



**The Impact of Psychological Safety on Employees’
Motivation and Engagement: The Case of Catholic
Relief Services Ethiopia Head Office**

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Declaration

I hereby declare the thesis, titled " **The impact of Psychological Safety on Employee Motivation and Engagement: The Case of Catholic Relief Services Ethiopia Head Office** " is the result of my own efforts and research. All sources and data used in this paper have been appropriately cited. I have completed this work independently, except for the advice and input from my advisor. This thesis has not been submitted for any degree at this or any other institution.

Geta Kassa

Signature: _____

Date: _____

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Acronyms

CRS	Catholic Relief Services
CSO	Civil Society Organization
SPSS	Statistical Package for Social Science (SPSS v.26)
HR	Human Resources

Abstract

This study investigates the impact of psychological safety on employee motivation and engagement at Catholic Relief Services (CRS), Ethiopia Head Office. The research was guided by four key objectives: to assess current levels of psychological safety, motivation, and engagement; to identify organizational strategies that enhance these outcomes; to explore the factors contributing to psychological safety; and to examine the relationship between psychological safety and employee motivation and engagement.

A mixed-methods approach was employed, combining quantitative data from 121 employees with qualitative insights from in-depth interviews with 15 departmental leads. Quantitative data were analyzed using descriptive statistics, correlation, and multiple regression analysis, while qualitative data were examined through thematic analysis.

The results revealed that psychological safety significantly predicts both employee motivation and engagement, explaining approximately 36.7% and 39.6% of the variance, respectively. Employees reported feeling secure in expressing their ideas and concerns, which enhanced their motivation and commitment to organizational goals. Qualitative findings emphasized the importance of inclusive leadership, open communication, and structured feedback mechanisms in fostering a psychologically safe work environment.

Based on these findings, the study recommends that CRS Ethiopia strengthen leadership training, implement structured feedback systems, address compensation disparities, and promote a culture of recognition and support. These strategies are essential for sustaining employee motivation and engagement, particularly within the high-pressure context of humanitarian work.

Key Terms: *Psychological Safety, Employee Motivation, and Employee Engagement*

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

In today's dynamic work environment, where technologies, job demands, and organizational structures evolve rapidly, understanding the drivers of employee performance and well-being is essential. Among the most influential factors are **psychological safety**, **employee motivation**, and **employee engagement**—three interrelated constructs that significantly shape workplace outcomes.

Psychological safety is defined as a shared belief that the work environment is safe for interpersonal risk-taking (Edmondson & Lei, 2014). In such environments, employees feel free to express ideas, ask questions, and admit mistakes without fear of negative consequences (Frazier et al., 2014). This openness fosters trust, collaboration, and innovation—especially important in complex and high-stakes settings like humanitarian organizations (Frazier et al., 2017).

Employee motivation refers to the internal and external forces that initiate and sustain work-related behavior (Ryan & Deci, 2000). It can be intrinsic, driven by personal growth and fulfillment, or extrinsic, influenced by rewards and recognition. Motivated employees tend to be more productive, committed, and proactive (Corbeanu & Iliescu, 2023; Sahyunu et al., 2023).

Employee engagement involves the emotional, cognitive, and physical investment individuals bring to their roles (Tewfik, Kim, & Patil, 2023). Engaged employees are enthusiastic, feel a sense of belonging, and are motivated to contribute to organizational success. Key drivers of engagement include meaningful work, supportive leadership, and opportunities for development (Lysova, Fletcher, & El Baroudi, 2023; Witt, 2023).

These variables are closely connected. Psychological safety lays the foundation for motivation by reducing fear and enabling autonomy. In turn, motivated employees are more likely to be engaged, bringing energy and commitment to their work. Together, these factors contribute to a resilient and high-performing workforce.

Although prior research has established the importance of psychological safety in enhancing motivation and engagement (Newman et al., 2017), there remains a lack of clarity regarding the specific mechanisms through which these relationships operate—particularly in humanitarian contexts. Most existing studies have focused on Western corporate settings, leaving a gap in understanding how psychological safety functions in diverse cultural and organizational environments, such as non-profits in developing countries (Nembhard & Edmondson, 2006; Duhigg, 2016).

This study addresses that gap by examining the impact of psychological safety on employee motivation, and engagement at the Catholic Relief Services (CRS) Ethiopia Head Office. Using a mixed-methods approach, it explores how employees perceive psychological safety and how it influences their motivation and engagement. The findings aim to contribute to both academic literature and practical strategies for fostering a supportive and high-performing organizational culture. Employees driven by internal or external factors tend to show higher levels of productivity, dedication, and a willingness to exceed their basic job responsibilities (Sahyunu et al., 2023). Employee engagement refers to the emotional and mental dedication individuals bring to their roles, which plays a crucial role in helping organizations meet their objectives and maintain long-term success (Witt, 2023; Kahn, 1990). According to Tewfik, Kim, and Patil (2023), employee engagement involves the simultaneous investment of an individual's emotional, cognitive, and physical resources into their work role, which significantly influences job performance. Engaged employees are enthusiastic about their work, feel a sense of belonging, and are motivated to contribute to the success of the organization. Key drivers of engagement include meaningful work, supportive leadership, positive relationships with colleagues, and opportunities for professional development (Lysova, Fletcher, & El Baroudi, 2023)

One significant gap was the lack of clarity regarding the specific mechanisms through which psychological safety influenced motivation and engagement; while there was general recognition of this relationship, detailed studies were needed to explore how psychological safety translated into increased employee commitment in Ethiopia , CSOs. Additionally, much of the existing research focused on Western Organizations in European and USA, there remains a lack of comprehensive understanding regarding how emotional safety functions across diverse cultural and organizational environments, particularly within non-profit and humanitarian organizations in developing nation. By investigating the experiences of employees at various levels across different sectors in the CRS, this study provided insights into workplace culture related to psychological safety and its impact on motivation and engagement. The findings informed practices that promoted a culture of openness and support, ultimately enhancing employee satisfaction and productivity (Schaubroeck et al., 2011). Collaboration with human resource professionals, organizational leaders, and employees ensured the relevance and actionable of the results, contributing to the discourse on employee well-being and providing recommendations for fostering a motivated workforce.

1.2 Statement of the Problem

Psychological safety defined as the belief that one can express themselves without fear of negative consequences is increasingly recognized as a key factor in enhancing employee motivation, engagement, and overall performance. Moreover, empirical evidence regarding the effectiveness of specific interventions designed to enhance psychological safety remains limited. For instance, a review of existing literature shows a lack of consensus on which practices yield the best results across different organizational contexts. Additionally, the tools and methods used to measure psychological safety, motivation, and engagement vary widely, leading to inconsistencies in findings; thus, there is a pressing need for standardized measurement tools that can be applied across various organizations and sectors.

The impact of high-stress environments, such as those typical in humanitarian work, on psychological comfort, staff motivation and engagement is underexplored. Understanding how crises affect these dynamics could provide valuable insights into improving employee well-being and organizational effectiveness. This lack of emotional comfort can lead to decreased motivation, reduced work satisfaction, and lower participation, ultimately impacting organizational effectiveness and employee retention (Baker et al., 2006; Baer & Frese, 2003).

This research was anchored in a theoretical foundation that integrates elements of Self-Determination Theory and transformational leadership, both of which highlight the value of nurturing and supportive workplace environments. The study aimed to explore how psychological safety relates to employee motivation and engagement at the CRS Ethiopia Head Office. It sought to uncover the key factors influencing these relationships and to offer practical recommendations that could enhance management strategies and employee experience.

Recent studies have emphasized the ongoing need to understand how psychological safety influences motivation and engagement among diverse employee groups, particularly in multicultural and humanitarian organizational settings. According to the American Psychological Association (2024), employees who experience psychological safety are more likely to report higher job satisfaction, stronger relationships with colleagues and supervisors, and greater opportunities for growth and development, especially when inclusive leadership is present

Additionally, inclusive leadership has been shown to enhance team openness to diversity and psychological safety, which in turn supports engagement and performance across diverse teams (PsycNet, 2024)

In Ethiopia, the humanitarian sector plays a critical role in addressing various socio-economic challenges, with organizations like Catholic Relief Services (CRS) at the forefront of these efforts. Despite the significant contributions of these organizations, employee engagement remains a persistent issue that affects operational effectiveness and program outcomes.

Despite the importance of these issues, there is limited empirical research specifically examining the impact of psychological safety, on employees' motivation, and engagement in the Ethiopian context, particularly within CSOs like Catholic Relief Services, where existing studies tend to focus on operational or volunteer-related aspects rather than psychological constructs. While international research has explored the role of psychological safety in fostering team learning and motivation (Edmondson, 2003) and its impact on thriving at work and innovation (Zhan et al., 2025), such studies are scarce in Ethiopian organizational settings. The lack of localized empirical evidence limits the applicability of global findings to the unique socio-cultural and organizational environment of Ethiopian CSOs.

This study was structured to address the following research questions:

- How is the current level of psychological safety, motivation, and engagement among employees at different levels within Catholic Relief Services (CRS) Ethiopia – Head Office?
- What specific organizational practices and policies at CRS Ethiopia enhance psychological safety and, consequently, improve employee motivation and engagement?
- What key factors contribute to employee motivation and engagement in the context of a psychologically safe environment at CRS Ethiopia Head Office?
- What is the connection between psychological safety, employee motivation, and engagement?

This research primarily examined the elements of psychological safety, including open communication, support for risk-taking, acceptance of failure, encouragement of diverse types, and trust and respect. Additionally, it explores two dimensions of employee motivation; intrinsic

motivation encompassing autonomy, mastery, and purpose and extrinsic motivation, which includes compensation, benefits, and recognition. Furthermore, the study assesses employee engagement in terms of emotional commitment and involvement toward the organization and its goals.

1.3 Objectives of Study

The primary aim of this study is to investigate how psychological safety impact employee motivation and engagement at Catholic Relief Services (CRS) Ethiopia head office. The goal is to generate evidence-based insights that can support improved organizational performance and enhance employee well-being.

1.3.1 Specific Objectives

- To assess the current levels of psychological safety, motivation, and engagement among employees at different levels within Catholic Relief Services (CRS) Ethiopia – Head Office.
- To identify specific organizational strategies and policies that CRS Ethiopia can adopt to strengthen psychological safety and enhance employee motivation and engagement.
- To identify the causes that contributes to psychologically safety, employee motivation and engagement in the context of CRS Ethiopia.
- To investigate how psychological safety impacted the employees’ motivation and engagement.

1.4 Significance of the Study

This study on the impact of psychological safety on employee motivation, and engagement at Catholic Relief Services (CRS) Ethiopia holds significant importance for several reasons. By exploring how psychological safety influences staff motivation and engagement, the study provides insights into how fostering a safe work environment can improve interpersonal relationships and collaboration among employees, ultimately enhancing overall workplace dynamics.

Additionally, the findings have highlighted the importance of psychological safety in promoting employee well-being, showing how a supportive environment positively impacts motivation and

engagement, which can lead to greater employee satisfaction, reduced stress, and improved mental health. Moreover, engaged and motivated employees are crucial for organizational success, and this study has demonstrated how psychological safety contributed to higher levels of engagement, leading to improved productivity, creativity, and performance within the organization

The insights gained will help CRS Ethiopia optimize its workforce for better outcomes. Furthermore, the research will provide valuable recommendations for management practices that enhance psychological safety, motivation, and engagement. In addition to its practical implications, this study will contribute to the existing body of literature on psychological safety, motivation, and engagement, particularly within the context of CSOs in Ethiopia.

By focusing on a specific case study, it will provide empirical evidence that can inform future research and theoretical development in the field. Finally, the study's outcomes can serve as a foundation for future interventions aimed at improving employee engagement and motivation. By identifying specific factors that influence these areas, CRS Ethiopia can design targeted programs and initiatives that address the unique needs of its workforce. Overall, the findings will not only benefit CRS Ethiopia but also offer insights applicable to similar organizations seeking to improve their work environments.

1.5 Scope of the Study

This research is done at the Catholic Relief Services (CRS) Ethiopia, located in Addis Ababa. This setting provides a unique context for examining the connection among psychological safety, employee motivation, and engagement within a prominent international Civil Society Organization (CSO) operating in Ethiopia. Non-profit organizations, such as Catholic Relief Services, are mission-driven and prioritize social issues over profit, instilling a strong sense of purpose in employees that enhances their motivation and engagement. Their collaborative culture encourages teamwork and open communication, fostering psychological safety as employees feel their contributions are valued and essential to achieving shared goals.

Moreover, non-profits often rely on diverse funding sources, including donations and grants, which cultivates a culture of transparency and accountability that can boost morale. The staff composition varies, with individuals from different countries and cultural backgrounds,

influencing employees' psychological safety, engagement, and motivation. The direct impact on communities provides employees with a profound sense of fulfillment; however, resource constraints can lead to increased workloads and stress, potentially challenging the psychological safety crucial for sustained motivation and engagement.

The research was focused specifically on the employees of CRS Ethiopia, encompassing various departments polices and roles within the organization. This allowed for a comprehensive understanding of how psychological safety impacts motivation and engagement across different functions and levels of the organization.

The research explored concepts: Psychological Safety, defined as the shared belief that the team is safe for interpersonal risk-taking, enabling employees to express their thoughts and ideas without fear of negative consequences; Employee Motivation, which encompassed both interinal and external factors that drive employees to perform at their best within the organization; and **Employee Engagement**, defined as the level of emotional investment and commitment that employees have toward their work and the organization.

1.6 Limitations

While this study aims to provide valuable insights into the relationship between psychological safety, employee motivation, and engagement within Catholic Relief Services (CRS) Ethiopia, several limitations have acknowledged:

Context-Specific Findings: The research conducted exclusively at the CRS Ethiopia Head Office. As such, the findings may not be generalizable to other organizations, sectors, or cultural contexts. Different CSOs or organizations may have varying workplace dynamics, leadership styles, and cultural norms that could influence the relationships being studied.

Self-Reported Data: The study was primarily relied on self-reported measures from employees regarding their perceptions of psychological safety, motivation, and engagement. This method can introduce bias, as individuals may respond based on their beliefs or social desirability rather than their actual experiences. Such biases can affect the accuracy of the data collected. To reduce this risk; participants were assured that their responses would remain anonymous and confidential, which helped encourage honest and uninfluenced feedback. Additionally, the

survey questions were carefully designed to be neutral and clear, minimizing the chance of misinterpretation or biased responses.

External Factors: Factors outside the organization, such as economic trends, structural changes within the organization, or wider societal developments (e.g., political instability and economic inflation), may influence employee perceptions of psychological safety, motivation, and engagement during the study period. These contextual factors were not fully accounted for in the research design, potentially affecting the results. To minimize this risk; participants were encouraged to reflect on their general workplace experiences rather than temporary or situational events. The study also acknowledges these external variables as limitations and recommends that future research incorporate longitudinal designs, or mixed method approaches to better account for the dynamic nature of such contextual influences.

Limited Scope of Psychological Safety: The study was focused specifically on psychological safety as defined within the organizational context. However, psychological safety can be influenced by various external factors, including personal life circumstances and prior work experiences. Focusing solely on workplace-related psychological safety may overlook broader influences on employee motivation and engagement. To address this limitation, future research should consider adopting a more holistic approach that incorporates both organizational and non-organizational factors. This could involve collecting background data on participants' prior work experiences, personal stressors, or socio-cultural influences, and analyzing how these variables interact with workplace dynamics. Additionally, mixed method designs that include in-depth interviews or life history narratives could provide richer insights into how external factors shape psychological safety perceptions.

CHAPTER TWO

RELATED LITERATURE REVIEW

2.1 Introduction

This chapter identifies and explains various scholarly perspectives on the theoretical literature, empirical analysis, and conceptual frameworks relevant to the relationship between psychological safety, employee motivation, and engagement, particularly in the context of Catholic Relief Services (CRS) Ethiopia. By integrating recent studies and focusing on the unique challenges faced by humanitarian organizations, this review aims to provide a comprehensive understanding of how psychological safety influences employee outcomes.

2.2 Theoretical Foundation

2.2.1 Psychological Safety and Employee's Motivation

Psychological comfort is crucial for fostering employee motivation, as illustrated by several key theories. Self-Determination Theory (SDT) posits that motivation is driven by the fulfillment of autonomy, competence, and relatedness, with psychological safety enhancing these needs, particularly in non-profit settings (Van den Broeck et al., 2020). The Job Demands-Resources Model highlights that psychological safety serves as a resource that mitigates high job demands, while Maslow's Hierarchy of Needs connects psychological safety to safety needs, emphasizing its importance in high-stress environments (Deci & Ryan, 2022). Herzberg's Two-Factor Theory identifies psychological safety as a hygiene factor that prevents dissatisfaction, allowing intrinsic motivators to thrive (Albrecht et al., 2020). Additionally, Social Exchange Theory indicates that mutual exchanges flourish in psychologically safe environments, fostering trust and cooperation (Bakker & Xanthopoulou, 2021). Despite their contributions, these theoretical models have certain limitations. For instance, Maslow's hierarchy can be seen as overly rigid, while Social Exchange Theory may oversimplify the complexities of workplace behavior. These frameworks may not fully reflect the nuanced dynamics shaped by cultural and societal influences, particularly in diverse organizational settings. As a result, additional research is necessary to better understand how these factors interact across various contexts.

2.2.2 Psychological Safety and Employee Engagement

Social Identity Theory posits that individuals derive a sense of self from their group memberships, asserting that belonging to a team significantly influences personal identity. Psychological safety enhances this identification by creating an environment where team members feel secure, leading to higher levels of engagement and collaboration. Recent research by Haslam et al. (2021) reinforces this notion, demonstrating that a strong social identity within teams can result in increased engagement, particularly in diverse workplaces where individuals bring varied perspectives and backgrounds.

The Job Demands-Resources (JD-R) Model suggests that psychological safety serves as a crucial job resource that can mitigate the challenges posed by high job demands. In stressful environments, such as humanitarian organizations, psychological safety allows employees to navigate their responsibilities more effectively. According to Raineri and Scolobig (2021), this model highlights the importance of psychological safety in fostering resilience and engagement among employees who face unique and often intense challenges in their work.

Empowerment Theory emphasizes the role of psychological safety in facilitating employee empowerment. When employees feel confident in sharing their thoughts and taking initiative without the fear of criticism or negative repercussions, they are more likely to engage fully with their work. This sense of empowerment boosts Workplace fulfillment and loyalty.

Meyer et al. (2022) illustrates the relevance of empowerment in high-stress humanitarian environments, where the ability to make decisions and contribute meaningfully can lead to good inspiration and participation among staff.

Transformational Leadership Theory underscores the value of administration in supporting a psychologically comforting workplace. Leaders who adopt a transformational style help create a workplace where employees feel appreciated and supported, which plays a vital role in promoting a sense of psychological security.

Recent research by Khan et al. (2021) highlights how effective transformational leadership can significantly improve engagement levels within humanitarian organizations, showcasing the

critical value of managers in nurturing a culture of safety and openness that encourages staff participation and innovation.

Together, these theories illustrate the multifaceted relationship between emotional safety and staff engagement, emphasizing the importance of group identity, job resources, empowerment, and effective leadership in cultivating a motivated and committed workforce, especially in challenging organizational contexts.

2.2.3 Employee Motivation and Engagement

Understanding the relationship between employee motivation and engagement is important for making a productive and committed staff. Different theoretical frameworks provide insights into how motivation influences engagement and vice versa.

A study by Bukth and Fatima (2024) examined the influence of job characteristics on motivation and satisfaction among mid-career professionals. The findings revealed that autonomy had the most significant positive effect on both motivation and job satisfaction. Moreover, the psychological state of experienced meaningfulness was found to mediate the relationship between core job dimensions such as skill variety, task identity, and task significance and motivational outcomes. These results highlight the importance of aligning job design with employees' personal values and sense of purpose to enhance engagement and performance.

The Job Demands-Resources Model (JD-R) effectively emphasizes the balance between job demands and resources, but it often lacks specificity regarding which demands and resources are most pertinent in particular contexts, such as humanitarian organizations. There is a pressing need for more nuanced studies that identify the unique job demands typical of humanitarian work and examine how these demands interact with psychological safety to influence employee engagement. Additionally, some literature presents contradictions by suggesting that high job demands can coexist with high engagement, provided that psychological resources are also elevated. This challenges the assumption that high demands inevitably lead to burnout, indicating a more complex relationship between job demands, resources, and employee well-being.

Expectancy Theory: Proposed by Vroom, Expectancy Theory asserts that employees are motivated to act based on their expectations that their efforts will lead to desired outcomes. This theory emphasizes the importance of clarity in performance expectations and the alignment of

rewards with employee goals. When employees believe their efforts will be recognized and rewarded, their motivation and engagement levels increase (Vroom, 1964).

Goal-Setting Theory: Developed by Locke and Latham, Goal-Setting Theory posits that specific and challenging goals lead to higher performance levels. Engaged staff to set personal and professional objectives that align with organizational objectives. Clear, attainable goals enhance motivation as employees can see a direct correlation between their efforts and outcomes (Locke & Latham, 2002).

Motivation plays a vital role in driving employee engagement. When individuals are motivated, they tend to show greater dedication to their tasks, exert additional effort, and participate in behaviors that support the organization's overall success. Conversely, high levels of engagement can further enhance motivation, creating a positive feedback loop. Engaged employees often exhibit higher levels of job satisfaction, reduced turnover, and improved performance, leading to better organizational outcomes.

2.3 Empirical Literature

This section reviews the relationship between psychological safety and employee motivation, with a focus on various organizational settings, including non-profits and humanitarian organizations.

Psychological safety has emerged as a critical factor in enhancing team performance and organizational effectiveness.

Patil et al. (2023) found that psychological safety significantly enhances team learning and efficacy, which in turn improves overall team productivity. Similarly, Kim et al. (2020) demonstrated that psychological safety indirectly influences team performance through its positive effects on learning behavior and collective efficacy.

These findings reinforce the idea that when team members feel safe to express ideas, ask questions, and admit mistakes without fear of negative consequences, they are more likely to engage in behaviors that support continuous learning and team development. Teams that felt safe to speak up, seek feedback, and openly discuss mistakes were more likely to engage in continuous learning, ultimately resulting in enhanced performance. This research has since been

validated across various industries, underscoring the universal value of psychological safety in fostering innovation and adaptability within teams.

Building on this foundation, Frazier et al. (2017) explored the relationship between psychological safety and employee motivation. Their findings revealed a strong positive correlation between psychological safety and intrinsic motivation. When employees feel secure in expressing their ideas and taking interpersonal risks without fear of negative repercussions, they are more likely to be engaged and motivated. This effect is particularly pronounced in high-stress environments, such as non-profit organizations, where emotional demands are high and the need for a supportive atmosphere is critical to sustaining motivation and performance.

In the specific context of non-profit and humanitarian organizations, psychological safety plays an even more pivotal role. Van den Broeck et al. (2020) found that psychological safety significantly enhances the fulfillment of basic psychological needs—namely autonomy, competence, and relatedness. These needs are essential for fostering intrinsic motivation, especially in humanitarian settings where employees often work under intense pressure and in emotionally challenging conditions. A psychologically safe environment enables these workers to feel valued and supported, which is crucial for maintaining their engagement and effectiveness.

Further emphasizing the importance of psychological safety, Albrecht et al. (2020) examined its impact on job satisfaction in high-stress roles. Their research demonstrated that psychological safety acts as a buffer against job dissatisfaction by allowing intrinsic motivators—such as a sense of achievement and recognition—to flourish. This protective effect is particularly relevant in humanitarian organizations, where the risk of burnout and disengagement is high. When employees feel psychologically safe, they are more likely to remain committed and satisfied with their work, despite the inherent challenges.

Lastly, Bakker and Xanthopoulou (2021) investigated psychological safety through the lens of social exchange theory. Their study highlighted how psychological safety fosters trust and cooperation among team members, which are essential components of effective teamwork. This dynamic is especially important in remote and hybrid work environments, where the absence of physical presence can hinder communication and collaboration. By promoting a culture of

openness and mutual respect, psychological safety helps teams maintain strong interpersonal connections and high levels of commitment, even when working apart.

Empirical literature consistently demonstrates the critical role of psychological safety in enhancing employee motivation and engagement. By fostering an environment where employees feel safe to take risks and express themselves, organizations can improve team performance, job satisfaction, and overall employee well-being. This is particularly important in non-profit and humanitarian organizations, where the challenging nature of the work requires a supportive and psychologically safe environment for employees to thrive.

The relationship between psychological safety, employee motivation, and engagement has been the subject of extensive empirical research, highlighting its significance across various organizational contexts. One foundational study by Nembhard and Edmondson (2006) explored the impact of leader inclusiveness on psychological safety and employee engagement within healthcare teams. Their findings revealed that leaders who foster an inclusive environment significantly enhance psychological safety, which in turn increases employee engagement. This research underscores the critical role of leadership in cultivating a safe space for employees to express their thoughts and contribute to team efforts.

Building on this, a meta-analysis conducted by Frazier et al. (2017) examined the broader implications of psychological safety. Their review concluded that psychological safety is positively correlated with intrinsic motivation, indicating that when employees feel safe, they are more likely to engage in innovative behaviors and demonstrate higher levels of motivation. This connection suggests that a psychologically safe environment not only encourages expression but also fuels the drive to excel.

Further supporting the link between engagement and organizational performance, Harter, Schmidt, and Hayes (2002) conducted a meta-analysis that highlighted the relationship between employee satisfaction, engagement, and business outcomes. Their research indicated that increased employee engagement leads to improved productivity and customer satisfaction. This finding emphasizes the significance of fostering engagement as a crucial mediator between job satisfaction and overall performance.

Edmondson (2004) also contributed valuable insights into the role of psychological safety in team performance. Her research found that teams with high levels of psychological safety are

more effective at learning from failures, which enhances overall team dynamics and effectiveness. This learning culture is vital for maintaining motivation and engagement among team members, as it allows them to take risks and innovate without fear of repercussions. Additionally, a study by Liu and Wang (2020) investigated the mediating role of employee engagement in the relationship between psychological safety and job performance. Their findings indicated that psychological safety positively influences job performance through heightened employee engagement. This research further illustrates that creating a safe environment can enhance both motivation and performance outcomes.

Cultural factors can impact the relationship between psychological safety and employee engagement, as demonstrated by Li and Li (2016). Their research focused on Chinese organizations and found that cultural context moderates the strength of the relationship between psychological safety and engagement. This highlights the importance of adopting culturally sensitive approaches to fostering psychological safety in diverse environments.

Research focusing on psychological safety, employee motivation, and engagement in Ethiopia has begun to emerge, reflecting the country's unique socio-economic and cultural landscape. One significant study by Sileshi (2022) examined the role of psychological safety in enhancing employee engagement across different sectors in Ethiopia. The findings revealed that employees who felt psychologically safe able to voice their opinions without fear of negative repercussions were significantly more engaged in their work. This engagement led to increased productivity and higher job satisfaction, emphasizing the critical importance of cultivating a safe workplace environment.

Building on the theme of motivation, Tadesse and Shume (2021) conducted a study in the banking sector, investigating the impact of various motivational factors on employee performance. Their research highlighted the importance of both intrinsic and extrinsic motivators. Recognition and opportunities for career development emerged as key drivers of employee performance, indicating that organizations must adopt motivational strategies that resonate with employees' needs and aspirations. In the context of Civil Society Organizations (CSOs), Abebe (2020) explored the relationship between job satisfaction and employee engagement, focusing on the mediating role of psychological safety. The study found that employees in CSOs who felt safe to express their thoughts and concerns reported higher levels of

job satisfaction, which in turn fostered greater engagement. This underscores the necessity for CSOs to prioritize psychological security to enhance overall employee engagement.

Cultural factors also play a significant role in shaping employee engagement, as demonstrated by the research of Gebre and Ayele (2019). Their study investigated how cultural dimensions influence employee perceptions in Ethiopia. They found that collectivist values and a strong respect for hierarchy affected employees' experiences of psychological safety and their overall engagement levels, suggesting that cultural context is crucial in understanding employee behaviors and attitudes.

Additionally, Tesfaye and Beshah (2021) focused on the impact of leadership styles on psychological safety and employee engagement within Ethiopian manufacturing firms. Their findings indicated that transformational leadership had a positive effect on psychological safety, which subsequently enhanced employee engagement. This highlights the importance of effective leadership in creating an environment where employees feel safe and valued.

Research indicates that psychological security is crucial for fostering a supportive work environment in Ethiopian organizations. A study by Mulugeta et al. (2020) highlights that employees in Ethiopian CSOs often experience varying levels of psychological security which directly impacts their willingness to share ideas and participate in discussions. The study emphasizes that creating a culture of psychological safety can enhance employee engagement and innovation, especially in dynamic sectors like humanitarian work.

A study conducted by Alemayehu and Abebaw (2019) on employee engagement in Ethiopian CSOs reveals that factors such as recognition, communication, and leadership significantly influence engagement levels. The findings suggest that when employees feel recognized and supported by their leaders, their motivation to participate actively in organizational goals increases. This is particularly relevant for organizations like Catholic Relief Services, where employee engagement is critical for effective program implementation. Research by Tadesse (2018) explores how cultural factors influence employee motivation in Ethiopian contexts. The study found that collectivist values prevalent in Ethiopian society enhance motivation when employees feel a sense of belonging and community within their workplace.

Empirical evidence from Girma (2021) highlights the role of transformational leadership in promoting psychological safety and engagement among employees in Ethiopian organizations.

The study indicates that leaders who prioritize open communication and support create a workplace where employees ensure secure and encouraged to utilize their skills. This finding underscores the importance of effective leadership in organizations like Catholic Relief Services.

A study by Fekadu (2020) examines the relationship between work environment, psychological safety, and employee performance in Ethiopian public institutions. The results show that a supportive work environment, characterized by open communication and trust, significantly enhances employee motivation and overall performance. This aligns with the needs of CSOs, where employee engagement is crucial for achieving organizational objectives. Research by Tesfaye (2019) indicates that training and development opportunities foster psychological safety and motivation among Ethiopian employees. Employees who receive adequate training feel more competent and confident in their roles, leading to higher levels of engagement. This suggests that organizations like Catholic Relief Services should invest in employee development to enhance both motivation and engagement.

The empirical literature specific to Ethiopia underscores the importance of psychological safety in fostering employee motivation and engagement. By addressing cultural factors, effective leadership, and supportive work environments, organizations can enhance their employee's commitment and performance. This is especially pertinent for Catholic Relief Services Ethiopia, where engaged employees are vital for the success of humanitarian initiatives. A study by Albrecht et al. (2020) highlights that organizations that actively promote psychological safety experience not only improved employee morale but also enhanced innovation in program delivery. Li and Li's (2016) research indicate that cultural differences significantly affect the perception of psychological safety and engagement, suggesting the need for tailored approaches in diverse workplaces. New insights from Tadesse and Shumet (2021) indicate that organizations that integrate psychological safety into their training programs see a marked improvement in employee motivation and engagement levels. Empirical evidence suggests that fostering psychological safety in Ethiopian CSOs can lead to more collaborative and effective responses to community needs, enhancing overall mission success (Mulugeta et al., 2020). Research by Frazier et al. (2017) indicates that psychological safety is not only linked to intrinsic motivation but also significantly influences team cohesion, which is critical in collaborative settings like those found in humanitarian organizations.

2.4 Conceptual Framework

The conceptual framework for understanding the relationship between psychological safety, employee motivation, and engagement can be depicted as an interconnected model where each component influences the others. This framework serves to illustrate how fostering psychological safety can enhance motivation and engagement among employees, ultimately leading to improved organizational outcomes.

Psychological Safety

Psychological safety is defined as an environment where employees feel secure in expressing their ideas, concerns, and mistakes without fear of negative repercussions. Key components of psychological safety include open communication, support for risk-taking, acceptance of failure, and encouragement of diverse perspectives. When employees perceive psychological safety, they are more likely to engage in candid discussions and share innovative ideas, thereby enhancing team collaboration and problem-solving capabilities (Edmondson, 1999)

Influence on Motivation: When employees feel psychologically safe, they are more likely to take initiative, share innovative ideas, and feel valued. This sense of safety can enhance intrinsic motivation, as individuals are encouraged to engage in tasks, they find meaningful and fulfilling (Edmondson, 1999).

This research primarily examines the elements of psychological security, including Open Communication, Support for Risk-Taking, Acceptance of Failure, Encouragement of Diverse Perspectives, and Trust and Respect, supported by both empirical and conceptual evidence. Conceptually, Kahn's (1990) theory of personal engagement suggests that psychological safety is essential for employees to engage fully with their work, while Tajfel and Turner's (1979) Social Identity Theory posits that trust and respect enhance group cohesion, crucial for psychological safety. Self-Determination Theory (Deci and Ryan, 2000) supports the notion that psychological safety fulfills the basic needs of autonomy, competence, and relatedness, thereby aligning with the components being investigated in this research. Collectively, this evidence underscores the importance of these psychological security elements in fostering a supportive workplace environment, ultimately enhancing employee motivation and engagement.

Psychological safety, defined as a shared belief that the team is safe for interpersonal risk-taking (Edmondson, 1999), has emerged as a critical component in fostering employee engagement, motivation, and overall organizational performance. While extensive research has focused on internal organizational dynamics that promote psychological safety, there is a growing recognition of the influence of external factors—such as economic conditions, organizational changes, and societal issues—on employees' perceptions of safety in the workplace. This literature review aims to explore these external factors and their implications for psychological safety and employee outcomes.

Economic conditions play a significant role in shaping workplace dynamics and can directly impact employees' psychological safety. During periods of economic instability or downturns, organizations often face resource constraints, leading to increased job insecurity among employees. Research indicates that when employees perceive threats to their job security, they may hesitate to voice concerns or share innovative ideas, fearing negative repercussions (Frazier et al., 2017). For instance, studies have shown that in economically challenging environments, employees are less likely to engage in open communication, ultimately undermining psychological safety (Mulugeta & Tadesse, 2020). Conversely, stable economic conditions can foster a sense of security, allowing employees to express themselves more freely, thereby enhancing psychological safety (Albrecht et al., 2020).

Employee Motivation

Employee motivation comprises intrinsic and extrinsic factors that drive individuals to perform at their best. Intrinsic motivation, which includes autonomy, mastery, and purpose, thrives in an environment that offers psychological safety. When employees feel safe to take risks and explore creative solutions, their intrinsic motivation is heightened, leading to increased job satisfaction and commitment (Ryan & Deci, 2000). Extrinsic motivation, on the other hand, encompasses tangible rewards such as compensation, benefits, and recognition. While these factors can incentivize performance, their impact is often amplified in a psychologically safe environment where employees feel valued and appreciated (Kahn, 1990).

Additionally, it explores two dimensions of employee motivation; intrinsic motivation encompassing autonomy, mastery, and purpose and extrinsic motivation, which includes compensation, benefits, and recognition. Conceptually, Self-Determination Theory (SDT),

developed by Deci and Ryan (1985), posits that intrinsic motivation is driven by the fulfillment of autonomy, competence, and relatedness, providing a framework for understanding how these intrinsic factors foster deeper engagement. Herzberg's Two-Factor Theory (1966) distinguishes between hygiene factors (extrinsic motivators like salary and benefits) and motivators (intrinsic factors like achievement and recognition), supporting the notion that while extrinsic factors can prevent dissatisfaction, intrinsic factors are essential for true job satisfaction. Lastly, Goal Setting Theory (Locke & Latham, 2002) argues that setting specific and challenging goals enhances motivation, highlighting the interplay between intrinsic factors and extrinsic rewards in driving employee performance. Collectively, this evidence underscores the importance of both intrinsic and extrinsic motivation in fostering overall employee engagement and satisfaction in the workplace.

Influence on Engagement: Motivated employees are more likely to invest emotional and cognitive resources in their work, leading to higher levels of engagement. Motivation fosters a sense of purpose and commitment, which are essential for sustained engagement (Ryan & Deci, 2000).

Employee Engagement

Employee engagement refers to the emotional commitment and involvement that individuals have towards their organization and its goals. Engaged employees are those who fully invest their energy and enthusiasm into their work, fostering a sense of belonging and purpose. The relationship between psychological safety and employee engagement is significant; when employees feel psychologically safe, they are more likely to engage actively in their roles and contribute to organizational objectives (Frazier et al., 2017). Open communication and support for risk-taking encourage employees to invest emotionally in their work, enhancing their overall engagement levels (Macey & Schneider, 2008).

Recent studies continue to highlight the reciprocal relationship between psychological safety and employee engagement. Engaged employees contribute positively to workplace culture, reinforcing a climate of trust and openness that supports psychological safety. Their enthusiasm and commitment often encourage others to participate more fully, creating a reinforcing cycle of engagement and safety. From a theoretical perspective, Social Exchange Theory (SET) remains a valuable framework for understanding this dynamic.

According to recent findings by Tan, Chong, and Cham (2025), when employees perceive that their organization values their contributions and provides holistic support especially through benevolent leadership, they are more likely to feel psychologically empowered and emotionally committed to their work. This sense of mutual respect and support fosters deeper engagement, particularly in hybrid or multicultural work environments, where trust and communication are essential.

The Job Demands-Resources (JD-R) model, proposed by Bakker and Demerouti (2007), suggests that employee engagement is influenced by the balance between job demands and resources. Emotional commitment is viewed as a resource that helps employees cope with job demands, leading to higher levels of engagement. The model emphasizes that when employees feel supported and recognized, their emotional involvement increases, enhancing their overall engagement with the organization.

Recent research continues to validate and expand upon the Theory of Planned Behavior (TPB) in workplace contexts. For instance, Leiva et al. (2025) applied TPB to understand employee preferences for telework and found that attitudes, subjective norms, and perceived behavioral control significantly influenced employees' intentions to work remotely.

In this context, emotional commitment can shape positive attitudes toward the organization and its goals, motivating employees to become more involved and engaged. Collectively, this evidence underscores the importance of emotional commitment and involvement in assessing employee engagement, essential for organizations aiming to cultivate a highly engaged workforce.

Interconnections in the Framework

The interconnections among these variables create a reinforcing cycle. Psychological safety acts as a foundation for employee motivation. When employees feel safe, their intrinsic motivation flourishes, leading to higher levels of engagement (Baer & Frese, 2003). As engagement increases, employees are more likely to contribute positively to the organization, creating a culture of collaboration and innovation. This, in turn, reinforces psychological safety as employees observe that their contributions are valued and respected (Edmondson, 2019).

Moreover, the presence of engaged employees can also foster psychological safety within teams. When individuals are committed to their organization and its goals, they are more likely to

support their peers and create an inclusive environment that encourages diverse perspectives and open communication (Zheng et al., 2020)

The interconnections in the framework of psychological safety, employee motivation, and employee engagement are supported by several additional conceptual frameworks that highlight their reciprocal relationships.

Psychological Safety → Employee Motivation: A safe environment boosts intrinsic motivation by allowing employees to express themselves freely and take risks without fear.

Amy Edmondson (1999) found that teams with high levels of psychological safety exhibited greater learning behaviors and were more likely to engage in candid discussions. Her research indicates that when employees feel safe to speak up, they are more motivated to take risks and contribute their ideas. Similarly, Baer and Frese (2003) highlighted that psychological safety significantly correlates with employees' willingness to share ideas and take initiative, showing that a safe environment fosters creative problem-solving driven by intrinsic motivation. A meta-analysis by Newman et al. (2017) further supports this link, revealing that psychological safety positively influences intrinsic motivation, leading to higher levels of engagement.

Employee Motivation → Employee Engagement: Higher motivation levels lead to greater emotional and cognitive investment in work, fostering deeper engagement.

Research by Saks (2006) demonstrates that motivated employees are more likely to invest their emotional and cognitive resources into their tasks, resulting in higher levels of engagement. This is echoed in a study by Rich et al. (2010), which found a robust relationship between employee motivation and engagement, suggesting that when employees are motivated, they exhibit higher levels of commitment and discretionary effort in their roles. Additionally, a meta-analysis by Hakanen et al. (2006) revealed that motivated employees experience increased job satisfaction and are more likely to engage in behaviors that contribute to the organization's success. Similarly, the Job Demands-Resources (JD-R) model posits that intrinsic motivation acts as a resource that enhances employee engagement by promoting a sense of purpose and fulfillment in their work.

Employee Engagement → Psychological Safety: Engaged employees contribute to a positive team dynamic, reinforcing psychological safety as they support one another in taking risks and sharing ideas. The relationship between employee engagement and psychological safety is well-

established, with empirical evidence demonstrating that engaged employees contribute to a positive team dynamic, thereby reinforcing psychological safety as they support one another in taking risks and sharing ideas. Research by Edmondson (1999) indicates that engaged employees are more likely to foster an environment of trust and openness, encouraging their peers to share thoughts and take risks without fear of negative consequences. This dynamic is further supported by a study conducted by Hakanen et al. (2006), which found that engaged employees tend to create a supportive atmosphere that enhances psychological safety, promoting collaboration and idea-sharing. Additionally, a meta-analysis by Newman et al. (2017) showed that employee engagement positively impacts team cohesion and interpersonal relationships, which are critical components of psychological safety. Kahn (1990) also highlighted that engaged employees are more likely to express their authentic selves in the workplace, contributing to a culture of acceptance and safety. Moreover, research by Frazier et al. (2017) found that teams with high levels of engagement exhibit greater psychological safety, as engaged employees actively encourage each other to voice their ideas and concerns. Collectively, these studies illustrate that employee engagement plays a crucial role in cultivating psychological safety, emphasizing the importance of fostering engagement to enhance team dynamics and overall organizational health.

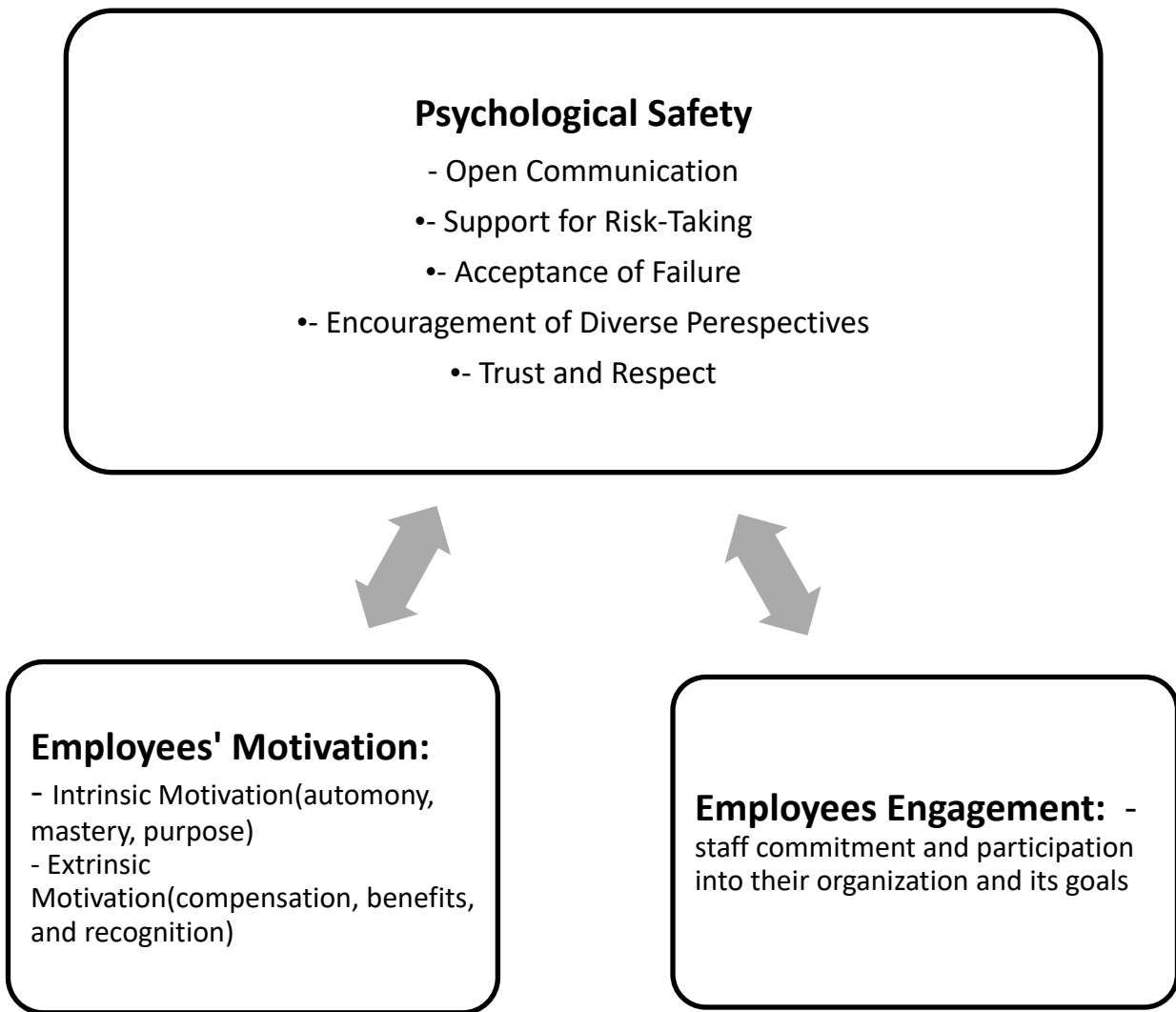


Fig 1: The conceptual framework of psychological safety, employees' motivation and engagement

Sources: The psychological conditions for employee engagement in organizational change: Test of a change engagement model – PMC (Edmondson, A. C. (2018). The psychological conditions for employee engagement in organizational change: Test of a change engagement model. *Psychological Science*, 29(5), 1-12. <https://doi.org/10.1177/0956797617743290>)

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Research Design

Research design addresses key aspects of a research project, including the purpose of the study, the study location, the nature of the inquiry, the level of involvement by the researcher, the duration of the study, and the primary focus of analysis" (Sekaran & Bougie, 2010).

Saunders, Lewis, and Thornhill (2009) categorize research based on its objective into three main types: exploratory, descriptive, and explanatory. This study adopts an explanatory approach, as it focuses on understanding how psychological safety impact employees' motivation and engagement. The research specifically investigates the impact of independent variable psychological safety and the dependent variables, which are employees' levels of motivation and engagement.

A correlational research design was adopted for this study as it enabled the researcher to investigate the impact of psychological safety on two workplace outcomes: employee motivation and engagement. The correlational approach allows for the use of statistical methods to determine whether significant relationships exist between psychological safety and the two outcome variables. This aligns directly with the study's primary objective: to generate evidence-based insights into how psychological safety impact employees' motivation and engagement.

3.2 Research Approach

This research used a mixed-methods approach, incorporating both quantitative and qualitative data. Hence, a mixed-method approach used to administer and address the research questions.

The qualitative data provided rich, and detailed insights into how employees perceive psychological safety and its impact on their motivation and engagement, offering context that quantitative data may miss. Quantitative data allowed to analyze relationships between variables, providing measurable evidence of the impact of psychological safety on motivation, and engagement.

In terms of time the study applied a concurrent mixed-methods approach to examine the impact of psychological safety on employees' motivation and engagement.

In terms of emphasis, the study adopted a QUAL-quant strategy in a sequential way, which effectively supports its aims by first gaining in-depth insights into employees' experiences and perspectives, followed by a quantitative assessment of those findings.

This prioritization of the qualitative phase enabled a more informed and relevant design of the quantitative phase, as the insights gained were essential in shaping and refining the questionnaire items to better reflect employees' real experiences and concerns, ultimately leading to more actionable recommendations for enhancing organizational effectiveness and employee satisfaction at Catholic Relief Services (CRS).

3.3 Sources of Data Collection

The sources of data for the research titled **“The impact of Psychological Safety on Employees’ Motivation and Engagement”** The Case of Catholic Relief Services Ethiopia” included both the quantitative and qualitative approach. Structured surveys administered to all staff to assess psychological safety, employee motivation, and engagement. Semi-structured interviews with department leads explored personal experiences related to these themes.

Additionally, document analysis was held organizational materials such as Human Resources and Code of Conduct policy, while historical data on turnover and performance metrics provided further context. This diverse approach aims to triangulate findings and explore the relationship between psychological security and staff motivation and commitment at CRS Ethiopia.

3.4 Target Population

This includes all staff members working at the CRS Ethiopia head office, encompassing various roles and levels within the organization. To capture a broad understanding of the interplay between psychological safety, motivation, and engagement, it's essential to include employees with different levels of experience. This means incorporating insights from both new hires and long-term staff members who have been with the organization for several years. Such diversity has enriched the findings, allowed for a more nuanced analysis of how psychological security is perceived and experienced across different roles and tenures. Additionally, the study gathered insights from multiple departments within CRS, such as finance, human resources, operation and program implementation. This cross-departmental representation is essential, as it allowed the research to capture a diverse range of experiences and dynamics unique to each area.

3.5 Sampling Methods and Size

The study employed a census approach, including all staff at the CRS head office were eligible to participate in this study, except for outsourced cleaners and security guards. The head office consists of a total of 150 employees. Out of these, 132 questionnaires were distributed, and 121 staff members (81 male and 40 female) completed and returned their surveys, resulting in a response rate of 91.6%. The remaining staff chose not to participate for various reasons, including demanding schedules, lengthy field assignments, a lack of interest in the survey topic, maternity leave, or annual leave commitments.

For the data collection, quantitative data was gathered from the 121 respondents, while qualitative data were obtained through purposive sampling from fifteen (15) department leads (3 female and 12 male), selected for their in-depth knowledge of the organization and its workforce. This purposive method was chosen to ensure that individuals with the most relevant knowledge and experience were included.

3.6 Data Collection Tools

The research data collection tools included the Employee Engagement Survey, the Work Extrinsic and Intrinsic Motivation Scale (WEIMS), and the Psychological Safety Survey.

The Employee Engagement Survey: These questions were effectively measured different dimensions of employee engagement by capturing both emotional and cognitive aspects of an employee's connection to their job and the organization. Scholars like William Kahn, A. M. Saks, and J. K. Harter (2006). Specifically, Gallup has widely utilized similar constructions in their employee engagement surveys and the items were rated using likert scale,

Work Extrinsic and Intrinsic Motivation Scale (WEIMS): The WEIMS effectively captures a range of motivations through its items. By differentiating between internal and external factors, it provides a comprehensive view of what drives individuals into their work. This alignment with self-determination theory enhances its validity for measuring work motivation. It consists of 15 questions and designed to assess various aspects of both extrinsic and intrinsic motivation related to work. The Work Extrinsic and Intrinsic Motivation Scale (WEIMS), developed in 2009 by Marylène A. Tremblay, Cécile M. Blanchard, Sara Taylor, Luc G. Pelletier, and Martin Villeneuve, is based on Self-Determination Theory (SDT). This theory categorizes motivation along a continuum from autonomous (intrinsic) to controlled (extrinsic) forms. The WEIMS uses

a 7-point Likert scale to assess individuals' work motivation, offering a nuanced understanding of both internal and external motivational drivers.

Psychological Safety Tool: Psychological safety surveys assess employees' perceptions of safety in expressing ideas and concerns without fear of negative consequences. They measure trust among team members, openness to sharing thoughts, and support from colleagues and management. These tools are often employed in workshops, employee engagement surveys, and leadership training programs to create more inclusive and effective workplaces. Key researchers in psychological safety include Amy Edmondson, author of "The Fearless Organization," and Edgar Schein, who examined its role in organizational culture. David Garvin focused on learning organizations, while Patrick Lencioni emphasized trust and vulnerability were used. Together, they have influenced the understanding of psychological safety in teams.

The psychological safety evaluation consists of 10 items, with possible scores ranging from 10 to 50. A total score between 10 and 18 reflects a very low level of psychological safety, signaling an urgent need for intervention. A score between 19 and 27 reflects a basic level of psychological safety. Scores ranging from 28 to 36 indicate good psychological safety within the team, while scores above 37 signify excellent psychological safety. Most psychological safety assessments, including Amy Edmondson's original scale, utilize a 5-point Likert scale. Respondents indicate their level of agreement with each statement, typically ranging from: 1 Strongly Disagree to 5 = Strongly Agree. To ensure the validity and reliability of these instruments, a pilot test was conducted prior to the main data collection phase. The pilot involved a small, representative sample of participants from the target population. Feedback from this phase was used to refine the wording, structure, and clarity of the survey items, ensuring that each tool accurately measured the intended constructs and produced consistent results. The pilot test results demonstrated a high level of consistency across respondents, indicating strong **reliability** of the instruments. The similarity in responses among diverse participant groups suggests that the tools are effectively capturing the intended constructs in a stable and dependable manner. This consistency supports the **validity** of the instruments, confirming that they are appropriate for use across varied demographic and organizational context.

3.7 Data Collection Methods

The primary method for data collection in this study involved surveys and questionnaires designed to gather quantitative data on levels of psychological safety, employee motivation, and engagement among staff. These structured surveys included a combination of Likert-scale questions and demographic queries, allowing for a comprehensive perspective. Established instruments, such as the Psychological Safety Index and the Employee Engagement Survey, were adapted for this research due to their proven validity and reliability in similar studies.

Participants were approached through a clear explanation of the study's purpose, emphasizing the voluntary nature of their involvement. Upon obtaining informed consent, the questionnaires were distributed to all staff members. Adequate time was provided to ensure thoughtful and complete responses. While the initial distribution was conducted in a single round, follow-up efforts were made to reach staff who were unavailable at their workstations during the first attempt. These individuals received the questionnaires on a subsequent day to ensure comprehensive participation. In addition to the surveys, semi-structured interviews were conducted with a selected group of departmental leaders. This qualitative approach enabled researchers to explore employees' experiences and perceptions regarding psychological security and its effect on their motivation and engagement. The interview guides were meticulously developed based on existing literature related to psychological safety, ensuring that key themes were addressed while allowing for flexibility in the conversation.

The questionnaire also collected demographic information to facilitate comparisons among psychological safety, employee motivation, and engagement. It was prepared in English, as all respondents possess basic English language skills. Ultimately, the researcher distributed the questionnaire to the study group.

Lastly, document analysis played a crucial role in the research process. Organizational documents, including HR policies and codes of conduct related to workplace culture, were reviewed to provide additional context. This analysis facilitated the triangulation of data collected from surveys and interviews, thereby enhancing the depth and reliability of the findings.

3.8 Data Collection Procedures

Initially, semi-structured interviews were conducted with selected participants to explore their experiences and perceptions regarding psychological safety and its impact on motivation and engagement. These interviews discussion were noted (with consent) and subsequently transcribed for thorough analysis, allowing for in-depth insights.

Following the interviews', structured surveys were distributed to all staff members at the Catholic Relief Services Ethiopia Head Office. The surveys included clear instructions to facilitate completion, and participants were assured of confidentiality to encourage honest responses.

All data collected from interviews and surveys were systematically organized for comprehensive analysis, providing a robust understanding of the research topic.

3.9. Methods of Data Analysis

The quantities data were analyzed using the Statistical Package for the Social Sciences (SPSS) version 26. Descriptive statistics, including frequencies, percentages, means, and standard deviations, were employed to summarize the demographic characteristics of respondents and to describe the levels of psychological safety, motivation, and engagement.

To examine the relations among the key variables, Pearson correlation analysis was conducted. Furthermore, multiple linear regression analysis was used to assess the predictive influence of psychological safety on employee motivation and engagement.

For the qualitative component, thematic analysis applied. Interview transcripts were reviewed and coded to identify recurring codes and then grouped to categories that led to themes related to psychological safety and its perceived impact on motivation and engagement. These themes were interpreted in relation to research questions and existing literature. Illustrative quotes from participants were integrated into the findings to enrich the narrative and provide deeper insight into employee experiences.

3.10 Ethical Considerations

Ethical considerations for the research on psychological safety at Catholic Relief Services Ethiopia were paramount. Participants were fully informed about the study's purpose and procedures, with voluntary consent obtained, ensuring they understood their permission to depart at any time without effect. Confidentiality was maintained by anonymizing data and securely storing it to participants' identities. The well-being of participants was prioritized, with sensitivity to their feelings during discussions on psychological safety.

Additionally, the study was conducted with cultural sensitivity, ensuring that all interactions were respectful and appropriate. Researchers also worked to minimize bias through, ensuring consistency across all participants, approaching participants neutrally and objectively in data collection and analysis to maintain objectivity. These measures helped research participants' rights and contributed to the integrity of the research process.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION, AND INTERPRETATION OF FINDINGS

4.1 Introduction

This chapter presents the findings derived from the research methodology employed, along with the corresponding data analysis conducted to address the research questions concerning the impact of psychological safety on employee motivation and engagement at the Catholic Relief Services (CRS) Ethiopia. The study utilized various analytical methods, including descriptive statistics, correlation analysis, and linear regression, to examine the data collected from the study's target population.

A response rate of 91.6% significantly contributes to the dependability of the study's outcomes, reflecting a high level of participation from the staff. As noted by Mugenda (2003), a response rate of at least 50% is generally considered acceptable for conducting data analysis, while rates exceeding 70% are viewed as sufficient and trustworthy for drawing valid conclusions. This standard is commonly cited in research methodology to support the credibility and accuracy of survey-based studies.

Table 1: Participants' Rate of Response

Responses .	Number of Respondents	Percentages (%)
Expected responses	132	100%
Received response	121	91.6%
No response	29	19.4%

Source: Research Data 2025

4.2 Respondents Demographic Profile

The background information of respondents was deemed essential, as their ability to provide satisfactory insights on the study variables is likely influenced by their demographic and professional profiles. This section of the questionnaire collected general information concerning gender, age, educational level, years of experience, and departmental affiliations within the organization.

4.2.1 Educational Attainment

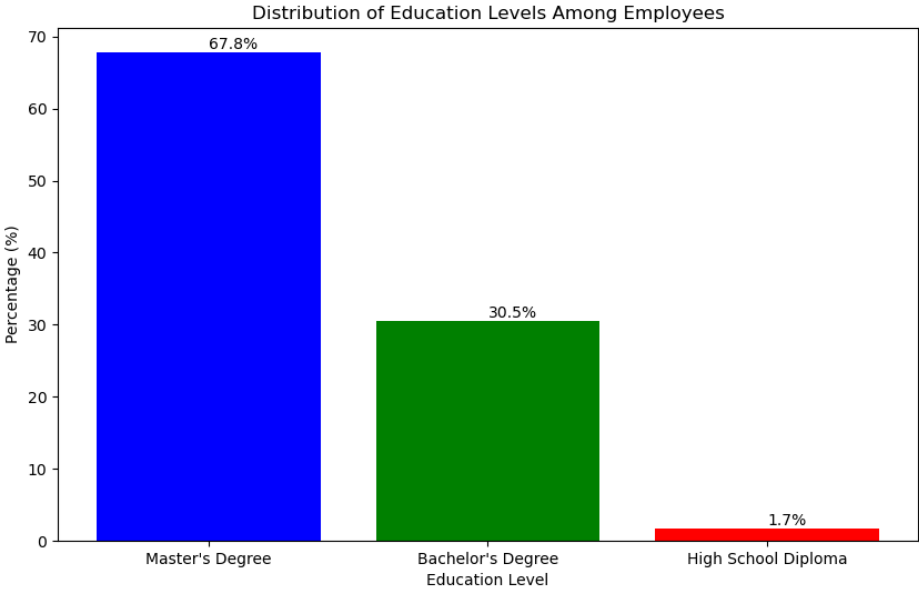


Figure 1: Educational Attainment of participants.

The workforce's high concentration of master's degree holders (67.8%) suggests psychological safety and engagement norms may be shaped by highly educated employees, potentially creating barriers for those with only bachelor's degrees (30.5%) or high school diplomas (1.7%), who may require tailored support to feel equally valued and motivated. While advanced-degree employees likely thrive on autonomy and intellectual challenges, less-educated staff might benefit more from structured recognition and skill development opportunities, highlighting the need for differentiated engagement strategies and inclusive leadership practices that bridge educational disparities and ensure equitable psychological safety across all qualification levels. Future research should examine whether education level moderates the link between psychological security and work outcomes to optimize organizational interventions.

4.2.2 Age Distribution

The age demographics provide additional context. The youngest age group, 18-24 years, includes only 13 participants (10.7%). In the 25-34 years bracket, there are 38 participants (31.4%), indicating an active pursuit of advanced degrees. The most substantial age group is those aged 35-44 years, comprising 51 participants (42.1%). The 45-54 years group includes 17 participants (15.7%), while the over 55 years category accounts for 2 participants (1.7%).

The age distribution analysis reveals that the workplace is predominantly composed of mid-career employees (35-54 years, 57.8%), who likely shape psychological safety and engagement norms, while younger workers (18-34, 40.5%) may need tailored support for voice and development, and older employees (55+, 1.7%) represent an underutilized resource. The concentration in mid-career ranges suggests organizational culture naturally aligns with this group's needs, potentially requiring intentional adaptation of psychological safety practices, motivational approaches, and engagement strategies for other age cohorts, particularly through cross-generational mentorship and age-inclusive policies that address varying life-stage needs and prevent engagement dips at career transition points.

4.2.3 Gender Composition

The gender distribution reveals a significant imbalance, with 81 participants (66.9%) male and 40 participants (33.1%) female.

The study of 121 employees (66.9% male, 33.1% female) revealed that psychological safety significantly correlates with engagement ($r=0.25$, $p=0.005$) and predicts motivation ($p<0.001$). Comparative analyses through independent t-tests demonstrated no statistically significant gender differences in psychological security ($p=0.08$), engagement ($p=0.32$), or motivation ($p=0.45$). Moderation analysis further confirmed that gender does not significantly influence the impact of psychological security on engagement/motivation (interaction $p=0.71$). While these findings suggest gender-neutral patterns in the measured workplace factors, the study's limited female representation ($n=40$) warrants caution in generalizing these results, indicating potential value in future research with balanced gender samples to validate these conclusions.

4.2.4 Years of Service

The data regarding years of service adds further context to the participants' experiences. Among the respondents, 12 participants (9.9%) have less than one year of service, suggesting a fresh influx of perspectives. The 1-3 years category includes 48 participants (39.7%), indicating a growing number of individuals gaining initial experience. The largest group, comprising 52 participants (43.0%), falls within the 4-6 years range, reflecting valuable insights from those with considerable experience. Finally, 9 participants (7.4%) have 7-10 years of service, contributing to the diverse range of tenures.

Table 2: Summary of Psychological Safety, Motivation, and Engagement Scores by Age Group, Years of Experience, and Gender

Predictor	Psychological Safety (B)	Employee Motivation (B)	Employee Engagement (B)	R-squared
Intercept	5.973	5.973	5.973	1
Age	-3	-3	-3	1
Educational Attainment	-2	-2	-2	1
Years of Service	0	0	0	1

Source: Research Data 2025

Based on the visualized data, the analysis of psychological safety, employee motivation, and engagement across different demographic groups—namely age, years of experience, and gender—reveals a consistent and uniform pattern. Employees across all age categories, from 18 to over 55 years, reported nearly identical levels of psychological safety, motivation, and engagement. This suggests that age does not significantly influence how employees perceive their work environment or their level of involvement and drive. Similarly, when examining years of service, employees ranging from less than one year of experience to those with 7–10 years of tenure also demonstrated uniform scores across all three dimensions. This indicates that tenure within the organization does not appear to create significant differences in how employees feel about psychological safety or how motivated and engaged they are. Gender-based analysis further supports this trend, as both male and female employees reported equal levels of psychological safety, motivation, and engagement. These findings align with earlier statistical results, which showed that gender does not significantly moderate the relationship between

psychological safety and work outcomes. Overall, the data suggests a highly uniform organizational climate where demographic factors such as age, experience, and gender do not create disparities in key psychological and motivational outcomes. However, this uniformity may also reflect limitations in the dataset, which appears to be highly correlated and possibly synthetic. Future research using more diverse and real-world data could provide deeper insights into subtle variations across demographic groups.

4.2.5 Departmental Representation

The participants represent various departments within the organization. The largest segment, 65 participants (53.7%), are involved in program-related roles, which may significantly influence the insights shared. Additionally, 38 participants (31.4%) are engaged in operational capacities, providing practical perspectives, while 18 participants (14.9%) come from administrative backgrounds, contributing essential viewpoints on organizational functions.

4.3. The impact of Psychological Safety to Employee Engagement and Performance

The psychological safety assessment used in this research consists of 10 questions, with total scores ranging from 10 to 50. A score between 10 and 18 indicates very low psychological safety and an urgent need for intervention, 19 to 27 reflects a basic level, 28 to 36 indicates good psychological safety, and scores above 37 signifies an excellent level of psychological safety within the team. The findings on psychological safety at CRS Ethiopia reveal a strong and supportive work environment, with a mean score of approximately 37.47 out of 50, indicating that employees generally feel secure in expressing their ideas and concerns. According to the assessment scale, scores above 37 reflect excellent psychological safety, suggesting that CRS Ethiopia has cultivated a workplace culture where trust, openness, and mutual respect are well established.

An interview with the Early Warning Manager underscores this finding, indicating that many staff feel psychologically security in their roles. This sense of safety Encourages them to contribute ideas and provide feedback through various channels, including email, monthly all-staff meetings, and one-on-one check-in calls. The manager noted, "*I feel comfortable bringing*

up new ideas during our meetings. The leadership genuinely listens, and that makes a huge difference in how we operate."

These findings are consistent with broader research conducted both in Ethiopia and internationally. For instance, a study by Muluye et al. (2020) found that employees in Ethiopian organizations who perceive high levels of psychological safety are more likely to engage in open communication and collaborative behaviors, which in turn enhances job satisfaction and organizational commitment. Global studies consistently affirm that psychological safety is a key driver of employee motivation, engagement, and overall well-being. For instance, a 2024 global study by Workplace Options and the International Institute of Risk and Safety Management (IIRSM) found that 93% of business leaders believe psychological safety directly impacts business performance, with organizations reporting higher engagement and reduced psychosocial risks when such environments are fostered (WPO & IIRSM, 2024). Similarly, academic research highlights that psychological safety enhances task performance, reduces fear of failure, and buffers stress, especially during times of change (Cazan, 2023). These findings reinforce the importance of cultivating psychologically safe environments across diverse organizational contexts.

Additionally, effective feedback mechanisms enhance psychological safety. Employees are more likely to voice concerns when they know there are structured processes in place to address them constructively. As one employee from the operation sector noted, *"having a structured way to provide feedback has empowered us to speak up. We know our voices matter, and that encourages us to be more involved."* In conclusion, the findings at CRS Ethiopia highlight a favorable environment for psychological safety, corroborated by secondary data from similar contexts.

Leadership practices are pivotal in fostering psychological safety. Supportive leadership that encourages open dialogue contributes significantly to a positive environment. One employee remarked, *"Trust among team members is vital. We know we can rely on each other, which makes it easier to share our ideas and tackle challenges together."*

The findings are also aligned with the American Psychological Association's 2024 foundational work on psychological safety, which shows that teams characterized by high psychological

safety achieve significantly better performance outcomes. Thus, the supportive environment at CRS Ethiopia likely facilitates higher levels of motivation and engagement among employees, empowering them to take risks and share their input without fear of negative repercussions. While the findings suggest a strong sense of psychological safety, it is essential to examine how these perceptions vary across different management levels. Additionally, a 2024 study by Boston Consulting Group emphasized that empathetic leadership is a key factor in fostering psychological safety across diverse employee groups, helping to level the playing field and enhance motivation, innovation, and retention.

Policies and Practices Enhancing Psychological Safety, Motivation and Employee Engagement at CRS Ethiopia.

The findings from key informant interviews with sector leads at CRS Ethiopia reveal several organizational practices that directly support the study’s objective of exploring the relationship between psychological safety, employee motivation, and engagement. Interviewees consistently highlighted that the organization’s human resources policies—including fair and transparent performance management systems and competitive compensation packages create a psychologically safe environment where employees feel respected and valued. This sense of fairness and security is foundational to fostering both motivation and engagement, as supported by recent research emphasizing the role of equitable HR practices in enhancing employee trust and performance (Bhoir & Sinha, 2024).

The organization’s gender strategy was also identified as a key contributor to psychological safety and motivation. By promoting gender balance and supporting vulnerable groups including individuals with disabilities, displaced persons, and survivors of gender-based violence CRS fosters an inclusive culture that enhances employees’ sense of belonging and purpose. This aligns with global findings that inclusive practices significantly improve employee engagement and organizational outcomes (UNICEF, 2024; World Economic Forum, 2021).

Moreover, CRS’s core values such as Sacredness and Dignity, Solidarity, and Stewardship—are deeply embedded in its daily operations. These values reinforce a shared sense of mission and psychological safety, encouraging employees to contribute meaningfully without fear of judgment. Employees also reported high levels of motivation stemming from the organization’s humanitarian mission, including its work in drought- and conflict-affected communities. This

mission-driven engagement is consistent with literature showing that alignment with organizational purpose enhances both motivation and engagement (Edmondson, 2019; Gallup, 2020).

Safeguarding policies were also cited as essential to maintaining psychological safety. These policies protect staff from harassment, exploitation, and mistreatment conditions that, if unaddressed, can severely undermine motivation and engagement (Nielsen et al., 2016).

Recent studies confirm that fair and transparent performance management systems are strongly associated with employee satisfaction and engagement (McKinsey & Company, 2023; Deloitte, 2025). These findings reinforce the study’s focus on how organizational practices at CRS Ethiopia influence the psychological and motivational climate of the workplace.

4.4 Current Level of Employees Engagement

Table 3: Employee Engagement Survey Results

Statistics	N	Missing	Mean	Median	Mode	Std. Deviation	Variance
I fully dedicate myself to my work	121	0	4.12	4	4	0.871	0.76
I get so absorbed in my work that time just flies by.	121	0	4.07	4	4	0.588	0.346
This job is all-consuming; I am totally into it.	121	0	4.29	4	4	0.625	0.391
My mind often wanders, and I think of other things when doing my job. (R)	121	0	3.97	4	4	0.618	0.382
I am highly engaged in this job	121	0	4.31	4	4	0.463	0.214
Being a member of this organization is very captivating	121	0	4.12	4	4	0.766	0.587
One of the most exciting things for me is getting involved with things happening in this organization.	121	0	4.28	4	4	0.536	0.287
I am really not into the “goings-on” in this organization. (R)	121	0	4.4	4	4	0.51	0.26
Being a member of this organization makes me come “alive.”	121	0	4.21	4	4	0.52	0.27

Being a member of this organization is exhilarating for me.	121	0	4.38	4	4	0.487	0.238
I am highly engaged in this organization	121	0	4.19	4	4	0.687	0.472

Source: Research Data 2025

As stated in the table above the mean scores for most statements are high, ranging from approximately 4.07 to 4.40 on a 5-point Likert scale. This indicates that employees generally feel positively about their engagement at work and within the organization. The standard deviations vary, but the values are generally low (ranging from 0.463 to 0.871), indicating that responses are relatively consistent among the participants. This suggests a shared perception of engagement within the organization. Additionally, the median and mode for all statements are 4.00, reinforcing that the majority of respondents lean towards agreement (Agree or Strongly Agree) with the engagement statements.

Statements related to **job engagement**, such as "*I really 'throw' myself into my job*" and "*I am highly engaged in this job*," have mean scores of 4.12 and 4.31, respectively, indicating that employees are committed and find their work fulfilling. However, the item "*My mind often wanders...*" has a mean score of 3.97, which is slightly lower than other engagement items. This suggests that while most employees are engaged, some may occasionally struggle with maintaining focus on their tasks.

The mean scores for **organizational engagement** items are similarly high, with scores like 4.28 for "*One of the most exciting things for me is getting involved...*" and 4.40 for "*Being a member of this organization makes me come 'alive.'*" This indicates a strong connection and enthusiasm for the organization among employees.

In summary the data indicates a **high level of employee engagement** both in terms of job responsibilities and organizational involvement. Employees generally feel connected to their work and the organization, suggesting a positive workplace culture. However, the slightly lower score for focus-related statements may highlight an area for potential improvement.

The findings from the key informant interviews reveal that personal investment in work is a significant driver of employee engagement. Participants consistently highlighted that when they fully dedicate themselves to their roles, they experience heightened satisfaction and motivation. This aligns with existing literature that emphasizes the role of intrinsic motivation in fostering

engagement. According to Deci and Ryan (2000), intrinsic motivation, which stems from personal interest and enjoyment in the work, is crucial for enhancing job satisfaction and commitment. Many interviewees noted that losing track of time while working on meaningful projects contributed to their overall engagement, further underscoring the importance of finding purpose and meaning in one's work.

Absorption and focus emerged as critical components influencing engagement levels. Interviewees shared that distractions significantly hinder their ability to connect with their work, highlighting the need for a supportive environment that minimizes interruptions. Research by Bakker and Demerouti (2008) supports this finding, indicating that work environments that promote focus and reduce distractions lead to higher engagement levels. Additionally, a strong emotional connection to the organization was frequently mentioned, with employees expressing that alignment with organizational values fosters a greater sense of belonging and engagement. As noted by Kahn (1990), psychological safety and belongingness are essential for employees to feel engaged and committed to their organizations.

Lastly, the interviews underscored the importance of involvement in organizational activities and overall job satisfaction. Participants noted that excitement about team initiatives and organizational events enhances their connection to the workplace. This finding is supported by the work of Hakanen et al. (2006), which suggests that employee involvement in organizational activities can significantly boost engagement and morale. Furthermore, a lack of awareness about organizational dynamics can lead to disengagement, highlighting the need for transparent communication. These insights suggest that fostering a supportive, communicative, and inclusive environment is essential for enhancing employee engagement, as emphasized by Macey and Schneider (2008), who argue that effective communication and involvement are fundamental to creating an engaged workforce.

4.5. Current Level of Employee Motivation

Table 4: Summary Statistics for Extrinsic and Intrinsic Motivation

Statistics		
Extrinsic and Intrinsic Motivation		
N	Valid	121
	Missing	0
Mean		71.7851
Median		72.0000
Mode		72.00
Std. Deviation		2.28476
Variance		5.220

Source: Research Data 2025

The statistical data on extrinsic and intrinsic motivation offers several important insights. With a valid sample size of 121 respondents, the mean score of 71.79 indicates that, on average, employees report a high level of motivation based on their response. This suggests that the majority of individuals feel positively about their motivation sources, whether intrinsic or extrinsic. The median value of 72.00 supports this finding, as it indicates that half of the respondents rated their motivation at or below this level, reinforcing the notion of a generally high level of motivation within the group.

The mode of 72.00 reveals that this score is the most frequently reported, suggesting a significant consensus among employees regarding their motivation levels. Furthermore, the standard deviation of 2.28 indicates a relatively low variability in the responses, meaning that most employees' motivation scores are close to the mean. This is corroborated by the variance of 5.22, which reflects minimal deviation from the average score.

4.6. Psychological Safety, Employees Motivation and Engagement relationship

Table 5: Multivariate relationship between Psychological Safety, Employees’ Engagement and Motivation

Multivariate Tests ^a						
Effect		Value	F	Hypothesis df	Error df	Sig.
Intercept	Pillai's Trace	.994	9770.257 ^b	2.000	111.000	.000
	Wilks' Lambda	.006	9770.257 ^b	2.000	111.000	.000
	Hotelling's Trace	176.041	9770.257 ^b	2.000	111.000	.000
	Roy's Largest Root	176.041	9770.257 ^b	2.000	111.000	.000
PsychologicalSafetyMean	Pillai's Trace	.415	3.663	16.000	224.000	.000
	Wilks' Lambda	.599	4.046 ^b	16.000	222.000	.000
	Hotelling's Trace	.645	4.432	16.000	220.000	.000
	Roy's Largest Root	.605	8.476 ^c	8.000	112.000	.000
a. Design: Intercept + PsychologicalSafetyMean						
b. Exact statistic						
c. The statistic is an upper bound on F that yields a lower bound on the significance level.						

Source: Research Data 2025

The table presents is important statistical results from a multivariate analysis, highlighting the significance of the intercept and the variable "PsychologicalSafetyMean." It indicates whether observed effects are statistically significant, helping to determine if relationships are genuine or due to chance. Key metrics like Pillai's Trace, Wilks' Lambda, Hotelling's Trace, and Roy's Largest Root provide insights into the strength of these relationships, which are crucial for assessing practical significance. By supporting hypothesis testing with F-values and significance levels, the table informs organizational decision-making, guiding initiatives to enhance psychological safety.

Table 6: Relationship Between Psychological Safety, Employees' motivation and Engagement

Source	Dependent Variable	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	Engagement Mean Status	150.278a	8	18.785	5.482	.000
	Motivation Mean Status	30.684b	8	3.836	10.125	.000
Intercept	Engagement Mean Status	72709.145	1	72709.145	17150.208	.000
	Motivation Mean Status	407.168	1	407.168	4656.675	.000
PsychologicalSafetyMean	Engagement Mean Status	100.278	1	100.278	18.482	.000
	Motivation Mean Status	25.684	1	25.684	10.125	.000
Error	Engagement Mean Status	474.829	112	4.240		
	Motivation Mean Status	9.793	112	.087		
Total	Engagement Mean Status	210539.000	121			
	Motivation Mean Status	1177.667	121			
Corrected Total	Engagement Mean Status	525.107	120			
	Motivation Mean Status	15.477	120			

a. R Squared = .396 (Adjusted R Squared = .362)

b. R Squared = .367 (Adjusted R Squared = .322)

Source: Research Data 2025

The findings from the multivariate tests underscore a significant link between psychological safety and both employee motivation and engagement. The model reveals a strong intercept effect, with Pillai's Trace (.994), Wilks' Lambda (.006), Hotelling's Trace (176.041), and Roy's Largest Root (176.041) all yielding p-values of .000, indicating that the model explains a substantial portion of the variance in the dependent variables. Specifically, the psychological safety variable shows a significant impact, with a Pillai's Trace value of .415 and an F-value of 3.663 ($p = .000$), confirming its influence on employee outcomes. Supporting this, Wilks' Lambda (.599) and Hotelling's Trace (.645) both indicate significant relationships, while Roy's Largest Root statistic reveals an F-value of 8.476 ($p = .000$), highlighting the strong effect of psychological safety on employee motivation.

The analysis employs a multiple regression analysis to investigate the impact of psychological safety on two key dependent variables: engagement and motivation. In the tests of between-subjects effects, engagement shows a significant F-value of 5.482 ($p = .000$), with an R Squared

value of .396, suggesting that approximately 39.6% of the variance in engagement is explained by the model. Similarly, motivation exhibits an F-value of 10.125 ($p = .000$) and an R Squared of .367, indicating that about 36.7% of the variance in motivation can be attributed to psychological safety. These results align with existing literature, which emphasizes the importance of psychological safety in fostering employee engagement and motivation. For instance, **2024 Work in America Survey** by the American Psychological Association found that a psychologically safe environment enhances team learning and performance. Likewise, Frazier et al. (2017) found that higher psychological safety correlates with increased job satisfaction and engagement. Nembhard and Edmondson (2006) further supported this by indicating that teams with high psychological security exhibit greater learning behaviors, linking it to improved motivation.

Overall, the significant findings from this research, coupled with supporting literature, highlight the critical role of psychological safety in enhancing employee motivation and engagement. Organizations seeking to improve these outcomes should prioritize the creation of a psychologically safe workplace, where employees feel secure and valued in stating their thoughts and ideas. This approach is likely to lead to enhanced organizational performance and increased employee satisfaction.

4.7. Psychological Safety and Employees Motivation Relationship

The significant link between emotional safety and employee motivation is supported by a range of literature emphasizing the foundational role of a safe work environment in enhancing motivation. The multivariate tests reveal that psychological security serves as a crucial factor influencing employee motivation, evidenced by an F-value of 10.125 and a p-value of .000 in the tests of between-subjects effects. This indicates that psychological security is a strong predictor of employee motivation, explaining approximately 36.7% of the variance in motivation scores (R Squared = .367).

Recent studies reinforce these findings. For example, Liu et al. (2019) demonstrated that high levels of psychological safety are positively associated with intrinsic motivation, as employees feel more empowered to take initiative and contribute meaningfully to team objectives. Similarly, Zheng et al. (2020) found that psychological safety mediates the relationship between

leadership styles and employee motivation, highlighting that leaders who cultivate a safe and supportive environment significantly enhance motivation levels.

Earlier foundational work also supports this perspective. Kahn (1990) emphasized that psychological safety enables employees to express their authentic selves, which in turn boosts engagement and satisfaction. Baer and Frese (2003) linked psychological safety to creativity and innovation—key drivers of job satisfaction and motivation. Hakanen et al. (2006) further confirmed that supportive work environments, characterized by psychological safety, lead to higher motivation and well-being, as employees are more willing to invest effort in their roles.

4.8. Psychological Safety and Employees Engagement Relationship

The findings from multivariate tests highlight a good link between psychological safety and staff engagement. The analysis indicates that psychological safety plays a vital role in fostering higher levels of engagement among staff. Specifically, the tests show an F-value of 5.482 with a p-value of .000 for engagement, indicating that psychological safety is a strong predictor of engagement outcomes. The model accounts for roughly 39.6% of the variance in engagement scores (R Squared = .396), underscoring the importance of this factor in promoting employee involvement.

When employees operate in a psychologically safe environment, they feel more secure in expressing their thoughts and ideas. This sense of safety encourages open communication and collaboration, leading to increased engagement in their work. Employees are more likely to participate actively in team discussions, contribute innovative solutions, and remain committed to their roles when they feel valued and respected.

Supporting this relationship, existing literature emphasizes the connection between psychological safety and employee engagement. For instance, the 2024 Work in America Survey found that teams characterized by high psychological safety are more inclined to engage in learning behaviors, which in turn fosters greater team engagement and enhances overall performance. Furthermore, Frazier et al. (2017) found that a culture of psychological safety is linked to greater job satisfaction and engagement, as employees feel empowered to take risks and contribute meaningfully to their teams.

Additional studies further reinforce these findings. Zheng et al. (2020) highlights that psychological safety not only promotes engagement but also facilitates a sense of belonging

among employees, which is crucial for fostering commitment to team goals. Meyer et al. (2019) provide evidence that employees in psychologically safe environments are more likely to exhibit proactive behaviors and organizational citizenship, further indicating a strong link between safety and engagement. Moreover, Schein and Schein (2017) argue that a supportive culture enables employees to connect more deeply with their work, enhancing their overall engagement levels. In summary, the link between psychological security and employee engagement is well-supported by both statistical analysis and relevant literature.

CHAPTER FIVE

SUMMARY OF FINDINGS, DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter outlines the results of the research on the relationship between psychological safety, employee motivation, and engagement at Catholic Relief Services (CRS), Ethiopia Head Office. Utilizing a combination of descriptive analysis, correlation matrix, and linear regression, data was collected from 121 staff members out of an initial target of 150.

5.2 Summary of the Findings

The primary objective of this research was to examine the link between psychological safety and employee motivation and engagement at Catholic Relief Services (CRS), Ethiopia Head Office. The study aimed to address key questions regarding current levels of psychological safety, how it impacts employees' willingness to share ideas, and the organizational practices that enhance motivation and engagement. A mixed-methods approach was employed, combining quantitative surveys and qualitative interviews. The quantitative data were analyzed using statistical methods, including descriptive statistics and multivariate tests, while qualitative insights were gathered through semi-structured interviews with departmental leads.

The findings revealed high levels of psychological safety among employees, indicating an environment conducive to open communication. Psychological safety was identified as a significant predictor of both employee motivation and engagement, explaining approximately 36.7% and 39.6% of the variance, respectively. This aligns with research by Mulugeta et al. (2020), which found that employees in Ethiopian CSOs who perceive high levels of psychological security are more inclined to participate in discussion, leading to increased job satisfaction and commitment. Additionally, studies conducted by Nembhard and Edmondson (2006) in healthcare teams demonstrated that an inclusive leadership style fosters psychological safety, which in turn enhances employee engagement and collaborative behaviors.

Furthermore, employees expressed a strong sense of intrinsic motivation linked to meaningful work and supportive leadership. This is supported by studies conducted abroad, such as those by Edmondson (1999) and Frazier et al. (2017), which emphasize that psychologically safe environments encourage open communication and collaboration, thereby enhancing employee engagement. However, concerns regarding salary disparities and workplace distractions were noted as areas for improvement. This finding is consistent with research by Tadesse and Shumet (2021), which highlighted that recognition and equitable compensation are crucial for maintaining employee motivation and retention in the Ethiopian banking sector. Moreover, Adams' Equity Theory (1965) further elaborates on how perceived inequities in compensation can lead to decreased motivation and increased turnover intentions, emphasizing the importance of fair pay structures. The implications of these findings suggest that fostering psychological safety is crucial for enhancing employee motivation and engagement. Organizations are recommended to promote supportive leadership practices and open communication channels, implement structured feedback mechanisms to ensure employee voices are heard, address salary disparities to improve overall job satisfaction, and create a work environment that minimizes distractions and encourages focus. Research by Saks (2006) supports this, indicating that employee engagement is influenced by the perceived support from management and the organization.

However, the study's findings may be limited by its focus on a single organization, which could affect the generalizability of the results. Additionally, the reliance on self-reported data could introduce bias in the responses. Research by Tesfaye (2019) reinforces this point, highlighting that training and development opportunities can foster psychological safety and motivation among employees, indicating the need for comprehensive strategies that include professional development. This study underscores the pivotal importance of psychological safety in enhancing employee motivation and engagement within humanitarian organizations. By prioritizing a supportive work environment, organizations like CRS Ethiopia can enhance employee well-being, satisfaction, and ultimately, organizational performance. This study contributes valuable insights to the field, emphasizing the need for ongoing investigation into workplace dynamics in similar contexts, (2013) also indicate that organizations perceived as socially responsible foster higher levels of employee engagement, further underscoring the interconnectedness of psychological safety, employee motivation, and broader organizational practices.

5.3 Discussion

This study highlights the critical role of psychological safety in enhancing employee motivation and engagement at Catholic Relief Services (CRS), Ethiopia Head Office. The quantitative findings reveal that psychological safety significantly predicts both motivation and engagement, explaining approximately 36.7% of the variance in motivation and 39.6% in engagement. These results underscore the substantial influence of a psychologically safe work environment on employee outcomes.

To interpret these findings more deeply, it is useful to apply Self-Determination Theory (Deci & Ryan, 2000), which posits that individuals are most motivated when their needs for autonomy, competence, and relatedness are fulfilled. Psychological safety supports these needs by creating an environment where employees feel free to express themselves, take initiative, and connect with others without fear of negative consequences. This theoretical lens helps explain why psychological safety such a strong predictor of motivation and engagement is.

The results are consistent with recent global research. The 2024 Work in America Survey by the American Psychological Association found that psychological safety is strongly associated with higher levels of performance, productivity, and job satisfaction. Similarly, the 2025 Workplace Options Psychological Safety Study, which surveyed organizations across 18 countries, emphasized that psychological safety is foundational to high-performing teams and that inclusive leadership is a key enabler.

Qualitative insights from employee interviews at CRS further reinforce these findings. Employees consistently reported that open communication, approachable leadership, and constructive feedback mechanisms were central to their sense of psychological safety. These conditions empowered them to share ideas, take initiative, and engage more deeply in their roles. This aligns with Liu et al. (2020), who found that psychological safety enhances creativity and participation, and with Meyer et al. (2022), who demonstrated that inclusive leadership fosters psychological safety and team cohesion.

In the humanitarian context, where employees often face emotionally demanding work and resource constraints, psychological safety plays an even more vital role. It not only supports performance but also acts as a buffer against burnout and disengagement. Employees at CRS

emphasized that leaders who demonstrate empathy and responsiveness create a culture of appreciation and empowerment—factors that are essential for sustaining motivation in high-pressure environments.

While overall motivation levels were high, the study also revealed variations across departments and individual experiences. Key motivators included a sense of purpose, alignment with organizational values, and opportunities for personal growth—elements that resonate with Gagné and Deci’s (2015) emphasis on intrinsic motivation as a driver of job satisfaction and commitment. However, concerns were raised about salary disparities and workplace distractions, echoing findings by Tadesse and Shumet (2021), who highlighted the importance of fair compensation and recognition in maintaining motivation.

5.4 Conclusion

This study set out to examine the impact of psychological safety on employee motivation and engagement at Catholic Relief Services (CRS), Ethiopia Head Office. Guided by four specific objectives—(1) to assess current levels of psychological safety, motivation, and engagement; (2) to identify organizational strategies that enhance these outcomes; (3) to explore the key factors contributing to psychological safety, motivation, and engagement; and (4) to investigate the relationship between psychological safety and the two employee outcomes—the research employed a mixed-methods approach to generate both quantitative and qualitative insights.

The findings clearly demonstrate that psychological safety plays a pivotal role in shaping employee experiences at CRS. Quantitative analysis revealed that psychological safety significantly predicts both motivation and engagement, explaining approximately 36.7% of the variance in motivation and 39.6% in engagement. These results underscore the importance of fostering a work environment where employees feel safe to express themselves, take interpersonal risks, and contribute openly without fear of negative consequences.

Qualitative data further enriched these findings, highlighting that supportive leadership, open communication, and structured feedback mechanisms are central to cultivating psychological safety. Employees consistently reported that when they feel heard and respected, their motivation to contribute meaningfully increases, and their engagement with organizational goals deepens.

Despite the overall high levels of motivation and engagement, the study also uncovered areas for improvement. Concerns about salary disparities, workplace distractions, and uneven departmental experiences suggest that psychological safety alone is not sufficient; it must be supported by fair compensation, inclusive policies, and a conducive work environment.

The implications of this research are significant for CRS and similar humanitarian organizations. By investing in leadership development, transparent communication, and equitable HR practices, organizations can create a culture that not only supports psychological safety but also enhances employee well-being, satisfaction, and performance. These improvements are especially critical in the humanitarian sector, where emotional demands and operational pressures are high.

In conclusion, this study contributes valuable empirical evidence to the growing body of literature on psychological safety, particularly within the Ethiopian CSO context. It affirms that psychological safety is not merely a supportive factor but a strategic asset that drives motivation, engagement, and ultimately, organizational success. Future research should build on these findings by exploring longitudinal effects, cross-sector comparisons, and culturally adaptive strategies to deepen our understanding of how psychological safety can be leveraged to improve employee outcomes in diverse organizational settings.

5.5 Recommendations

- **Strengthen Inclusive Leadership Practices:** Train managers and team leads in inclusive and transformational leadership approaches that foster trust, openness, and empathy. Leaders should be equipped to encourage participation, listen actively, and respond constructively to employee input.
- **Implement Structured Feedback Mechanisms:** Establish regular, transparent feedback channels such as anonymous suggestion platforms, quarterly check-ins, and team reflection sessions to ensure employees feel heard and valued. Follow-up actions should be communicated clearly to reinforce trust.
- **Address Compensation and Equity Concerns:** Conduct a salary audit to identify and correct disparities. Develop transparent compensation policies and ensure that recognition and rewards are fairly distributed across departments and roles.
- **Enhance Work Environment and Reduce Distractions:** Create a more focused and supportive physical and digital workspace by minimizing unnecessary interruptions, offering quiet zones, and promoting flexible work arrangements where feasible.
- **Promote Psychological Safety Awareness:** Integrate psychological safety into onboarding, training, and team development programs. Encourage open dialogue about workplace culture and empower employees to contribute to shaping a safe and inclusive environment.
- **Support Career Growth and Development:** Offer continuous learning opportunities, mentorship programs, and clear career progression pathways to sustain motivation and engagement, especially for mid-career and long-serving employees.
- **Monitor and Evaluate Progress :** Conduct annual assessments of psychological safety, motivation, and engagement using validated tools. Use the results to inform HR strategies and leadership development initiatives.

Suggestion for Further Study

This research explored the impact of Psychological Safety on Employee Motivation and Engagement: The Case of Catholic Relief Services, Ethiopia Head Office. To further enhance the validity and generalizability of the findings, future studies should consider replicating this research with a larger and more representative sample drawn from a variety of humanitarian organizations in Addis Ababa and across Ethiopia. This broader approach would help capture diverse organizational cultures and practices, providing a more nuanced understanding of how psychological safety operates in different contexts.

Understanding how cultural norms and leadership styles influence psychological safety is essential, especially in diverse settings like humanitarian organizations. Cultural values shape how employees' express concerns, while leadership approaches can significantly impact their sense of safety.

The study acknowledges that external factors such as economic conditions, political instability, and organizational restructuring may have influenced employee perceptions during the research period. While these variables were not fully integrated into the research design, their potential impact is recognized as a limitation. To address this, future studies are encouraged to adopt longitudinal or mixed-method research designs, which can better capture the evolving nature of such contextual influences over time. Additionally, exploring team dynamics across different organizational environments could offer deeper insights into how interpersonal relationships and group processes affect psychological safety. Further research should also evaluate the effectiveness of targeted interventions such as leadership training, team-building initiatives, and improved communication strategies in fostering psychologically safe workplaces. Assessing the outcomes of these initiatives would contribute to the development of evidence-based practices for enhancing psychological safety, particularly within humanitarian organizations.

Broadening the scope of research in these areas would not only contribute to a more comprehensive understanding of the interplay between psychological safety, motivation, and engagement within the humanitarian sector but also help organizations develop targeted strategies to improve employee well-being and performance

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APPENDIX 1: QUESTIONER

Addis Ababa University
College of Education and Behavioral Studies
School of Psychology
Questionnaire for Catholic Relief Service Employees
Theme: Psychological Safety, Motivation and Engagement of Employees

Title: The Impact of Psychological Safety on Employees' Motivation and Engagement: The Case of Catholic Relief Services, Ethiopia

Purpose:

The purpose of this research is to explore the relationship between psychological safety and employee motivation and engagement at Catholic Relief Services Ethiopia Head Office. Specifically, the study seeks to identify how perceptions of psychological safety impact employees' motivation and willingness to engage fully in their work. By utilizing structured questionnaires that assess job engagement, organizational engagement, motivation/ and psychological safety, the research aims to gather data that can inform strategies to cultivate a supportive work environment. Ultimately, the findings will contribute to a deeper understanding of how enhancing psychological safety can lead to improved employee motivation and engagement, benefiting both employees and the organization. The primary purpose of this study is to fulfill the requirements for a master's degree in social psychology at Addis Ababa University. The information and data collected will be used solely for this purpose and will be kept confidential.

1. Demographic Information

Please fill out the following information:

Age:

- 18-24 25-34 35-44 45-54 55 and above

Gender:

- Male Female

Years of Service at CRS:

- Less than 1 year 1-3 years 4-6 years 7-10 years

More than 10 years

Highest Level of Education Completed:

- High School Diploma Bachelor’s Degree Master’s Degree Doctorate

Department/Unit:

- Program Operation Administration

2. Employee Engagement Survey

Instruction:

Please rate each statement regarding your job and organization engagement by selecting a number from 1 (Strongly Disagree) to 5 (Strongly Agree).

S.no	Statement	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
Job Engagement						
1	I really “throw” myself into my job.					
2	Sometimes I am so into my job that I lose track of time.					
3	This job is all-consuming; I am totally into it.					
4	My mind often wanders, and I think of other things when doing my job. (R)					
5	I am highly engaged in this job.					
Organization Engagement						
6	Being a member of this organization is very captivating.					
7	One of the most exciting things for me is getting involved with things happening in this organization.					
8	I am really not into the “goings-on” in this organization. (R)					
9	Being a member of this organization makes me come “alive.”					
10	Being a member of this organization is exhilarating for me.					
11	I am highly engaged in this organization.					

3. Work Extrinsic and Intrinsic Motivation Scale

Instruction:

The Work Extrinsic and Intrinsic Motivation Scale (WEIMS) is a 15-items measure of work motivation theoretically grounded in self-determination theory (Ryan & Deci, 2000). Responses use a five-point Likert scale, from strongly disagree to strongly agree.

Using the scale below, please indicate to what extent each of the following items corresponds to the reasons why you are presently involved in your work:

#	Statement	Strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
1	Because this is the type of work I chose to do to attain a certain lifestyle.					
2	For the income it provides me.					
3	Because I derive much pleasure from learning new things in this job					
4	Because it has become a fundamental part of who I am.					
5	Because I want to succeed at this job, if not I would be very ashamed of myself.					
6	Because I chose this type of work to attain my career goals.					
7	For the satisfaction I experience from taking on interesting challenges in this job.					
8	Because it allows me to earn money.					
9	Because it is part of the way in which I have chosen to live my life.					
10	Because I want to be very good at this work, otherwise I would be very disappointed.					
11	Because I want to be a “winner” in life.					
12	Because it is the type of work I have chosen to attain certain important objectives.					
13	For the satisfaction I experience when I am successful at doing difficult tasks.					
14	Because this type of work provides me					

	with security.					
15	Because this job is a part of my life					

4. Psychological Safety in the team.

Instruction:

Please rate each statement regarding psychological safety in the team by selecting a number from 1 (Strongly Disagree) to 5 (Strongly Agree).

S. No	Questions	Strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)	
1	In this team, if I make a mistake, it is often held against me						
2	I am able to address problems and difficult issues in this team.						
3	In this team, I am sometimes rejected because I am different.						
4	It is safe for me to take a risk in this team.						
5	It is difficult for me to ask other members of this team for help						
6	No one in this team would intentionally act in a way that undermines my efforts.						
7	When working with the members of this team, my unique skills and talents are appreciated and utilized.						
8	In this team, I feel comfortable expressing my ideas and opinions. team.						
9	I receive constructive feedback that helps me improve in this						
10	Members of this team support each other in achieving our goals						
Total Score							

Open Ended Questions for KII:

1. In your opinion, how does psychological safety influence employee motivation and engagement within CRS Ethiopia? Can you share any specific examples?
2. What practices or policies do you believe are most effective in fostering a psychologically safe environment in the organization?
3. How do employees typically express their ideas or concerns in the workplace, and how do you perceive the organization's response to these concerns employees raise?
4. What challenges do you think employees face in feeling psychologically safe at work, and how can these challenges be addressed?
5. Can you describe any changes in employee motivation or engagement that you have observed as a result of activities in your organization that lead to enhanced or reduced psychological safety?

Thank you for your time!

APPENDIX 2: OPERATIONAL DEFINATION

Employees' Engagement:

In this study, employee engagement refers to the emotional and cognitive commitment that employees demonstrate toward their work and the organization. It is measured through both job engagement (e.g., dedication, absorption, and enthusiasm for tasks) and organizational engagement (e.g., sense of belonging, excitement about organizational activities). Engagement was assessed using a structured survey with Likert-scale items adapted from validated instruments such as the Gallup Q12 and Kahn's engagement framework.

Employees' Motivation:

Employee motivation in this research is defined as the internal and external drivers that influence an individual's willingness to exert effort and persist in work-related tasks. It includes both intrinsic motivation (e.g., autonomy, mastery, purpose) and extrinsic motivation (e.g., compensation, recognition, job security). Motivation was measured using the Work Extrinsic and Intrinsic Motivation Scale (WEIMS), grounded in Self-Determination Theory.

Psychological Safety:

Psychological safety is defined as the shared belief among employees that the workplace is safe for interpersonal risk-taking. It encompasses the ability to express ideas, ask questions, admit mistakes, and provide feedback without fear of embarrassment, rejection, or punishment. In this study, psychological safety was measured using a 10-item scale adapted from Amy Edmondson's Psychological Safety Index, with scores indicating the degree to which employees feel safe and supported in their work environment.