



**Addis Ababa University**

**School of Commerce**

**Department of Business Leadership**

**Factors Affecting Employee Motivation: In the Case of Ethiopian  
Electric Utility (EEU) Head Office.**

**Advisor: Adane Atara (PhD)**

**A Thesis Submitted to Addis Ababa University School of Commerce  
Department of Business Leadership in partial Fulfillment of the  
requirements for Master Degree in Business Leadership.**

**June, 2024**

**Addis Ababa, Ethiopia**

---



**Addis Ababa University**

**School of Commerce**

**Department of Business Leadership**

**Factors Affecting Employee Motivation: In the Case of Ethiopian  
Electric Utility (EEU) Head Office.**

**By: Bezaye Kebede**

**A Thesis Submitted to Addis Ababa University School of Commerce  
Department of Business Leadership in partial Fulfillment of the  
requirements for Master Degree in Business Leadership.**

**Advisor: Adane Atara (PhD)**

**June, 2024**

**Addis Ababa, Ethiopia**

---

## Declaration

I, **Bezaye Kebede**, hereby declare that the thesis entitled “Factors Affecting Employee Motivation: In the Case of Ethiopian Electric Utility (EEU) Head Office” submitted by me for the award of Master’s Degree in Business Leadership program, is an original work carried out by me and it has not been submitted previously in part or full to this or to any other University for the award of any Degree or Diploma or Prize.

Bezaye Kebede

\_\_\_\_\_

\_\_\_\_\_

**Name of Candidate**

**Signature**

**Date**

## Certification

This is to certify that the thesis entitled “Factors Affecting Employee Motivation: In the Case of Ethiopian Electric Utility (EEU) Head Office” submitted in partial fulfilment of the requirements for the degree of Master’s Degree in Business Leadership from Addis Ababa University, School of Commerce and is a record of original research thesis carried out by Bezaye Kebede, under my supervision, and no part of the research thesis has been submitted for any other degree or diploma. The assistance and help received during the course of this investigation have been duly acknowledged. Therefore, I recommend it to be accepted as fulfilling the thesis requirements.

**Adane Atara (PhD)**

:-

**Name of Advisor**

**Signature**

**Date**

## Approval

We, the undersigned certify that we have and here by recommendation to the Addis Ababa University, School of Commerce to accept the thesis submitted by Bezaye Kebede entitled “Factors Affecting Employee Motivation: In the Case of Ethiopian Electric Utility (EEU) Head Office.” For the fulfillment of the requirement for the award of a Master’s Degree in Business Leadership.

**Examiners:**

**Adane Atara (PhD)**

**Advisor**

**Signature**

**Date**

---

---

---

**External Examiner**

**Signature**

**Date**

Abera Demsis (PhD)



---

---

---

**Internal Examiner**

**Signature**

**Date**

## **Acknowledgements**

I would like to thank God, the Almighty, for His blessings and guidance throughout my research journey. I am grateful for the opportunity to investigate the factors affecting employee motivation at the Ethiopian Electric Utility (EEU) Head Office and for the knowledge and skills gained through this experience. I would also like to express my deepest gratitude to my advisor, Dr. Adane Atara, for his unwavering support, guidance, and mentorship throughout this study. His expertise, patience, and encouragement have been invaluable in helping me to refine my research questions, design, and analysis.

I would like to acknowledge the Ethiopian Electric Utility (EEU) Head Office for allowing me to conduct this research and for providing access to the necessary data and information. I appreciate the cooperation and participation of the employees who took the time to respond to my survey and interviews. I am grateful to my family and friends for their love, understanding, and encouragement throughout this journey. Their support has been a source of strength and motivation for me. Finally, I would like to acknowledge the contributions of various scholars and researchers who have studied employee motivation and organizational behavior. Their work has been a significant source of inspiration and knowledge for me.

## Table of Contents

Declaration.....	i
Certification.....	ii
Approval.....	iii
Acknowledgements.....	iv
Table of Contents.....	v
List of Tables.....	ix
List of Figures.....	x
Acronyms.....	xi
<i>Abstract</i> .....	xii
CHAPTER ONE.....	1
INTRODUCTION.....	1
1.1. Background of the study.....	1
1.2. Statement of the problem.....	4
1.3. Research Questions.....	5
1.4. Objectives of the Study.....	6
1.4.1. General objective.....	6
1.4.2. Specific Objectives.....	6
1.5. Significance of the study.....	7
1.6. Scope of the study.....	7
1.7. Definition of Terms.....	8
1.8. Organization of the paper.....	9
CHAPTER TWO.....	11
LITERATURE REVIEW.....	11
2.1. Introduction.....	11
2.2. Theoretical Literature review.....	11
2.2.1. Concept of Employee Motivation.....	11

2.2.2.	Intrinsic Motivation .....	12
2.2.3.	Extrinsic Motivation.....	13
2.2.4.	Theories of Motivation .....	14
2.2.4.1.	Maslow’s Hierarchy of Needs Theory .....	14
2.2.4.2.	Theory X and Theory Y .....	15
2.2.4.3.	Herzberg’s Two Factor Theory .....	16
2.2.4.4.	Goal -Setting Theory .....	17
2.2.4.5.	Equity Theory .....	17
2.2.5.	Factors Influencing Motivation .....	18
2.2.5.1.	Recognition .....	18
2.2.5.2.	Work condition .....	20
2.2.5.3.	Co-worker and Supervisor Relations .....	21
2.2.5.4.	Job Satisfaction.....	22
2.2.5.5.	Financial factor .....	23
2.3.	Empirical Studies .....	23
2.4.	Conceptual Framework of the Study .....	25
CHAPTER THREE .....		26
RESEARCH METHODOLOGY .....		26
3.1.	Introduction .....	26
3.2.	Research Design .....	27
3.3.	Research Approach.....	27
3.4.	Population and Sampling Design .....	27
3.4.1.	Target Population of the study .....	27
3.4.2.	Sampling Techniques .....	28
3.4.3.	Sample Size Determination.....	28
3.5.	Data type and sources .....	29
3.5.1.	Primary source .....	30
3.5.2.	Secondary source .....	30

3.6.	Data Collection Technique .....	30
3.7.	Data Analysis .....	31
3.8.	Reliability and Validity .....	32
3.8.1.	Reliability Test .....	32
3.8.2.	Validity .....	33
3.9.	Ethical considerations.....	34
CHAPTER FOUR .....		36
RESULT AND DISCUSSION.....		36
4.1.	Introduction .....	36
4.2.	Response Rate .....	36
4.3.	Demographic Characteristics of Respondents .....	36
4.4.	Descriptive statistics .....	40
4.4.1.	Descriptive statistics for Recognition .....	40
4.4.2.	Descriptive statistics for Co-Worker and Supervisor.....	42
4.4.3.	Descriptive statistics for Work Condition .....	43
4.4.4.	Descriptive statistics for Financial Factors.....	44
4.4.5.	Descriptive statistics for Job Satisfaction.....	45
4.4.6.	Descriptive statistics for Employee Motivation .....	47
4.4.7.	Descriptive statistics for all Variables.....	49
4.5.	Inferential Statistics .....	50
4.5.1.	Correlation Analysis.....	50
4.5.2.	Multiple Regression analysis.....	53
4.5.2.1.	Linearity Test .....	53
4.5.2.2.	Normality Test .....	54
4.5.2.3.	Multi-collinearity Test.....	55
4.5.2.4.	Regression Analysis Results.....	56
4.6.	Discussion of Findings.....	60
CHAPTER FIVE .....		62

SUMMARY, CONCLUSION AND RECOMMENDATIONS .....	62
5.1. Summary of key Findings.....	62
5.2. Conclusion.....	64
5.3. Recommendation .....	66
5.4. Future Research Area .....	67
References.....	68
Annex I: Questionnaire.....	73
Annex II: SPSS Results .....	79

## List of Tables

Table 3- 1	Reliability test results.....	33
Table 3- 2	Validity test results .....	34
Table 4- 1	Demographic characteristics of respondents .....	36
Table 4- 2	Recognition .....	40
Table 4- 3	Co-Worker and Supervisor.....	42
Table 4- 4	Work Condition .....	43
Table 4- 5	Financial Factors.....	44
Table 4- 6	Job Satisfaction.....	45
Table 4- 7	Employee Motivation.....	47
Table 4- 8	Descriptive statistics of all Variables .....	49
Table 4- 9	Correlation result .....	50
Table 4- 10	Multicollinearity test .....	56
Table 4- 11	Model Summary .....	57
Table 4- 12	ANOVA Test Results.....	58
Table 4- 13	Multiple Regression analysis results .....	59

## List of Figures

Figure 1. 1 Paper organization (own illustration).....	10
Figure 2. 1 Conceptual Framework Model.....	26
Figure 4. 1. Linearity test.....	54
Figure 4. 2 Normality test .....	55

## Acronyms

**ANOVA:** Analysis of Variance

**EEU:** Ethiopian Electric Utility

**HR:** Human Resource

**SPSS:** Statistical Package for the Social Sciences

**UK:** United Kingdom

**VIF:** Variance Inflation Factor

## ***Abstract***

*This study investigates the factors affecting employee motivation at the Ethiopian Electric Utility (EEU) Head Office. A descriptive research design was employed to describe the demographic characteristics of the employees, while an explanatory research design was used to explore the causal relationships between variables. A quantitative approach was used, and a sample size of 283 employees was selected from a population of 972 using the Taro Yamane formula. The study used both primary and secondary sources of data, including questionnaires and existing literature. Data analysis was conducted using SPSS version 25, and statistical methods such as descriptive and inferential statistics, correlation and regression analysis were used to analyze the data. The findings suggest that job satisfaction, coworker and supervisor relationships, work conditions and financial factors are significant factors that affect employee motivation while recognition is a non-significant factor. To improve employee motivation, the study recommends enhancing job satisfaction, improving a positive work environment, providing fair compensation and benefits, recognizing and rewarding employees, improving coworker and supervisor relationships, conducting regular feedback and evaluation, and providing opportunities for growth and development. The study suggests several potential areas for future research, including the impact of employee motivation on organizational performance, employee motivation and turnover intentions, motivation and job satisfaction in different cultural contexts, employee motivation and well-being, and motivation and leadership style.*

**Key Words:** *job satisfaction, coworker and supervisor, work conditions, financial factors, recognition, employee motivation*

# CHAPTER ONE

## INTRODUCTION

### 1.1. Background of the study

Armstrong (2009) emphasizes the critical role that organizations play in achieving social goals and missions in today's complicated and changing world. Regardless of their purpose - whether they are in manufacturing or service industries - organizations recognize the importance of human beings in the quality of the role they play. Over time, organizations have come to understand that human beings are their most valuable assets. As such, the significant role those human beings play in helping organizations achieve their goals cannot be overlooked. Furthermore, it is pointed out that any attempt to elevate organizations without considering human empathy is likely to fail. The success of many managers can be attributed to their ability to effectively utilize the potential abilities of their employees.

Mudor and Tookon (2011) argue that in today's highly competitive environment, every organization aims for success. They emphasize the importance of retaining the best employees, as they play a crucial role in organizational effectiveness. Organizations, regardless of their size or market, strive to establish strong and positive relationships with their employees, guide them towards achieving tasks, and ensure their job satisfaction (Fisher, 2012). Fisher (2012) emphasizes the importance of organizations recognizing human capital as their primary asset. This recognition is crucial for achieving their goals, competing in competitive markets, and enhancing performance. Failure to effectively manage human capital can result in organizational failure and high staff turnover.

Employers are faced with the task of motivating employees and creating high job satisfaction among their staff, which requires developing programs and policies that embrace job satisfaction and serve to motivate employees (Ran, 2009). This investment in employee-related policies is crucial, as if the employees are not satisfied with their jobs and not motivated to

fulfill their tasks and achieve their goals, the organization cannot attain success. People have different needs that are continuously competing with each other and vary with an individual. Each person has a different mixture and strength of needs, as some people are driven by achievement while others focus on security. Managers and supervisors who are able to understand, predict, and control employee behavior should also know what the employees want from their jobs. Therefore, it is essential for a manager/supervisor to understand what truly motivates employees without making assumptions (Gurland and Lam, 2008).

Nelson and Quick (2013) define motivation as the process of arousing and sustaining goal-oriented behavior, with the word stemming from the Latin root word 'mover' which means "to move." Wesson (2010) describes motivation as the energetic forces that drive individuals, both internally and externally, to initiate effort related to work, ultimately influencing the intensity, persistence, and direction of their actions. Wesson et al. (2010) emphasize the importance of motivation in determining job performance, as it plays a significant role in guiding employees' actions and directing their efforts towards specific tasks. (Champoux, 2011) highlights the significant role that managers play in enhancing and sustaining employee motivation in the workplace. Additionally, motivation, as described by (Kelly and Cole, 2011), serves as the driving force that propels individuals to behave in certain ways in order to achieve specific goals. Various motivational theories developed by psychologists aim to explain the differences in behavior among individuals and the influence managers can have on employee behavior (Champoux, 2011). Understanding these theories allows managers to effectively motivate their employees. Ultimately, motivation plays a crucial role in improving organizational behaviors, fostering continuous engagement, and directing activities towards specific objectives.

Thompson (2011) argued that in the 21st century, human assets are considered the most valuable and volatile asset any organization can possess. Even with the best strategy and appropriate organizational architecture in place, an organization will only be effective if its members are motivated to perform at a high level. Other strategies such as obtaining market niche, developing cost-based advantage, and creating a differentiation-based advantage can be

copied, substituted, or matched by competitors; whereas human-based skills, specialized know-how, or experience developed by a company over time are difficult for competitors to duplicate.

Motivation is influenced by various factors such as attitudes, personal feelings, biases, values, economic and cultural environment, job security, realization of job expectations, emotional stability, and communication flow between management and workers. Many studies have explored different motivational techniques for enhancing organizational productivity. However, the challenge for management is to understand the impact of various motivational systems on individual and group behavior within the organization. Gautam (2006) noted that it is essential for management to recognize the impact of motivation on employee performance and blend appropriate motivational tools with effective management and leadership to achieve organizational goals. Research has shown that successful companies have strategic plans and proper methods to motivate their employees with the right kinds of motivation.

The majority of organizations today recognize the importance of having a motivated workforce as it enables them to perform better at work and ultimately boosts the growth of the organization. Companies strive to provide better working environments, employment contract terms, and welfare provisions as well as opportunities for employees to grow and nurture their talents, all in an effort to attract and retain the best employees in the market (Gamble & Thompson, 2011). This is supported by the idea that human assets and developing skilled and specialized expertise are among the four most effective strategies used by companies to gain a competitive edge. While strategies such as focusing on a narrow market niche, developing cost-based advantage, and creating a differentiation-based advantage can be replicated and matched by competitors, human-based skills, specialized know-how, and experience developed by a company over time are much more difficult for competitors to duplicate.

Worker's motivation can be influenced by various factors, with research indicating that aggravation is a significant driver of work motivation (Robbins, 2001). Other factors, such as

the managerial system, rewards, and relationships among workers, also play a crucial role in affecting motivation levels. Financial and socio-cultural issues are also key factors that impact work motivation and ultimately, the productivity of organizations. Rewarding and recognizing employees is highlighted as essential in enhancing their motivation and job satisfaction, which in turn contributes to organizational success (Kamalian, 2010). This study examined the effect of factors such as recognition, Job Satisfaction, work condition, financial factors co-workers and supervisors on Employee Motivation at Ethiopian Electric Utility (EEU) Head Office. It is crucial for organizations to ensure proper and timely employee motivation in order to achieve their mission and objectives successfully.

## **1.2. Statement of the problem**

Hersey & Blanchard (2007) found that motivated employees are more productive, happier, and tend to stay with the organization longer. Additionally, Nyameh et al. (2013) stated that having motivated employees can significantly reduce the cost of recruitment and employee maintenance, as well as aid in organizational expansion by retaining these employees for longer periods. Armstrong (2012) emphasizes that employee motivational problems are prevalent in every organization, regardless of their size or type, and can arise at every level of the organization. When a significant number of employees are lacking in motivation, it can lead to a lack of respect for management and a decrease in effort put forth by employees, ultimately resulting in unachieved goals. This low productivity poses a substantial risk for the organization, as it can lead to a loss of competitive advantage and hinder their success within the industry.

Fugate and Kinicki (2012) emphasized that effective employee motivation is a crucial yet challenging responsibility for managers, particularly in today's competitive global environment. The success of employee motivation has become increasingly important due to the need for organizations to produce high quality products at lower prices while managing a diverse workforce. When employees are actively involved in making strategic contributions and are

committed to achieving major objectives, they tend to feel more motivated. As noted by Martin and Thompson (2010), well-motivated employees play a significant role in influencing an organization's efficiency towards the accomplishment of its goals. Grant, Fried, and Juillerat (2010) conducted a study on bankers in the UK to explore employee motivation in a Western organization setting. However, there is a significant gap in research when it comes to studying motivation in African organizations, particularly in countries like Ethiopia. This lack of research on motivation in African companies highlights the need for more studies to be conducted, as employees in different environments and cultures may not be motivated by the same factors.

There has been a significant challenge for managers at Ethiopian Electric Utility (EEU) head office in effectively motivating employees. Factors such as recognition, training, job security, relationships with co-workers, supervision, working conditions, salary, and financial rewards have been identified as key areas needing improvement. This has led to issues such as employee turnover, lower engagement, absenteeism, negative feedback, and a reluctance to take on additional responsibilities. Furthermore, there has been a lack of research conducted on the factors influencing employee motivation at EEU head office. This knowledge gap could result in the loss of valuable workforce for the organization. Therefore, this research aims to address this gap by identifying the factors affecting employee motivation and their impact on work performance, as well as understanding the motivational needs of employees at EEU head office.

### **1.3. Research Questions**

In light of the above stated problems, this study tried to answer the following questions:

- What is the effect of Recognition on employee's motivation at Ethiopian Electric Utility (EEU) head office?

- ☛ What is the effect of Co-worker and Supervisor on employee's motivation at Ethiopian Electric Utility (EEU) head office?
- ☛ What is the effect of Work condition on employee's motivation at Ethiopian Electric Utility (EEU) head office?
- ☛ What is the effect of financial factors on employee's motivation at Ethiopian Electric Utility (EEU) head office?
- ☛ What is the effect of Job satisfaction on employee's motivation at Ethiopian Electric Utility (EEU) head office?

#### **1.4. Objectives of the Study**

##### **1.4.1. General objective**

The general objective of this study is to examine the factors affecting employee's motivation at Ethiopian Electric Utility head office.

##### **1.4.2. Specific Objectives**

The following specific objectives were addressed in order to achieve the general objective of the study.

- ☛ To investigate the effect of Recognition on employee motivation at Ethiopian Electric Utility (EEU) head office.
- ☛ To examine the influence of Co-worker relationships and Supervisor-Subordinate interactions on employee motivation at Ethiopian Electric Utility (EEU) head office.
- ☛ To analyze the effect of Work conditions on employee motivation at Ethiopian Electric Utility (EEU) head office.
- ☛ To assess the effect of Financial factors on employee motivation at Ethiopian Electric Utility (EEU) head office.

- ☛ To investigate the effect of Job satisfaction on employee motivation at Ethiopian Electric Utility (EEU) head office.

### **1.5. Significance of the study**

This study has significant implications for both academia and practitioners in the field of human resource management. By examining the factors affecting employee motivation at Ethiopian Electric Utility (EEU) head office, this research will contribute to the existing body of knowledge on motivation in African organizations, particularly in the context of Ethiopia. Practically, the findings of this study will provide valuable insights for managers and HR professionals at EEU head office on how to effectively motivate their employees. By identifying the intrinsic and extrinsic factors influencing employee motivation, managers can develop targeted strategies to enhance employee engagement and job satisfaction. Understanding the impact of financial and non-financial rewards on employee motivation will enable organizations to design more effective incentive programs to retain and attract top talent.

Additionally, this study will help EEU head office address specific challenges related to employee motivation, such as high turnover rates, low engagement, absenteeism, and negative feedback. By identifying and addressing these issues, the organization can improve overall performance, productivity, and employee morale. Furthermore, the findings of this study may also have broader implications for other organizations in Ethiopia and beyond. By highlighting the importance of employee motivation and the factors that influence it, this research can guide managers and HR professionals in various industries in developing strategies to create a more motivated and engaged workforce.

### **1.6. Scope of the study**

#### **Conceptual Scope**

Conceptually, this study focused on exploring the factors that influence employee motivation at the Ethiopian Electric Utility (EEU) head office. Specifically, the study examined both intrinsic and extrinsic factors that contribute to employee motivation, as well as the impact of financial and non-financial rewards on motivation levels. Intrinsic factors refer to personal characteristics or internal drives that impact motivation, while extrinsic factors encompass external rewards and incentives that influence employee behavior. By delving into these factors, the study aimed to provide a comprehensive understanding of the complex dynamics that drive employee motivation within the organization.

### **Methodological Scope**

Methodologically, this study adopted a quantitative research approach to gather data from employees at the EEU head office. Surveys were used to collect information on various factors related to employee motivation, including perceived autonomy, job satisfaction, work-life balance, employee well-being, training, and monetary incentives. The data collected was analyzed using statistical techniques to determine the relationships between these factors and employee motivation levels. Additionally, the study utilized descriptive and inferential statistics to provide a detailed overview of the motivational landscape and the cause and effect relationships between dependent and independent variables at EEU head office.

### **Geographical Scope**

The geographical scope of this study is limited to the Ethiopian Electric Utility (EEU) head office, located in Ethiopia. As the focus of the study is on exploring employee motivation within a specific organizational setting, the research findings and implications are applicable specifically to the EEU head office. While the findings may offer insights that can be generalized to other organizations in the region or similar contexts, the study's primary geographical focus remains on the EEU head office in Ethiopia.

## **1.7. Definition of Terms**

## **Employee Motivation**

Employee motivation refers to the process of arousing and sustaining goal-oriented behavior in employees, driven by both internal and external forces, to initiate effort related to work (Nelson and Quick, 2013).

### **Intrinsic Factors**

Intrinsic factors are personal characteristics or internal drives that influence employee motivation.

### **Extrinsic Factors**

Extrinsic factors are external rewards and incentives that influence employee behavior and motivation.

### **Financial Rewards**

Financial rewards refer to monetary incentives provided to employees in exchange for their performance or achievement of specific goals within the organization.

### **Non-Financial Rewards**

Non-financial rewards are non-monetary incentives or benefits offered to employees to motivate and engage them.

### **Job Satisfaction**

Job satisfaction is the level of contentment and fulfillment an employee experiences in their role within the organization, influenced by factors such as work environment, relationships with colleagues, and perceived job security.

## **1.8. Organization of the paper**

The thesis is divided into five chapters. The initial chapter provides an introduction to the study, including a brief overview of the background of the study, problem statement, research questions, objectives, significance, scope, and organization of the paper. In the second chapter, the pertinent theoretical and empirical reviews of literature and conceptual framework relevant to the study are highlighted. The third chapter provides a description of the methodology and the variables used in the research, along with the budget and timeframe of the study. The fourth chapter presents the results and discussion in detail. Finally, chapter five discusses conclusion and recommendation together with future research area.

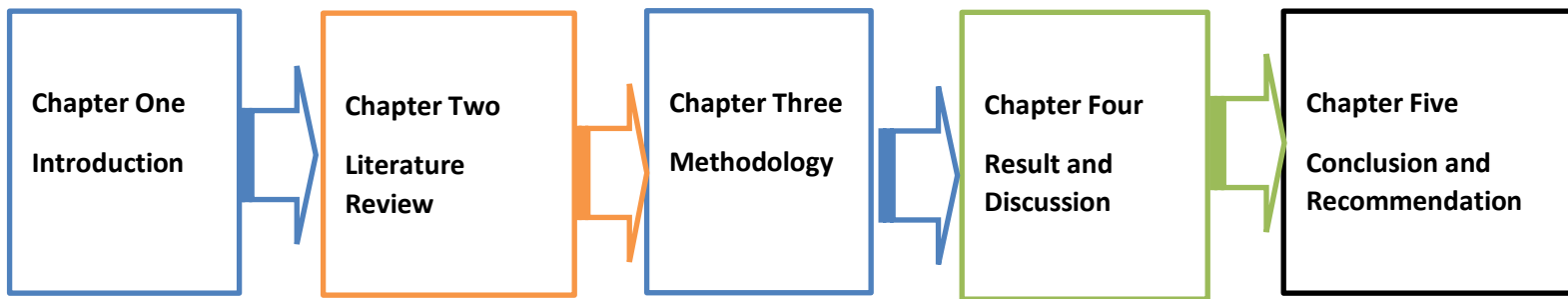


Figure 1. 1 Paper organization (own illustration)

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1. Introduction**

This section is divided into three parts. The theoretical review, the empirical review of studies and conceptual framework model.

#### **2.2. Theoretical Literature review**

##### **2.2.1. Concept of Employee Motivation**

Katz (1964) defines motivation as an inner feeling that compels a person to perform a task or act without pressure. Motivation, as described by Hodgetts and Hegar (2008), is a series of processes that encourage individuals to take action towards a specific goal. They argue that understanding motivation involves examining both the reasons behind people's actions and the influencing factors. Incentives play a crucial role in motivating individuals to complete tasks, as noted by Armstrong (2006), who also highlights the importance of identifying and fulfilling the needs, drives, wants, and impulses that drive individuals to take action. Companies must recognize the individual drives of their employees in order to effectively motivate them and guide them towards achieving organizational goals.

According to MTD Training (2011), when individuals are motivated to achieve their goals, they are more inclined to perform at their best, leading to enhanced motivation. (Stratford, 2012) emphasizes the role of effective motivation systems in enhancing employee productivity, as employees are integral to every aspect of a company. Additionally, Bruce (2003) points out the direct correlation between employee motivation and performance, as the enthusiasm and excitement of employees are evident in the quality of their work. Kroth (2007) mentions that despite having internal motivation, a well-motivated employee may not always be productive due to factors such as resources and a good working environment. Therefore, managers should

consider both intrinsic and extrinsic factors of motivation to develop a comprehensive motivation system for staff.

Research by MTD Training (2011) highlights the importance for companies to understand how employees are motivated in order to encourage them to perform at their best. Armstrong (2006) also emphasizes that companies must actively encourage employees to perform well, as without this motivation, employees may only do the bare minimum required to avoid being fired. Stratheford (2012) further argues that since all workers have different personalities, they require different motivational factors to perform at their best. Different individuals have varying motivations and reactions, which necessitates organizations to tailor their motivational strategies accordingly (Stratheford, 2012). This is because individuals possess diverse abilities, intelligence levels, attitudes, and character traits, all of which are influenced by their environment (Armstrong, 2006). As a result, their needs and desires, which drive their motivation, can differ significantly. Therefore, companies must understand what employee's value in order to provide incentives that align with their preferences (Stratheford, 2012).

Additionally, there are two main types of motivations: internal desire and external desire (Kroth, 2007). Internal desires stem from an individual's personal aspirations and goals, while external desires are driven by factors outside of the individual, such as rewards or recognition. By recognizing the differences in motivation among individuals and catering to their specific desires, organizations can effectively inspire and incentivize their employees.

### **2.2.2. Intrinsic Motivation**

Intrinsic motivation is doing an activity for its own sake rather than for some intended consequence. It originates from within an individual and is driven by innate psychological needs for competence and autonomy, leading to self-determined behavior (Ryan & Deci, 2000). Intrinsic motivation is driven by an individual's desire to excel in their work and experience a sense of satisfaction from fulfilling internal needs (Matthew et al., 2009). This type of motivation stems from the psychological rewards that come from completing a task, rather than

external rewards like money or praise. The individual is motivated by the task itself, finding it inherently interesting, challenging, and providing opportunities for personal growth and achievement. Intrinsically motivated behavior is guided by the individual's need to feel competent and self-determined, seeking out challenges that allow them to demonstrate these qualities (Matthew et al., 2009).

Intrinsic motivation is the self-desire to seek out new challenges and tasks, to test one's abilities, and to acquire knowledge. This type of motivation is closely tied to the quality of one's active life and can have a significant long-term impact as it is driven by the individual themselves, rather than external influences (Deci and Ryan, 1985). Intrinsic rewards, on the other hand, stem from the satisfaction an employee derives from their work, often resulting from the pleasure they experience in a supportive and rewarding work environment (Scott and Bruce, 1994). An intrinsically motivated individual may engage in a math problem simply because they find it enjoyable or tackle a challenging task to experience the satisfaction of solving it (Deci and Ryan, 1985). This type of motivation is fueled by an internal interest or pleasure in the task itself, rather than external factors or a desire for rewards.

### **2.2.3. Extrinsic Motivation**

Kalimullah et al. (2010) emphasized that extrinsic motivation is driven by tangible rewards like pay, fringe benefits, job security, work environment, and conditions. These external factors are separate from the work itself and are seen as a means to fulfill other motives, such as financial gain. The effects of work and its contributing factors play a significant role in satisfying these external motivators, highlighting the importance of understanding how work can serve as a pathway to achieving different goals. Extrinsic motivation stems from external sources to incentivize employees. It includes tangible rewards like salary, benefits, work environment, and job security. Extrinsic motives are not satisfied solely by the work itself, but rather by the outcomes of the task, such as financial compensation (Kalimullah et al, 2010). These external

factors play a significant role in fulfilling individuals' needs and driving their actions towards achieving other goals.

Common forms of extrinsic motivation include rewards (e.g., money or grades) for desired behavior, as well as the threat of punishment for misbehavior. Competition is also considered an extrinsic motivator as it pushes individuals to outperform others, rather than solely deriving satisfaction from the activity itself. While offering external rewards may diminish the intrinsic appeal of an activity, using external constraints, like the fear of punishment, can paradoxically enhance one's intrinsic interest in that task (source: <http://en.wikipedia.org/wiki/Motivation>).

#### **2.2.4. Theories of Motivation**

Early theories of motivation focused on the needs that people deem important and want to satisfy (Latham, 2007). These theories later evolved to include setting goals and, more recently, long-term goals that encourage employees to perform at their best. The 1950s saw the development of the foundational theories of motivation, which continue to be used by managers today (Robbins & Judge, 2007). These early theories, such as Maslow's Hierarchy of Needs, McGregor's Theory X and Theory Y, and Herzberg's Two-Factor theory, laid the groundwork for future motivational theories. Contemporary theories of motivation have since emerged, building on these early theories and shaping current understanding of motivation. Some of these include Victor Vroom's Expectancy theory, Latham and Locke's Goal-setting theory, and Adams' Equity theory. These theories provide insight into what employees find important in their work-based life, thereby motivating them to excel in their roles (Robbins & Judge, 2007).

##### **2.2.4.1. Maslow's Hierarchy of Needs Theory**

Maslow's theory on motivation is centered on the satisfaction of universal human needs, with the most fundamental being physiological needs such as food, shelter, and clothing (Maslow, 1943). These needs are essential for survival and can typically be met through receiving salaries and wages and having a safe working environment in place. Safety needs, which encompass

physical and economic protection, come next in the hierarchy of needs outlined by Maslow (Maslow, 1943). These needs are vital for individuals to feel secure and stable in their environment. Employers can satisfy these needs by providing benefits such as retirement plans. Social needs refer to the need for people to belong or be accepted by family and peers. Employees strive to maintain good relationships with colleagues, managers, and others, and they often seek opportunities to participate in teamwork (Maslow, 1954). Esteem needs involve the desire for recognition and respect from others, as well as achieving a sense of self-worth and status in society. Self-actualization represents an individual's pursuit of reaching their full potential and achieving self-fulfillment (McGregor, 1969).

Robbins and Judge (2007) explained that in the hierarchy of needs theory, once lower-order needs are satisfied, employees are no longer motivated by them. Instead, higher-order needs come into play. In order to effectively motivate employees, managers need to assess at what stage/level of the hierarchy each employee is currently at, and focus on providing opportunities to satisfy those needs at that level or above it. McGregor (1969) further argued that esteem and self-actualization needs are rarely satisfied in typical industrial organizations. He believed that these egoistic needs are not adequately addressed in lower levels of the hierarchy, and that practices of scientific management may even prevent their satisfaction.

#### **2.2.4.2. Theory X and Theory Y**

In his work from 1969, McGregor posited that management is responsible for guiding employees' efforts towards achieving organizational goals. He proposed two perceptions of human nature, labeled Theory X and Theory Y. Theory X assumes that employees are lazy and must be coerced into work, avoid responsibility, lack ambition, and prioritize security over all else. McGregor argued that this assumption is flawed, as it is influenced by management practices rather than innate human nature (McGregor, 1969). Contrastingly, Theory Y suggests that employees find enjoyment in their work, view it as a natural part of life, work effectively towards organizational objectives with minimal supervision, can handle responsibility, and

possess the ability to make innovative decisions even without managerial roles (Latham, 2007). This theory is based on McGregor's belief in the true nature of human beings and their potential capabilities in the workplace.

McGregor (1969) suggested that Theory Y could be implemented in the concept of job enlargement as it encourages lower level employees to embrace responsibility and provides opportunities for employees to fulfill their social and egoistic needs. He also stated that Theory Y can be utilized to involve employees in the decision-making process (Latham, 2007). However, a criticism of this theory is the absence of empirical evidence to substantiate it.

#### **2.2.4.3. Herzberg's Two Factor Theory**

Herzberg's Motivation-Hygiene Theory identifies intrinsic factors that contribute to employee satisfaction and how the work environment can lead to dissatisfaction. The theory, also referred to as the Two-Factor Theory, was developed based on research conducted by Frederick Herzberg to answer the question of what employees want from their jobs (Robbins and Judge, 2007). Motivational factors, such as achievement, recognition, responsibility, the work itself, advancement, and growth, are seen as contributors to positive feelings and self-actualization among employees. Herzberg et al. (1959) noted that these motivators can lead to improved performance, but their presence alone does not guarantee increased employee productivity.

Hygiene factors were so named because they refer to the non-task characteristics of the work environment that can create negative feelings in individuals. These factors, such as company policy and administration, supervision, salary, relationships with co-workers, personal life, status, and security, do not necessarily lead to satisfaction but rather serve to reduce dissatisfaction (Herzberg et al, 1959). Providing these hygiene factors may not strongly motivate employees, as their effect on motivation is not long-lasting. However, the absence or inadequate provision of these factors can be a major source of dissatisfaction. Therefore,

managers seeking to motivate their employees should focus on factors related to the actual work or on the benefits that employees can derive from their work (Robbins and Judge, 2007).

#### **2.2.4.4. Goal -Setting Theory**

In their research, Armstrong (2006) noted that Latham and Locke developed a theory which emphasizes that motivation and performance levels increase when individuals are given specific goals that are challenging yet attainable, and receive feedback on their performance. They also highlighted the importance of participation in goal setting to ensure agreement on setting higher goals. It was also emphasized that difficult goals should be agreed upon and supported with guidance and advice to facilitate their accomplishment. Additionally, feedback plays a crucial role in maintaining motivation, particularly in striving towards achieving even higher goals.

#### **2.2.4.5. Equity Theory**

Adams' Equity Theory examines an organization's policies and procedures and their fair application, asserting that this has a significant impact on employee motivation (Robbins & Judge, 2007). Equity, as defined by Armstrong (2006), is not about equality in treatment but rather about the perceived fairness in the rewards and punishments given by the organization. In the theory, individuals may compare themselves to friends, co-workers, peers in other organizations, or neighbors to determine if they are being treated fairly (Robbins & Judge, 2007). For example, Hodgetts and Hegar (2008) explain that if two employees, A and B, receive the same salary but A believes they do more work than B, A may feel a sense of inequity and may take action to address this issue unless their salary is adjusted.

(Robbins and Judge, 2007) suggest that employees may take various actions to rectify an inequity in the workplace. These actions include altering the effort they put into their work, changing their level of productivity, distorting their perception of their performance, adjusting the referent they use for comparison, or ultimately deciding to resign from the company. Additionally, (Strathford, 2012) emphasizes the importance of distributive justice in employee

motivation, highlighting the need for fair allocation of rewards and penalties in various aspects such as salaries, bonuses, promotions, and training. Robbins and Judge further argue that distributive justice, originally emphasized in the equity theory, has evolved into organizational policy and procedures.

### **2.2.5. Factors Influencing Motivation**

A study by Mawoli and Winn (2011) found that motivation is a key factor in driving the success of an organization. Having motivated employees who work diligently towards achieving the goals and objectives of the organization is crucial. While many believe that pay is the main motivational tool for employees, the workplace environment also plays a significant role in influencing employee performance. Motivation at work not only ensures timely completion of tasks, but also promotes the maintenance of high quality work standards. Gratifying altered needs motivates human beings, with factors such as personality, lifestyle, education, experience, status, and working conditions influencing these needs (Bowen & Radhakrishna, 1991). Organizational motivation strategies should focus on creating suitable working conditions, offering competitive remuneration, and implementing recognition programs (Bishop, 1987). Additionally, research has shown that the effectiveness of incentive systems is dependent on the size of the organization.

As individuals age, interesting work tends to become a stronger motivator, while the importance of monetary rewards diminishes with increased income levels (Kovach, 1987). Each employee has unique motivational factors that drive them to perform at their best (Lin, 2007). These factors can include financial incentives, opportunities for career growth and training, workload management, promotion prospects, relationships with colleagues and supervisors, working conditions, recognition, job security, and the overall working environment.

#### **2.2.5.1. Recognition**

Employee recognition in the workplace is a crucial component of an employee's engagement, as noted by Kinicki and Fugate (2012). Luthans (2011) acknowledges that recognition in various forms to reward and identify outstanding performance plays a vital role in an organization's reward system, yet it is often overlooked. Luthans also emphasizes that both formal and social organizational recognition, when utilized by managers and supervisors, are important in enhancing employee performance effectiveness and daily behavior. Research has shown that social recognition, such as genuine appreciation for a job well done, praise, approval, attention, and formal acknowledgement, significantly impacts performance in all types of organizations.

According to Andersen (2012), recognition of employees and individuals in general can inspire them to strive for even greater achievements. Robbins and Judge (2010) conducted a survey on 1,500 employees across different work settings, revealing that recognition is considered the most powerful motivator in the workplace. Kinicki and Fugate (2012) further highlight that a report from a human resource magazine indicates that companies achieving high financial results are top performers in employee engagement, with recognition being a critical component of employee engagement. They also mention that these successful companies follow best practices that prioritize recognition.

Maurer (Kalimullah et al, 2010) highlighted the importance of rewards and recognition in enhancing employee job satisfaction and work motivation, ultimately contributing to organizational achievement. In a study by Kalimullah Khan focusing on commercial banks in Pakistan, the relationship between rewards and employee motivation was examined. Among the four types of rewards studied, recognition was found to have a significant correlation (0.65) with employee work motivation (Kalimullah et al, 2010).

Andersen (2012) emphasizes the importance of consistency in recognition processes and opportunities, as well as fairness across the organization. It is crucial to have control of a tracking and reporting system to know who was recognized, why, and how much they received.

Clear communication and understanding by managers on the reasons for recognition are essential, as well as providing employees with a choice on whether to receive short or long-term types of recognition. Robbins and Judge (2010) discuss various employee recognition programs, ranging from formal programs with specific behaviors encouraged and procedures in place for recognition to informal, private, and spontaneous forms of gratitude. Luthans (2011) notes that effective recognition programs lead to better employee performance and retention, tailored to meet specific and evolving employee needs.

One successful recognition system is practiced by David Gachuru, the general manager of Sarova Panafric Hotel Nairobi, Kenya (McShane and Von Glinow, 2011). Gachuru believes in motivating employees with more than just monetary rewards, often appreciating top-performing employees at bimonthly meetings and offering paid-for holidays for them and their families. Such recognition programs have become popular as they are cost-effective and have shown to improve employee retention and overall organizational performance (Robbins and Judge, 2010). Research by Robbins and Judge (2010) revealed that a majority of companies had employee recognition programs in place, with many increasing their focus on recognition over time. Luthans (2011) further highlights that firms with effective recognition systems have reported improvements in employee retention and cost-benefit results.

Robbins and Judge (2010) argue that while many authors agree on the effectiveness of recognition in motivating employees, critics point out that employee recognition programs can be susceptible to manipulation by management. This is particularly true in roles where criteria for high performance are ambiguous, allowing managers to manipulate the program and only recognize their friends or favored employees. Such abuse can undermine the purpose and significance of a recognition program, leading to demoralized employees. Andersen (2012) emphasizes the importance of rewarding employees with flexibility and autonomy, as these are powerful motivators that should not be underestimated.

#### **2.2.5.2. Work condition**

Mehmood, Irum, Ahmed, and Sultana (2012) found that the nature of the job itself plays a significant role in employee motivation. When employees assess various aspects of their work, such as supervision, growth opportunities, salaries, and colleagues, the importance of the job performed by an employee can increase motivation levels. Work challenges allow employees to utilize their skills, knowledge, and intelligence to tackle complexities in their job. However, there is a negative association between intelligence and motivation when jobs involve persistent complications. This is often the case when jobs lack challenge or fail to interest employees, potentially leading to demotivation among intelligent individuals.

Research conducted by Jung and Kim in 2012 suggests that a positive correlation exists between a good work environment and intrinsic job satisfaction. Similarly, Cheng et al. (2013) concluded that psychosocial work conditions have a moderating effect on health, with age influencing this relationship. Employees working in poor conditions are likely to experience negative performance outcomes, as their mentally and physically demanding jobs further exacerbate the impact of substandard working environments on their motivation and commitment to the organization. Good working conditions, on the other hand, have been shown to increase employee motivation and drive them to perform at their best, ultimately enhancing overall work performance (Tesfaye Teshome, Saint. Marry University, 2012).

### **2.2.5.3. Co-worker and Supervisor Relations**

In the working environment, co-workers play a vital role as individuals who hold similar positions or ranks within the same company or organization. Building harmonious relationships with fellow employees is essential for creating a positive work environment (Iqbal, 2010). People strive for friendly and cooperative connections with others not just for the immediate benefits they bring, but also for the social support they provide in times of need. Bagraim, Cunningham, Potgieter, and Viedge (2007) suggest that employees should be technically, emotionally, and socially supportive of one another. Harmonious interactions between an individual and their fellow employees, as well as relations between other fellow employees with

each other, have a positive influence on an individual's level of organizational commitment and motivation (Iqbal, 2010). Pleasant associations with co-workers have been found to have a positive influence on an individual's level of motivation (Ladebo, Awotunde, & AbdulSalaam-Saghir, 2008).

Tyilana (2005) found that factors such as hostile supervision, company policy and administration, and interactive relationship with supervisor contribute to 60% of job dissatisfaction. These correlations can be developed through both task-related actions, such as giving generous comments, soliciting ideas from employees, and offering consultations, as well as non-task-related behaviors, like showing respect and valuing staff as individuals.

#### **2.2.5.4. Job Satisfaction**

Job satisfaction is defined as an attitude or internal state associated with the working environment and experiences (Cole and Kelly, 2011). Studies on over 1,000 workers have revealed a significant positive relationship between motivation and job satisfaction (Kreitner and Kinicki, 2010). Pay is considered a major aspect of job satisfaction, with Robbins and Judge (2010) noting that the relationship between salary and job satisfaction is particularly relevant for individuals living below the poverty line, as pay is correlated with their overall happiness and job satisfaction. Kinicki and Fugate (2012) found in a survey that employees identified need fulfillment as a main contributor to job satisfaction, with compensation and benefits being key factors mentioned. Luthans (2011) also suggests that money plays a crucial role in fulfilling both basic and higher-level needs for individuals, as it reflects how managers perceive their contributions to the organization. Therefore, fair pay, benefits, and promotion opportunities are important guidelines for organizations to enhance job satisfaction. Quick and Nelson (2013) further support the idea that pay is a significant factor influencing job satisfaction.

Colquitt, et al. (2010) highlight pay satisfaction as a significant factor in overall job satisfaction, as it encompasses employees' feelings about their pay, whether they believe it is fair, secure, and adequate for their needs. This sentiment often stems from the content of the tasks

performed, in line with Herzberg's two-factor theory (Robbins and Judge, 2010). Employees often gauge their pay satisfaction by comparing their compensation with that of their colleagues and assessing it against their job responsibilities (Colquitt, et al., 2010). However, Quick and Nelson (2013) caution that pay is not the sole determinant of job satisfaction, as high pay does not guarantee job satisfaction.

#### **2.2.5.5. Financial factor**

Park (2010) points out that financial rewards act as a stimulus for greater action and instruct passion and enthusiasm toward work, helping employees in the recognition of achievement. Beretti et al. (2013) further discuss how monetary incentives are used to build a positive environment and maintain job interest, offering encouragement to employees for better performance. Murphy (1981) suggests that employees should be motivated through a proportional salary based on the efforts put into the job. Financial rewards motivate employees and enhance commitment in work performance by providing a sense of psychological satisfaction, leading to employee motivation. Additionally, these rewards can shape the behavior and outlook of subordinates towards work within the organization.

### **2.3. Empirical Studies**

Fair pay, incentives, special allowances, fringe benefits, leadership, encouragement, trust, respect, joint decision making, quality of supervision, adequate working relationships, appreciation, chances for growth, loyalty of organization, identification and fulfillment of their needs, recognition, empowerment, inspiration, importance attached to their job, safe working conditions, training and information availability, and communication to perform actions are all factors that have been found to enhance employee motivation (Yazdani, et al, 2011).

Research conducted by Lindner (1998) identified the top motivational factors affecting employee performance as: enticing work, attractive wages, recognition and appreciation, secured job, suitable working conditions, career growth opportunities, feeling of being in on

things, personal trustworthiness to employees, thoughtful discipline, and kindly help with personal problems (Lindner, 1998). In the 2000s, there was a shift in the factors that motivate employees due to high-tech developments, intense competition among businesses, and changing needs of employees, including the increased participation of female workforce (Lindner, 1998). A survey conducted by Hossain and Hossain (2011) found several important motivation factors including attractive wages, job security, learning opportunities, fair performance evaluation, admission of reasonable working errors, access to resources, promotion opportunities, suitable working hours, challenging work, appreciation, and recognition (Hossain & Hossain, 2011).

Karkouljian, Mukaddam, McCarthy, & Messarra (2013) conducted a cross-sectional study in Lebanon which found a significant negative relationship between job insecurity and job satisfaction. The impact of perceived potential for job loss on job satisfaction may vary depending on individuals' assessment of their chances of finding another job. Additionally, factors such as the availability of unemployment insurance and the possibility of securing an equal or better job can help mitigate the negative effects of job insecurity on job satisfaction. In a study by Moor, Leahy, Sublett, & Lanig (2013) on the work environment of registered nurses in south western Ohio, a mixed method design was employed. The research focused on the effect of nurse-to-nurse relationships on job satisfaction. The results revealed that a significant number of the sampled nurses were considering leaving the profession due to poor relationships with their colleagues. These findings emphasize the importance of fostering positive working relationships to create a healthier and more satisfying work environment.

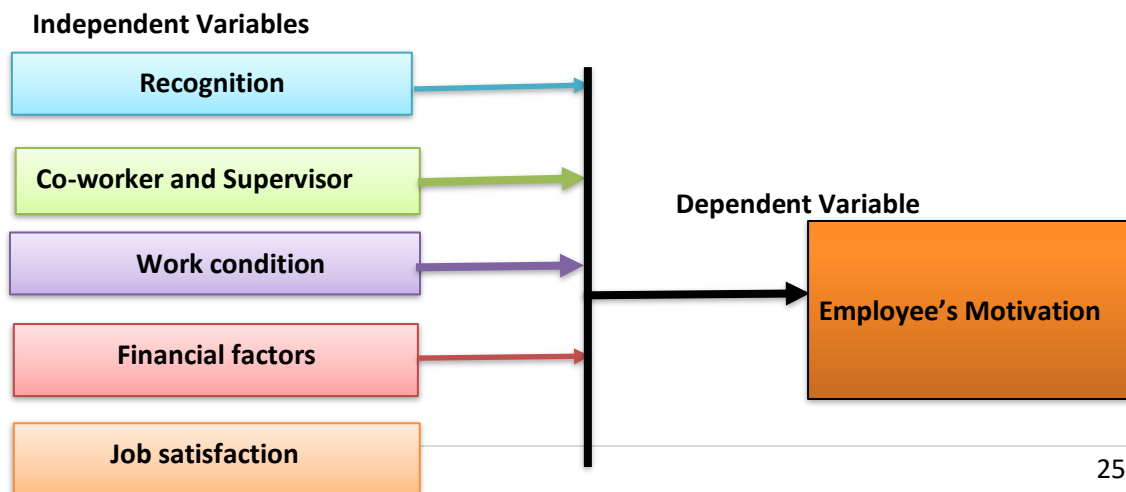
(Sakiru et al, 2014) found that supervisor leadership styles positively influence employees' satisfaction, with leaders who encourage a positive leadership style enhancing job satisfaction. In a study by (Okediji, Etuk, & Nnedum, 2011) on the influence of perceived coworker involvement and supervisory support on job satisfaction, employees who perceived their supervisors as supportive reported higher job satisfaction. Additionally, poor working conditions, including aspects such as office space, equipment, comfortable chairs, and air

conditioning, can contribute to employee dissatisfaction (George & Jones, 1999). (Kabir, 2011) also highlighted the importance of the working environment in motivating employees in their research on the pharmaceutical industry in Bangladesh. Working hours have also been identified as a key aspect of working conditions that can impact employee job satisfaction. In a longitudinal survey conducted by McNamara et al. (2013) in the United States, it was found that there is an inverse relationship between the number of hours worked per week and motivation. The study showed that an increase in working hours per week was negatively associated with satisfaction with work-family life.

Hossain and Hossain (2011) identified several factors in their study that were found to be of varying importance in the workplace. These factors include good wages, overall job security, training and development, benefits, fair performance evaluations, positive response to mistakes, availability of logistics support, opportunities for career growth and development, flexible working hours, recognition, challenging work, and reasonableness in work (Hossain & Hossain, 2011). Drawing on previous research and a thorough review of the literature, the researcher developed a conceptual framework that incorporated these factors.

#### 2.4. Conceptual Framework of the Study

Conceptual framework is a visual diagram that captures the main things to be studied that is the key factors, concepts, or variables and the presumed relationships among them.





**Source: Adapted from: Rashid Saeed, (2018)**

Figure 2. 1 Conceptual Framework Model

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1. Introduction**

This chapter discuss about the methodology used to conduct this study which includes research design, research approach, type of data gathered, study population, sample size and sampling

techniques, data collection procedures, data analysis, ethical consideration, and validity and reliability of the study as well as the time frame and budget.

### **3.2. Research Design**

Descriptive research design was employed to describe demographic characteristics of the employee within the company. This type of research design enables researchers to describe phenomena and their characteristics. The study also aims to assess different factors that affect employee motivation within Ethiopian Electric Utility (EEU) head office. On the other hand, explanatory research was used when researchers already have a description of an issue but seek to understand it further by exploring and measuring causal relationships among the variables at hand (Grey, 2014).

### **3.3. Research Approach**

Considering the research purpose, model, and research questions developed in Chapter one, a quantitative approach was used in this research. Malhotra (2004) maintained that a quantitative approach is a research approach that sets out to quantify the data in order to use statistics for analyzing the data set. A quantitative approach enables a researcher to establish statistical evidence on the strengths of the relationships between variables. Besides, quantitative methods can be used to test hypotheses and determine the reliability and validity of the variable measurement (Malhotra, 2004; Zikmund & Babin, 2007).

### **3.4. Population and Sampling Design**

#### **3.4.1. Target Population of the study**

Populations' collective term used to describe the total quantity of cases of the type which are the subject of the study. It can consist of objects, people and even events (Walliman, 2011).

The target population of the study consisted of 972 permanent employees of EEU Head office employee located in Addis Ababa.

### **3.4.2. Sampling Techniques**

The researcher used probability sampling techniques. From the probability sampling, simple random sampling was used for sampling members of the surveyed organization. Simple random sampling is a sampling procedure that ensures that each element in the population had an equal chance of being included in the sample. The correct sample size in a study is dependent on the nature of the population and the purpose of the study. Although there are no general rules, the sample size usually depends on the population to be sampled (Walliman, 2011).

### **3.4.3. Sample Size Determination**

There are four strategies to decide on sample size: census for small populations, imitating a sample size of similar studies, applying formulas to calculate the sample size, and using published tables (Yeamdao Narangajavana, 2007). The first strategy, census, is suitable for populations of 200 or less because it collects data from all subjects, eliminating sampling error. However, it's impractical for larger populations and more expensive. The second strategy for deciding sample size is to imitate the sample size used in similar studies. This can save time, but there is a risk of repeating errors made in determining the sample size for another study. However, if the procedure used in the other study is convincing, it can be included. Using calculation methods to determine sample size allows researchers to choose the necessary sample size based on the level of precision, confidence, and variability they desire for their study. Using published tables can be a helpful strategy to determine sample size in research. These tables provide pre-calculated sample sizes for different levels of precision, confidence, and variability. This strategy can save time for the researcher as they do not need to calculate the sample size themselves.

In this study, a total of 283 samples were selected from a population of 972 employees using the Taro Yamane formula with a 95% confidence level for determining the sample size. The calculation formula of Taro Yamane is presented as follows:

$$n = \frac{N}{1 + Ne^2}$$

Where : n= sample size required

N = number of people in the population

e = allowable error (%)

$$n = \frac{972}{1+972(0.05)^2} = \text{Approximately } 283$$

### **3.5. Data type and sources**

The study used a quantitative research method, which looks at how changes in one thing (independent variable) affect another thing (dependent variable). The researcher used both primary and secondary sources of data in the study, such as questionnaires and books, documents, research papers, journals, and websites, based on their objectives, availability of resources, and time. The study utilized quantitative data obtained from both primary and secondary sources. Primary data was collected through surveys and questionnaires, while secondary data was gathered from existing literature, documents and websites. These data sources were chosen based on their relevance to the research objectives, accessibility, and time constraints.

### **3.5.1. Primary source**

Primary data sources refer to data that is collected directly from the source through methods such as questionnaires, surveys, interviews, observations, and experiments (Polit & Beck, 2017). These sources are often specific to the research question being asked and can provide unique insights into the topic of interest. For this study this type of data include information gathered through questionnaires. These sources provide first-hand information and allow researchers to address their research questions directly.

### **3.5.2. Secondary source**

Secondary data sources, on the other hand, refer to data that has already been collected by someone else for a different purpose. These sources can include government reports, academic journals, and databases. Secondary data can be useful in providing context and background information for a research question or in comparing findings from different studies.

The researcher used both primary and secondary data sources for the study. Primary data was obtained from a questionnaire, while secondary data was gathered from various documents such as brochures, annual reports, and research studies from the Ethiopian Electric Utility head office and other sources. The secondary data was not analyzed on its own, but used to strengthen and support the primary data findings.

### **3.6. Data Collection Technique**

The study used two types of data: primary and secondary. Primary data was collected directly from employees of Ethiopian Electric Utility head office. The researcher used a questionnaire for collecting primary data from those employees. The questionnaire had a Likert-type scale with five options ranging from strongly disagree to strongly agree. Secondary data, collected from various written sources, was used to support and strengthen the study findings.

### **3.7. Data Analysis**

The collected data from the questionnaire was organized and analyzed using a software program called SPSS version 25. The researcher used a questionnaire to collect data and the questionnaire is in a Likert scale format, where the participants rated each statement on a scale from "strongly disagree" to "strongly agree." The responses were analyzed using statistical software. The survey had multiple questions under each category to measure employee performance. To analyze the responses, the mean of each question were calculated for all participants. The analysis involved finding the average (mean) response from all participants for each question in the questionnaire. The researcher analyzed the data collected from the survey using descriptive and inferential statistics. This included information on the respondents' background, as well as measures of central tendency and variability such as mean, frequency, percentage, and standard deviation. The researcher also analyzed data using correlation and regression analysis to understand how different independent variables influence the dependent variable.

Inferential statistics is another statistics method to analyze data which refers to the branch of statistics that involves drawing conclusions or making predictions about a population based on sample data. Regression and correlation are two common methods used in inferential statistics. Regression analysis is a statistical technique used to examine the relationship between one dependent variable and one or more independent variables. It is commonly used to predict the value of the dependent variable based on the values of the independent variables. Correlation analysis, on the other hand, is a statistical technique used to measure the strength and direction of the relationship between two variables. It helps to determine how closely related two variables are to each other.

Both regression and correlation analysis are important tools in inferential statistics as they help researchers make predictions, draw conclusions, and make informed decisions based on sample data. And they were implemented in this particular study.

### **3.8. Reliability and Validity**

#### **3.8.1. Reliability Test**

Reliability test is a statistical method used to determine the consistency and stability of a measurement instrument or tool. It is an essential aspect of research as it ensures that the results obtained from the instrument are accurate and consistent over time. According to DeVellis (2017), reliability test is "the degree to which scores on a measure are consistent across different occasions of testing, different raters, or different items in a scale" (p. 56). There are several types of reliability tests, including test-retest reliability, inter-rater reliability, and internal consistency reliability. Test-retest reliability involves administering the same test to the same group of participants at two different times and comparing the results. Inter-rater reliability involves comparing the results obtained by two or more raters who scored the same test independently. Internal consistency reliability involves assessing the consistency of the items in a scale or test.

To conduct reliability test, researchers uses various statistical methods, such as Cronbach's alpha, Kuder-Richardson formula 20, and intra class correlation coefficient. Cronbach's alpha is a commonly used method to measure internal consistency reliability, while Kuder-Richardson formula 20 is used for tests with dichotomous items. The intra class correlation coefficient is used to measure inter-rater reliability. This study used Cronbach's alpha to test the reliability. The result of reliability analysis for both dependent and independent variables is summarized in the following table.

**Table 3- 1 Reliability test results**

<b>Reliability Statistics</b>	
Cronbach's Alpha	N of Items
.895	29

*Source: (SPSS own survey data, 2024)*

The reliability test results presented in the table show that all variables in this study have acceptable levels of internal consistency, as indicated by their Cronbach's Alpha coefficients. A Cronbach's Alpha of 0.95, which indicates a high level of internal consistency among the four items measuring this factor. The all variable also shows a high level of internal consistency with a Cronbach's Alpha of 0.895 for the five items measuring this factor.

### **3.8.2. Validity**

Validity test is a statistical method used to determine the extent to which a measurement instrument or tool measures what it is intended to measure. It is an essential aspect of research as it ensures that the results obtained from the instrument are accurate and relevant to the research question. According to DeVellis (2017), validity test is "the degree to which evidence and theory support the interpretations of test scores for the proposed uses of tests" (p. 56). There are several types of validity tests, including content validity, criterion validity, and construct validity. Content validity involves assessing whether the items in a measurement instrument or tool adequately represent the construct being measured. Criterion validity involves comparing the results obtained from a measurement instrument or tool with a criterion measure that is already established as valid. Construct validity involves assessing whether the measurement instrument or tool measures the intended construct.

To conduct a validity test, researchers use various statistical methods, such as correlation analysis, factor analysis, and regression analysis. Correlation analysis is used to assess the relationship between two variables, while factor analysis is used to identify underlying factors that contribute to the construct being measured. Regression analysis is used to assess the relationship between the measurement instruments or tool and other variables. In this research the researcher used content validity. This study utilized content validity testing and using Kaiser-Meyer-Olkin Measure of validity test method the following results were found.

**Table 3- 2 Validity test results**

<b>Variables</b>	<b>Kaiser-Meyer-Olkin</b>	<b>N of Items</b>
All variables	.895	29

*Source: (SPSS own survey data, 2024)*

The results of the validity test show that all variables have a Kaiser-Meyer-Olkin measure of validity above 0.7, indicating that they have good content validity. This means that the items included in the study accurately measure the constructs they are intended to measure. Recognition, Co-Worker and Supervisor, Work Condition, Financial Factors, Job Satisfaction, and Employee Motivation all have high validity scores .895. This suggests that these variables are important factors affecting employee motivation at Ethiopian Electric Utility (EEU) Head Office.

### **3.9. Ethical considerations**

According to (Bhattacharjee, 2012) research ethics includes voluntary participation and harmlessness, informed consent, anonymity and confidentiality and researchers' obligation in disclosure. Based on this, all ethical considerations listed above were applied throughout the research process. All respondents of the study were participated voluntarily and taking information was with their approval. The respondents were advised about the type of information needed, for what the information is needed. They were also confirmed that their responses are kept confidential.

# **CHAPTER FOUR**

## **RESULT AND DISCUSSION**

### **4.1. Introduction**

Data analysis, presentation, interpretation, and discussion of findings obtained from data collection are discussed in this chapter. This chapter also presents background information of the respondents and findings of the analysis based on study objectives. To discuss the study findings descriptive and inferential statistics were applied.

### **4.2. Response Rate**

The study selected a total of 283 respondents from Ethiopian Electric Utility Head Office. All respondents selected for the study were issued with questionnaires and the researcher was able to receive back 268 questionnaires having been correctly filled. Returned questionnaires translated to a response rate of 94.69%. According to Mugenda and Mugenda (2003), a response rate of 50% and above is adequate and can be used for analysis and reporting, that of 60% and above is good while that of 70% and above is excellent. Therefore, this study had an excellent response and was therefore used for analysis and reporting

### **4.3. Demographic Characteristics of Respondents**

**Table 4- 1. Demographic characteristics of respondents**

	<b>Category</b>	<b>Frequency</b>	<b>Percentage</b>
<b>Gender</b>	Male	150	56.0%
	Female	118	44.0%
	From 18 to 30 Years	57	21.3%
	From 31 to 40 Years	92	34.3%

<b>Age</b>	From 41 to 50 Years	83	31.0%
	Above 50 Years	36	13.4
<b>Educational Qualification</b>	Diploma	53	19.8%
	Bachelor Degree	138	51.5%
	Master's Degree	71	26.5%
	Above Master's Degree	6	2.2%
<b>Marital Status</b>	Single	68	25.4%
	Married	133	49.6%
	Divorce	28	10.4%
	Others	39	14.6%
<b>Position in the Company</b>	Top Management	27	10.1%
	Middle Management	38	14.2%
	Supervisor	47	17.5%
	Non-Managerial Staff	156	58.2%
<b>Work Experience</b>	Below 5 Years	35	13.1%
	6-10 Years	98	36.6%
	11-15 Years	46	17.2%
	16-20 Years	63	23.5%
	Above 20 Years	26	9.7%

Source: (SPSS own survey data, 2024)

The results of the survey indicate that there is a slightly higher percentage of male respondents (56%) compared to female respondents (44%) at the Ethiopian Electric Utility (EEU) Head Office. This could have implications for understanding gender dynamics within the organization and how the different needs and motivations of male and female employees are being addressed. In terms of employee motivation, it is important to consider any potential differences in motivation factors based on gender. For example, men and women may have different priorities and preferences when it comes to job satisfaction, career advancement, work-life balance, and recognition. Therefore, EEU may need to tailor their motivational strategies to account for these gender differences.

The majority of participants are aged between 31 to 50 years, with 34.3% falling within the 31 to 40 age group and 31.0% in the 41 to 50 age group. In contrast, younger employees aged 18 to 30 years make up 21.3% of respondents, while those over 50 years old comprise 13.4%. This age diversity is significant as it highlights the varying generational perspectives and motivations within the workforce. Younger employees may be driven by career progression and a positive work environment, whereas older employees may value recognition of their expertise and work-life balance. Understanding this age distribution is crucial for tailoring motivation strategies that meet the distinct needs and preferences of employees across different age groups.

The study found that the majority of respondents had a Bachelor's Degree (51.5%) followed by those with a Master's Degree (26.5%). A smaller percentage had a Diploma (19.8%) and even fewer had qualifications above a Master's Degree (2.2%). This distribution of educational qualifications is important to consider when analyzing the factors affecting employee motivation at the EEU Head Office. Employees with higher levels of education, such as those with Master's Degrees or above, may have different motivational factors compared to those with lower levels of education. It is also notable that a significant portion of the respondents had a Bachelor's Degree, which could indicate that this level of education is common among employees at the EEU Head Office. This could have implications for the type of motivation strategies and programs that are most effective for this particular workforce.

The data collected on the marital status of employees at Ethiopian Electric Utility (EEU) Head Office shows that a majority of the respondents are married, accounting for 49.6% of the total. This is followed by single individuals at 25.4%, divorced individuals at 10.4%, and others at 14.6%. The implication of this data is that a significant portion of employees at EEU Head Office are married, which can have implications for their motivation and job satisfaction. Married individuals may have different motivations and priorities compared to single individuals, such as providing for their families or balancing work and personal life. Understanding the marital status of employees can help managers tailor motivational strategies and benefits to meet the diverse needs of their workforce.

The data presented shows the distribution of employees at different levels within the Ethiopian Electric Utility (EEU) Head Office. The majority of employees surveyed are non-managerial staff, comprising 58.2% of the total sample. This indicates that the largest segment of the workforce at EEU is comprised of employees who may not have direct decision-making authority but play a crucial role in the day-to-day operations of the organization. Middle management and supervisors make up 14.2% and 17.5% of the sample, respectively. These individuals typically have more responsibilities than non-managerial staff and may have a significant impact on employee motivation within the organization. Top management, which makes up 10.1% of the sample, holds key decision-making roles within the organization. Their leadership and management style can have a significant impact on employee motivation and overall organizational performance.

The data on work experience in the company shows that the majority of employees at the Ethiopian Electric Utility (EEU) Head Office have been with the company for 6-20 years, with 36.6% of employees having 6-10 years of experience, 17.2% having 11-15 years of experience, and 23.5% having 16-20 years of experience. This indicates that the company has a relatively stable workforce with a significant number of experienced employees. The implication of this data on employee motivation is that the company may have a strong foundation of knowledge and skills within its workforce. Experienced employees are likely to be more efficient in their

roles, have a better understanding of the organization's processes and procedures, and be able to mentor and support newer employees. This can positively impact overall employee motivation as employees may feel more confident in their abilities and more engaged in their work.

#### 4.4. Descriptive statistics

The descriptive statistics results, in terms of mean and standard deviation, outline the various factors that affect employee motivation. Through the questionnaire data analysis, the descriptive analysis allows for the examination and interpretation of the mean and standard deviation results for recognition, co-worker and supervisor, work condition, financial factor, job satisfaction and employee motivation. Utilizing a five-point Likert Scale as measurement, the reassignment of scales based on Best (1977), as cited by Yonas (2013), classification was implemented: 1 - 1.8= Strongly Disagree, 1.81 – 2.6= Disagree, 2.61 – 3.4= Neutral, 3.41 – 4.20= Agree, and 4.21 – 5 = Strongly Agree.

##### 4.4.1. Descriptive statistics for Recognition

**Table 4- 2. Recognition**

Items	N	Mean	Std. Deviation
I feel empowered and granted autonomy in my role at the organization.	268	3.31	.838
I rate my level of self-respect in the workplace as high.	268	3.69	.865
I feel acknowledged and valued for my contributions to the team or company.	268	3.55	.866

I feel satisfied with the level of recognition I receive for my achievements at work.	268	3.91	.679
I feel that my skills and expertise are effectively utilized and appreciated in my role at work.	268	3.84	.817
Valid N (list wise)	268		

Source: (SPSS own survey data, 2024)

The descriptive statistics for the recognition factor indicate that the mean scores for each item fall within the range of 3.1 to 3.9, which suggest that employees at Ethiopian Electric Utility (EEU) Head Office have a neutral to slightly positive perception regarding recognition in the workplace. Employees rate their self-respect in the workplace relatively high, with an average score of 3.69, indicating a generally positive perception of self-respect. However, the higher standard deviation of 0.865 suggests that this feeling is not universal and can vary among individuals. Regarding recognition, employees feel moderately valued for their contributions, with a mean score of 3.55, but there is still some variation in how employees perceive their acknowledgment. The standard deviation of 0.866 indicates that some employees feel more recognized than others.

Employees are most satisfied with the recognition they receive for their achievements, as shown by the highest mean score of 3.91. This suggests that recognition is a strong point within the organization. The lower standard deviation of 0.679 indicates a more consistent experience of recognition across the workforce. Finally, employees generally feel that their skills and expertise are well-utilized and appreciated, with a mean score of 3.84. However, as with other areas, there is some variation, as reflected by a standard deviation of 0.817, indicating that some employees may feel less appreciated or underutilized. In summary, while employees generally report feeling positive about recognition and the utilization of their skills, there is a notable opportunity to improve feelings of empowerment and consistency in recognition across the organization

#### 4.4.2. Descriptive statistics for Co-Worker and Supervisor

**Table 4- 3. Co-Worker and Supervisor**

Item	N	Mean	Std. Deviation
I receive regular feedback from my immediate supervisor.	268	3.07	.849
In Ethiopian Electric Utility Head Office (EEU), my co-workers assist me with challenging tasks.	268	2.97	.876
There is team spirit and cooperation among co-workers and supervisor at Ethiopian Electric Utility EEU).	268	3.12	.856
I am an important part of my team and the organization.	268	3.10	.892
My supervisor cares about my opinion.	268	2.98	.848
Valid N (list wise)	268		

*Source: (SPSS own survey data, 2024)*

The results of the descriptive statistics for Co-Worker and Supervisor show that the employees at Ethiopian Electric Utility (EEU) Head Office generally feel positively about their relationship with their immediate supervisor and co-workers "I receive regular feedback from my immediate supervisor" has a mean score of 3.07, suggesting that employees feel somewhat neutral about the frequency and quality of feedback they receive from their supervisors. The standard deviation of 0.849 indicates moderate variability in responses, meaning some employees may feel they receive more regular feedback than others. "In Ethiopian Electric Utility Head Office (EEU), my co-workers assist me with challenging tasks" has a mean score of 2.97, which is just below the neutral midpoint, indicating that employees generally do not feel that co-workers consistently assist with challenging tasks. The standard deviation of 0.876 shows considerable variation, implying that some employees may receive more support from their peers than others.

"There is team spirit and cooperation among co-workers and supervisor at EEU" has a mean score of 3.12, suggesting a slightly positive but still moderate perception of team spirit and

cooperation. The standard deviation of 0.856 indicates variability in how employees view teamwork and collaboration, with some feeling more engaged than others. "I am an important part of my team and the organization" has a mean score of 3.10, indicating a moderate sense of being valued as part of the team and organization. The standard deviation of 0.892 suggests that perceptions of importance vary, with some employees feeling more integral to the team than others. "My supervisor cares about my opinion" has a mean score of 2.98, which is again near the neutral midpoint, indicating that employees feel somewhat neutral to slightly dissatisfied about the extent to which their supervisor values their opinions. The standard deviation of 0.848 shows moderate variability in responses.

#### 4.4.3. Descriptive statistics for Work Condition

**Table 4- 4 Work Condition**

Item	N	Mean	Std. Deviation
My work environment is conducive to productivity, with minimal distractions.	268	3.33	.846
My workload is manageable and allows me to maintain a healthy work-life balance.	268	3.41	.766
I am satisfied with the overall work conditions at my job.	268	3.39	.769
I receive adequate support and resources to effectively complete my job tasks.	268	3.41	.796
Valid N (list wise)	268		

Source: (SPSS own survey data, 2024)

The results from the descriptive statistics for work condition at Ethiopian Electric Utility (EEU) Head Office indicate that overall, employees have a moderately positive perception of their work environment. The data shows that employees generally perceive their work environment, workload, job conditions, and available support/resources in a moderately positive light. With a mean score of 3.33, employees feel somewhat positively about the productivity of their work

environment, although there is room for improvement in minimizing distractions. The score indicates that while many employees find their environment conducive to productivity, some experience challenges.

Regarding workload, the mean score of 3.41 suggests that employees feel their workload is manageable and allows for a healthy work-life balance, though some may still face difficulties. Employees also report a moderate level of satisfaction with overall work conditions, with a mean score of 3.39, indicating that while many are satisfied, there is still room for improvement in workplace conditions. Lastly, with a mean score of 3.41, employees generally feel they receive adequate support and resources to perform their tasks effectively. However, the standard deviations across all items (ranging from 0.766 to 0.846) show moderate variability, meaning that some employees feel more positively about these factors, while others experience challenges in these areas.

#### 4.4.4. Descriptive statistics for Financial Factors

**Table 4- 5 Financial Factors**

Items	N	Mean	Std. Deviation
I am offered overtime and field allowances by Ethiopian Electric Utility (EEU).	268	3.32	.794
I am paid a salary that is enough to cater for my basic needs.	268	3.31	.825
Salary payments are prompt & on time.	268	3.32	.780
I receive annual salary increases and bonuses periodically.	268	3.41	.800
I find the salary I receive satisfactory in relation to my job responsibilities.	268	3.31	.795
Valid N (list wise)	268		

Source: (SPSS own survey data, 2024)

The findings from the study suggest that the financial factors have a moderate impact on employee motivation at the Ethiopian Electric Utility (EEU) Head Office. The data suggests that employees at Ethiopian Electric Utility (EEU) have a generally positive but moderately mixed perception of their compensation. Overtime and Field Allowances: Employees are somewhat satisfied with the availability of overtime and field allowances, with a mean score of 3.32, slightly above neutral. However, the benefits may not be consistently available to all employees, as indicated by the moderate variability (Std. Deviation: 0.794), with some employees receiving these allowances more frequently than others. Salary Sufficiency for Basic Needs: With a mean score of 3.31, employees feel that their salary is generally sufficient to meet basic needs. While this suggests moderate satisfaction, it also highlights that some employees may not feel their salary is enough to cover living expenses, as reflected by the moderate standard deviation (0.825).

Timeliness of Salary Payments: The score of 3.32 indicates that employees are generally satisfied with the timeliness of salary payments, suggesting that salaries are usually paid on time. However, the Std. Deviation of 0.780 shows that there may be occasional delays experienced by some employees. Annual Salary Increases and Bonuses: A mean score of 3.41 indicates that employees are relatively satisfied with the periodic salary increases and bonuses they receive. This is a positive outcome, but the Std. Deviation of 0.800 suggests some employees may not receive increases or bonuses as regularly or in the same amount as others. Salary Relative to Job Responsibilities: Employees report moderate satisfaction with how their salary aligns with their job responsibilities, with a mean of 3.31. This indicates that while many employees find their compensation fair for their job duties, some feel underpaid for their responsibilities, as indicated by the Std. Deviation of 0.795

#### **4.4.5. Descriptive statistics for Job Satisfaction**

**Table 4- 6. Job Satisfaction**

Items	N	Mean	Std. Deviation
I take genuine pleasure in my work.	268	3.28	.789
Each workday feels never-ending.	268	3.21	.847
I view my job as rather enjoyable.	268	3.15	.845
I feel enthusiastic about my work on most days.	268	3.07	.838
I am quite content with my current job.	268	3.07	.849
Valid N (list wise)	268		

Source: (SPSS own survey data, 2024)

The table above shows the descriptive statistics for job satisfaction among employees at the Ethiopian Electric Utility (EEU) Head Office. The data was collected using a five-point Likert scale, where a higher score indicates a higher level of agreement with the statement. In general, the mean scores for job satisfaction items range from 3.07 to 3.28, indicating a moderate level of agreement with statements related to job satisfaction. **Pleasure in Work:** Employees report a moderate level of pleasure in their work, with an average score of 3.28, suggesting that while many enjoy their jobs, there is room for improvement in overall satisfaction. The standard deviation of 0.789 indicates some variability in how enjoyable employees find their work. **Perception of Workday Length:** The score of 3.21 suggests that employees generally do not feel that their workdays are overly long, although there is a slight tendency for some to feel that the workday drags. The standard deviation of 0.847 indicates variability in responses, with some employees experiencing longer, more tiring days than others. **Enjoyment of Job:** With a mean score of 3.15, employees find their job moderately enjoyable, though the score is closer to neutral. This suggests that while some employees find their work enjoyable, others may not share the same sentiment.

The standard deviation of 0.845 shows a wide range of experiences among employees in terms of job enjoyment. **Enthusiasm for Work:** The mean score of 3.07 indicates moderate enthusiasm for work, with some employees feeling more engaged than others. This score, being closer to

neutral, suggests that enthusiasm is not consistently high across the board. The standard deviation of 0.838 reflects variability, with some employees feeling more enthusiastic about their work than others. Contentment with Current Job: A score of 3.07 suggests that employees are somewhat content with their current job, but the score indicates there is significant room for improvement in job satisfaction. The standard deviation of 0.849 shows considerable variability, with some employees feeling less satisfied with their current role. While employees at EEU generally report moderate satisfaction with their jobs, the variability in responses suggests that there are areas for improvement in job enjoyment, enthusiasm, and overall contentment.

#### 4.4.6. Descriptive statistics for Employee Motivation

**Table 4- 7. Employee Motivation**

Items	N	Mean	Std. Deviation
I have no plan to resign soon from Ethiopian Electric Utility (EEU).	268	3.07	.880
I am doing my best for the achievement of Ethiopian Electric Utility (EEU)'s goals.	268	3.01	.870
I am very concerned for Ethiopian Electric Utility (EEU)'s resources and strive to best use them.	268	3.07	.850
I am willing to accept difficult responsibilities and contribute more.	268	3.17	.839
I feel I am with the best organization and I am proud of being a member of the Ethiopian Electric Utility (EEU).	268	3.08	.831
Valid N (list wise)	268		

Source: (SPSS own survey data, 2024)

The descriptive statistics presented in Table 4-7 provide insights into the level of employee motivation within the Ethiopian Electric Utility (EEU) head office. The mean scores for each

item indicate the average level of agreement or disagreement among employees regarding their motivation. "I have no plan to resign soon from Ethiopian Electric Utility (EEU)." Employees display a moderate level of commitment to staying with EEU, with a mean score of 3.07, indicating that most do not plan to resign in the near future. However, the relatively high standard deviation of 0.880 suggests there is some uncertainty, as responses vary significantly among employees, with some committed to staying, while others may be considering resignation. "I am doing my best for the achievement of Ethiopian Electric Utility (EEU)'s goals. "The mean score of 3.01 reflects a moderate level of effort from employees in supporting the organization's goals. While the score is just above neutral, it suggests that not all employees are fully engaged or motivated to contribute to EEU's objectives. The standard deviation of 0.870 further highlights variability in commitment, with some employees showing high dedication, while others may be less focused on organizational goals. "I am very concerned for Ethiopian Electric Utility (EEU)'s resources and strive to best use them. "Employees show a moderate level of concern for resource management, with a mean score of 3.07. This indicates that while some employees prioritize efficient resource use, others may not share the same level of concern.

The standard deviation of 0.850 suggests a broad range of attitudes, with variability in how employees perceive their responsibility for managing EEU's resources. "I am willing to accept difficult responsibilities and contribute more. "With a mean score of 3.17, employees are somewhat willing to accept more challenging responsibilities, but the score indicates that this willingness is not particularly strong. The standard deviation of 0.839 shows variation, as some employees is more open to taking on additional responsibilities, while others may be less inclined to do so."I feel I am with the best organization, and I am proud of being a member of the Ethiopian Electric Utility (EEU)." Employees express a moderate sense of pride in working for EEU, with a mean score of 3.08. While many feel a sense of pride and belonging, the score indicates that it is not overwhelmingly positive. The standard deviation of 0.831 further suggests some variation in how employees feel about their association with EEU, with some

feeling a strong sense of pride, while others may not feel as connected or proud to be part of the organization.

#### 4.4.7. Descriptive statistics for all Variables

**Table 4- 8 Descriptive statistics of all Variables**

Items	N	Mean	Std. Deviation
Coworker and Supervisor	268	3.66	.450
Employee Motivation	268	3.04	.607
Work Condition	268	3.37	.591
Financial Factors	268	3.36	.536
Job Satisfaction	268	3.20	.584
Recognition	268	3.08	.568
Valid N (list wise)	268		

*Source: (SPSS own survey data, 2024)*

Based on the descriptive statistics of the variables in the study conducted at the Ethiopian Electric Utility (EEU) Head Office, it can be observed that the mean scores for all variables fall within the range of 3.04 to 3.66 on a scale of 1 to 5. The highest mean score was observed for the variable of "Coworker and Supervisor" with a score of 3.66, indicating that employees at EEU perceive positive relationships and interactions with their coworkers and supervisors. This suggests that the support and collaboration among colleagues and superiors play a significant role in influencing employee motivation at the organization.

The variable of "Employee Motivation" also had slightly lower mean scores of 3.04, indicating that employees at EEU are generally motivated in their work. This could be attributed to various factors such as a conducive work environment, opportunities for growth and development, and recognition for their efforts, among others. The variables of "Work Condition" and "Financial

Factors" also had moderately high mean scores of 3.4384 and 3.36 respectively. This suggests that employees place importance on the working conditions and financial rewards offered by the organization in influencing their motivation levels. The variables of "Job Satisfaction" and "Recognition" had mean scores of 3.20 and 3.08 respectively. This could indicate that there may be areas where the organization can further improve in terms of providing job satisfaction and recognition to employees, which in turn may lead to higher levels of motivation among the workforce.

#### **4.5. Inferential Statistics**

Inferential statistics are crucial in drawing conclusions and making inferences about a population based on sample data. In the context of this study, inferential statistics were utilized to investigate the relationship between dependent and independent variables using correlation and regression analysis. Correlation analysis was used to determine the strength and direction of the relationship between variables. This analysis helps to identify whether there is a positive, negative, or no relationship between those variables (Field, 2005). Additionally, regression analysis was performed to evaluate the extent to which independent variables can predict or influence dependent variable in the study area.

##### **4.5.1. Correlation Analysis**

A correlation coefficient is a valuable tool for summarizing the relationship between two variables with a single number, ranging from -1 to +1. In this study, a Pearson correlation coefficient ( $r$ ) was used to analyze the correlation. According to Field (2005), the strength of a correlation can range from weak (0.1 - 0.29) to moderate (0.3 - 0.49) to strong ( $>0.5$ ). The following correlation table summarize the results of this study.

Table 4- 9 . **Correlation result**

Variable's		Recognition	Coworker & Supervisor	Work Condition	Financial Factors	Job Satisfaction	Employee Motivation
Recognition	Pearson Correlation	1					
	Sig. (2-tailed)						
	N	268					
Coworker and Supervisor	Pearson Correlation	.264**	1				
	Sig. (2-tailed)	.000					
	N	268	268				
Work Condition	Pearson Correlation	.432**	.473**	1			
	Sig. (2-tailed)	.000	.000				
	N	268	268	268			
Financial Factors	Pearson Correlation	.349**	.484**	.482**	1		
	Sig. (2-tailed)	.000	.000	.000			
	N	268	268	268	268		
Job Satisfaction	Pearson Correlation	.258**	.570**	.352**	.561**	1	
	Sig. (2-tailed)	.000	.000	.000	.000		
	N	268	268	268	268	268	
Employee Motivation	Pearson Correlation	.292**	.660**	.519**	.528**	.526**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	268	268	268	268	268	268

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

Source: (SPSS own survey data, 2024)

The results of the correlation analysis show strong positive relationships between employee motivation and each of the factors examined - recognition, coworker and supervisor relationships, work conditions, financial factors, and job satisfaction. Recognition has a moderate positive correlation with Coworker and Supervisor relationships (0.264\*\*), shows that as recognition improves; the quality of relationships with coworkers and supervisors tends to improve. Work condition is stronger at 0.432\*\*, meaning that higher recognition is associated with better work conditions. There is a moderate positive correlation of 0.349\*\* between recognition and Financial Factors, suggesting that higher recognition is linked to better financial rewards or compensation. Recognition also has a moderate positive correlation with

Job Satisfaction (0.258\*\*), indicating that greater recognition is associated with higher job satisfaction. employee motivation is 0.292\*\*, suggesting that recognition is positively related to increased motivation among employees the output suggests that increasing recognition in the workplace has a broad positive effect on coworker relationships, work conditions, financial factors, job satisfaction, and employee motivation

Coworker and Supervisor relationships show strong positive correlations with employee motivation (0.660\*\*), indicating that better workplace relationships tend to boost motivation. These relationships also have significant positive correlations with work conditions (0.473\*\*), financial factors (0.484\*\*), and job satisfaction (0.570\*\*), emphasizing the role of supportive interpersonal relationships in creating a motivating and satisfying work environment. Work conditions are particularly important for enhancing employee motivation, with a strong positive correlation observed between work conditions and employee motivation (0.519\*\*). This suggests that improving work conditions can significantly increase employee motivation. Work conditions also have positive correlations with financial factors (0.482\*\*) and job satisfaction (0.352\*\*), reinforcing the idea that a healthy work environment is key to both satisfaction and motivation.

Financial factors also play a significant role, positively influencing coworker and supervisor relationships (0.484\*\*) and employee motivation (0.528\*\*). This suggests that better financial incentives or compensation not only improve relationships but also directly contribute to higher motivation levels. Financial factors are strongly correlated with job satisfaction (0.561\*\*), indicating that compensation and benefits are crucial for overall job satisfaction.

Job satisfaction is highly correlated with coworker and supervisor relationships (0.570\*\*) and employee motivation (0.526\*\*), highlighting that satisfaction with one's job is closely tied to positive relationships and a motivating work environment. Employee motivation itself is strongly correlated with all other factors, with the highest correlation found with coworker and supervisor relationships (0.660\*\*), followed by work conditions (0.519\*\*) and financial factors

(0.528\*\*). These correlations suggest that improvements in these areas will likely lead to higher employee motivation.

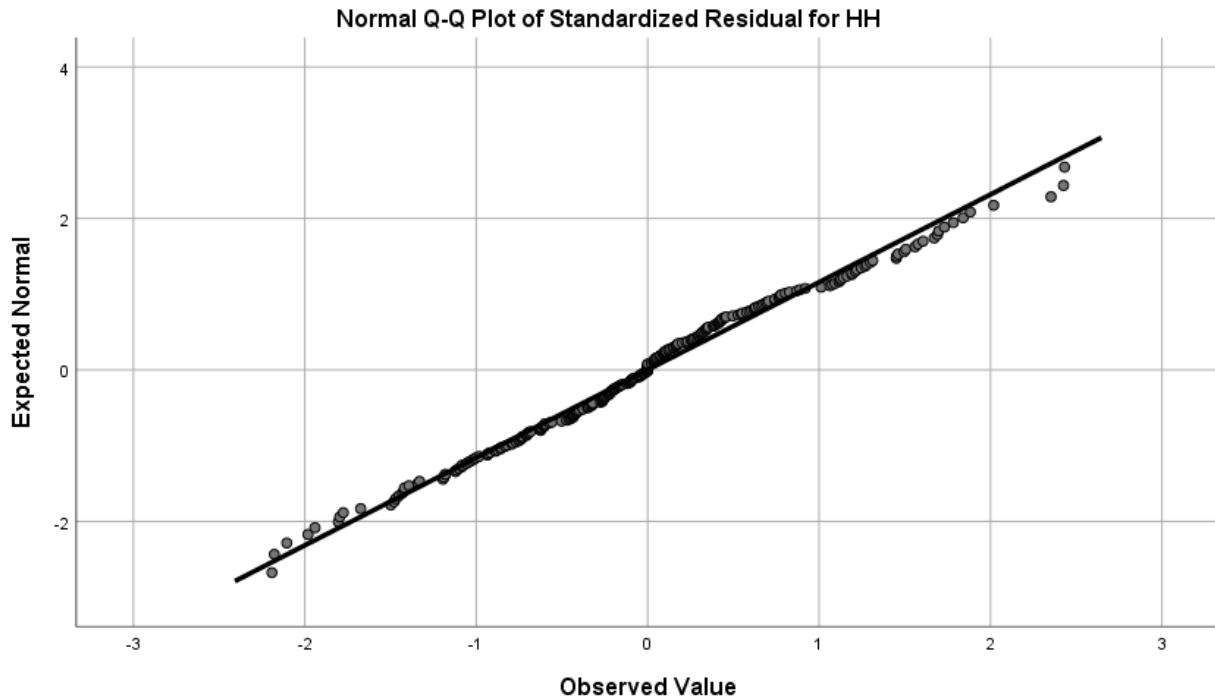
Finally, the data verified that enhancing recognition, coworker and supervisor relationships, work conditions, financial factors, and job satisfaction can significantly improve employee motivation. The strongest correlation is found between coworker and supervisor relationships and employee motivation (0.660\*\*), emphasizing the importance of fostering supportive interpersonal relationships in the workplace to boost motivation and overall satisfaction. These insights can be valuable for organizations looking to improve employee performance and create a more motivating and positive work environment.

#### **4.5.2. Multiple Regression analysis**

Before conducting a regression analysis, the basic assumptions concerning the original data must be made. This is a mandatory prerequisite in explaining the relationships between dependent and explanatory variables. The major assumptions have to be checked and proved to be met reasonably well. In this study these important least square assumptions were checked and explained as below.

##### **4.5.2.1. Linearity Test**

Linearity refers to the degree to which the change in the dependent variable is related to the change in the independent variables (Darlington, 1968). To determine whether the relationship between the dependent variable employee motivation and the predictor variable those factors that affect employee motivation, is linear; plots of the regression residuals through SPSS version 25 software had been used.



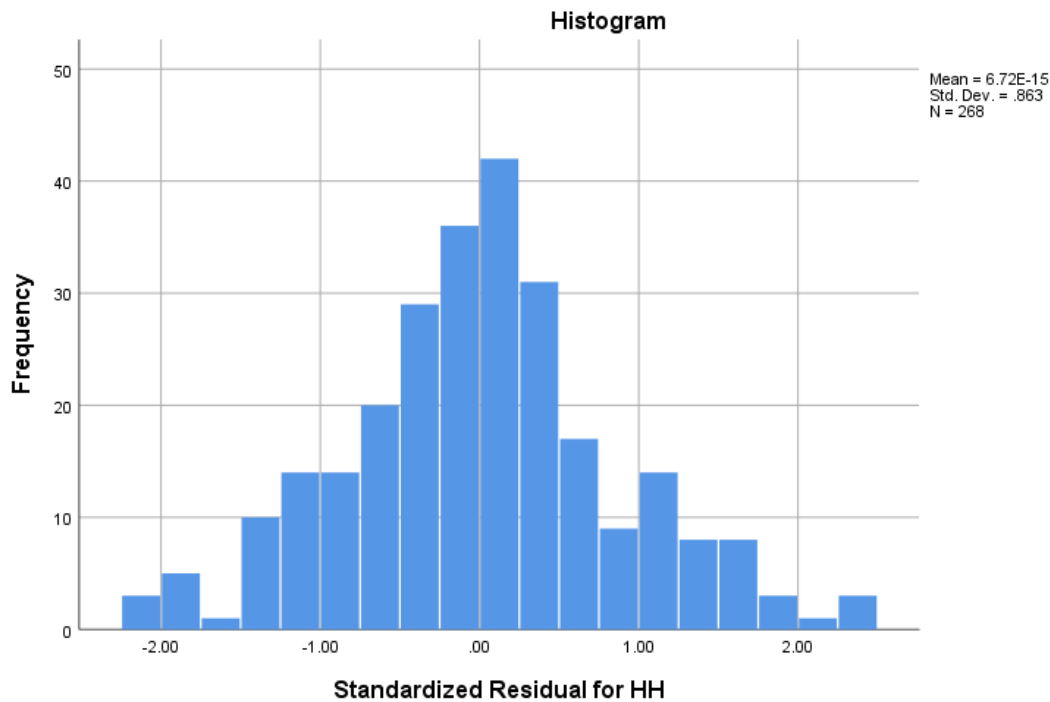
**Figure 4. 1. Linearity test**

*Source: (SPSS own survey data, 2024)*

From the above graph the scatter plot of residuals shows no large difference in the spread of the residuals as you look from left to right on the diagonal on figure above. This result suggests the relationship we are trying to predict is linear.

#### 4.5.2.2. Normality Test

Secondly, the linear regression analysis requires all variables to be multivariate normal (Darlington, 1968). This assumption can best be checked with a histogram and a fitted normal curve or a P-P Plot (Keith, 2006). As per the Classical Linear Regression Models assumptions, the error term should be normally distributed or expected value of the errors terms should be zero ( $E(u_t) = 0$ ).



**Figure 4. 2 Normality test**

*Source: (SPSS own survey data, 2024)*

Figure above shows the frequency distribution of the standardized residuals compared to a normal distribution. As you can see, although there are some residuals (e.g., those occurring around 0) that are not that much far away from the curve, many of the residuals are fairly close to 0. Moreover, the histogram is bell shaped which led to infer that the residual (disturbance or errors) is normally distributed. Thus, no violations of the assumption normally distributed error term.

#### **4.5.2.3. Multi-collinearity Test**

Regression Analysis assumes that there is little or no multi-co linearity in the data. Multicollinearity occurs when the independent variables are not independent from each other.

A second important independence assumption is that the error of the mean has to be independent from the independent variables. Thus, we can test using the following criteria (Keith, 2006).

**Variance Inflation Factor (VIF)** – the variance inflation factor of the regression is defined as  $VIF = 1/T$ . Similarly, with  $VIF > 10$  there is an indication for multi-collinearity to be present; with  $VIF > 100$  there is certainly multi-collinearity in the sample. Thus, from the coefficient table all VIF values are less than 10. Simply the values are not more than 2.820 (see the table below). This confirms us there are no violations of little or no Multicollinearity between independent variables.

**Table 4- 10 Multicollinearity test**

Model		Collinearity Statistics	
		Tolerance	VIF
1	Recognition	.786	1.273
	Coworker and Supervisor	.581	1.722
	Work Condition	.629	1.590
	Financial Factors	.572	1.747
	Job Satisfaction	.568	1.761

Source: (SPSS own survey data, 2024)

#### 4.5.2.4. Regression Analysis Results

The study adopted multiple regression models at 5% level of significance to examine direct and indirect relationship between the study variables. The findings were presented in three tables discussed in subsections below:

##### I) Model Summary

Model summary is used to show the amount of variation in dependent variable that can be explained by changes in the independent variables. Table 4.11 presents the results.

**Table 4- 11 Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.728a	.530	.521	.393

a. Predictors: (Constant), Job Satisfaction, Coworker and Supervisor, Recognition, Work Condition, Financial Factors

b. Dependent Variable: Employee Motivation

*Source: (SPSS own survey data, 2024)*

The model summary in this study indicates that the multiple regression models with various factors (job satisfaction, coworker and supervisor relationships, recognition, work conditions, and financial factors) can explain a significant amount of the variance in employee motivation at Ethiopian Electric Utility (EEU) Head Office. The R square value of .530 suggests that approximately 53 % of the variation in employee motivation can be explained by the independent variables in the model. The adjusted R square value of .521 indicates that the model is a good fit for the data, and that the inclusion of the independent variables has improved the explanatory power of the model.

The standard error of the estimate is .393, suggesting that the model has a reasonable level of accuracy in predicting employee motivation based on the factors included in the study. These results indicate that factors such as job satisfaction, relationships with coworkers and supervisors, recognition, work conditions, and financial factors are important determinants of employee motivation at EEU Head Office. Organizations can use these findings to develop strategies and interventions to enhance employee motivation and improve overall performance.

## **II) Analysis of Variance (ANOVA)**

Analysis of variance is used to determine how fit the model developed is to the data. It tests the significance of the model. In this study the significance of the model was tested at 5% level of significance.

**Table 4- 12 ANOVA Test Results**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	45.726	5	9.145	59.127	.000b
	Residual	40.524	262	.155		
	Total	86.250	267			

a. Dependent Variable: Employee Motivation

b. Predictors: (Constant), Job Satisfaction, Coworker and Supervisor, Recognition, Work Condition, Financial Factors

*Source: (SPSS own survey data, 2024)*

The ANOVA results indicate that there is a statistically significant relationship between the factors of job satisfaction, coworker and supervisor relationships, recognition, work conditions, and financial factors with employee motivation at the Ethiopian Electric Utility (EEU) Head Office. The regression model explains a significant amount of variation in employee motivation, with a high F-value of 59.127 and a p-value of .000, indicating that the overall model is statistically significant. This suggests that the factors included in the model have a strong influence on employee motivation at EEU.

### III) Regression Coefficient Analysis Results

The regression model was;

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + \epsilon,$$

Where; Y= Employee Motivation,  $\beta_0$ = constant (coefficient of intercept),  $X_1$ = Recognition;

X2= Work conditions; X3= Financial factors; X4= Coworker and Supervisor; X5= Job satisfaction;  $\varepsilon$  = error term;

In the below table 4.13, regression analysis coefficients indicate how much the dependent variable (employee motivation) varies with an independent variable, when all other independent variables are held constant (Jaccard & Turrisi, 2003).

Table 4- 13 Multiple Regression analysis results

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.254	.222		1.145	.253
	Recognition	.011	.060	.009	.185	.853
	Coworker and Supervisor	.387	.052	.414	7.445	.000
	Work Condition	.191	.051	.199	3.726	.000
	Financial Factors	.165	.059	.155	2.772	.006
	Job Satisfaction	.128	.055	.131	2.338	.020

Source: (SPSS own survey data, 2024)

### Constant (0.254)

The constant term is the intercept of the regression model, which represents the predicted value of employee motivation when all other variables are zero. In this case, the constant is 0.245, indicating that when all other variables are held constant, the average employee motivation score is approximately 0.254. Recognition (B = 0.011, Beta = 0.009) is not a significant predictor (p = 0.853), suggesting that changes in recognition have little to no meaningful effect on the dependent variable.

Coworker and supervisor interactions have the most significant impact on the dependent variable, with a strong positive relationship (B = 0.387, Beta = 0.414). This suggests that

improving interactions between coworkers and supervisors will likely lead to the most substantial improvement in the outcome variable.

Work conditions also have a significant effect ( $B = 0.191$ ,  $Beta = 0.199$ ), indicating that better work conditions are moderately associated with a higher value of the dependent variable.

Financial factors ( $B = 0.165$ ,  $Beta = 0.155$ ) and job satisfaction ( $B = 0.128$ ,  $Beta = 0.131$ ) both show significant but more moderate effects, implying that financial well-being and job satisfaction are important, though not as strongly impactful as coworker relationships and work conditions. In summary, the results suggest that coworker and supervisor relationships, work conditions, financial factors, and job satisfaction are all significant factors that influence employee motivation in the Ethiopian Electric Utility (EEU) Head Office. However, recognition does not appear to have a significant impact on employee motivation.

#### **4.6. Discussion of Findings**

The study examined the factors that influence employee motivation at the Ethiopian Electric Utility (EEU) Head Office. The findings revealed that several factors have a significant impact on employee motivation. Specifically, having a positive working relationship with coworkers and supervisors was found to be a key factor, with employees who have good relationships with their colleagues and supervisors tend to be more motivated and engaged in their work. Additionally, the physical and environmental conditions of the workplace were also found to have a significant positive impact on employee motivation, with employees who work in a comfortable and well-maintained environment tending to be more motivated and satisfied with their work. Furthermore, financial incentives and rewards were also found to play a significant role in motivating employees, with employees who receive fair compensation and benefits tend to be more motivated and engaged in their work. Finally, job satisfaction was also found to have a significant positive impact on employee motivation, with employees who are satisfied with their jobs tend to be more motivated and engaged in their work.

In contrast, the study found that recognition did not have a significant impact on employee motivation. This may be due to various reasons such as the lack of a formal recognition system or the perception that recognition is not an important factor in motivating employees. Overall, the study suggests that managers at the EEU Head Office should focus on building positive working relationships with employees, providing a comfortable and well-maintained workplace, offering financial incentives and rewards, and promoting job satisfaction in order to motivate their employees. Unlike the above finding similar research on the impact of recognition and reward on employees' motivational factors in the workplace through structural equation modeling (SEM) [Gopinath et al., 2021]. The study was conducted among employees of M/s. Saint-Gobain in Chennai, with a sample size of 100 staff members [same]. The results show that recognition and reward have a positive impact on employee motivation, with Gopinath et al. (2021) concluding that the recognition and reward system contains optimistic influences on motivation variables [Gopinath et al., 2021]. The study found that extrinsic factors, such as financial rewards, are described by factors of intrinsic motivation and non-financial rewards [Gopinath et al., 2021].

Other similar studies found that financial rewards have a significant and positive impact on the work motivation of operational-level employees. This is consistent with previous research, which has shown that financial rewards play a critical role in attracting, motivating, and retaining employees (Ellis & Pennington, 2004; Lazear, 1986; Werner, 2004). The study also found that employees value recognition through financial benefits, with 78% of respondents considering it important to be recognized by their managers (Nelson, 2004). The findings align with the idea that reinforcing rewards can improve intrinsic interest and motivation (Armstrong, 2007). However, Armstrong (2007) also notes that the evidence for the long-term effectiveness of reward systems is limited, and that no controlled scientific study has found a long-term enhancement of work quality as a result of a reward system.

## CHAPTER FIVE

### SUMMARY, CONCLUSION AND RECOMMENDATIONS

#### 5.1. Summary of key Findings

The aim of the research was to investigate the factors affecting employee motivation in the Ethiopian Electric Utility (EEU) Head Office. The study on employee motivation at the Ethiopian Electric Utility (EEU) Head Office revealed several key demographic characteristics that can impact employee motivation and job satisfaction. Notably, the majority of respondents were male, comprising 56% of the sample, while females made up 44%. The age distribution of respondents showed a significant presence of employees aged between 31 and 50 years, with 34.3% falling within the 31-40 age group and 31.0% in the 41-50 age group.

In terms of educational qualifications, the majority of respondents held a Bachelor's Degree, accounting for 51.5% of the sample, followed by those with a Master's Degree, making up 26.5% of the sample. The marital status of respondents also showed a significant proportion of married individuals, comprising 49.6% of the sample, followed by single individuals, making up 25.4%, and others, accounting for 14.6%. These demographic characteristics can have implications for employee motivation and job satisfaction, as different demographics may have different priorities and motivations. Additionally, the study found that the majority of respondents were non-managerial staff, comprising 58.2% of the sample, followed by middle management, supervisors, and top management. The work experience of respondents also showed a significant presence of employees with 6-20 years of experience, with 36.6% having

6-10 years of experience and 23.5% having 16-20 years of experience. These findings suggest that the EEU Head Office has a diverse workforce with varying characteristics, which can impact employee motivation and job satisfaction.

The survey results at EEU Head Office indicate that employees have a mixed perception of their work environment. While recognition has a neutral to slightly positive perception, with a mean score ranging from 3.1 to 3.4, it suggests that employees feel somewhat acknowledged and valued for their contributions, but there is room for improvement. On the other hand, employees highly value the support they receive from their co-workers and supervisors, with a mean score of 3.6. The work conditions at EEU Head Office are also moderately positive, with a mean score ranging from 3.3 to 3.9. This suggests that employees generally feel satisfied with their work environment, workload, and support systems, but there may be areas where improvement can be made. Financial factors also have a moderate impact on employee motivation; with a mean score ranging from 3.1 to 3.4. Job satisfaction is also moderately positive, with a mean score ranging from 3. to 3.4. This suggests that employees generally find their job satisfying, but there may be areas where improvement can be made. Overall, employee motivation is low, with a mean score of 3. to 3.1. While there are areas where improvement can be made, the results suggest that employees at EEU Head Office are generally motivated and satisfied with their work environment.

The correlation analysis reveals that employee motivation is strongly positively related to several factors, including recognition, coworker and supervisor relationships, work conditions, financial factors, and job satisfaction. Recognition positively influences coworker relationships, work conditions, financial rewards, and job satisfaction, while coworker and supervisor relationships, work conditions, and financial factors all significantly enhance employee motivation. Work conditions and financial rewards are particularly important for improving motivation and job satisfaction. Overall, the findings suggest that fostering supportive

relationships, enhancing work conditions, offering competitive financial incentives, and increasing recognition can significantly boost employee motivation and satisfaction.

The study's multiple regression models revealed a significant relationship between the factors of job satisfaction, coworker and supervisor relationships, work conditions, financial factors, and recognition, and employee motivation at the Ethiopian Electric Utility (EEU) Head Office. The model explained approximately 53% of the variation in employee motivation, with a significant F-value of 59.127 and a p-value of .000. Further analysis revealed that the factors that have a significant positive impact on employee motivation are coworker and supervisor relationships, work conditions, financial factors, and job satisfaction. These factors were found to have standardized coefficients of 0.414, 0.199, 0.155, and 0.131, respectively, and all had p-values of .000. In contrast, recognition was not found to be a significant factor in motivating employees, with a p-value of 0.853. This suggests that the lack of a formal recognition system or the perception that recognition is not an important factor in motivating employees may be contributing to this finding. The study's results also highlight the importance of creating a positive work environment, as employees who have good relationships with their coworkers and supervisors tend to be more motivated and engaged in their work. The study's findings also suggest that financial incentives and rewards play a significant role in motivating employees. Employees who receive fair compensation and benefits tend to be more motivated and engaged in their work. Additionally, the study found that job satisfaction has a significant positive impact on employee motivation, and that employees who are satisfied with their jobs tend to be more motivated and engaged in their work.

## **5.2. Conclusion**

Based on the research findings, the study concludes that factors such as job satisfaction, coworker and supervisor relationships, work conditions and financial factors play a significant role in motivating employees at the Ethiopian Electric Utility (EEU) Head Office. The study's multiple regression models revealed that these factors can explain approximately 53% of the variation in employee motivation. The study found that Coworker and Supervisor are high at the EEU Head Office, with a mean score of 3.66. However, the results also suggest that there are areas where improvement can be made, such as motivation and recognition.

The study's findings highlight the importance of creating a positive work environment, as employees who have good relationships with their coworkers and supervisors tend to be more motivated and engaged in their work. The study also suggests that financial incentives and rewards play a significant role in motivating employees, as employees who receive fair compensation and benefits tend to be more motivated and engaged in their work. Furthermore, the study found that job satisfaction has a significant positive impact on employee motivation, as employees who are satisfied with their jobs tend to be more motivated and engaged in their work. The study's results also suggest that recognition is not a significant factor in motivating employees, which may be due to the lack of a formal recognition system or the perception that recognition is not an important factor in motivating employees. In conclusion, the study provides valuable insights into the factors that affect employee motivation at the Ethiopian Electric Utility (EEU) Head Office. The findings suggest that organizations can improve employee motivation by creating a positive work environment, providing fair compensation and benefits, and ensuring job satisfaction.

The study's results also highlight the importance of recognizing and valuing employees' contributions, which can be achieved through various means such as employee recognition programs. The study's findings have implications for HR managers and organizational leaders at the EEU Head Office. They can use the study's results to develop strategies and interventions to enhance employee motivation and improve overall performance. Additionally, the study's

findings can be used to inform HR policies and practices that promote employee motivation and engagement.

### **5.3. Recommendation**

To improve employee motivation at the Ethiopian Electric Utility (EEU) Head Office, it is essential to focus on enhancing job satisfaction. This can be achieved by conducting regular employee satisfaction surveys to identify areas of improvement and implementing changes to provide more autonomy, opportunities for growth, and recognition. A clear and transparent performance management system should also be developed to ensure employees understand how their work contributes to the organization's goals.

Improving a positive work environment is also crucial for employee motivation. This can be achieved by encouraging open communication and teamwork among employees, developing a culture of respect, empathy, and inclusivity, and providing opportunities for socialization and team-building activities. Additionally, providing fair compensation and benefits is essential for employee motivation. This can be achieved by conducting regular salary reviews to ensure employees are fairly compensated, offering competitive benefits packages, including health insurance, retirement plans, and paid time off, and considering implementing flexible work arrangements to improve work-life balance.

Conducting regular feedback and evaluation is also important for employee motivation. This can be achieved by conducting regular feedback sessions with employees to identify areas of improvement, evaluating employee performance regularly and providing constructive feedback, and using feedback to make data-driven decisions about employee development and promotions. Providing opportunities for growth and development is another important aspect of employee motivation. This can be achieved by offering training programs, workshops, and

conferences to develop employees' skills and knowledge, encouraging employees to take on new challenges and responsibilities, and considering implementing a mentorship program to support employee development.

Finally, improving work conditions is essential for employee motivation. This can be achieved by ensuring a safe and healthy work environment, providing necessary resources and equipment to support employee productivity, and considering implementing flexible work arrangements to improve work-life balance. By implementing these strategies, the EEU Head Office can improve employee motivation, engagement, and overall performance.

#### 5.4. Future Research Area

- ☛ **Impact of Employee Motivation on Organizational Performance:** Investigate the causal relationship between employee motivation and organizational performance, including metrics such as productivity, customer satisfaction, and financial performance.
- ☛ **Employee Motivation and Turnover Intentions:** Explore the relationship between employee motivation and turnover intentions, examining the factors that contribute to turnover and how motivation can be used to mitigate it.
- ☛ **Motivation and Job Satisfaction in Different Cultural Contexts:** Investigate how employee motivation and job satisfaction vary across different cultural contexts, considering the impact of cultural values, norms, and practices on employee attitudes and behaviors.
- ☛ **Employee Motivation and Well-being:** Investigate the relationship between employee motivation and well-being, including factors such as mental health, physical health, and work-life balance.

- ☛ **Motivation and Leadership Style:** Explore the relationship between employee motivation and leadership style, examining how different leadership styles (e.g., transformational, transactional) impact employee motivation and engagement.

## References

- Andersen, E. (2012). Recognition and rewards frameworks: Building recognition and rewards that align with your company's goals. ACCOR.
- Armstrong, M. (2006). A handbook of human resource management practice. Kogan Page Publishers.
- Armstrong, M. (2009). Armstrong's handbook of reward management practice: Improving performance through reward. Kogan Page Publishers.
- Bagram, J. J., Cunningham, P., Potgieter, M., & Viedge, C. (2007). Balanced lives and employee commitment: The impact of co-worker relationships. Management

Dynamics: Journal of the Southern African Institute for Management Scientists, 16(1), 20-37.

- Beretti, A., Nenci, A. M., & Romani, S. (2013). A behavioral orientation for improving management accounting systems. Empirical research study. *Management Research Review*, 36(9), 873-899.
- Bowen, D. E., & Radhakrishna, R. B. (1991). Job satisfaction and organizational commitment among manufacturing engineers: The moderating effects of employment levels. *Journal of Management*, 17(2), 123-139.
- Bruce, A. (2003). How good are your motivation skills? Trust Digital Photography.
- Champoux, J. E. (2011). *Organizational behavior: Integrating individuals, groups, and organizations*. Routledge.
- Cheng, Y., Loomis, C., Stehr, M., Whitney, P., Taylor, T., Schaefer, M., & Consorte, A., 2013. Emotional Intelligence Enhances Health: Developments in Basic and Applied Research. IS&S Group.
- Cole, K. A., & Kelly, P. E. (2011). Update on the motivational factors influencing employees in the workplace. *Journal of organizational management*, 34(5), 674-691.
- Darlington, R. B. (1968). Multiple regression in psychology. *Psychology Bulletin*, 69(5), 422-443.
- Deci, E. L., & Ryan, R. M. (1985). *Intrinsic motivation and self-determination in human behavior*. Springer Science & Business Media.
- DeVellis, R. F. (2017). *Scale development: Theory and applications*. SAGE Publications.
- Field, A. (2005). *Discovering statistics using IBM SPSS statistics*. Sage Publications.
- Fisher, C. (2012). *Deciphering the organizational behavior code: Key motivators and detractors of employee engagement within diverse organizations*. ProQuest.
- Gamble, J. E. & Thompson, A. A. (2011). *Essentials of strategic management*. McGraw-Hill Education.
- George, R., & Jones, T. (1999). Employee Employment Relations and the Innovation of Capacity Building and Development of Entrepreneurship in Private and Public Organizations. *The Innovation Journal: The Public Sector Innovation Journal*, 4(2), 15-32.

- Grant, G., Fried, L., & Juillerat, J. (2010). *Motivating employees in a Western context: A case study of bankers in the UK*. Sage Publications.
- Grey, L. C. (2014). *Doing research in the real world*. SAGE Publications.
- Gurland, S. T., & Lam, S. S. (2008). The winning strategies in human resource practices: What drives firm performance? *Strategic Management Journal*, 29(7), 791-821.
- Hodgetts, R. M., & Hegar, K. (2008). *Modern Human Relations at Work*. Cengage Learning.
- Hussein, S. (2015). Research methods in the social sciences. *The International Journal of Social Research Methodology*, 18(6), 611-624.
- Hersey, P., & Blanchard, K. H. (2007). *Management of organizational behavior: Leading human resources*. Pearson/Prentice Hall.
- Iqbal, K. (2010). Co-workers relations at the workplace; Issues and Challenges. *Fayaz Planning & Adviser*, 89(4), 67-75.
- Jaccard, J., & Turrisi, R. (2003). *Interaction effects in multiple regression*. Sage Publications.
- Kalimullah, K., Jaunda, M., & Djebbari, H. (2010). The relationship between rewards and employee motivation in commercial banks: Evidence from Pakistan. *International Journal of Business and Management*, 5(4), 167-176.
- Kalimullah, N. A., Zakaria, M. H., Saman, I. B., Hassan, A., Remeli, M. F., & Shafie, M. M. (2010). The influence of extrinsic rewards on transformational leadership in Islamic-based organization. *European Journal of Social Sciences*, 15(3), 419-427.
- Karkoulian, J., Mukaddam, K., McCarthy, K., & Messarra, D. (2013). Job insecurity negatively impacts job satisfaction. *Leadership*, 106(3), 53-64.
- Katz, D. (1964). *The motivational basis of organizational behavior*. Wiley.
- Keith, T. Z. (2006). *Multiple regression analysis: A self-teaching guide*. Routledge.
- Keith, T. Z. (2006). *Multiple regression analysis: A practical approach to modern statistics*. Lawrence Erlbaum Associates.
- Kelly, C., & Cole, R. (2011). *Motivation: The key to achievement*. Random House.
- Kovach, K. A. (1987). What motivates employees: Workers and supervisors give different answers. *Business Horizons*, 30(5), 58-65.
- Kroth, M. (2007). *Managing with a conscience*. Business Expert Press.

- Ladebo, O., Awotunde, J., & AbdulSalaam-Saghir, M. (2008). The employee perception of reward management practices in the workplace: Nigeria's evidence. *Labor Research Review*, 3(4), 120-135.
- Latham, G. P. (2007). *Work motivation: History, theory, research, and practice*. Sage Publications.
- Lindner, J. R. (1998). Understanding employee motivation. *Journal of Extension*, 36(3), 1-13.
- Luthans, F. (2011). *Organizational behavior: An evidence-based approach*. McGraw-Hill Education.
- Malhotra, N. K. (2004). *Marketing research: An applied orientation*. Pearson Education India.
- Matthew, L., Reid, A., Clayton, S. D., & 14, J. S. (2009). Intrinsic motivation and exercise adherence. *International Journal of Sport Psychology*, 40(2), 108-128.
- Mawoli, M. A., & Winn, S. K. (2011). The role of leadership in motivating employees in the public sector: A case study of the National audit office of Tanzania. *Journal of Public Administration and Governance*, 1(2), 59-76.
- McGregor, D. (1969). *The human side of enterprise* (Vol. 21). New York: McGraw-Hill.
- McShane, S. L., & Von Glinow, M. A. (2011). *Organizational behavior*. McGraw-Hill/Irwin.
- MTD Training. (2011). *Motivating your employees*. MTD training.
- Mudor, H., & Tookon, P. (2011). Effect of human resource development on organizational productivity. *Canadian Social Science*, 7(5), 131-138.
- Mugenda, O. M., & Mugenda, A. G. (2003). *Research methods: Quantitative and qualitative approaches*. Acts Press.
- Nelson, D. L., & Quick, J. C. (2013). *Understanding organizational behavior*. Cengage Learning.
- Nyameh, E., et al. (2013). Employee motivation and performance at work: A Nigerian healthcare perspective. *International Journal of Business and Management*, 8(16), 1-9.
- Park, J. (2010). The role of financial rewards in employee motivation. *Compensation Review*, 40(1), 59-68.
- Polit, D. F., & Beck, C. T. (2017). *Nursing research: Generating and assessing evidence for nursing practice*. Lippincott Williams & Wilkins.

- Ran, P. (2009). Motivating employees: A longitudinal field study of a pay-for-performance system in a Chinese automotive factory. *International Journal of Human Resource Management*, 20(7), 1726-1752.
- Robbins, S. P. (2001). *Organizational behavior*. Prentice Hall.
- Robbins, S. P., & Judge, T. A. (2007). *Organizational behavior*. Pearson Education.
- Scott, S. G., & Bruce, R. A. (1994). Determinants of innovative behavior: A path model of individual innovation in the workplace. *Academy of management journal*, 37(3), 580-607.
- Stratheford, R. (2012). *Employee motivation and performance*. Cengage Learning.
- Tesfaye Teshome (2012). Enhancing employee motivation through working conditions. *Journal of Management*, 24(3), 85-94.
- Thompson, L. (2011). Making the invisible visible: the impact of recognition on job performance. *Harvard Business Review*.
- Thompson, R. A. (2011). What motivates employees? A comparative study of work incentives. *Journal of Organization Behavior*, 32(4), 486-502.
- Vroom, V. H. (1977). *Work and motivation*. Wiley.
- Walliman, N. (2011). *Research methods: The basics*. Routledge.
- Wesson, M. J. (2010). Motivation and job satisfaction: A comparative analysis of the public and private sector in the UK. *Public Administration*, 88(2), 390-404.
- Yazdani, H. N., Payvandi, S., & Chambliss, A. (2011). Factors influencing employee motivation in the workplace: A study of employee recognition programs. *Journal of Organizational Management*, 29(2), 102-118.
- Yeamdao Narangajavana, S. (2007). Sampling size calculation. *Journal of the Medical Association of Thailand*, 90(2), 362-367.
- Zikmund, W. G., & Babin, B. J. (2007). *Essentials of marketing research* (3rd ed.). South-Western Cengage Learning.

## Annex I: Questionnaire



**ADDIS ABABA UNIVERSITY**

**SCHOOL OF COMMERCE**

**DEPARTMENT OF BUSINESS ADMINISTRATION**

**RESEARCH QUESTIONNAIRE**

**Dear Respondents,**

Thank you in advance for taking the time to complete this research questionnaire. The purpose of this questionnaire is to gather primary data for my study on " Factors Affecting Employee Motivation: In The Case Of Ethiopian Electric Utility (EEU) Head Office." as part of the requirements for my MBA degree.

Your participation is crucial in providing insight into the factors that affect Employee motivation within your organization. Your responses will be kept confidential and used solely for research purposes. Please take a few moments to answer the following questions. Your cooperation is greatly appreciated.

Thank you,

General instructions:

- Do not include your name on the survey.
- Read the statements in each section and answer by placing the “√” on the option that best reflects your perception.
- Participation in this survey is voluntary and no individual data will be reported. If you are unsure or do not know the answer, leave it blank.
- If you have any questions, please contact Bezaye Kebede at Mobile No +2519-11-67-19-67..... Or email address: bezaye2010@gmail.com

**PART I: Information Regarding Respondents**

Please be advised that the following questions pertain to demography and other personal information. Completing this information is voluntary and confidentiality is assured.

**1. What is Your Gender? \***

*Mark only one oval.*

Male

Female

**2. What is Your Age? \***

*Mark only one oval.*

18-30 Years

31-40 Years

41-50 Years

50 Years and Above

**3. What is Your Educational Qualifications? \***

*Mark only one oval.*

Diploma

Bachelor Degree

Master's Degree

Above Master's Degree

**4. What is Your Current Position in the Company? \***

*Mark only one oval.*

Top Management

Middle Management

Supervisor

Non-managerial staff

**5. What is Your Marital Status? \***

*Mark only one oval.*

Single

Married

Divorce

Others

**6. What is Your Work experience in the Company? \***

*Mark only one oval.*

- Below 5 Years
- 6-10 Years
- 11-15 Years
- 16-20 Years
- Above 20 Years

**PART II: Respondents' opinion related to Factors Affecting Employee motivation in Ethiopian Electric Utility (EEU) head office**

**Instruction:** Indicate the extent of your agreement with respect to each of the following statements by marking „ticking the “√” sign in the appropriate column to the right side where:

Where;

**S.D = strongly disagree, D = Disagree, N = Neutral, A = Agree, S.A = strongly agree**

No.	1. Recognition	S.D	D	N	A	S.A
1.1.	I feel satisfied with the level of recognition I receive for my achievements at work.					
1.2.	I rate my level of self-respect in the workplace as high.					
1.3.	I feel empowered and granted autonomy in my role at the organization.					
1.4.	I feel acknowledged and valued for my contributions to the team or company.					
1.5	I feel that my skills and expertise are effectively utilized and appreciated in my role at work.					
No.	2. Co-worker and Supervisor	S.D	D	N	A	S.A
2.1.	My supervisor cares about my opinion.					
2.2.	I receive regular feedback from my immediate supervisor.					

2.3.	There is team spirit and cooperation among co-workers and supervisor at Ethiopian Electric Utility (EEU).					
2.4.	I am an important part of my team and the organization.					
2.5.	In Ethiopian Electric Utility Head Office (EEU), my co-workers assist me with challenging tasks.					
<b>No.</b>	<b>3. Work condition</b>	<b>S.D</b>	<b>D</b>	<b>N</b>	<b>A</b>	<b>S.A</b>
3.1.	My work environment is conducive to productivity, with minimal distractions.					
3.2.	My workload is manageable and allows me to maintain a healthy work-life balance.					
3.3.	I receive adequate support and resources to effectively complete my job tasks.					
3.4.	I am satisfied with the overall work conditions at my job.					
<b>No.</b>	<b>4. Financial factors</b>	<b>S.D</b>	<b>D</b>	<b>N</b>	<b>A</b>	<b>S.A</b>
4.1.	I am paid a salary that is enough to cater for my basic needs.					
4.2.	Salary payments are prompt & on time.					
4.3.	I am offered overtime and field allowances by Ethiopian Electric Utility (EEU).					
4.4.	I receive annual salary increases and bonuses periodically.					
4.5.	I find the salary I receive satisfactory in relation to my job responsibilities.					
<b>No.</b>	<b>5. Job satisfaction</b>	<b>S.D</b>	<b>D</b>	<b>N</b>	<b>A</b>	<b>S.A</b>
5.1.	I am quite content with my current job.					
5.2.	I feel enthusiastic about my work on most days.					
5.3.	Each workday feels never-ending.					
5.4.	I take genuine pleasure in my work.					
5.5.	I view my job as rather enjoyable.					
<b>No.</b>	<b>6. Employee motivation</b>	<b>S.D</b>	<b>D</b>	<b>N</b>	<b>A</b>	<b>S.A</b>
6.1.	I am doing my best for the achievement of Ethiopian Electric Utility (EEU)'s goals.					

<b>6.2.</b>	I am willing to accept difficult responsibilities and contribute more.					
<b>6.3.</b>	I am very concerned for Ethiopian Electric Utility (EEU)'s resources and strive to best use them.					
<b>6.4.</b>	I feel I am with the best organization and I am proud of being a member of the Ethiopian Electric Utility (EEU).					
<b>6.5.</b>	I have no plan to resign soon from Ethiopian Electric Utility (EEU).					

**THANK YOU!**

## Annex II: SPSS Results

Reliability Statistics	
Cronbach's Alpha	N of Items
.895	29

## Descriptive Statistics

	N	Mean	Std. Deviation
Recognition	268	3.664	.450
Coworker and Supervisor	268	3.04	.607
Work Condition	268	3.37	.591
Financial Factors	268	3.36	.536
Job Satisfaction	268	3.20	.584
Employee Motivation	268	3.08	.568
Valid N (list wise)	268		

### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.728a	.530	.521	.393

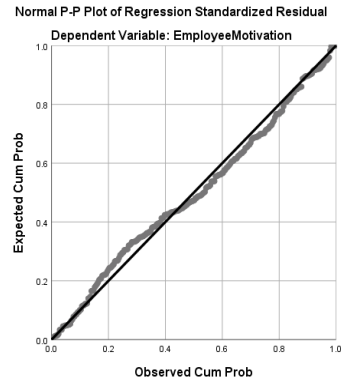
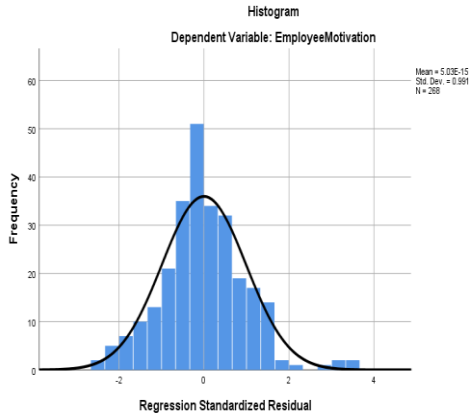
a. Predictors: (Constant), Job Satisfaction, Coworker and Supervisor, Recognition, Work Condition, Financial Factors

### ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	45.726	5	9.145	59.127	.000 <sup>b</sup>
	Residual	40.524	262	.155		
	Total	86.250	267			

a. Dependent Variable: Employee Motivation

b. Predictors: (Constant), Job Satisfaction, Coworker and Supervisor, Recognition, Work Condition, Financial Factors



### Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.254	.222		1.145	.253
	Recognition	.011	.060	.009	.185	.853
	Coworker and Supervisor	.387	.052	.414	7.445	.000
	Work Condition	.191	.051	.199	3.726	.000
	Financial Factors	.165	.059	.155	2.772	.006
	Job Satisfaction	.128	.055	.131	2.338	.020

a. Dependent Variable: Employee Motivation

