# THE IMPACT OF EMPLOYEE MOTIVATION ON PRODUCTIVITY

(In Case Of Commercial Bank Of Ethiopia In *Chiro Branch)*

THE RESEARCH PAPER SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENT BA DEGREE IN MANAGEMENT

PREPARED BY: ARIF JEMAL

ADVISOR: YOHANNES TADESSE (MBA)

JIMMA UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS
DEPARTMENT OF MANAGEMENT

May, 2011

JIMMA, ETHIOPIA

The main objective of this study is to identify the impact of employee motivation on productivity in case of commercial bank of Ethiopia Chiro branch. The relevant data for this study collected from both primary and secondary sources. To collect primary data self administered questionnaire used. Where as, secondary data collected via organizational records and written materials about the organization. Census used to collect data from employees because of they were few in numbers. The collected data effectively processed, Analyzed and presented by using percentage and tabulating. This study indicated Motivation has positive impact on the productivity of the organization.

## Acknowledgement

First and for most I would like to thanks Almightily Allah he has helped me in every aspect of my life. Next to that I would like to express my sincere gratitude to my Advisor Ato Yohannes Tadesse for his Advise and comment in all of my paper.

Finally, I would like to express my deeply heart thanks to those who had not been mentioned their name but contribute a lot to this Achievement.

# Table of content


Abstract.....I
Acknowledgement.....II
Table of content.....III
List of table.....V
Chapter One.....1
1. Introduction.....1
1.1 Background of the study.....1
1.2. Back ground of the organization.....2
1.2 Statement of problem.....5
3. Objectives of the study.....6
3.1 General objective.....6
3.2 Specific objective.....6
4. Significance of the study.....7
5. Scope of the study.....8
6. Limitation of the study.....8
Chapter two.....9
2.2 Review of Related Literature.....9
1.1 Motivation.....9
2.3 Challenges of Motivation.....10
2.4 Importance of motivation.....10
2.5 Source of motivation.....10
2.6 Theories of Motivation.....11
2.6.1 Maslow theory.....11
2.6.2 Alderfers ERG theory.....12
2.6.3 McClelland's Theory.....13
2.6.4 Motivation, Performance and Job satisfaction.....14
2.6.5 Consequence of Job dissociation.....14
Chapter 3.....20
Materials and research methodology.....20
3.1 Study area.....20
3.2 Methods of Data collection.....20
3.3. Census.....20
3.4 Method of data analyzing and interpretation.....20
CHAPTER FOUR.....21
4. Data analysis and interoperation.....21
4.1. General employees background.....21
4.2. Motivational practice.....22
4.3. Motivational impact.....23
4.4. Need of motivation.....24
4.5. Payment system of organization.....24

4.6. Additional reward system....25
4.7. Opportunities is for promotion....25
4.8. Staying in organization....26
3.10. Punctuality of employees....27
CHAPTER FIVE....29
Conclusion and recommendation....29
5.1. Concussion....29
5.2. Recommendation....30
References....31
Appendix....32

# List of table

Table 4. 1. Age, sex, educational level and martial tutus of respondents21
Table 4. 2. Response on motivational practiced organization.....22
Table 4. 3, Response about motivational impact on productively.....23
Table 4. 4. Response on need of motivation.....24
Table 5. 5. Response about payment system of organization.....24
Table 4. 6. Response about additional reward system.....25
Table 4. 7. Response about opportunities is for promotion.....25
Table 4. 8. Response on staying in organization.....26
Table 4. 9. Response on staying in organization.....26
Table 4.10. Response about punctuality of employees.....27
Table 4. 11. Response about dissatisfaction in the organization.....28

# Chapter One

## *1. Introduction*

### *1.1 Background of the study*

The success of any business depends largely on the motivation of the employees. Human resource are essential to prosperity, productivity and performance of any company. Motivation is the key to creating an environment where the optimal performance is possible. (staff@incentivequotes.com)

The development and growth of business organization in competitive business environment is depends on the efficient utilization of resource. The performance of organization is affected by different factors such as motivation, working condition, and job security. Taking this in to account motivating employees helps organization to get competitive advantage.

No doubt that the survival of an organization largely depends on effective and efficient management of its resource. Human resource is one of these that needs to be well managed. It plays a crucial role in achieving both the long- run and short- run objectives of an organization. Managing people is not as easy as managing resource. This is due to the complex nature of human being and as a result in as single organization different people may have different personalities, attitudes, beliefs and values.

Managers must use different strategies and skills to wards motivating employee for the survival and best performance of organization.

The rationale provides some of the reasons for doing this study are there is no good motivational practice in this branch which make employee unpunctual and absent from their work.

## *1.2. Back ground of the organization*

The agreement that was reached in 1905 between emperor minilik II and mr, Magillivray, representative of the British owned national bank of Egypt marked the introduction of modern banking in Ethiopia.

Following the agreement, the first bank called bank of Abyssinia was in gurated in February 16,1906 by emperor and he bank was totally managed by the Egyptian National bank. By 1931, bank of Abyssinia was legally replaced by bank of Ethiopia shortly after emperor Haileselassie came to power.

The new bank, bank of Ethiopia, was apurely Ethiopian institution and eas the first indigenous bank in Africa and established by official decree on August 29,1931 with a capital of Birr 750,000 (http:en,wikipedia,org/wiki/ commercial bank of Ethiopia)

The first indigenous bank which funtions as both as commercial bank and central Bank was established in 1963, under the name of state of Ethiopia. In 1963, new banking law split the state bank of Ethiopia to central and commercial banking namely national bank of Ethiopia (NBE) and commercial bank of Ethiopia (CBE). The former was responsible for supervision of banks in the country. The national bank of Ethiopia with more power and duties started its operation in January 1, 1964.

Following the incorporation as a share company on December 16,1963 as per percolation No, 207/1997s o October 1963 took over the commercial

bank activates of the former state bank of Ethiopia. it started operation on January 1,1964 with a capital of birr 22 million in the new commercial bank of Ethiopia, incontrast , with the former state bank of Ethiopia, all employees where Ethiopians (http://www.teh history of corporate, com)

Consequently, the present day commercial bank of Ethiopia was established under proclamation No, 184 of August 1980.

- According to this proclamation the main objectives of the commercial bank of Ethiopia are as follows:-

1. To extend commercial banking services through out the country
2. To extend loans, credits and all other banking facilities to any person for specific purpose and periods.
3. To encourage the mobilization of saving by making the people aware of the use of banking.
4. To spread widely banking habits among the people.

Moreover, according to this proclamation, the bank shall have the responsibility to perform the following duties in accordance with the general directives issued to it by the supervising authority, namely the national bank of Ethiopian.

1. Receive saving demand and time deposits
2. Make loans and advances
3. Draw, accept, discount, buy and sell bill of exchange, drafts, and promissory notes payable within or outside Ethiopia.
4. Issue letter of credit.
5. Buy, sell, hold or other wise deal in foreign exchange,

6. Control the end use of credit loans, and other facilities that provides to its customers.
7. Act as anagent for persons and in this capacity, engage in the sell of money and shares.
8. Negotiate, under write or issue bond
9. Keeping safes securities, jewelry, precious metal and other valuables materials.
10. Issue cheques and travelers cheques and generally deal with cheques.
11. Hold, acquire and sell negotiable instrument and security by the government or private person.
12. Acquires, poses, mortgage sell, exchange and dispose of property for the purpose of attaining its objectives and proper functioning its operations.
13. Performs such other banking activities as are customarily carried out by commercial bank.

Commercial bank of Ethiopia, chiro branch was started its operations in February 10,1982. The bank was wholly owned by state and opeated s an autonomous institution under the commercial code of Ethiopia.

## *1.2 Statement of problem*

Employee incentive programs go a long way towards ensuring employees feel appreciated and worth while. This alone can help with employees motivation across the board. The great thing about these program is they are very individualized. Incentive program increase motivation because they are not only encouraging productivity performance but also show employees the company cares.

The motivational tools that management generally uses to increase employees motivation are financial and non financial motivation. Financial motivation include like rewards, piece rate wages and Tayllow differential and the non financial motivation also include promotion, status, responsibility, making job pleasant and interesting and the like.

Motivated employees are happy on behave of the job and strive for increasing productivity of the business. They also try to develop anew mechanism of doing a job so as to improve their productivity. In contract to this, poor motivation leads to eradicate the productivity of the organization by a means of unpunctual and absenteeism. The basic question of this research will be

1) Does CBE in chiro branch motivates its employees?
2) What methods does the organization use to motivate its employees?
3) What type of impact employees motivation impose on productivity?
4) What are the problems related to motivation in the organizations?

# 3. Objectives of the study

## *3.1 General objective*

The general objective of this research is to find out the impact of employees motivation on productivity.

## *3.2 Specific objective*

- ✓ To identify what methods used in order to motivate employees of the organization.
- ✓ To identify what type of impact employees motivation impose on productivity.
- ✓ To identify the problem related to motivation in the organization

## 4. Significance of the study

The study was believed to have the importance:-

- It study enables the organization to know their strength and weakness and then to follow the way to motivate and increase their productivity in easy way. The study also provide relevant information to those on varies level of management, employees and labor union leads to understand the importance of motivational factors on performance of employee. Lastly, it create awareness to minimize the problem related to employee motivation.

## 5. Scope of the study

The scope of this study limited to the impact of employee motivation on productivity in case of commercial bank of Ethiopia in chiro branch. During the study the researcher stayed n commercial bank of Ethiopia office and collected the necessary data on this topic. In addition, the study focused on permanent employees because of reaching this employee is suitable. So, the scope of the study limited only on commercial bank of Ethiopia in chiro brach.

## *6. Limitation of the study*

While conducting this study the limitation that the researcher faced were under the following.

- Lack of cooperation and interest of employees in responding to questionnaire and filling it care fully.
- Lack of up-to date literature that related to the study.

  Shortage of time for gathering all necessary data from the organization.
- Lack of financial resource were the major constraint.

# Chapter two

## *2.2 Review of Related Literature*

The employee motivation has major impact on economic performance of the firm. The firm used different essential resource for its economic performance. Especially human resource is most and significant and ingredient part of resource and managers apply a variety of motivational scheme to give employees highly productive and always they stand for a common good of firm. This chapter tries to present the theoretical aspects of motivation.(staff@incentivequotes.com)

## *1.1 Motivation*

There is no standard definition of motivation but there are number of common agreement. Motivation has to do three broads are as with respect to individuals behavior. Source (Anderson 1989. PP63).

1) Direction what some one is trying.
2) Persistence has along some one continual trying.
3) Effort how hard some one is trying

According to Bernard bereslon and Gram A. Steiner" motivation is an energized action at channels behavior reward's the goals".

2.2 How to motivate employees

The successful managers has know how to motivate their employees. Even though every one is motivated by different needs, most people tell that two of most important issues they look for the company are mutual respect and personal involvement. There are some ways motivating employees are

- Be aware of moral level of your organization.
- Involve employees in decision making.
- Out line job responsibilities.

## *2.3 Challenges of Motivation*

Motivation in practice and theory are difficult issues conducting on several disciplines. In spite of research basic as well as applied, the subject of motivation not clearly understood more often than not poorly practiced. people in the organization come from different places with respect to attitudes to wards job peers, subordinates, organizational rules and procedures. As a result of these mangers or organization encounter abig problem of having different out look and at same goals and objective achieved by integrating and coordinating people. Source ( plunkent, 1997.PP390).

## *2.4 Importance of motivation*

Motivation is important because of its determinants factors on performance and its intangible character. The performance of individual's is determined by

- Motivation 'the desire to do the job
- Ability; the capability to do the job
- The work environment the goals, material and information. Motivation process begins with needs as deficiency. Motivated employees are a tower of the company and they will binges dramatically change in every activities of their performance and they are more productive to be effective manager needs to understand what motivates employees within the context of they perform.
- Source (Bowen and Radhan kishna, 9191 W.W.W. jo.oxgn).

## *2.5 Source of motivation*

1. Positive motivation; involves proper recognition of employees effort and appreciation of employees contribution towards organizational goals achievement. Some of these are delegation of Authority and responsibility to subordinates participation indecision making..
2. Negative motivation; is based up on use of force, power and treats. The fear of punishment or unfavorable consequence affects the behavior change
3. Extrinsic motivation; is induced by external factors which are primarily financial in nature.
4. Intrinsic motivation, it stems from feeling achievement and accomplishment and is concerned with state of self actualization in which the satisfaction of accomplishment something worth while motivates the employees. It's self generated and independent of financial rewards like recognition, responsibilities, esteem needs source (Chandan 1995. PP 57).

## *2.6 Theories of Motivation*

This station present various theories of motivation proposed by different individuals and section

### 2.6.1 Maslow theory

Maslow theory is a hierarchy need theory which is popular theories of motivation and it's

based on the following facts.

- Man is not always satisfied with it on hand. He is always in need of something which he does not have.
- Human needs are unlimited, that is if one need is satisfied the other need will be activate and the process continuous in definitely. Maslow need hierarchy, source ( Daver, 1994.PP14).

Maslow categorize the need in to the following five.

A) The physiological needs; involves a need for basic thing like food, water, shelter and sex, when this fundamentals needs are not meet no other higher level needs will act as motivation. on another way, once primary needs satisfied, safety or security needs are activities.
B) Safety needs; include protection from physical harm, economic disaster and futuristic needs in that they represent a desire to ensure ability to physical need.
C) Social need; is need for belongingness and love that comes in to paly only when physical and safety need are reasonable secured.
D) Esteem needs; include selfrespect and feeling of competency and the need for recognition and administration in the eyes of other.
E) Selfactualziation; The process of making actual persons perception of his/ Her real self. Ararely attained self actualization impulse to become when one is capable of becomigs of Achieving ones full potential in the most creative self motivated way source ( Resenabaum, 1982 PP75).

### *2.6.2 Alderfers ERG theory*

The ERG need theory, developed by clayton alderfers is a refinement of maslow's need hierarchy, In stead of manioc's five needs, ERG Theory condenses these five need in to three needs.

1. Existence needs- these needs are roughly compatibilities to the physiological and safety needs of maslow's models are satisfied primarily by material incentives. These include the need for shelter physical and safety from threats on people's existence and well being.
2. Relatedness needs- these roughly correspond to social and esteem in maslow's hierarchy. These needs are satisfied by personal relation ship and social interaction with others. It involves open

communication and honest exchange of thought and feelings with other organizational members.

3. Growth needs'. These are needs to develop and grow and reach the five potential that person is capable of reaching. Their needs are fulfilled by strong personal involvement in organization environment and look for new opportunities and challenge. ERG different from maslows in proposing that may be motivated by more than one kind of needs at the time. While maslow proposes that in the hierarchy needs, a person will satisfy the lower level need before he moves up to the next levels of needs and will say at the need until it is satisfied. ERG Theory suggests that if the person is frustrated in satisfying his needs at a given level, he will move back to the lower level needs. ( Wright patric 1996, PP:364- 366).

### 2.6.3 McClelland's Theory

David mccllands theory and his associate John Atkinson proposed another important Theory of motivation and achievement of motivation. According to theory organization offers an opportunity to satisfy of at least three needs ( Davis, 1989 PP:104)

1) The need for achievement (n- Ach)

Achievement motivation is driven some people have to overcome challenges and obstacles in the pursuit of goals. An individual with this drive wishes to develop and grow up the ladders of success characteristics of Achievement oriented. Employees are work harder when they perceives that they will receive personnel credit for their efforts when there is only moderate risk of failure and when they receive specific feed back about past performance.

2) Need for Affiliation

Affiliation motivation is a drive to relate to people on social basic. Affiliation oriented people work better when they are complimented for their favorable attitudes and cooperation. They receive inner satisfaction from being with friends and they want the job freedom to develop those relation.

3) Need for Power

Power motivation is drive to influence people and change situation. Power motivated people wish to create an impact on their organization and are willing to taking risks to do so Once this power is obtained it may be uses either constructively or destructively. Power motivated people make excellent managers if their drives are per instructional power instead of personnel power.

### 2.6.4 Motivation, Performance and Job satisfaction

It has often been said that a happy employee is a productive and happy employee must be satisfied with his job, Job. Satisfaction can be defined as the extent of positive feeling of attitudes that individuals have towards their job feels, good about it and values his job highest on other and serious job dissatisfaction results in stress and tension which is usually the cause of a variety of physiological disorder ( Chandara 1995. PP:87).

### *2.6.5 Consequence of Job dissociation*

Job dissatisfaction produce low mental among workers and low mental at workers. Some of the indicators to low morale are:- Employees unrest, the workers may not attend to his job properly, may be involved in a day a reaming, be forgetful or just may not care. If this unrest affect a sufficient numbers of workers, they may take a collective action such as go slows, worker stoppage sticks and other allied group actions.

- Absenteeism: job satisfaction is highly related to absenteeism. Studies have found that less satisfaction employers are more likely

to be absent from work due to " Avoidable reason". Management must be concerned with excessive absenteeism for it disrupts production and business operation.

- Employee turnover: high turnover distributes normal operation and continuously replacing the employee who leave is costly and both technical and economically undesirable. Turn over may be voluntary which initated by the employee and may be due to Job dissatisfaction or other personal reason beyond management control .
- EARLY retirement: These has been that employee who choose early retirement tend to hold less positive attitudes, challenges and, work opportunities are less likely to seek requirement than employees with lower levels jobs.

**77 ways to motivate employees**

No longer can leader hire workers and expects to get motivated individuals. Learning how to motivate is now one of the most relevant and essential skills leaders can possess in to days ever-changing work place. This guide provides some insight in to human motivation by offering 77 practical suggestion for motivating works. Today, leader usually must go beyond the day –to –day operation and "though decisions". Leaders in today's society are expected to be social scientist, and the great leaders of today and tomorrow are those gifted individuals who have mastered the art of motivation. The ability to understand people and to be able to tap in to their respective motives are the skills that make difference in today's society.

What separates exceptional leaders from ordinary leaders is the ability to inspire and motivate employees. In recent studies, researcher at the

university of Nebraske-Lincol examined source of motivation of NebrasKa workers in urban and rural settings. The results have demonstrated that five unique source of motivation exist:

- Intrinsic process-motivated by fun
- Instrumental-motivated by reword
- Self concept-external motivated by reputation
- Self concept- internal motivated by challenge
- Goal internalization- motivated by cause or purpose

Each of the five sources requires different organizational and leadership characteristics to tap in to them. Exceptional leaders will find ways to tap into each source. Those who tap into just one or two will motivate only a small percentage of their workers and be less effective.

**Motivating workers**

This section includes a list of 77 ways to motivate workers by gapping in to each of the five source of motivation; fun, rewards, reputation, challenge, and purpose

**Fun**

Some workers really want to enjoy the work they do. Many who enjoy activities they participate in at work place look forward to the day each morning.

There are 10 things leaders can do to make the work place and the experience of workers more enjoyable for workers:

A, Find out which task are each of your employee's favoriteis.

B, Find ways to assign more of the tasks they enjoy and fewer of the once they don not like to do

C, If you are a good joke teller, tell tots of them.

D, If you are not much of a joke taller, buy a jok book.

E, Plan societal event for your employees.

F, Make sure that every meeting has some scheduled fun time

H, Always start a meeting with some thing social

G, Do something interesting with the lunch room

I, Create a quote of the week

J, Sponsor a company bar becue.

There are 10 ways to motivate people motivate by rewords:

A, Create incentive laden pay scales (les output-lespay)

B, Create sale contest

C, Create clear work objective and goals.

D, Remind workers of what they will get for their efforts.

E, Create incentives attached to predetermined objectives and task.

F, Give special reward to top performers on a regular basis.

G, Offer extra holiday time for outstanding performers.

H, Be fair, these workers will watch clasely to see what the consequence are of very one's actions.

I, Follow through on all of your promises.

J, Make sure that workers do not receive perks if they have not earned them.

Reputation

Eight ways to motivate persons who are motivated by reputation

A, Give workers a lots of feedback about the way they are performing.

B, Give PRAISE infront of other people

C, Criticze these individuals only in private (never of infront of others)

D, Tell your workers that you appreciate the work they do

E, Tell people they are important both to the business and to you

F, Ask workers if anything interesting happened to them this weekend.

G, Make sure that you give credit to every one that contribute

H, Put up pictures and biographies of all your employees in accentual place

Challenges

Six ways to motivate people motivate by challenges:

- Stay out of their way and let them do the work if they know how to do it.
- Assign tasks that requires their skills and talents
- Find ways to help them to continually develop their abilities.
- Avoid assigning mundane tasks to those workers.
- Give them a challenge, then get out of their way.
- Give them autonomy to structure and perform their job as they see best.

Purpose

Nine ways to motivate people high in purpose or goal internalization are listed below.

- Communicate the purpose of the task being assigned.
- Make sure the company has vision and mission that it is pursuing.
- Communicate the organization's vision and purpose and on adaily basis.
- Refer to the purpose of organization and "why we exist" when outline strategies and goals.
- Remind employees of who depends on this organization to succed.
- Discuss why (interms of contributing to the mission) things need to occur.
- Remind workers how their efforts make a difference for the company in its pursuit of it vision
- Make links between their work and the company vision so they can see how they fit into the bigger pictue.

- Include works in the visioning and strategies planning process that they feel they have a stake in the organizational outcomes.

Source: www.janrubs.unl.edu/pases/publicatindijsp?publication=1999

## Employee motivation impact on organizational performance

## Maintaining stability

Employees are a company livelihood. How they feel about the work they are doing and the result received from that work directly impact on organization performance and ultimately, its stability. For instance, if an organization employees are highly motivated and protective, they will do what ever is necessary to achieve the goals of the organization as well s keep track of industry performance to address any potential challenges. This two-prong approach builds an organization's stability. An organization whose employees have low motivation is completely vulnerable to both internal and external challenges because its employees are not going the extra mile to maintain the organizations stability and unstable organization under forms.

## Reduction in productivity

Lack of motivation equates to less work being accomplished, productivity does not disappear; it is usually transferred to aspects not related to the organizations work. Things like personal conversation, internet surfins or taking longer lunches cost the organization time and money . reduced productivity can be detrimental to an organization performance and future success

**Negative changes to reputation**

Low employee motivation could be due to decreased success of the organization, negative effects from the economy or drastic hages or uncertainty within the organization. No matter what the cause, having the reputation of having unpleasant work environment due to low employee motivation will ultimately impact how existing and potential clients or parents view working with an organization. A reputation can precede on organization and indicate its future in the industry

Source: www.ehow.combuisenss

.

# *Chapter 3*

## *Materials and research methodology*

### *3.1 Study area*

The study conducted in western Oromia region chiro town which is found on 345 km from the capital city of Addis Abeba. This study concocted on impact of employee motivation on productivity in case of commercial bank of Ethiopia in Chriro branch.

### *3.2 Methods of Data collection*

Both primary and secondary data used in the study. The primary data collected by self Administered questionnaire for employees and structured interview for mangers. Secondary data collected from organizational records and source written about the organization.

### *3.3. Census*

Census used to collected data from the whole employees. The rationale to use the census is that the numbers of employees in the organization is small. The total employees 27, so the study conducted on them.

### *3.4 Method of data analyzing and interpretation.*

In the study different types of raw data collected. This raw data processed, Analyzed interpreted. The intended out come obtained, the collected data edited, classified and error omitted. By using descriptive analysis data further processed and analyzed.

Finally the data effectively process, analyzed and interpreted by using percentage, frequency and tabulating etc. and lastly the processed, Analyzed and interpreted data leads to conclusion and recommendation of the study.

## *CHAPTER FOUR*

## *4. Data analysis and interoperation*

This section is concerned with analysis and interpretation of data that were gathered via primary source. These data mainly analyzed and interpreted item in the form of table computation and summery format.

The questionnaires were distributed for 27 employees who were the total number of employees in the organization. Even though the questionnaires were distributed for 27 employees only 22 of them were respond in appropriate manners. So, data analysis and interpretation were depend on 22 employees.

## *4.1. General employees background*

Under this portion the analysis and interpretation were mainly consist of sex, age, educational qualification and martial status

**Table 4. 1. Age, sex, educational level and martial tutus of respondents**

| Item | Response | Number of respondents | Percentage |
|---|---|---|---|
| Age | Below 2.5<br>26-35<br>36-45<br>46 and move | 10<br>6<br>4<br>2 | 46<br>27<br>18<br>9 |
| Total | | 22 | 100 |
| Educational level | Diploma<br>Degree<br>Master<br>PHD | 13<br>17<br>2<br>- | |
| Total | | 22 | 32 |
| Sex | Male<br>Female | 14<br>8 | |
| | Total | 22 | 100 |
| Marital status | Married<br>Unmarried<br>Widow<br>Divorce | 9<br>13<br>-<br>- | 41<br>59 |
| Total | | 22 | 100 |

Source: compiled from questionnaire, 2012

According to table out of the total respondents 10(46%) were below 25, 6(27%) were between age. 26-35, 4(18%) were between age 36-45 and the remaining 2(9%) were above 46 age regarding marital status 9(41%) marred, 13(59%) were un married and there were no widow and divorce employees in the organization. Among total respondents 14(64% were unmarried and there were no widow and divorce employees in the organization. Among total respondents 14(64%) were male and 8(36%) were female. On education side 13(59%) were diploma holders, 7(32%) were first degree holders and the remaining 2(9%) were master holders.

To conclude, most of employees found below age 25, diploma holders , male and unmarried.

## *4.2. Motivational practice*

**Table 4. 2. Response on motivational practice in organization**

| Items | Response | Number of respondent | Percentage |
|---|---|---|---|
| Is there motivational practice in your organization | Yes<br>NO | 4<br>18 | 18<br>82 |
| Total | | 22 | 100 |
| If you side "Yes" for above question which types of motivational tools? | Financial<br>Non faincial | 4<br>- | 100 |
| Total | | 4 | 100 |

The above table depicts that out of total respondent 4(18%) said "Yes" that indicate there were motivational practice in the organization and 18(82%) replied NO that indicate there were not motivational practice in the organization. So ,as majority of employees replied that there were no motivational practice in the organization, it is better for organization to practice motivation in order to enhance productivity. In addition, all employee show said yes for existence of motivational practice in organization again the said there were financial motivation in organization

## *4.3. Motivational impact*

**Table 4. 3, Response about motivational impact on productively**

| **Items** | **Response** | **Number of respondent** | **Percentage** |
|---|---|---|---|
| Do you think motivation has impact on productive | Yes<br>No | 22<br>- | 100 |
| Total | | | 100 |
| If you said "yes " for above questioning what types of impact | Positive<br>Negative | 22<br>- | 100 |
| Total | | 22 | 100 |

Source: compiled from questionnaire, 2012

The above table shows that all of the respondents (i.e 22 or 100%) said "Yes" by indicating as employees motivation has impact on productivity. As the same fashion all respondents replied that motivation has positive impact on productivity.

## *4.4. Need of motivation*

**Table 4. 4. Response on need of motivation**

| **Items** | **Response** | **No of response** | **Percentage** |
|---|---|---|---|
| Why do you need motivation | To survive<br>To increase work performance<br>To fulfill personal interest<br>If other specify | -<br>18<br>4<br>- | -<br>82<br>18<br>- |
| Total | | 22 | 100 |

According to the result in above Table 18(82%) respondents said that motivation are required to increase work performance while 4(18%) said that motivation are required to fulfill personal interests. No respondents replied the need of motivation for survival. As majority of respondents replied that motivation is required to increase work performance, motivation is crucial factors to increase work performance

## *4.5. Payment system of organization*

**Table 5. 5. Response about payment system of organization**

| Items | Response | No of response | Percentage |
|---|---|---|---|
| What is your opinion about he payment system of organization | Satisfied<br>Neutral<br>Very satisfied<br>Dissatisfied | 3<br>7<br>-<br>12 | 14<br>32<br>-<br>54 |
| Total | | 22 | 100 |

The above table depict that among total respondents 12(54%) replied they were dissatisfied with the payment they receive that indicate negatie impact on productivity and 7(32%) said neutral 3(14%) said satisfied. So,

since majority of respondents were dissatisfied there is no doubt to say there is no good payment system in the organization.

## *4.6. Additional reward system*

**Table 4. 6. Response about additional reward system**

| **Items** | **Response** | **No of respondent number** | **Percentage** |
|---|---|---|---|
| Is there additional reward system to who Performance better | Yes<br>NO | 7<br>15 | 32<br>68 |
| Total | | 22 | 100 |
| If you said "yes" for above question what are they | Financial rewards | 7 | 100 |
| | | | |

As it shown in above table 7 (32%) of employees said "yes" that indicate there were additional reward system in the organization and 15(68%) of them said "No" that depict there were no additional reward system in the organization. In addition, those who said there were additional reward system, for question what they answered " financial reward" system

## *4.7. Opportunities is for promotion*

**Table 4. 7. Response about opportunities is for promotion**

| **Items** | **Response** | **No of response** | **Percentage** |
|---|---|---|---|
| Is there any opportunities for promotion | Yes<br>NO | 4<br>18 | 18<br>82 |
| Total | | 22 | 100 |

Complied from questionnaires 2012

The above table show that 18(82%) of employees said “NO” that indicate there were no opportunity for promotion and 4(18%) said “yes” that indicate there were opportunity for promotion to generalize, even if a few of employees said there were a promotion, majority of them said there were no promotion in organization. The organization has try to promote the out standing employees to improve its productivity

## *4.8. Staying in organization*

**Table 4. 8. Response on staying in organization**

| **Items** | **Respons e** | **No of response** | **Percentag e** |
|---|---|---|---|
| Would you happy If you stay in the organization | Yes<br>NO | 15<br>7 | 68<br>32 |
| Total | | 22 | 100 |

Complied from questionnaires 2012

The above tale show that out of total employees 15(68%) said “Yes” that indicate they are happy and want to stay in the organization while 7(32%) said “NO” that indicate they want to leave the organization. So if the organization motivate and make them to stay in the organization it is good for it performance.

**Table 4. 9. Response on who leave the organization**

| Items | Response | No of response | Percentage |
|---|---|---|---|
| Is there a person who leave the organization | Yes<br>No | 16<br>6 | 73<br>27 |
| Total | | 22 | 100 |
| If you replied for question above “yes “ what Is the reason behind | Low salary And low motivation | 16 | 100 |
| Total | | 16 | 100 |

Complied from questionnaires 2012

According to above table 16(73%) of employees said “yes” that indicate there were a person who leave the organization and 6(27%) said “NO “that indicate there were no person who leave the organization in addition, all employees who said “Yes “ for who leave the organization they said the reason for leaving the organization is low salary and low motivational. So, if the organization increase both reward and motivation, the degree of turn over decreased.

## *3.10. Punctuality of employees*

**Table 4.10.** **Response about punctuality of employees**

| Items | Response | No of response | Percentage |
|---|---|---|---|
| Are you punctual for your job | Yes<br>NO | 5<br>17 | 32<br>68 |
| Total | | 22 | 100 |

The above able show that among total respondents 5(32%) said “yes” that indicate they were punctual to their jobs and 17(68%) said “NO” that indicate they were absent or not punctual for their jobs that again indicate there were a problem in the organization. Further more, employees who were absent or not punctual replied that the reason for absenteeism were the organization has not good in motivation practice.

**Table 4. 11.** **Response about dissatisfaction in the organization**

| Items | Response | No of response | Percentage |
|---|---|---|---|
| Is there a sense of dissatisfaction in your organization | Yes<br>NO | 13<br>9 | 59<br>41 |
| Total | | 22 | 100 |

As shown in table 4.11 among total respondents 13(59%) said "yes" which indicate there were sense of dissatisfaction in the organization and 9(41%) said "NO" which indicate there were not a sense of dissatisfaction in the organization. Therefore, since the majority of resonances were dissatisfied it is better for the organization to satisfy the employees. In addition, for the close end question which is what is the reason behind for dissatisfaction in the organization the respondents who dissatisfied again replied there were not promotion and good motivation in the organization

What is the benefit of motivation for your self? The respondents replied on the following way:-

- Help me to stay in the organization
- Help me to complete my job effectively
- Create good relationship with other
- Make me to do more time
- To build organizational commitment
- To increase work performance

So, since the motivation had many positive contribution for employees it better for organization if it motivate employees.

# CHAPTER FIVE

# Conclusion and recommendation

## *5.1. Concussion*

Most of the employees of commercial banks of Ethiopia in Chiro Brach are found below the age of 25 and most of them are male

- Commercial bank of Ethiopia used financial motivation to motivate employees.
- Motivation has positive impact on the productivity of the organization.
- There is no sufficient and enough monthly salary for employees. This less payment has an adverse effect on the motivation, further on the productivity of the company as whole.
- Most of the workers of the organization dissatisfied with payment system of organization and there is not good payment system in the organization.
- There is no good opportunity for promotion and no additional reward system for who perform better.
- Almost all of the workers happy to stay in the organization.
- Most employees of organization are not punctual because the organization is not good in motivational practice.

## *5.2. Recommendation*

Based on the analysis of fact and findings, the followings are recommended to up grade employees motivation that has positive impact on productivity of commercial bank of Ethiopia in chiro Brach.

- The company should practice the system of increasing the scale of salary and rewards for those whose productivity is better than others.
- Since dissatisfaction of employees leads to turn over which has adverse impact on productivity of organization, the organization should satisfy those who were dissatisfied.
- Due to the fact that promoted employees have good commitment to the organization and perform their job accordingly, the organization should give the chance of promotion to employees.
- The management of the organization should be approachable and listen the comment of employees regarding motivation problems in the organization.
- Prime focus should be given on the side of organization for employees who perform better and initiate other employees in order they perform better.
- The organization should follow up the employees who are not punctual to their jobs and make them punctual.

- Since the organization were good in a system of staying employees, they should continue in a good manner for future.

## References


Davis and new arom (1989) Human behavior at work.

Dessler (1998). Human resource management, 9th edition.

Davis, (1994), " personnel management and industrial relationship, 10th edition PP.164

Bowen and Radhan Kishha, 1991,WWW.Jo.xgn.

Stephen p. Robbins,(1943),Organizational Behavior,second Canadian edition.pp(138)

Bernard L.Rosembaum,1982.How to motivate todays workers.USA,MCG raw Hill Book co.

Fred L uthans.1995.Organizational behavior 4th edition USA,Mc raw will Book.

Ivan Cenvich and Matheson,1990.Organizational behavior,USA,Richard D.Irwisn Inc.

Ricky W.Griffin,2000,management 4th edition.USA Houghton Miffilin

Stephen P. Robbins,2001,Organizational behavior San Diego state univeresity

# Appendix

**JIMMA UNIVERSITY**

**COLLEGE OF BUSINESS AND ECONOMIC**

**DEPARTMENT OF MANAGEMENT**

A questionnaire developed to collect the data from employees. This questionnaire is designed to collect data on the impact of employee motivation on productivity.

Dear respondents, the purpose of this questionnaire is to collect data for the study about impact of employee motivation on productivity in case of chiro branch Ethio Telecom.. Responding to this questionnaire will not create any harm. There fore you are kindly requested to respond confidentially while you are asked.

No need to write your name

i) Put a "X: mark for your answer

ii) Please give brief description for open ended questions.

iii) For closed end question give your answer on the space provided.

Iv) Respondents back ground/

1.1 Sex male □ female □

1.2 Age less than 25 years □ 26-35 years □

36- 45 years □ 46 -55 years□ Above 56 □

1.3 Education level

Diploma □ first Degree □ PHD □

Master ( 2nd Degree) □

1.4 Marital status

Married □ Widow □ Un married □ Divorce □

1) Is there an motivational practice in your organization?

Yes □ No □

2) If you said "yes" for question one which types of motivation?

Financial □ non financial □

3) Do you think that motivation has impact on productivity?

Yes □ No □

4) If you said " yes" for above question what type of impact

Positive □ Negative □

5) Do you think that performance of employees determined by motivation?

Yes □ No □

6) Why do you need motivation?

To Survive □

To increase work performance □

To fulfill personal interest□

Please if there is other specify _____

7) What is your opinion about the payment system of organization

Satisfied □ neutral □

Very satisfied □ dissatisfied □

8) Is there any additional- reward system to those who perform better?

Yes □ No □

9) If yes in above question what are they _____

10) What do you think about security of the organization?

Satisfied □ neutral □ Dissatisfied □

11) Is there any opportunities for promotion.

Yes □ No □

12) Do you think you would be happy is you stay in the organization?

Yes □ No □

13) Is there person who leave his job in your organization

Yes □ No □

14) If you replied for question 12"yes" what is the reason behind?

_____

_____

15) ARE you happy and punctual for your job?

Yes □ No □

16) If you responded for question 15 " No" what is the reason?

_____

_____

17) What is your Attitudes towards the motivational practice of the organization?

Good □ Bad □

18) Is there a sense of dissatisfaction in your organization?

□ yes □ No

19) If you respond for question 19 yes what is the reason behind?

_____

_____

_____

20) What is benefit of motivation for your self ?

_____

_____

_____

## Section 2 Appendix 2

**INTERVIEW**

1) Do you practice motivation for the employees

   □ yes □ No

2) If you said yes for above question " yes" which types of motivation?

   Financial □ Non financial □

3) Is there positive impact of motivation in productivity in your organization

   □ yes □ No

4) Is there Absenteeism of employees from job in the organization?

   Yes □ No □

5) If you replied for question " 4" yes" what is the reason behind?

   _____

   _____

   _____

6) what are the motivation tools .

   _____

7) How they practice in the employees

   _____

8) Did they see its positive contribution on employees productivity?

   _____