design participation, joint objective setting career development and any other processes relating to the individual need to achieve and maintain a sense of personal wealth and importance. Motivation is also affected by the quality of leadership in an organization therefore the selection, training and development of effective leaders should be part of the strategy. (Armstrong, 1997).

2.11. Empirical Research

2.11.1 Financial compensation

Garlick (2009) carried out an online study of 1913 full-time employees and asked people to rank order 14 potential performance incentives in order of preference. These performance incentives included common extrinsic rewards such as cash bonuses, gift cards, award points, and travel awards, as well as intrinsic rewards such as having more freedom and autonomy at work, being able to choose interesting projects, and being assigned to mentor other employees. Not surprisingly, cash bonuses were listed as the most preferred incentive by three-out-of-four people

(74%) surveyed. Nine-out-of-ten (89%) listed cash bonuses within their top three preferences. However, the primary issue the study investigated was whether offering cash bonuses really influenced employee attitudes, as well as other business outcomes. The results showed that offering a cash bonus exclusively does not seem to make much of an impact on performance, despite the fact cash bonuses are nearly everyone's preferred reward. While cash bonuses are the most preferred reward for three-out-of-four, and among the top three rewards for nine-out-of-ten, those who only receive a cash bonus are just slightly more satisfied than those who get no reward at all. Furthermore, offering exclusively cash bonuses only seems to have very little impact on company performance, either in terms of increased customer service, or in increased profitability.

The above studies have dealt with reward in organizations and its relationship with factors such as employee motivation, employee performance, employee satisfaction and effect on quality of work done. Overall the studies show reward to have a positive effect. However, different rewards seem to have a different impact on employee attitude, satisfaction and performance. There are mixed findings when it comes to individual rewards and their effect on performance.

H_1: *There is an effect of Organization's financial motivation strategies on employee performance?*

2.11.2 Non-financial compensation

Non-financial compensation concentrates on the needs people have. These needs could be the need for achievement, responsibility, influence and personal growth.
Most of the non-financial compensation possibilities are intrinsic motivators. Intrinsic motivation arises from the work itself. (Thomas 2002, 6) Workers feel satisfied and they get feeling of success from work and that way are more motivated at work. Nonfinancial compensation could also be for example flexible work hours, long lunch time, interesting projects, support, appreciation, and time off, extra vacation days or simply movie tickets, paid lunch or dinner

It is important for the employers to think carefully about the non-financial options they provide. Non-financial compensation is seen as the best way to motivate workers and increase job satisfaction.

H_2: *There is an effect of Organization non financial motivation strategies on employee performance?*

2.11.3 Employees' Value

According to Antomioni (1999, p29), "the amount of effort people are willing to put in their work depends on the degree to which they feel their motivational needs will be satisfied. On the other hand, individuals become de-motivated if they feel something in the organization prevents them from attaining good outcomes.

H_3 *There is a relation between what employees' value and what motivate them and the enterprise motivation strategies*

2.11.4 Motivation Strategies and performance

Measuring performance is of great importance to an incentive plan because it communicates the importance of established organizational goals. "What gets measured and rewarded gets attention" (Bohlander et al, 2001).

In discipline of human resource management, different writers suggest the following indicators for measuring employee performance and they include: quality that can be measured by percentage of work output that must be redone or is rejected; Customer satisfaction that can be measured by the number of royal customers and customer feedback. Also, timeliness, measured in terms of how fast work is performed by the employee when given a certain task; absenteeism/tardiness observed when employees absent themselves from work; and achievement of objectives measured when an employee has surpassed his/her set targets, he/she is then considered to have performed well to achieve objectives (Hakala, 2008; Armstrong, 2006).

An effective reward program may have three components: immediate, short-term and long term. This means immediate recognition of a good performance, short- term rewards for performance could be offered monthly or quarterly and long- term rewards are given for showing loyalty over the years (Schoeffler, 2005). Immediate rewards are given to employees repetitively so that they can be aware of their outstanding performance. Immediate rewards include being praised by an immediate supervisor or it could be a tangible reward. Short term rewards are made either monthly or quarterly basis depending on performance. In addition researchers have also identified motivation as the mediating mechanism and some identify trust and morale. In spite of more recent attention to commitment, motivation is still considered to be an important influence to performance (Torrington et al, 2008).

H_4 *There is a relation between enterprise motivational strategies and employees' performance?*

2.11.5 Public Service Employees Motivation

According to a Public Service Motivation perspective, the motivation of public employees is oriented toward the realization of the values and goals of public service through an identification process. Values and goals of public service are part of the self-definition of certain public employees and determine the justification of their behavior

Public Service Motivation is just one specific factor explaining work motivation and several other motivational factors do have an effect on work behavior of public employees (Vandenabeele and Ban 2009).

Both material incentives and team relations may play a very important role in the motivational process of public servants. Comparative studies of the motivational patterns of public and private sector employeeśmotives (Solomon 1986; Jurkiewicz, Massey, and Brown 1998) clearly suggest the appropriateness of an approach into these motivational patterns.

2.11.5.1. Material Incentives

Comparative studies have consistently demonstrated that public employees have different motives from private ones. In particular, they are more inclined to disregard extrinsic elements such as pay and monetary rewards and to value intrinsic job characteristics.

Furthermore, empirical studies indicate that an increase in extrinsic motivators may even reduce the positive impacts of intrinsic factors on work motivation (Marsden and Richardson 1992)

2.11.5.2. Team Relations and Support

One of the most critical factors in the direct environment of a public employee is colleagues and superiors (Perry and Porter 1982). In the same vein, recognition from colleagues and superiors has very strong motivational potential in the public sector (Khojasteh1993; Rainey 1982). Research suggests that management of public sector should concentrate on promoting affective commitment of their employees to the organization. **The second** key factor of which must be considered, when motivating public sector employee relates to feedback. “Feedback, or telling employees how well they are performing, is an essential element for effective organizational functioning. Feedback affects both employee motivation and performance” (Yeager, Rabin, and Vocino, 1985)Yeager et al. (1985) found that adequate feedback has positive impacts on motivation in general, effort, goal setting, performance adjustment and improvement, and goal attainment.. If public sectors make better effort to provide feedback, particularly

emphasizing the positive, they may begin to notice a higher level of motivation among their staff members.

The third factor research also supports the claim that employees are more highly motivated when they have a clear understanding of their work goals and feel they are attainable. Wright (2007) conducted a study designed to analyze employee work motivation and performance in the public sector. Public servants are more highly motivated by intrinsic rewards such as the simple pleasure received from performing a job or the sense of satisfaction rather than receiving extrinsic rewards such as salary. Further, research shows that public servants prefer the supporting work environment often found in public service settings as well as stable duties and hours, which allow them to achieve a satisfactory work-family balance for themselves. EEP is one of public enterprise therefore in order to maintain a high level of motivation among employees; the researcher will consider this public service motivation theory.

$H_{5.}$ *EEP is one of public organization, its employees do more motivated by intrinsic reward than extrinsic reward?*

2.12 The Conceptual Framework of the Study is:

Employee Motivation factors are the independent variables and will be examined through two of its Categories', financial and non financial. The dependent variable is performance of employee

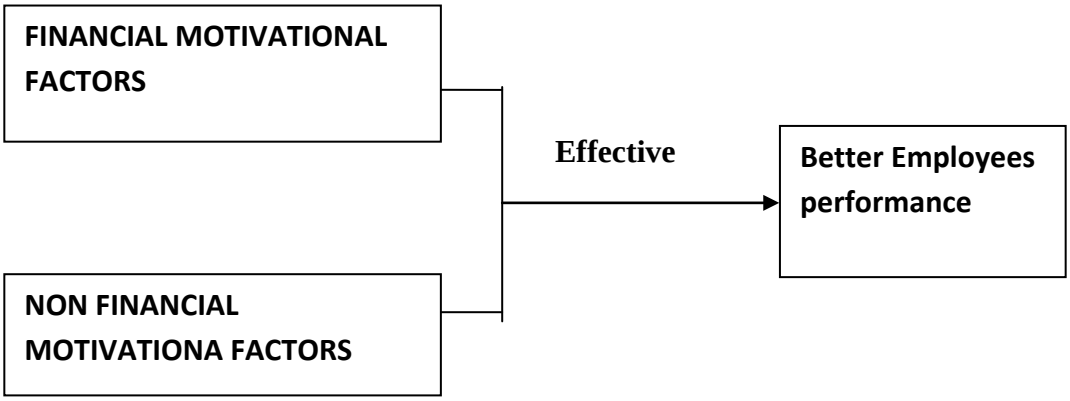


Figure-7: - Models of financial and non financial motivation strategies versus employees' performance

Source: - Modified by the researcher from Kovach (1987)

The theoretical framework of this study was premised on: Maslows hierarchy of need applied to work situations implies that managers have the responsibility, firstly, to make sure their people's deficiency need are met; Alderfer's model implies that managers must recognize their employees' multiple simultaneous needs. Focusing exclusively on one need at a time will not motivate your employee. Adams' Equity theory of motivation which states that employees expect fairness when being rewarded and Vroom's expectancy theory which states that individuals make choices based on their perceived expectancy that certain rewards will follow. It examines an integrated approach regarding the influence of financial and non financial motivational factors on employees' performance in public enterprise (EEP), where the exploratory issues can offer useful conclusions regarding the interdependence between these elements and how they can influence overall employee performance. In order to conceive a research frame work development, there researcher established the motivational dimensions, according to the above mentioned theory and the existing motivational strategies of the enterprise. The main objective of the research framework is to identify employees' performance degree in relation to motivational factors. The research problem is to states that a high degree of performance is directly influenced by which motivational strategies. This research aims at bringing into light the degree of motivation of employees from public enterprises (EEP), determining the prevalent type of motivation (intrinsic or extrinsic motivation)

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3. Introduction

This chapter discusses the methods employed for the study. This involves the description of the population and the sample size, the instruments used for the collection of data, the administration of the instrument and the limitations of the study.

3.1 Population Studied

Population studied included staff and management of Ethiopian Electric power enterprise.

3.2 Sample and Sampling Procedures

In working out the sample size the sample frame was payroll that contains 1817 workers (Population of the study) from different department. We had to make certain parameter estimates. For this study, the confidence level (Z) was set at 95%, the margin of acceptable error (E) was 5%. Therefore, the sample size (n) for this proportion is determined by using http://www.raosoft.com sample size software (the following formulas).

$$n = \frac{NZ^2 * 0.25}{[d^2*(N-1)]+(Z^{2*}\ 0.25)}$$

After the calculations, the sample size is 317 subjects.
Where:
n = sample size;
N = total number of employees of the enterprise = 1817 employees
d = level of accuracy (if the study is 5% = 0.05 in absolute terms)

Z = 1.96 corresponds to a confidence level of 95% Sample size of 317 was selected using the stratified sampling method. The choice of this sampling procedure was because it has no personal bias and it is scientific and objective. Under this method, the researcher categorized the staff of Electric power enterprise according to their already existing

departments namely (Human Resources, Finance, Performance management office (PMO), UEAP and Transmission construction (TSC).

The raw data from the field survey was entered into SPSS 20-intergraded and the results and its analyses are presented in chapter four (4) of this work.

3.3. Instrument Used

The instrument the researcher used for the collection of data from the respondents was a questionnaire. Two sets of questionnaire were prepared which comprised both close-ended questions and open-ended questions. The open-ended questions were meant to solicit the respondents own opinions on certain aspects of the study such as how do you motivate your employees to give out their best, how is motivational strategies related to employee performance.

The close -ended questions were meant to ensure that the respondents chose the options with which they agreed most. In all 317 copies of questionnaire were administered to respondents to solicit their views 287 copies of questionnaire made up of 38 items were distributed to general staff. A set of 30 arranged interviews questionnaires with 12 items was administered to management.

3.4. Instrument Validity and Reliability

Instrument Validity pertains to the ability to accurately measure what it intends to measure based on objectives of the study. Due to this, the questionnaires that were sent out were discussed by the researcher with the respondents. The researcher gave explanation to the respondents before they answered the questionnaires. This was purposely done to achieve the meaning of data reliability.

Reliability measures the degree to which a research instrument yields consistent results or data after repeated trials. To ensure reliability, the questionnaire was pre-tested on 20 respondents at EEPE. In this study a reliability co-efficient (Alpha value) of more than 0.7 was assumed to reflect the acceptable reliability. The objective of pre-testing was to

allow for modifications of various questions in order to rephrase, clarify and clear up any shortcomings in the questionnaire.

3.5. Data Analysis

Data analyses were done by the use of SPSS 20-intergraded. In order to ensure logical completeness and consistency of responses, the researcher carried out data editing. Identified mistakes and data gaps were rectified. The technique for data analysis was the frequency distribution and percentages, which were used to determine the proportion of respondents choosing the various responses. This was done for each group of items relating to the research questions. The proportions showed the popular views of employees on the various sub-issues. Tables, charts, chi-square and graphs were also used to ensure easy comprehension of the analysis.

3.6. Organizational Structure

The governing body of EEP enterprise is board which reports to the ministry of Energy. The company is structured into the following departments: HR and Service, UEAP, CFO, TSC and PMO all headed by Middle managers who report directly to Chive Executive officer (CEO). EEP external communication, Strategic and investment, ICT, EHS and Quality, Legal, Vigilance, Audit and Marketing Business are also departments headed by Middle managers who however report to the Chive Executive officer (CEO) through the Deputy Manager. All the departments are headed by Middle managers who report to their departmental heads. The internal Audit Department is the only department headed by Middle manager who reports directly to the board.

3.7. Reliability Test

3.7.1. Financial Motivation Strategies and Concerns of Employee Motivation and Performance

According to Julie Pallant, (2007) Cronbach alpha values are, however, quite sensitive to the number of items in the scale. With short scales (e.g. scales with fewer than ten items), it is common to find quite low Cronbach values (e.g . . 5). In this case, it may be more appropriate to report the mean inter-item correlation for the items. Since, the scales tested for financial motivation strategies and concerns of employee motivation and performance were fewer than ten the researcher is employed the mean inter item correlation for the items to test its reliability in the following manner.

Table-2: - Summary Item Statistics for Fin. Mot. Strategies

	Mean	Minimum	Maximum	Range	Maximum / Minimum	Variance	N of Items
Item Means	2.389	1.393	3.580	2.187	2.570	.620	8

Source: - Computed by the researcher from the primary data, 2015

Therefore, based on the above Table 3.5.1 the mean inter-item correlation for financial motivation strategies were 2.39 with values ranging from 1.39 to 3.58. This suggests the existence of quite a strong relationship among the items. Moreover, the mean inter item correlation for concerns of employees' motivation and performance Table 3.5.2 below is 2.06 with values ranging from 1.42 to 2.70. This suggests the relationship among the items is very strong.

Table-3: - Summary Item Statistics for Concerns of Employee Motivation and Performance

	Mean	Minimum	Maximum	Range	Maximum / Minimum	Variance	N of Items
Item Means	2.060	1.416	2.703	1.288	1.910	.208	6

Source: - Computed by the researcher from the primary data, 2015

3.7.2. Test of Reliability of Non-Financial Motivation Strategies

Reliability refers to the degree to which the items that make up the scale 'hang together'. Are they all measuring the same underlying construct? One of the most commonly used indicators of internal consistency is Cronbach's alpha coefficient (manual)." ….alpha should be positive and usually greater than 0.7 in order to provide good support for internal consistency reliability"(stat…). The researcher since the scales of the questions

are more than ten utilized Cronbach alpha statistics in the following manner. Based on the case processing summary Table-6, the numbers of cases (219) are valid and correct.

Table-4: - Case Processing Summary

		N	%
Cases	Valid	219	100.0
	Excluded [a]	0	.0
	Total	219	100.0

a. Listwise deletion based on all variables in the procedure.

Source: - Computed by the researcher from the primary data, 2015

Cronbach alpha coefficient value shown in the reliability statistics Table-7 below indicates that 0.693, suggesting poor internal consistency reliability for the scales of aware of nonfinancial Motivation Strategies with Cronbach's alpha if item deleted figure of 0.728 (refer table-8) and respondent non-financial motivation rank value of 0.756 (refer table-8). Therefore, the researcher to get a strong validity result excluded those two questions from the questionnaire. By doing so the Cronbach's alpha coefficient value becomes 0.794 (refer table-9). Thus, it is possible to conclude that the alpha coefficient is positive and greater than 0.7 which provides good support for internal consistency reliability.

Table-5: - Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.693	.718	14

Source: - Computed by the researcher from the primary data, 2015

Table-6: - Non financial Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
Respondent rank nonfinancial org. motivation level	35.68	43.771	.242	.201	.686
Aware of nonfinancial Motivation Strategies	35.42	48.318	-.251	.273	.728

Salary for assigned job is in balance	34.43	40.806	.290	.264	.680
Current staff restructuring is free of bias	34.95	38.975	.425	.299	.661
Good physical working conzatioditions in org.	34.73	40.895	.353	.351	.672
Do you feel secured in job	34.19	41.180	.285	.326	.680
Supervisor recognizes the work done	34.41	40.106	.369	.286	.669
Satisified with responsibility and duties	34.21	39.573	.421	.373	.663
Satisified with HR support	34.78	38.227	.603	.503	.643
There fiair amount of team spirit	34.33	39.414	.437	.274	.661
Employee participate in goal setting	34.77	38.250	.525	.509	.649
Opportunity for promotion	34.84	39.780	.491	.579	.658
Opportunity to prioritize and schedule job	34.21	38.445	.456	.526	.656
Respondent nonfinacial motivation rank	34.32	43.154	-.015	.134	.756

Source: - Computed by the researcher from the primary data, 2015

Table-7: - Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.794	.793	12

Source: - Computed by the researcher from the primary data, 2015

3.8. Limitation of the Study

The research topic is a big challenge facing most organizations therefore a study of this nature should have covered a wider area, however, due to financial problems and time constraints and geographical distribution of projects not all EEP employees could be included in the study The researcher therefore limited the study to EEP head office only.

CHAPTER FOUR

DATA ANALYSIS AND DISCUSSION OF RESULTS

4. Introduction

In this chapter, the primary data collected by means of questionnaires and personal interviews administered to employees of Ethiopian Electric power is analyzed and discussed.

Analyzing the data is to provide meaning to the raw data collected. The method of data illustration used to express the different opinions in detail, involve the use of graphs, tables and diagrams.

4.1 Demographic Data

The background characteristics covered age, sex, and academic qualification for respondents.

Table-8: - Gender and education of respondents cross tabulation

		Education			Total	
		Diploma	First Degree	Masters Degree		%age
Sex	Female	13	64	1	78	35.6
	Male	17	110	14	141	64.4
Total		30	174	15	219	100
Percentages		14	79	7		

Source: - Computed by the researcher from the primary data, 2015

Table-8 reveals that out of the 219 respondents as sample size, 141 representing 64.4% were males while 78 representing 35.6% were females. The majority were young and first degree holder this encouraging to determine type of motivation strategies in the enterprise. However, the research is not based on gender and education but it has been

generalized to give a more specific depiction on the impact of motivation Strategies on employees' performance.

Education level is illustrated in figure 8 below

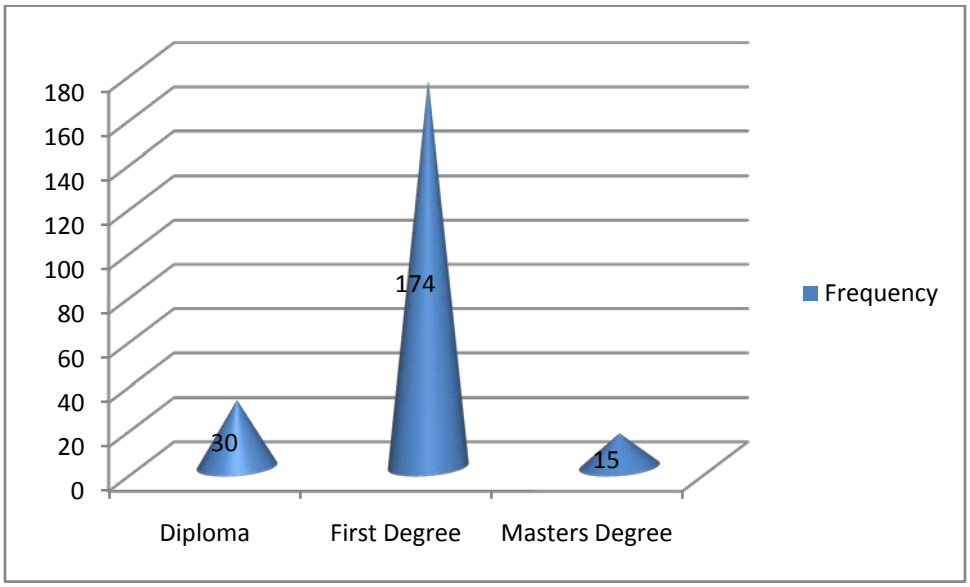


Figure-8: - Educational level of respondents
Source: - Computed by the researcher from the primary data, 2015

Table-9: - Age and Tenure of respondents cross tabulation

		Tenure					Total
		0-5	6-10	11-20	21-30	>30	
Age	20-30	24	48	7	0	0	79
	31-40	20	60	20	6	2	108
	41-50	0	2	2	20	4	28
	>50	0	0	0	0	4	4
Total		44	110	29	26	10	219

Source: - Computed by the researcher from the primary data, 2015

Table-9 reveals that the greater number of personnel (49.3%) those answered the questionnaires were employees in the 31-40 years group and 6-10 years tenure. As depicted, also the lowest age profile is 50 year and above group with tenure above 30 years represent of only 1.8%. It implies also that majority of Ethiopian Electric Power enterprise workforce are the young and energetic

Table-10: - Position and Department Cross tabulation

		Department					Total
		Finance	HR Management	CEO	PMO	UEAP	
Position	Worker	4	0	4	5	4	17
	Supervisor	2	6	0	6	2	16
	Professional	62	12	26	17	37	154
	Middle Manager	12	7	0	7	6	32
Total		80	25	30	35	49	219

Source: - Computed by the researcher from the primary data, 2015

From Table-10, predicts revel that majority of personnel Out of the 219 respondents as sample size, 154 respondents representing about 70.3% were professional that work in finance department. The reaming department filled by rest of different level position employees. This indicates finance department employees are the back bone of the organization that needs special consideration during planning motivation strategies.

Table-11: - Tenure on current Position

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0-5	173	79.0	79.0	79.0
	6-10	30	13.7	13.7	92.7
	11-20	12	5.5	5.5	98.2
	21-30	3	1.4	1.4	99.5
	>30	1	.5	.5	100.0
	Total	219	100.0	100.0	

Source: - Computed by the researcher from the primary data, 2015

Table-11 revel that majority of personnel Out of the 219 respondents as sample size, 173 respondents representing about 79% had 0-5 years' experience at current position. The reason minimum tenure on current position was the Ethiopian electric power was established in 2013 as a result of the decoupling of the existing Ethiopian Electric power corporation.

4.2. Concerning Organization Financial Motivation Strategies

Table-12: - Distribution of the awareness of the financial motivational strategies in the organization

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	133	60.7	60.7	60.7
	No	86	39.3	39.3	100.0
	Total	219	100.0	100.0	

Source: - Computed by the researcher from the primary data, 2015

The table above shows the distribution of respondents on the awareness of motivational strategies at Ethiopian Electric Power enterprise. Out of the total respondents, 133 representing 60.7% were aware of the motivational strategies of the company while the remaining 86 representing 39.3% ware unaware of the motivational strategies of available at EEP. With the majority of the respondents answering yes, this means that workers at EEP are moderately informed about the financial motivational strategies of the enterprise.

Table-13: - Financial motivation effect on performance

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	120	54.8	54.8	54.8
	No	99	45.2	45.2	100.0
	Total	219	100.0	100.0	

Source: - Computed by the researcher from the primary data, 2015

Table-13 contains information about the effect of financial motivation on the workers of EEP. 120 respondents representing 54.8% increase their performance while the remaining 99 representing 45.2% their performance did not affected by financial motivation strategies. With the majority of the respondents affected by financial motivation, this means that they will be motivated to perform extra to help the organization achieve its goals.

This study sought to establish the effect of financial motivation on employee performance. A chi square test was hence used to test the hypothesis that there is statistically significant effect of financial motivation strategies and employee performance. The results are as shown in table below.

Table-14: - Chi-Square Tests for financial motivation. Strategies and performance

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	112.343[a]	1	.000		
Continuity Correction[b]	109.416	1	.000		
Likelihood Ratio	124.619	1	.000		
Fisher's Exact Test				.000	.000
Linear-by-Linear Association	111.830	1	.000		
N of Valid Cases	219				
a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 38.88.					
b. Computed only for a 2x2 table					

Source: - Computed by the researcher from the primary data, 2015

In the table presented above, the corrected value is 109.42, with an associated significance level of .00 (this is presented in the column labelled Asymp. Sig. (2-sided).According Julie pallant,(2007) to be significant, the Sig. value needs to be .05 or smaller. In this case, the value of .00 is *smallerr* than the alpha value of .05, so we can conclude that our result is significant. This means that the effect of financial strategies is significant on employee performance.

There is association between financial motivation strategies and employee performance.

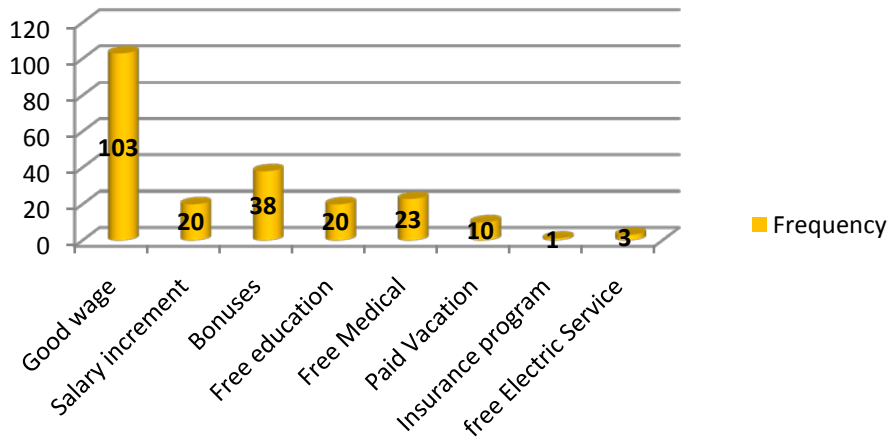


Figure-9: - Ranking of Financial Motivational Strategies in order of preference

Source: - Source: - Computed by the researcher from the primary data, 2015

Out of the 219 respondents as sample size, 103 respondents representing about 47% said that they are motivated by the wages they receive from the EEP. 38 respondents representing 17.4% said their motivation came through Bonuses. 23 respondents representing 10.5% answered that they were motivated because of free medical service while the remaining 25.1% said they were motivated by salary increment, free education, paid vacation, free electricity and insurance. So that good wage was the best financial motivator.

Table-15: - Enterprise Financial motivation Factors and employees' response

No.	Factors	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	Total Sum	Total %age	Remark
12	Salary increments is fair and equity	26 (11.9)	59 (26.9)	55 (25.2)	73 (33.3)	6 (2.4)	219	100	Disagree
13	Satisfied salary paid at present	41 (18.7)	81 (37)	37 (16.9)	50 (22.8)	10 (4.6)	219	100	Disagree
14	Retirement benefits available are sufficient	28 (12.8)	48 (21.9)	57 (26)	79 (36.1)	7 (3.2)	219	100	Agree
15	Medical benefits provided in the org. are satisfactory	12 (5.5)	30 (13.4)	28 (12.8)	117 (53.4)	32 (14.6)	219	99.7	Agree

Source: - Computed by the researcher from the primary data, 2015

Questionnaire items 12, 13, 14 and 15 were used to address research question on financial motivation. The responses to this research question are shown in table 15 above. The

study shows that majority of the Response State adopt financial motivation strategies on performance. This is evident from the results which indicates that majority of the respondents staff of the enterprise were in agreement that their firms' uses motivational tools such as salary increments, Retirement benefits and medical benefits. Ticking disagree to the salary paid at current implies that the salary increment was not enough to perform better.

4.3. Concerning Organization nonfinancial motivation strategies

Table-16: - Concerning level of nonfinancial motivation strategies

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Low	92	42.0	42.0	42.0
	Fair	114	52.1	52.1	94.1
	High	10	4.6	4.6	98.6
	Very High	3	1.4	1.4	100.0
	Total	219	100.0	100.0	

Source: - Computed by the researcher from the primary data, 2015

Table-16 contains information about the effect of nonfinancial motivation level on the work performance of EEP. 114 respondents representing 52.1% wear fair while the remaining 92 representing 42% their performance did not affected by nonfinancial motivation strategies. With the majority of the respondents affected by nonfinancial motivation, this means that non financial motivation strategies were significant to perform extra to help the organization achieve its goals but it did not given appropriate consideration by management.

Table-17: - Aware of nonfinancial Motivation Strategies

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	77	35.2	35.2	35.2
	No	85	38.8	38.8	74.0
	indifferent	57	26.0	26.0	100.0
	Total	219	100.0	100.0	

Source: - Computed by the researcher from the primary data, 2015

The table above shows the distribution of respondents on the awareness of motivational strategies at Ethiopian Electric Power enterprise. Out of the total respondents, 77 representing 35.2% were aware of the motivational strategies of the company, 85 representing 38.8% ware unaware of the motivational strategies of available at EEP while

the remaining 57 representing 26%were ignorant about non-financial strategies exist or not. With the majority of the respondents answering No, this means that workers at EEP were not well informed about the nonfinancial motivational strategies of the company.

Table-18: - Chi-Square Tests for non financial and performance

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	4.955[a]	6	.550
Likelihood Ratio	5.649	6	.464
Linear-by-Linear Association	2.253	1	.133
N of Valid Cases	219		

a. 6 cells (50.0%) have expected count less than 5. The minimum expected count is .78.

Source: - Computed by the researcher from the primary data, 2015

In the table presented above, the corrected value is 4.955, with an associated significance level of .55 (this is presented in the column labeled Asymp. Sig. (2-sided). According Julie Pallant to be significant, the Sig. value needs to be .05 or smaller. In this case, the value of .55 is *larger* than the alpha value of .05, so we can conclude that our result is not significant. This means that the effect of nonfinancial strategies is not significant on employee performance. There is low association between nonfinancial motivation strategies and employee performance

Table-19: - Non financial motivation strategy and performance

No.		Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree	Total Sum	Total %age	Remark
18	Salary for assigned job is in balance	23 (10.5)	67 (30.6)	52 (23.7)	64 (29.3)	13 (5.9)	219	100	Disagree
19	Current staff restructuring is free of bias	52 (23.5)	83 (37.9)	42 (19.2)	33 (15.1)	9 (4.1)	219	100	Disagree
20	Good physical working conditions in org.	31 (14.2)	71 (32.4)	72 (32.9)	45 (20.5)		219	100	Disagree

21	Do you feel secured in job	9 (4.1)	67 (30.6)	43 (19.6)	84 (38.4)	16 (7.3)	219	100	Agree
22	Supervisor recognizes the work done	10 (4.6)	86 (39.3)	52 (23.6)	54 (24.7)	17 (7.8)	219	100	Disagree
23	Satisfied with responsibility and duties	15 (6.8)	53 (24.3)	53 (24.2)	88 (40.1)	10 (4.6)	219	100	Agree
24	Satisfied with HR support	30 (13.5)	76 (34.8)	80 (36.5)	29 (13.2)	4 (1.8)	219	100	Disagree
25	There fair amount of team spirit	17 (7.8)	53 (24.2)	76 (34.7)	59 (26.9)	14 (6.4)	219	100	Undecided
26	Employee participate in goal setting	32 (14.6)	83 (37.9)	66 (30.1)	26 (11.9)	12 (5.5)	219	100	Disagree
27	Opportunity for promotion	32 (12.3)	83 (41.6)	66 (31.1)	26 (14.5)	12 (0.5)	219	100	Disagree
28	Opportunity to prioritize and schedule job	27 (12.3)	91 (41.6)	68 (31)	32 (14.6)	1 (.5)	219	100	agree

Source: - Computed by the researcher from the primary data, 2015

From the above findings, Majority of respondent disagrees with Salary for assigned job is in balance? From respondent response Current staff restructuring is not free of bias.

Good physical working condition in the Organization 20.5% Agree and 32.9% were not sure. Majority of the respondents 46.6% disagree and strong disagree this means physical condition did not motivate them to increase employee performance, 45.7% agree and strongly agree on job security this indicate job security has effect on employee

performance. In respect to Supervisor recognizes the work done majority respondent respond disagree, which means it didn't motivate to perform better. Concerning satisfaction from HR support majority respond disagree that means they did not get the needed support. And fair amount of team spirit majority was not sure the effect on their performance. Employees participation in goal setting, opportunity for promotion and opportunity to prioritize and schedule job, Majority of the respondents respond disagree because the enterprise did not gave employee enough chance to participate in goal setting, get promotion and prioritize and schedule their job. Therefore this did not motivate them to perform better.

The results show that majority of employees have a perception that non financial motivation strategies did not applied efficiently. Nonfinancial motivation strategies were perceived to have a great influence in motivating employees to achieve their targets as well as in motivating them to be more productive in their work; however it only has significant influence when it is free of bias and efficient.

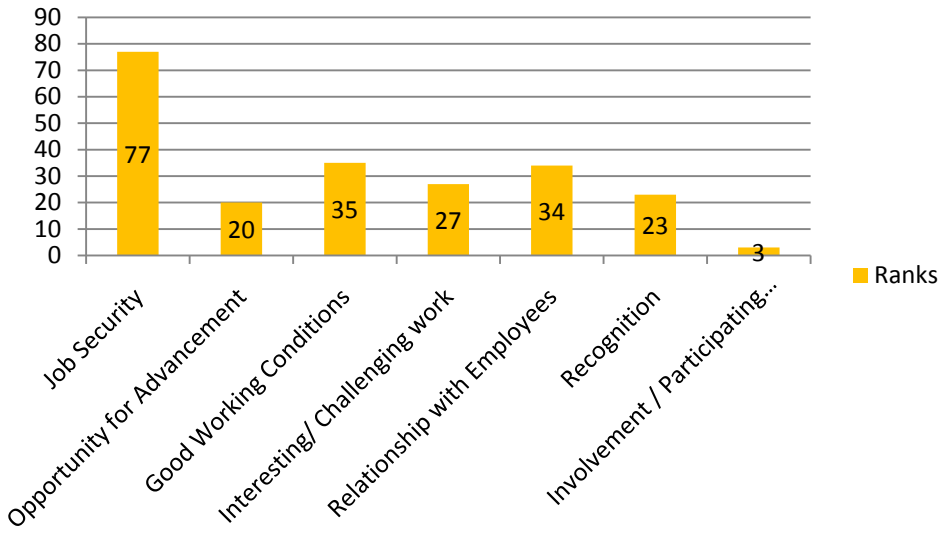


Figure-10: - Non financial motivational factors rank

Source: - Computed by the researcher from the primary data, 2015

Out of the 219 respondents as sample size, 77 respondents representing about 45.2% said that they are motivated by Job Security they have got from the Ethiopia electric power. 35 respondents representing 16% said their motivation came through good working condition. 34 respondents representing 15.5 % answered that they were motivated because of advancement/promotion while the remaining 32% said they were motivated by recognition. From this finding the researcher conclude that nonfinancial motivation more preferred by EEP employees' was job security which is second level Abrham Maslow hierarchy of need.

4.4. Concerning what Employees' Value and Organization Motivation Strategies

Table-20: - what employees' value and organization motivation strategies

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	13	5.9	5.9	5.9
	Disagree	92	42.0	42.0	47.9
	Neither agree nor disagree	54	24.7	24.7	72.6
	Agree	51	23.3	23.3	95.9
	Strongly agree	9	4.1	4.1	100.0
	Total	219	100.0	100.0	

Source: - Computed by the researcher from the primary data, 2015

Out of the 219 respondents who answered questions on what employees' value and organization strategies (92) respondents selected disagree this resulted in 42%. (54) Respondents neither agree nor disagree also, resulting in 24.7%. With the above interpretation, it can be concluded that respondents in the enterprise strongly need motivation strategies that satisfy their need. Thus motivate them to give their best to the enterprise they need involve in any policy concerning motivation strategies.

Table-21: - Concerning employers' motivation strategies and employees' performance

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Individual base	33	15.1	15.1	15.1
	Team base	11	5.0	5.0	20.1
	Organizational base	163	74.4	74.4	94.5
	Department base	12	5.5	5.5	100.0
	Total	219	100.0	100.0	

Source: - Computed by the researcher from the primary data, 2015

Out of the 219 respondents who answered questions on motivation strategies, (163) respondents were of the view that motivation strategies' were organizational based which resulted in 74.4%. This show that enterprise did not used performance appraisal or contingent motivation strategies to motivate employees the reason chosen organization base it was difficult to set standard and measure some of the job performed by employees. .

Table-22: - Performance appraisal for reward

No.	Factors	Yes	No	Yes, but not consistently	Total Sum	Total %age
32	Use performance appraisal for salary increment	26 (11.9)	161 (73.5)	32 (14.5)	219	100
33	Use performance appraisal for bonus	27 (12.3)	157 (71.7)	35 (16)	219	100

Source: - Computed by the researcher from the primary data, 2015

The study concluded that the enterprise did not used performance appraisal to give salary increment and bonuses for employee. Whether had received or not received it does not affect their performance; hence it did not have a significant effect on performance.

Garlick (2009) found that cash bonuses do not seem to impact much on performance, those who receive are just slightly more satisfied than those who get no reward. Cash bonuses had little impact on company performance.

Cash bonuses only seem to make employees happy and to stop them from being dissatisfied, but they do not seem to have an impact on employees' performance.

Table-23: - Motivation strategies cost and benefit analysis

No.	Factors	Yes	No	Total Sum	Total %age
34	Motivational strategy cost equivalent to the benefit it exerts	51 (23.3)	168 (76.7)	219	100
35	Absence of motivation strategies increase resignation	128 (58.4)	91 (41.6)	219	100

Source: - Computed by the researcher from the primary data, 2015

Research questions 4.5 was answered with questionnaire items 34 and 35. The research question asked whether there is a significant relationship between employee motivation strategies and employee performance. Responses from the analysis were shown in table 23 the results showed that there is no a significant relationship between employee motivation base and employees performance of an EEP Enterprise. This implies that work motivation strategies that were organizational base it could not consider individual and team effort separately therefore cannot have strong influence with performance of employees.

Table-24: - Supervisors emphases on employee motivation than their interest

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	46	21.0	21.0	21.0
	Disagree	78	35.6	35.6	56.6
	Neither agree nor disagree	60	27.4	27.4	84.0
	Agree	29	13.2	13.2	97.3
	Strongly agree	6	2.7	2.7	100.0
	Total	219	100.0	100.0	

Source: - Computed by the researcher from the primary data, 2015

Out of the 219 people, who answered questions on whether supervisors was concerned on employee welfare than their interest, (78) of the respondents answered that supervisor was not concerned about their welfare and 60 of the respondents answered that supervisor neither take care or do not take care of their welfare, resulting in 35.6% and 27.4% respectively. This implies the result from the table was not enough so that to conclude the workers welfare was not taken care of by supervisor it need the result of management staff interview.

4.5. Employees' Preference

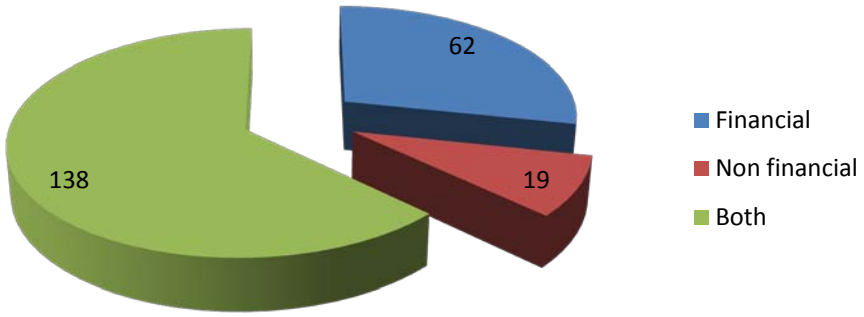


Figure-11: - Employees' preference concerning Financial, Nonfinancial and Both

Source: - Computed by the researcher from the primary data, 2015

The research question figure 4.6 tries to find out whether a financial or non-financial motivational strategy more affects employee performance in an organization. Section 4.6 was used to analyze research question 37. The respondents were of the view that performance depends on the type of motivation used (financial or non-financial). The results from questionnaire item 37 indicated that firms' employees prefer financial motivation strategies then non-financial. But 138 respondent representing 63 % prefer both financial and non-financial employee motivation strategies.

Table-25: - Ranking of Motivational Strategies in order of preference

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Salary increase	108	49.3	49.3	49.3
	Promotion	33	15.1	15.1	64.4
	Contingent pay	46	21.0	21.0	85.4
	Recognition	32	14.6	14.6	100.0
	Total	219	100.0	100.0	

Source: - Computed by the researcher from the primary data, 2015

Out of the 219 respondents as sample size, 108 respondents representing about 49.3% said that they are motivated by the Salary increase they receive from the Ethiopia electric power. 46 respondents representing 21% said their motivation came through contingent

pay. 33 respondents representing 15.1% answered that they were motivated because of advancement/promotion while the remaining 32% said they were motivated by recognition. From this finding the researcher conclude that financial motivation more preferred by EEP employees' for better performance

4.6. Discussions of Some Management Staff Interview

4.6.1. Issues should be promoted Identified During Interview were.

The company is currently using employee motivation strategies such as good wages, Bonus, Transport allowance, free medical service, free education, free electricity, Job security, Promotions, Carrier development, recognition, Diplomatic discipline, feeling of being on things to motivate its employees for maximum performance. The researcher understand from the interviews that motivational factors influence revel on employees were by early reporting to work, staying on the job, be effective on performance, respect amongst colleague, inner satisfaction and loyal to the enterprise. The management believes both financial and non-financial strategies contribute to high levels of motivation

4.6.2. From the interview conducted with some of the management officials, a few problems were also identified about the systems such as:

- Employers concentrating more on extrinsic needs than on intrinsic which needs to be balanced.
- Management did not see employees' motivation as crucial improving employees' performance.
- Organization has formal motivational strategies but the strategies were not effective.
- Delay of salary increment, bonus and poor working conditions contribute to low level of motivation.
- Organization motivational strategies were not related to employee performance.
- The view of employees efficiently did not incorporate in the motivational strategies.
- In general Motivation factors were not adequate enough to motivate employees of EEP to give out their best effort at their work place.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1. Summary

Chapter five presents the summary of findings, conclusion and recommendation.

The primary objective of this thesis was to assess the" role of motivational strategies on employee's performance". By using Maslow need theory of motivation as a foundation or basis, the original need factors, which have over the years been modified by other researchers, were also adapted for use in this thesis. Given the difficult nature of identifying how and what really motivates these employees it is paramount that these enterprises find all means and ways possible to understand the motivational factors and to implement them overtime for their employee performance.

Such an understanding is the cause of low level of labor turnover, and high performance. In order for them to gain an understanding of what really motivates their employees an employee survey such as this one may be used to gain insight to employees job motivation preferences.

The company is currently using employee motivation strategies such as good wages, good working conditions, Job security, Promotions, Carrier development, Full appreciation of work done, fringe benefit, feeling of being on things to motivate its employees for maximum performance.

The motivating strategies being used were said to be not effective because their use had not improved the attitude of workers towards work and this was evident in the lower employees' performance results of the enterprise.

Also, the enterprise is currently experiencing a very high staff turnover hence the result of a few proportion of staff working within the firm for many years. It has decreased the sense of a belongingness of staff hence high turnover. The annual salary increment was

not balance with expectation which not helps retained staff since they were not assured their salaries would be renewed at the end of every year.

Staff did not give out their best and did not increase firm performance since they were rewarded salary increment and bonus organizational without the performance appraisal systems. However, a few problems were identified about the systems such as employers concentrating more on extrinsic needs than on intrinsic, which needs to be balanced. Issues of favoritism during promotions were identified.

5.2. Discussion

According to the results presented considering:

- Financial motivation strategies in a previous part of this paper Good wages and Bonus are two the most important motivation factors for EEP employees. Garlic (2009) cash bonus was listed as the most preferred incentive by three-out-of-four people. The same factors were found the most important according to Decenzo and Robins (1995), the primary reason why most individuals work is to get money. Money provides the carrot that most people want. Harpaz (1990) and Linder's (1999) researches Good wages are seen as very important by some groups of respondents and not by others. It can be assumed that there was something special about the Ethiopian electric power employees that dominant ages under 40 years find monetary rewards a crucial motivation factor.

  Before we try to find out what characterize employees that makes them value good wages, we look at other factors that were highly ranked by them.

  The third the most important factor chosen by EEP employee was free medical Service

  From the questioners conducted with some of the employees, a few problems were identified about the systems such as employers concentrating more on extrinsic needs than on intrinsic which needs to be balanced.

The enterprise was currently using employee motivation strategies in inadequate level such as good wages, bonus, free medical service, good working conditions, Job security, Promotions, Carrier development, supervisor recognition, retirement benefits, feeling of being on things to motivate its employees for maximum performance.

Therefore, financial compensation had been assumed to play a significant part when people choose jobs, stay in jobs and are motivated in jobs. The possible explanations of these findings wear when the managers concerned about employees more than their interest; the employee should had a positive attitude towards job that should eventually lead to better job performance.

- The Second factor considered was non-financial motivation this study sought to assess a correlation between nonfinancial motivation strategies and employee performance.

With an increased demand of higher performance from employees of EEP, it is important to understand what may motivate employees to perform well. According (Thomas 2002, 6) non-financial compensation is seen as the best way to motivate workers and increase job satisfaction also according Herzberg Motivators are intrinsic and unique to every individual.

According to the results there was positive relationship between non financial motivation strategies and employee performance (r=.563). These findings were consistent with previous researches such as (Brown and Shepherd, 1997) who reported that effective motivation strategies improve workers' performance and job satisfaction. The result also agrees with Chess (1994), reported that certain motivational factors contribute to the prediction employees' performance. Results suggest only from non-financial ranking that employees feel motivated by job security, good working condition, a good work environment with colleagues, interesting/challenging assignments, recognition as well as opportunity for advancement.

– The third factor researcher discussed was employees' value. According Vroom's Expectancy Theory, this was formulated by vroom (1964). His expectancy theory emphasizes the mental processes regarding choice, or choosing. It looks at self--interest in the alignment of rewards with people's wants and the connections among expected behaviors, rewards and organizational goals.

  For organizations, it helps them to relate rewards directly to performance and to ensure that the rewards provided are those rewards deserved and wanted by the recipients. Vroom's theory assumes that behavior results from conscious choices among alternatives whose purpose it is to maximize pleasure and to minimize pain. Vroom realized that an employee's performance is based on individual factors such as personality, skills, knowledge, experience and abilities. He stated that effort, performance and motivation are linked in a person's motivation. He uses the variables Expectancy, Instrumentality and Valence to account for this. But the researcher find out from the respondent that organization motivation strategies were not inconformity with employee expectation. These indicate that organization motivation strategies compare with what employees' values were not strong enough to motivate employees.

– The fourth factor considering employees' preference between financial and non-financial motivation factors the research results showed that, financial motivations were given number one ranking by EEP employees especially. These results are not in agreement with Herzberg's two factor theory of motivation by Nelson (2004) which shows that 78% of employees indicated that it was very or extremely important to be recognized by their managers when they do good work but contradict with the general perceptions for example, in a much publicized study, Gupta and her colleagues analyzed thirty-nine studies conducted over four decades and found that cold-hard cash motivates workers whether their jobs are exciting or mundane in labs and real world performance. In addition to this empirical studies in a public motivation perspective indicate that an increase in extrinsic (financial) may be reduce the positive impact of intrinsic (non financial) on work motivation. Contrary to this the study results had shown that EEP

employees salary increase, contingent pay and promotion as the top three motivational rewards. This is an indication to management that monetary rewards one by one combined with non-monetary rewards would deliver better motivational results than financial motivation alone which might be the case in EEP. In this regard, it is however important to heed Glassock & Grams' appeal as quoted by (Daft and Marcic, 2007) that monetary rewards should not be confused with non-monetary rewards. According to these two, monetary rewards are impersonal in nature, geared toward supporting short-term objectives of the firm, based on the corporate budget of the firm and are infrequently distributed. Therefore, organizations should consider balancing the financial and non-financial strategies among employees.

5.3. Conclusion

- Human resource is considered to be the most important resource of an organization to remain competitive in today's competitive business world. Acquiring the right workforce and then retaining that force is one of the challenges faced by organizations and their management. The results from this study reveal that there is a significant and positive relationship between financial motivation strategies and employee performance but it has been observed that organizations are not offering right amount of financial rewards (extrinsic rewards) to their employees in this sector. Pay is a significant factor which affects employee motivation but the results moderately supports the hypothesis due to in efficient pay packages of the enterprise.
- Fringe benefits are very important in motivating employees according to this study, so the enterprise must have to provide all the essential fringe benefits to their employees, it also increase their performance.
- On the other hand, intrinsic rewards have a weaker impact on employee motivation. Assigned salary for the job has negative effect on employee motivation, due to the lack of equity. There is an indirect relationship between financial and employee performance. Since employees of the enterprise were not satisfied with their pay packages. So in the absence of enough extrinsic rewards

which is the basic source of motivation for employee, intrinsic rewards like job security, good working condition, relation with employees, interesting/challenging work recognition, appreciation and Recognition is of little importance. Pay is potentially powerful tool to employee motivation so the employees can only be intrinsically motivated to perform an activity when they are fully satisfied with the pay they are getting.

There are certain limitations of the study which can be taken into account for further studies in the future, like sample size was too small and only EEP head office workers were considered. Another important limitation was that the pay structure of the enterprise was different from one department to another, so responses regarding pay variable were deviating, generating slightly significant impact of pay on employee motivation. These limitations can be avoided in the future studies carried out in this field, and a more clear picture can be obtained regarding impact of extrinsic and intrinsic rewards on employee motivation.

5.4. Recommendations

- Despite the fact that majority of the respondents attested to the fact that employee motivation with the EEP was not effective, few problems were identified and need to be tackled or addressed to achieve optimal employee performance.

- Employees of the enterprise should be given equal opportunities and recognition. Moreover, the whole motivational system should be made more transparent to all employees and the appraisal system should be implemented to get the expected performance from employees.

- Another issue is that, motivation strategies should include continuous appraisals method to give employees immediate feedback about their performance as well as communicate to employers the challenges they face.

- Since more people will be motivated by different incentives, management should look at the various incentives that will help motivate employees.

- Management should incorporate the view of employees in the motivation strategies.

- Management should change a boring and monotony job by doing job enrichments and job rotation that add Varity and challenge to employees.

- Non financial motivation strategies have a great influence in motivating employee in achieving their target, therefore management should have give more emphasis and create awareness.

- Supervisors also have to recognize the job performed and give back feed back to employees.

- Conditions should be facilitated to create team sprit between employees.

- Organization structure should include favorable growth carrier and promotion line that incite employees for better performance.

- In general the over-all view of management should advocate to the effectiveness of motivation strategies. It is important that employees are made to see a clear relation between successful performance on their part and the receipt of their desired rewards. It is incumbent upon management to be able to identify superior performances and reward them accordingly. This would lead to greater effort towards goal attainment.

5.5. Further Research Direction

It is recommended that further study can be extended to other energy sector to assess the effects of motivation strategies on employee performance. The sample size can be enlarged in those sector and different statistical tool can use in the research. This finding could bring relative different motivational packages that could be implemented in this sector by management. That apart, most public energy sector can also investigate levels of motivation that can enhance their employees' performance. Their finding would help the EEP to determine which packages their employees desire most for the enterprise to retain employees in this competitive environment

Appendix A

ADDIS ABABA UNIVERSITY

SCHOOL OF COMMERCE GRADUATE STUDIES

Questionnaire on “Assessment of effectiveness of employee motivation strategies in employee performance in the case of Ethiopian electric power enterprise (EEP)

Introduction

Dear Respondent,

I am a postgraduate student in the Department of Human Resources Management and presently conducting a research in the area of employee motivation strategies. As a part of my thesis I would like to gather some information from you which will help me in assessment of effectiveness of employee motivation strategies in employee performance of your organizations.

You are kindly requested to complete the attached questionnaire as honestly as possible. The information being solicited from you is purely for academic purposes. All information provided by you will be treated confidentially; hence, your name and that of your Signature are not required. Your honest completion of this questionnaire will assist in generating information that will help organization to improve their motivation strategies and get employees motivated. Hence that enhances quality service delivery and improved productivity.

Instructions

There are two sets of questionnaire will be prepared which comprised both close-ended questions and open-ended questions. Close-ended questions are rating scale type and multiple choice questions. Rating scale questions offer 1-5 rating scale, with answers ranging from strongly agree to strongly disagree or completely satisfied to very dissatisfied you will put X in the box that is given in each of the cells. For the other multiple questions you will choose four answers as per the questions and label them according to your priorities. Open-ended questions the blanks will be left to be filled by respondents.

Section" A"

Q.1. Sex: Male ☐ Female ☐

Q.2. Age: 20-30 ☐ 31-40 ☐ 41-50 ☐ 50 and above ☐

Q.3. What is your level of education?

Certificate ☐ Diploma ☐ 1ST Degree ☐ Masters Degree ☐

Others (specify)……

Q.4. How long have you been working with the organization?

0-5 years ☐ 6-10 years ☐ 11-20 years ☐ 21-30 years ☐ 30 years and above ☐

Q.5. What is your position.

……

……

How many years have you held this position?

……

……..

Q.6. Please specify your department

Finance, Management or support of management, IT, Operation or others

_____

Section" B"

Concerning Organization Financial motivation strategies

Q.7. Are you aware of the financial motivational strategies in the organization? Yes ☐ No ☐

Q.8. Have you ever benefited from it? Yes ☐ No ☐

Q.9. Do you need to be motivated by financial strategies? Yes ☐ No ☐

If yes, what are your expectations in terms of motivation?

……
……
……
……

Q.10. How would you rank the following EEP financial motivational factors in order of preference as to what motivates you.

No.	Factors	Rank
1	Good wage	
2	Salary increment per year when the enterprise get profit	
3	Bonuses when the enterprise gets profit	
4	Free educational Training	
5	Free medical treatment	
6	Paid vacation	
7	Paid sick leaves	
8	Insurance program	
9	Free electric Service during employment	
10	Free electric service after retirement	
11	Retirement plan	
12	others	

Q.11. How would you rank the financial motivational level of your organization?

Very High ☐ High ☐ Fair ☐ Low ☐

a) Strongly agree =1 b) Agree =2 c) Neither agree nor disagree =3 d) Disagree =4

e) Strongly disagree = 5

No.	**Questions**	**1**	**2**	**3**	**4**	**5**
12	The salary increment given to employees is fair and equity					
13	I am satisfied with the salary I am paid at present.					
14	The retirement benefits available are sufficient.					
15	The medical benefits provided in the organization are Satisfactory					

Section" C"

Concerning Organization nonfinancial motivation strategies

Q.16. How would you rank the nonfinancial motivational level of your organization?

Very High ☐ High ☐ Fair ☐ Low ☐

Q. 17. Are you aware of non-financial motivation in the organization?

A. Yes ☐ B. No ☐ C. Indifferent ☐

No	Questions	1	2	3	4	5
18	The salary paid for certain assigned job is in balance					
19	Do you think the current staff restructuring is free of bias?					
20	Good physical working conditions are provided in the organization.					
21	The employees in the organization feel secured in their job.					
22	I feel that my supervisor always recognizes the work done by me					
23	I am satisfied with the responsibility and duties of my work					
24	I am satisfied with the support from the HR department.					
25	In this organization there is fair amount of team spirit.					
26	the organization motivates employees by participating in the goal setting					
27	There is always opportunity for promotion in the organization					
28	There is opportunity deciding to prioritize and schedule my own job					

☐ **Q.29**. How would you rank the following nonfinancial motivational factors in order of preference as to what motivates you.

No.	Factor	Rank
1	Job Security	
2	Opportunity for Advancement	
3	Good working conditions	
4	Interesting/ challenging work	
5	Relationship with employees	
6	Recognition	
7	Involvement/Participating in things	

Section" D"

Concerning what Employees' value and organization motivation strategies

Q.30. The organization's motivation strategies are inconformity with my expectations.

a) Strongly agree ☐ b) Agree ☐ c) Neither agree nor disagree ☐

b) Disagree ☐ e) Strongly disagree. ☐

Section" E"

Concerning employees motivation and organization effectiveness

Q.31. Organization motivation strategies is

a) Individual base ☐ b) team base ☐ c) organizational base ☐

d) department base ☐

Q.32. Dose the organization use performance appraisal for salary increment?

a) Yes ☐ b) no ☐ c) yes, but not consistently ☐

Q.33. Dose the organization use performance appraisal for bonus?

a) Yes ☐ b) no ☐ c) yes, but not consistently ☐

Q.34. Is the organization's motivational strategy cost equivalent to the benefit it exerts?

a) Yes ☐ b) no ☐

Q.35. If the motivation strategies did not apply do you think the cost that incur due to resignation, absenteeism, let from work would increase?

a) Yes ☐ b) no ☐

Q.36. Supervisors' give more emphases on employee motivation than their own interest.

a) Strongly agree ☐ b) Agree ☐ c) Neither agree nor disagree ☐ d) Disagree ☐

e) Strongly disagree ☐

Section" F"

Concerning employees' preference intrinsic reward or extrinsic reward?

Q.37 which type of incentives motivates you more?

a) Financial incentives ☐ b)Non-financial incentive ☐ c)Both ☐

Q.38 Rank the following factors which motivate you most? Rank (1, 2, 3, 4 and 5 ------ respectively)

No	Factors	Rank
i	Salary increase	
ii	Promotion	
iii	Leave	
iv	Motivational talks	
v	Recognition	

Thank you for your co-operation.

Appendix B

ADDIS ABABA UNIVERSITY
SCHOOL OF COMMERCE GRADUATE STUDIES

Questionnaire on “Assessment of effectiveness of employee motivation strategies in employee performance in the case of Ethiopian electric power enterprise (EEP)

Introduction

Dear Respondent,
I am a postgraduate student in the Department of Human Resources Managementand presently conducting a research in the area of employee motivation strategies. As a part of my thesis I would like to gather some information from you which will help me in assessment of effectiveness of employee motivation strategies in employee performance of your organizations.

You are kindly requested to respond honestly as possible. The information being solicited from you is purely for academic purposes. All information provided by you will be treated confidentially; hence, your name and that of your Signature are not required. Your honest completion of this questionnaire will assist in generating information that will help organization to improve their motivation strategies and get employees motivated. Hence that enhances quality service delivery and improved productivity.

INTERVIEW FOR MANAGEMENT STAFF

This interviewprepared to investigate motivational strategies and its impact on productivity in the public service. All information provided will be treated as confidential. Thank you.

INSTRUCTIONS

SECTION ONE

Please tick (✓) or provide the appropriate response to each question:

Q.1. Sex: Male ☐ Female ☐

Q.2. Age: 20-30 ☐ 31-40 ☐ 41-50 ☐

50 and above ☐

Q.3. What is your educational qualification?

Certificate☐ a 1ST D☐ Master Degree☐ ☐

Others (specify)…….

Q.4. what is your position?

…….....
.....

Q.5. How many employees dose your organization has? ……..

SECTION TWO

Q.1. Does management sees employee motivation as crucial improving employee performance within the organization? Yes No☐ ☐

How do you motivate your employees to give out their best?

……
……
……
…….

Q.2. Does your organization have formal strategies for improving the motivational levels for employees? Yes ☐ No ☐

If yes, please mention these strategies

……
……
…….

Q.3. How do you rate the general level of motivation in your organization?

Very HighHi☐ Fair ☐ Low ☐ ☐

Q.4. What factors do you consider to contribute to high levels of motivation?

……
……

……
……

Q.5. What factors do you believe contribute to low levels of motivation in your organization?

……
……

……
……

……..

Q.6. Is your motivational strategy related to organizational effectiveness? YesNo

How is your motivational strategies related to Employee performance?

……
……
……
……

Q.7. By ranking them in order of priority which package is most important to your employees? (Please begin with the most from 1 to 6)

No.	Factors	Rank
1	Enhanced salaries to employees	
2	Employee free electric service	
3	Employee medical service	
4	Fringe benefits (i.e. allowances)	
5	Promotions	
6	Recognition	

Q.8. Are the views of employees incorporated in the motivational strategies?

. 1) Yes ☐ ii) no ☐

Q.9. Do you think these packages are adequate enough to motivate employees of EPP to give out their best effort at their workplaces? (i) Yes ☐ No ☐

If no please suggest alternatives adequacy levels of motivation strategies for management.

……
……
……

Q.10. Is the office environment conducive to enhance your worker output?

i) Yes ☐ ii) no ☐

Q.11. In what ways do Organization motivational factors influence employees' efforts? Yes(no)

No.	Factors	Yes	No
1	Early reporting to work		
2	Staying on the job		
4	Be effective on performance		
4	Respect amongst colleagues		
5	Inner satisfaction		
6	Loyalty to the enterprise		

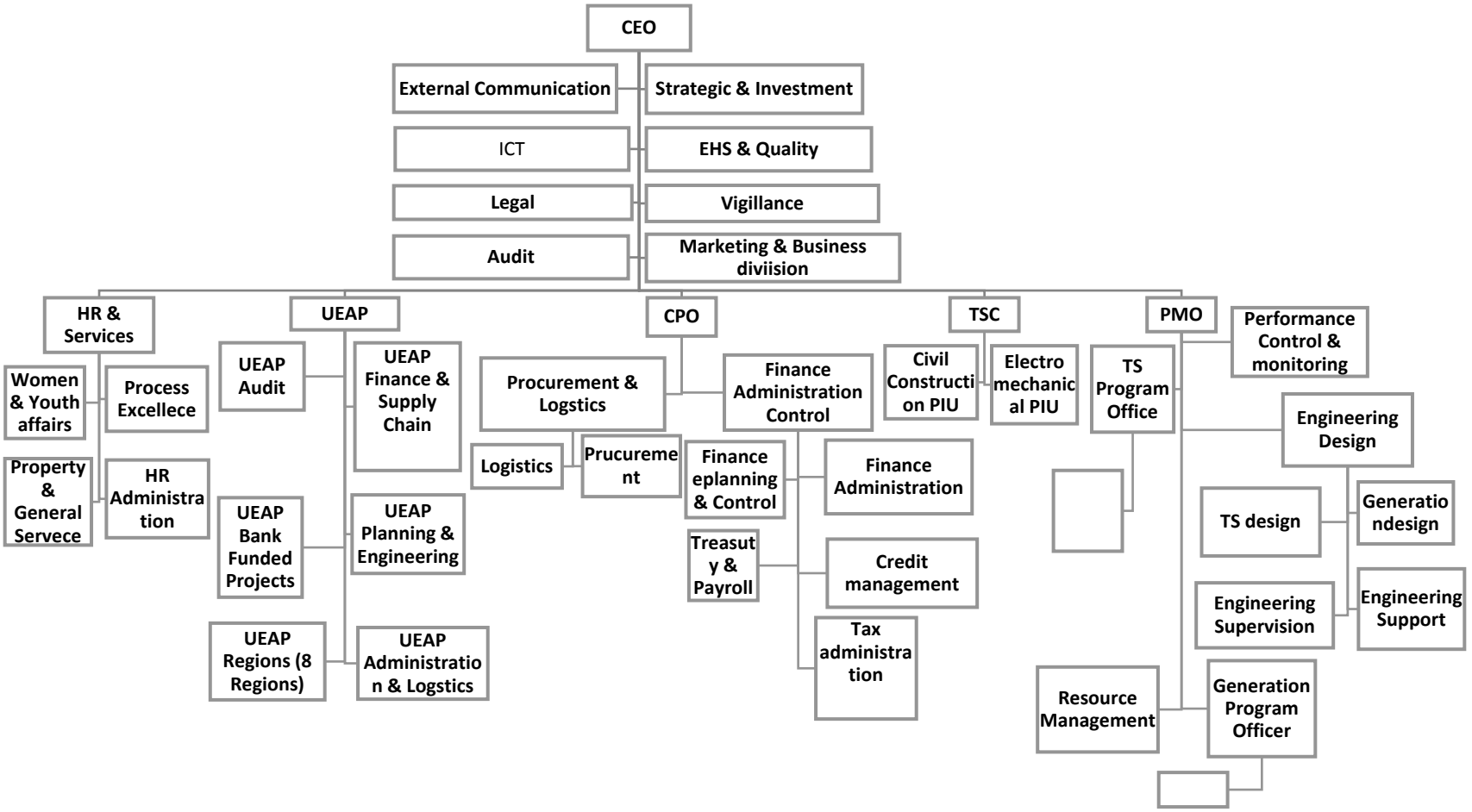
Q.12. Do your employees concentrate on financial motivation strategies then non-Financial?

I) Yes ☐ ii) No ☐

Thank you for your co-operation

AppendixC

EEP Organization Chart



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