

# Factors Affecting Employees' Motivation: A Case Study on Hawassa City Trade and Industry Office

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## ABSTRACT

*Employee motivation is seen as a crucial element of productivity in both the public and private sectors. Limited studies have been carried out to identify the factors affecting motivation in the public sector, including in the Hawassa city trade and industry. Hence, this study aims to identify the determinants of the motivation of employees in the Hawassa city trade and industry office. The researcher adopted a cross-sectional design with a mixed research approach. Both primary and secondary data were used. After data collection, it were classified as per each variable; the qualitative data was coded to be measured quantitatively. Data were then analyzed with the help of SPSS version 21.0. Based on the findings from the descriptive analysis, the researchers concluded that Hawassa city trade and industry office is generating positive employees' motivation. Based on the findings from the regression analysis of the model, the researchers concluded that the employees' motivation is best explained by the explanatory variables included in the model.*

**Keywords:** *Employees' motivation; Employees' performance; Financial factors; Non-Financial factors; Rewards & benefits.*

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## 1.0 Introduction

Public human resource management reform efforts, over the past few decades, have aimed to improve the efficiency of public service. In particular, these efforts have taken aim at the perception of an inefficient bureaucracy composed of public employees who are unmotivated and unproductive. In an effort to increase workplace productivity, many of the PHRM reforms discussed thus far have sought to motivate public employees to be more performance oriented.

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Motivation is seen as a crucial element of productivity in both the public and private sectors. Jurisdictions, such as the state of Georgia, have implemented performance-based pay and employment at will as tools for improving motivation in the public service Sage (2015).

Motivational approaches definitely satisfy the needs of the employees and in turn the employees reply on it through the hard work. Hence, Identifying the need and answering it is the most basic approach of every organization to earn the organization commitment of the employees Chugtai (2008).

According to hucznsky (2001), the practice of motivational factors required from an employer determines the performance of employees and the success and failure of the organization. He further stated that the relationship between performance and motivation clearly shows that the manager should hire individuals who have the ability to do what is required. Managers must create situations wherein an employee is stimulated to undertake activities that may motivate him to achieve higher goals. To achieve higher goals, a person should work so that the restlessness is reduced. This is possible when the worker feels to achieve something and diverts all his energies towards achievement.

Employees move from one organization to another and/or get dissatisfied due to a lack /low level of motivation. Some employers try to give high salaries or wages to their employees just to motivate them to do their best to maximize organization productivity. Others also give rent and transportation allowances to their employees so that the employees can put up their best to enhance their performance, yet the whole thing seems to be a mirage. This reveals that the notion of motivation is subjective, that is to say that what motivates someone to put up his/her best may also de-motivate others. Human needs are insatiable for this reason, they always struggle for new things in life so that they can live a comfortable livelihood. If someone receives huge salaries, allowances in terms of rent, transportation fee does not guarantee one's motivation, here to say that motivation does not rely only on extrinsic rewards but also on intrinsic rewards. Previously, there was monetary as well as an appreciation letter motivational practice based on their performance through employees participation but currently there is no planned motivational system except the provident fund for those who are recruited before the new pension law. Therefore, this study seeks to identify the factors affecting motivation of the employees in public sector with reference to Hawassa city trade and industry office.

Even if an organization has a sufficient number of personnel, it may not always be successful. This can be determined by a number of reasons; one among the most important is the absence of a motivational structure in the organization that will lead employees' unwillingness to work towards the achievement of the organizational goal. Motivating the workforce of an organization to work more effectively towards the organization's goals is perhaps the most fundamental managerial task in a given organization. Organizations motivate their workforce to perform effectively by offering them rewards for satisfactory performance and perhaps improving them for unsatisfactory performance Fisseha (2013).

However, if the employees are motivated, their work performance in terms of effectiveness and efficiency increases Sheila (2004). According to the Encyclopedia of Management, motivation refers to the degree of readiness of an organism to pursue some designated goals and implies the determination of the nature and locus of the forces, including the degree of readiness or willingness to expend energy to achieve a goal or rewards. It is a force that activates dormant energies and sets in motion the action among the human beings of an organization.

Employees need motivation to perform their job competitively as students need to study hard and score good results to get a good job opportunity. Consequently, motivation for any one is an engine to be fruitful for the job that he/she is assigned to accomplish. To be successful at work, individuals need to be productive. To be productive, environmental factors such as proper equipment and abilities must be present, but employees must also possess some level of motivation to perform the tasks correctly and efficiently.

Limited studies have been carried out to identify the factors affecting motivation in the public sector including the Hawassa city trade and industry office and attract the attention of researchers across the nation Asghar *et al.*, (2014); SAGE (2015); Ahmad *et al.*, (2010); Richard (2014); Peter *et al.* (2018); Brooks (2007). Hence, this was the reason why the researcher was motivated to carry out the study with reference to the Hawassa city trade and industry office.

As per review of journals, catalogues and internet browsing, there were a few studies conducted about the factors affecting motivation of employees in the public sector in Ethiopia elsewhere. For instance, the research findings Ahsan (2011). Factors such as salaries, fringe benefits, responsibility, promotion in the organization, appreciation for work done, nature of work, recognition of work done; opportunity for advancement, working conditions, and relationships with superiors and peers motivates employees & will determine motivation towards work in the public organization with reference to the Hawassa city trade and industry office.

Therefore, the aforementioned problem necessitates this study to be carried out and the objective of the study is to identify the determinants of the motivation of employees in the Hawassa city trade and industry office. The findings of the study addressed the performance issues related to employees' motivation in one hand, enhancing the achievement of the trade and industry office goals in other hand.

## 2.0 Review of Literature

### 2.1 Theoretical literature review

#### 2.1.1 Definition of motivation

The word “motivation” came from the word ‘to motivate,’ in which case, to motivate means to move, to be active. In general sense, anything that initiates activity whether external or internal, is motivating. Today, the term means a lot more than this, motivating is the work the manager performs to inspire, encourage and impel people to take required action Rao (2000).

**Motivation:** Motivation is the process that accounts for an individual's intensity, direction and persistence of effort toward attaining a goal Robbins & Judge (2008). According to Richard (2014) motivation is something that moves the person to action and continues him the cause of action already initiated. Motivation has the role to develop and intensify the desire of every member of the organization to work effectively and efficiently in his position.

Motivation can be defined in a variety of ways depending on whom you ask. If you ask someone on the street, you may get a response like, it's what drives us “or” motivation is what makes us do the things we do. As far as the formal definition, motivation can be defined as forces job. An understanding of the concept of motivation is thus essential in order to comprehend more fully, the effect of variations in factors such as leadership, job redesign, and salary system as they relate to performance, satisfaction and forth (Chandan 1994).

The quality of human resource management has a critical influence on the performance of the organization. Concern for strategic integration, commitment, flexibility and quality has called attention to employees' motivation and retention. Financial motivation has become the most important concern in today's organization and tying it to Maslow's basic or physiological needs, the non-financial aspect only comes in when financial motivation has failed. According to Greenberg and Baron (2008), the definition of motivation could be divided behind individual's action. People tend to be guided by their interest in making a good impression on others, doing interesting work and being successful in what they do. The second part refers to

the choice people make and the direction their behavior takes. The last part deals with maintaining behavior, clearly defining how long people have to persist at attempting to meet their goals.

### **Factors of Employees' motivation and their effect on employees' performance**

Work motivation strategies employed by managers in an organization are of many kinds. Employee motivation is one of the strategies of managers to enhance effective job performance among workers in organizations. For Louis (1986), motivation is a basic psychological process. Motivating is the work managers perform to inspire, encourage and impel people to take action. To motivate the employee, the employee must be reached; to reach him there must be a completed understanding of the complexity of his make-up Allen (1986). From this, it is understandable that motivation efforts directed employees towards improving company operations.

### **Non-financial factors of motivation that affect employees' performance**

The followings are non-financial motivational factors:

**Job Enrichment:** Job enrichment occurs when employees are given more responsibility for scheduling, coordinating, and planning their own works. Although some writers suggest that job enrichment is any strategy that increases one or more of the core job characteristics, Herzberg gain that jobs were reached only through autonomy and the result of responsibility Steven & Ann (2000) viewed in terms of, Herzberg's motivational factors, job environment occurs when the work itself is more changing, when difficult, repetitive and boring tasks are minimized, when achievement is encouraged, where there is opportunity for growth, and when responsibility, advancement and recognition are provided. (ibid).

**A safety and healthy work Environment:** The work environment is comprised of the physical location, equipment, materials processed or used, and the activities of an employee while engaged in the performance of his work, whether on or off the railroads property. There are no stated exclusions of place or circumstance. Work environment is a major factor in the motivation present in a given situation. Social relationships, creative freedom, incentive programs and organizational pressures all play a role in workplace motivation.

Because motivation is an essential ingredient in the workplace, understanding the way these elements affect each individual is a great way to boost motivation and improve company morale. The work environment can either make people feel good or de motivate them if it is not satisfactory. Managers are in an aspiration to ensure safe working conditions and build up a healthy environment (ibid).

**Career Development:** Employee development might be described as a continual process of improving employees so that they make the fullest possible use of their abilities. This is done by encouraging self-development and training. Ivancevic (2007). Career development has strong implications for both employees and employers in any company.

According to Schultz (1960), organizations invest in skill development or human capital when they expect that the value of additional future benefits (such as, greater Productivity) will offset the extra costs incurred in the present to obtain them (like, costs of training programs and production forgone while individuals are in training). In fact, the purpose of career development is to enhance each employee's current performance, enable employees to take advantage of future job opportunities, and fulfill their employer's goals of achieving a dynamic and effective workforce.

Generally, training and development implies a high level of concern for employees, which in turn increases identification with their organization. In fact, effective career development support is important not only for individuals but also for the organizations that employ them. For both of them, it is part of a strategy of achieving flexibility to handle change more effectively.

**Employee Involvement:** Employee involvement (EI) is the process of developing 'a feeling of psychological ownership among organizational members' and has been implemented through the participation of employees in information processing, decision-making and/or problem solving, Kearney (1997). In fact, employee involvement means that every employee is regarded as a unique human being, not just a component in a machine and each employee is involved in helping the organization meet its goals. Each employee's input is solicited and valued in an employee-management relationship. Employees and management recognize that each employee is involved in running the business.

Participation is the mental and emotional involvement of persons in group situations that encourages them to contribute to group goals and share responsibility for them. One important benefit of participation is that it motivates. Employees are given the opportunity to release their own source's initiative and participate creatively towards the objective of the organization, specially improve motivation by helping employees understand and clarify their paths towards goals. The improved understanding of the path goals relationship produces a higher expectation of goal attainment. The result is improved motivation Ivancevic (2007).

**Organizational Commitment:** Higher organizational commitment of employees can enhance employees' organizational loyalty and dependence, increase their sense of ownership and thus increase the employee's subjective well-being Deng & Ma (2008).

Xiaoping (2003) found through a comparative study that the manager's and general staff's level of emotional commitment in state-owned enterprises and foreign invested enterprises are on the contrary. Organizational culture under the foreign background sees heavily on economic exchange, which is closely associated with the continued commitment. Organizational culture under the state-owned enterprises sees heavily on social exchange, which is closely associated with the emotional commitment. Xun (2006) explored the interrelation between total compensation and organizational commitment targeted groups of knowledge workers, which found that overall satisfaction with the total compensation has a significant positive correlation with organizational commitment, emotional commitment, continuous commitment and normative commitment and the overall pay satisfaction affects organizational citizenship behavior, performance, and turnover rates by influencing organizational commitment Liu (2006). Accordingly, propose Hypothesis 7: the validity level of organizational commitment significantly affects employees' mental well-being.

#### **Financial factors of motivation that affect employees' performance**

This type of motivation system can be in the form of rewards, bonuses, fringe benefits, salaries and wages.

**Rewards:** According to Malhotra (2007) rewards are 'all forms of financial return, tangible services and benefits an employee receives as part of an employment relationship.' It is without a doubt that every employee expects some level of reward after delivering a function or task. Employees expect employers to deliver or execute designated duties to their satisfaction whilst employees also expect their employers to assure them of adequate wages and salaries (rewards) after they dutifully deliver what is expected of them. According to the oxford dictionary; performance, which originates from the word 'perform', is to carry out, accomplish or fulfill an action, task or a function. The reward for executing a task or a function is what is termed as motivation. Reward systems are clearly related to vroom's expectancy theory of motivation. Financial rewards are a fundamental part of the employment relationship.

**Fringe benefits:** Such extra benefits, in addition to the normal wage or salary compensation, are referred to as fringe benefits. Ivancevic (2007). Employee fringe can be grouped into the following groups.

These are:

- i. Payment without work
- ii. Retirement benefits
- iii. Safety and health provision: and

iv. Recreation and other benefits

**Bonus:** Are essentially rewards for success and are paid out as lump sum. This is accomplished when the organization, individual or team has achieved something outstanding or when organizational performance has exceeded what it has planned (ibid).

**Salaries:** Salary is a form of periodic payment from an employer to an employee, which may be specified in an employment contract. It is contrasted with piece wages, where each job, hour or other unit is paid separately, rather than on a periodic basis. A wage is compensation, usually financial, received by workers in exchange for their labor. Compensation in terms of wages is given to workers and compensation in terms of salary is given to employees. Compensation is a monetary benefit given to employees in return for the services provided by them. They are the most determinant factor for employees work performance because it is the compensation for their effort through some period. The higher the salary, the higher employees expected performance will be (ibid).

### 2.1.2 The other Four Factors of Motivation

By Tracy (2019), four factors of motivation exist in every organization or business. These factors determine the levels of motivation of the staff, whether positive or negative. Fortunately, each of these ingredients can be changed in a positive way, usually when a manager or supervisor replaces a leader whose management style has not been conducive to bringing out the very best in each person. These factors are leadership style, the reward system, the organizational climate and the structure of the work.

**The Impact of Leadership on Motivation:** This is a key factor in determining how people feel about the company and how motivated they are. When a company undergoes leadership changes, the psychological climate of the company is altered and in turn, the whole employee performance improves.

The appropriate leadership style depends on the goals and objectives of the organization, the people within the company, and the external environment. Your leadership style should be one that focuses on the long-term success of your company. In a SWAT team or a fire department, the appropriate style would be more directed and dictatorial, with the person in charge telling people what to do quickly with little concern for personal sensitivities. This style can also be found among entrepreneurial organizations, many of which are struggling for their very survival. In most cases, however, traditional top-down leadership style is no longer acceptable in today's breed of employees, who expect to be able to speak out, be heard, and have a clear influence on how they do the work.

A second leadership style is collegial, where one person may be in charge of a department but functions at the same level and with the same knowledge and skill as his co-workers. In this type of organization, people are respected for their knowledge, skill, and ability to do the job. Be the catalyst that motivates your team to heightened productivity.

Other leadership styles that have been identified are telling, selling, persuading, and participating. Each of these styles is appropriate depending on whether the employee is new or experienced, and whether there is ample time or urgency in completing the task. Sometimes, the manager is required to use different leadership styles for different people under differing circumstances.

**Motivating Through Intrinsic Rewards:** Every work environment is characterized by a reward structure, often differing from employee to employee and from department to department.

As author Michael Le Boeuf says in his book, *The Greatest Management Principle in the World*, “What gets rewarded gets done.” If you want more of something in a company, simply offer greater rewards for that behavior. If you want less of an activity in the workplace, simply pull back on the rewards or increase the punishment or disapproval for that behavior. People respond to incentives.

It is quite common for companies to identify their most profitable products and services, and then increase the percentage of employee commission for selling those specific products and services, while maintaining lower commissions for less profitable items. Employees, and managers for that matter, respond very quickly to increased or decreased financial incentives for specific behaviors or for achieving specific goals.

**Creating a Motivational Organizational Climate:** is your company a “wonderful place to work”? The organizational climate is deliberately created and maintained by the management. It largely consists of the way that people treat each other up and down the line. It starts at the top, with leaders who inspire and set the tone for the rest of the organization. These leaders have a significant influence in the overall company culture.

When Thomas J. Watson, Sr., started IBM, he laid out the three core values of the company. These values—excellent products and services, excellent customer service, and respect for the individual—would determine the future of IBM, eventually making it the biggest and most respected computer company in the world.

The principle of “respect for the individual” was adamantly enforced at every level of the business, both nationally and internationally. You had free roam to make

mistakes at IBM, but you could not disrespect, demean, or insult another person or employee. Treating people badly, especially people under your authority, was grounds for dismissal, no matter how long you had been with the company. Because of this, people were motivated to compete just to get into IBM, but once they were in, they became some of the happiest, most productive, and creative workers in any company or industry.

**The Structure Factor of Motivation:** Some work is inherently motivational, requiring creativity, imagination, and elevated levels of energy. Work that involves communicating, negotiating, and interacting with other people to gain their cooperation to get the job done quickly and well, brings out the best energies of the individual. It is exciting and challenging. It is usually highly rewarding as well.

However, an enormous amount of work must be standardized, reutilized, and made relatively unexciting in order to be done efficiently and cost effectively. It is hard to motivate factory workers who work on a production line all day and whose activities are carefully monitored and regulated to ensure maximum levels of productivity.

Good organizations are always trying to structure the work so as to match the nature of the work with the nature of the employee and to make the work as interesting and enjoyable as possible.

**The Leader Can Make an Immediate Difference:** The reward structure, the organizational climate, and the structure of the work can be changed, but usually slowly; everything must be thought through carefully and in detail. The leadership style of an organization, however, is the one factor that can be changed quickly, and this change can make a major difference almost overnight.

There is a story of a factory whose managers were highly political and more concerned with their own rewards and privileges than they were with the morale of the workers. The factory was demoralized suffering low levels of productivity and high levels of defects, and it was on the verge of being shut down by the head office.

Instead of shutting the factory down, the head office sent in a new general manager, replacing the existing management completely. On his first day on the job, the general manager was waiting when the first shift of workers arrived that morning, parking their cars out in the unpaved parking lot and walking through the mud to the factory entrance.

When the entire shift had gathered, the new manager introduced himself, and then in front of everybody, walked over to the reserved parking spaces lined up next to the main entrance, where the executives were accustomed to parking when they arrived at work. An assistant gave him a bucket of paint, and the new manager walked along

the wall, painting out the names of the executives for whom the parking spaces had been reserved. "From now on, whoever gets here first gets the best parking space," he told the workers.

### **2.1.3 Motivation and performance**

According to Rich (2004), motivation is essential to the operation of organizations. No matter how much machinery and equipment an organization has, these things cannot be put in use until they are released and guided by people who have been so motivated.

The general picture emerging from the studies is that the effects of motivation on employees' performance are dependent on the level of ability of the employee. Multiplicative relationship depicted in the following formula.

$$\text{Performance} = (\text{Ability} * \text{Motivation})$$

It follows from such formula that, when ability has low value, increments in motivation will result in smaller increases in performance than when ability has high value. Furthermore, when motivation has a low value, increments in ability will result in smaller increases in performance than when motivation has high value.

The value program of selection and training depends on the organization's previous success in creating conditions conducive to a high level of individual motivation. Similarly, the value of programs designed to motivate employees depends on the skill level of the employees Sheila (2004). The same author further described that performance of employees can be explained by Profitability, Quality, Innovation, Market share, Sales growth and employee satisfaction.

### **2.1.4 Rules for effective motivation**

According to Sheila (2004), the following rules are used by the managers to effectively motivates the employees.

1. Every individual is different from the other (individual differences respected)
2. Appreciate good work in public and criticize the bad work privately.
3. Give suggestion rather than order.
4. Set good example since subordinates adopt the actions of superiors.
5. Have confidence in the employees', i.e. believing the employee can do the work.
6. Encourage participation of subordinates in decision-making.
7. Communicate in clear terms.
8. Listen to the subordinates very attentively.

9. Do not keep everything secret as it may induce frustration.
10. Try to get voluntary co-operation from employees.

### **2.1.5 Factors That Affect Motivation in the Work Place**

According to the scholar Goessel (2001), there are five factors that affect the employees' motivation in the work place, these are:

#### **a. Cultural factors**

If an organization's cultural atmosphere is pledged with negativity, this can be disastrous as once the cultural mind set is in place, it is difficult to change the leaders. Those who invest time and effort into developing a positive working environment often find that their employees are happier and this attribute becomes a part of the company's culture.

#### **b. Environmental condition**

Environmental conditions tend to impact motivation in the work place. This includes temperature, lightening, an ergonomics and tools. The availability of moderate temperature, lighting, and good arrangement of office materials and different tools increases the motivation of employees, which in turn leads to good performance of work by employees.

#### **c. Reward**

Many organizational studies over the years have suggested that rewards play a distinct role in the level of employees' motivation.

Employees who lack motivation are more likely to be careless and sloppy with their work, but on the other hand, employees who are valued and provided some sort of initiative are more apt to take pride in their work and strive.

#### **d. Security and Job Advancement**

Job security can result in higher motivation. Employees who spend each day working, whether or not they are going to get the axe may become too distracted to be motivated or this could overtake connection abilities. Employees who are able to reasonably reassure their staff that their job will be there next week, next month or even year, are likely to see stronger motivation. People may also be more willing to work hard if they know there is room for advancement.

#### **e. Respect**

A lack of respect is going to likely result in poor motivation as no one likes to be treated poorly or with disrespect. Staff members who get respect from their bosses will be more apt to respond and go out of their way to help the organization meet its mission and goals.

### **2.1.6 Paying for performance**

How much and how employees are compensated for their performance obviously has some influence on their motivation and effort, but the issue of how much pay motivates may cause problems for managers seeking ways to enhance motivation. Maslow and Herzberg show that pay (money) enables an employee to satisfy his/her basic needs while Herzberg sees money as a maintenance factor that does not necessarily motivate an employee to perform at a higher level, his theory indicates that low or inadequate pay may result in dissatisfied, unmotivated employees. The equity theory suggests that employees must be paid at least fairly, they need to perceive that they are earning what their efforts are worth Getewood *et al.*, (1995).

### **2.1.7 Motivating to accommodate individual differences**

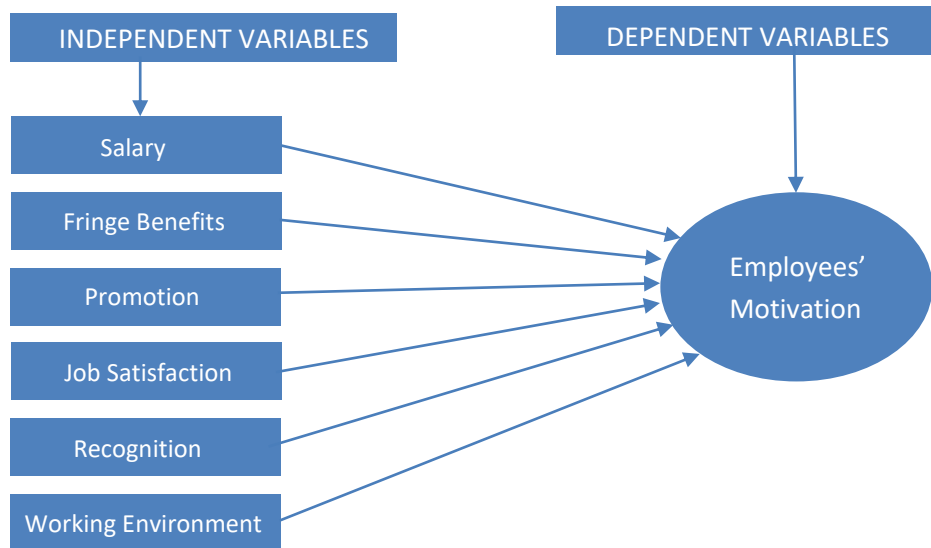
There are individual differences regarding what motivates employees. For example, some may be motivated by a good salary (money) but some other will be motivated by a challenging job. Some employees have also been willing to relocate for job security according to Stephen (2001). Different types of jobs create additional motivational concerns for employees. For instance, motivating temporary workers is different from motivating professionals. Below, we examine some of the unique problems faced in trying to motivate professional employees, contingent workers and low skilled service workers Stephen (2001).

## **2.2 Conceptual frame work of the study**

In this conceptual framework, variables such as salary, fringe benefit, promotion, job satisfaction, recognition, work environment and organizational commitment are independent variables. However, the variable in the circle at the right side is the dependent variable.

### **Research Hypothesis**

- H1: Salary has significant relationship with Employee's motivation in public sector
- H2: Fringe Benefits have significant relationship with Employee's motivation.
- H3: Promotions has significant relationship with Employee's motivation
- H4: Job satisfaction has significant relationship with Employee's motivation
- H5: Recognition has significant relationship with Employee's motivation
- H6: working conditions in public sector has significant relationship with Employee's motivation.

**Figure 1: Conceptual Framework**

### 3.0 Research Methodology

#### 3.1 Introduction

In this chapter, the researcher discussed the points like research design and approach, data type and source, target population and sampling, methods of data collection, methods of data analysis and ethical considerations.

#### 3.2 Research design and approach

Once the research topic has been identified and defined clearly, the next step is to design the research method, because the research design provides guidelines for data collection and analysis. Quantitative approach is best if the researcher tests the hypothesis by specifying narrow hypothesis and makes statistical tests to support the hypothesis Creswell (2003) and the second approach (qualitative) deals with the subjective assessment of attitudes, opinions and behavior in a non-quantitative analysis Kothari (2004). In this study, the researcher adopted cross- sectional design with a mixed research approach in order to achieve the stated research objective and to answer the research questions properly.

#### 3.3 Data type and sources

In this study, both primary and secondary data were used. The Primary data

source was employees and managers of the municipality. The secondary data was obtained from published and unpublished materials available in the library and internet websites related to factors of employees' motivation on organizational performance.

### **3.4 Target population of the study**

The target population for this study was the total employees of the Hawassa city trade and industry office. According to December, 2021 first quarter report, there were about 115 employees in the offices, which were considered as the target population for the study to achieve the objective of the study (HRM of Hawassa city trade and industry office, 2021).

### **3.5 Sampling techniques sample size determination**

According to Kumar (2005) sampling is defined as, the process of selecting a few (a sample) from a large group (population) to become the basis for estimating or predicating the prevalence of an unknown piece of information, situation or outcome regarding the large group. To select a sample size from 115 employees of the organization, the study used a sampling technique census to give an equal chance to all employees of the organization and to save the resources.

Hawassa city trade and industry office. The logic behind using this sample is to give an equal chance to the all the employees of the organization and to save the resources.

### **3.6 Method of data collection**

In this research, self-administered questionnaires and direct personal interviews were used to collect primary data. The self administered questionnaires were used to get detail information from sample employees of the trade and industry and interview have been organized by human resource coordinator of the organization.

### **3.7 Operational definitions of variables**

**Motivation:** Motivation is the process that accounts for an individual's intensity, direction and persistence of effort toward attaining a goal Robbins & Judge (2008).

**Salary:** Payment plays a significant role in determining job satisfaction; it is an instrument to fulfill many needs. Money used in obtaining food, shelter, and clothing and provides the means to enjoy valued leisure interests, outside of work. Instead of it, payment can serve as symbol and source of achievement and recognition.

Fringe benefits have no powerful impact on job satisfaction as payment do.

**Job satisfaction:** Work performs a very important role to explain how employees are satisfied with their jobs, employees want jobs that are challenging; they don't want to keep doing mindless jobs day after day. The two most important aspect of the work itself, that influence job satisfaction are, variety and control over work methods and work place. In general, a job with a moderate amount of variety, produce the most of job satisfaction. Jobs with too little variety cause employees to feel bored and fatigued. Jobs with too much variety and stimulation cause workers to feel psychologically stressed and "burnout".

**Fringe Benefits:** Benefits include both monetary and nonmonetary facilities to the employees such as pension benefits, medical benefits etc.

**Recognition:** Recognition explains the assigning job to the employees with new roles and responsibilities as per their experience and willingness to perform that task.

**Working condition:** Stresses, influences, and competitive situations, civilizing, demographic, profitable, usual, political, regulatory, and environmental factors that affect the survival, operations, and development of an organization.

**Promotion:** Promotion has a moderate impact on job satisfaction. A promotion to a higher level in an organization typically involves positive changes towards the job content and pay. Jobs that are at the higher level of an organization usually provide employees with more freedom, more challenging work assignments and higher salary.

### 3.8 Methods of data analysis

After accomplishment of the data collection procedure, it were classified as per each variable; the qualitative data was coded to be measured quantitatively. In this research, data were analyzed with the help SPSS version 21.0.

## 4.0 Results and Discussion

### 4.1 Introduction

This chapter is deals with the analysis and discussion of the data collected from one hundred (100) respondents out of one hundred fifteen (115) census respondents from Hawassa city trade and industry office. The response rate was 89.28%, which implies that almost all the respondents have participated in the process of data collection. Then, the analyses of the data were based on the questionnaires collected using SPSS version 21.0. The first section of the analysis concerns the personal information of the respondents, followed by reliability and validity test of the

questionnaire, descriptive statistics person correlation matrix, linear regression model assumptions, regression analysis, hypotheses testing and summary of chapter four. This has been done as follows:

## 4.2 Summary of descriptive statistics

**Table 4.3: Summary of Descriptive Statistics for all Variables Incorporated in the Model**

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Employees' Motivation	100	1.00	5.00	2.6700	1.20651
Salary	100	1.00	5.00	2.6000	1.11916
Fringe Benefits	100	1.00	5.00	3.1000	1.32954
Promotion	100	1.00	5.00	3.2804	0.97017
Job satisfaction	100	1.00	5.00	2.9980	0.75723
Recognition	100	1.00	5.00	2.8300	1.24766
Working Condition	100	1.00	5.00	2.8700	0.97084

Employees' Motivation (EM) was the dependent variable of this study. As indicated in the above table, the Employees' Motivation (EM) shows that the Hawassa city trade and industry office has an overall mean of the variable 2.6700, a maximum of 5 and a minimum of 1 Likert scale values. The standard deviation value is 1.0845, which indicates there were variations of actual responses from the mean. With regard to the other variables, the Salary (S) 2.6600 with (SD) 1.11916, fringe benefits (FB) of mean 3.1000, (SD) of 1.32954 promotion (P) 3.2804 with SD of 97017, Job satisfaction (JS) 2.9980 with SD 0.75765, Recognition (R) 2.8300 with SD of 1.24766, Working Condition (W) 2.8700 with 0.97084 with SD have the overall mean and standard deviation respectively.

In summary, all variables incorporated in the model have a moderate contribution to the response variable employee's motivation.

## 4.3 Pearson correlation matrix

Correlation analysis measures the relationship between two items. The resulting value (called the "correlation coefficient") shows if changes in one item will result in changes in the other item. Correlation is a way to index the degree to which two or more variables are associated with or related to each other Brooks (2008). The correlation matrix for this study was computed as follows:

**Table 4.4: Pearson Correlation Matrix for Dependent and Independent Variables**

Variables		Employees motivation	Salary	Fringe Benefits	Promotion	Job satisfaction	Recognition	Working Condition
Employees motivation	Pearson Correlation	1						
Salary	Pearson Correlation	.350***	1					
Fringe Benefits	Pearson Correlation	0.153	0.285**	1				
Promotion	Pearson Correlation	0.257**	0.132	0.060	1			
Job satisfaction	Pearson Correlation	0.067	0.064	-0.181	0.264**	1		
Recognition	Pearson Correlation	0.362**	-0.118	-0.438**	0.054	0.000	1	
Working Condition	Pearson Correlation	0.368**	-0.268**	-0.021**	0.0017	-0.187	0.399***	1
**Correlation is significant at 1 % significance level, * Correlation is significant at 5 % significance level (two tailed).								

Table 6 shows the relationship between the dependent variable which is Employees' motivation and independent variables with coefficient of correlation 1 indicating that each variable is perfectly correlated with each other. The result shows that variables such as salary, fringe benefits, and promotion, job satisfaction, recognition and working conditions have a positive relationship with employees' motivation. However, only salary, promotion, recognition and working condition have a statistically significant relationship with employees' motivation procedure.

#### 4.4 The regression results (Inferential Statistics)

##### Fitted model

$$EM = -2.378 + 0.433*S + 0.197*FB + 0.175*P + 0.170*JS + 0.341*R + 0.441*W + E \quad \dots (2)$$

The OLS results were presented in the above table 4.7. R-squared measured the goodness of the fit of the explanatory variables in explaining the variations in employees motivation. R-squared and the Adjusted-R-squared statistics of the model were 47.2 percent and 43.8 percent respectively. The result indicates that 45.6 percent variations in the dependent variable were jointly explained by the explanatory variables in the model. Whereas, the remaining 56.2 percent of the variation in the employees' motivation (as measured by Likert scale) explained by other variables which are not included in the model.

**Table 4.6: Regression Results (EM) through SPSS**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
	B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
1 (Constant)	-2.378	0.672		-3.541	0.001	-3.712	-1.044		
Salary	0.433	0.090	0.401	4.833	0.000	0.255	0.610	0.824	1.214
Fringe Benefits	0.197	0.084	0.217	2.332	0.022	0.029	0.364	0.658	1.519
Promotion	0.175	0.099	0.141	1.767	0.081	-0.022	0.371	0.897	1.115
Job satisfaction	0.170	0.130	0.107	1.304	0.196	-0.089	0.428	0.852	1.174
Recognition	0.341	0.092	0.353	3.715	0.000	0.159	0.524	0.629	1.590
Working Condition	0.441	0.110	0.355	3.993	0.000	0.222	0.660	0.720	1.388
a. Dependent Variable: Employees' Motivation, $R = .687$ , $R^2 = .472$ , Adjusted $R^2 = .438$ , Std. Error of the Estimate = .90488, Durbin-Watson ( $d$ ) = 1.928, $F$ -statistic = 13.834, $P$ -value = 0.000, ANOVA with ( $p$ -value of 0.000)									

The coefficient of explanatory variables such as salary 0.433, fringe benefit 0.197, promotion 0.175, job satisfaction 0.170, recognition 0.341, work condition 0.441 implies that 1% increase in the variables leads to 43.3%, 19.7%, 17.5%, 17%, and 34.1% increase in dependent variable.

Besides, the,  $F$ -statistics (13.834) in model summary and ANOVA with ( $p$ -value of 0.000) which is used to test the overall significance of the model was presented and indicates the reliability and validity of the model at 1 percent level of significance. This tells us that the model as a whole is statistically significant.

#### 4.5 Hypothesis testing and discussion

In addition, for more explanation of the model of this research, let us discuss each variable incorporated in the model one by one as follows: The result of this study shows that support from improvement salary with unstandardized coefficient of regression [ $\beta = 0.433$ ] has a positive and statistically significant effect at 1% level of significance since ( $p$ -value of  $0.000 < 0.01$ ). Hence, hypothesis H1 is accepted. This finding is consistent with idea of study result by Ahsan (2011) Asghar *et al.*, (2014) and Jay (2019) who evidenced that there is a positive relationship between salary and employees' motivation. This implies that more salary positively contributes to the employees' motivation in public sector.

The result of this study about fringe benefit showed unstandardized coefficient of regression [ $\beta = 0.197$ ] has a positive and statistically significant effect at 1% level of significance since (p-value of  $0.022 < 0.05$ ). Hence, the researcher accepted hypothesis  $H_2$ . This finding is consistent the finding of other study result of Malcalm & Tamatey. (2017), and Zhou & Qiu (2013) improvement in fringe benefits has a positive effect on employees' motivation. This implies employee's motivation is positively influenced by additional benefits provided to employees.

Regarding the promotion, [ $\beta=0.175$ ] is positive and statistically insignificant with p-value ( $0.081 > 10\%$ , level of significance. Therefore, hypothesis  $H_3$  is not accepted by the researcher. Hence, the existence of a loan follow up in an organization has a positive effect on loan collection effectiveness. In opposite to the above discussion, this finding is consistent with the empirical finding of Ahsan, (2011) Asghar *et al.*, (2014) and Jay (2019) which found out that employee's motivation is positively influenced by promotion. These employees are motivated if they are promoted and more.

With regards to in job satisfaction, regression result showed [ $\beta = 0.170$ ] is positive and statistically insignificant. Therefore, hypothesis  $H_4$  is rejected by the researcher. This finding is inconsistent with the Malcalm & Tamatey (2017) and Fasika (2016), job satisfaction has a positive effect on motivation.

The result of this study also shows that the coefficient of regression recognition is [ $\beta = 0.341$ ], it has a positive and statistically significant effect on employees' motivation since (p-value of  $0.00 < 0.05$ ). Hence, hypothesis  $H_5$  as stated is accepted. This finding is similar with findings of Qiu (2013) and Yuanjiang (2011), showed that the existence of recognition starting from a simple thank you has a positive and statistically significant effect on employees' motivation.

When it comes to the working condition, the unstandardized coefficient of regression of variable is [ $\beta = 0.441$ ] is positive and statistically significant with p-value ( $0.000 > 1\%$ , and 5% level of significance. Therefore, hypothesis  $H_6$  is accepted by the researcher. This finding is consistent with the empirical result of safe environment Krishantha (2018) and Kariuki, (2017) who found out that good work conditions positively effect employees' motivation.

## 5.0 Conclusions and Recommendations

### 5.1 Introduction

This chapter is followed by introduction; literature review and methodology part of the thesis and summarizes the findings, concludes the study, provides

recommendation and provides the future direction for further researchers based on the analysis of data and the findings of the current study.

## **5.2 Conclusions**

Based on the findings from the descriptive analysis, the researchers had concluded that Hawassa city trade and industry office is generating positive employee's motivation. Based on the findings from the regression analysis of the model, the researchers concluded that the employees' motivation is best explained by the explanatory variables included in the model.

The conclusion that can be drawn from the findings in the first hypothesis is that hypothesis  $H_1$ , suggested that an improvement of salary has a positive and statistically significant effect on employees' motivation at 1% level of significance since (p-value of  $0.000 < 0.01$ ). This implies that more salary positively contributes to the employees' motivation in public sector.

The conclusion that can be drawn from the findings to fringe benefit showed that fringe benefit is positive and statistically significant at 1% level of significance since (p-value of  $0.022 < 0.05$ ). This implies that employees' motivation is positively influenced by additional benefits provided to the employees.

Regarding the promotion, it has a positive and statistically significant effect on employees' motivation. Therefore, hypothesis  $H_3$  is accepted by the researcher. Hence, the existence of a loan follow up in an organization has a positive effect on loan collection effectiveness. These employees are motivated if they are promoted and more.

With regards to job satisfaction, it has a positive and statistically insignificant effect on motivation. Therefore, hypothesis  $H_4$  is rejected by the researcher.

The result of this study also showed that recognition has a positive and statistically significant effect on employees' motivation since (p-value of  $0.00 < 0.05$ ). Hence, hypothesis  $H_5$  as stated is accepted. This implies that existence of recognition starting from a simple thank you has a positive and statistically effect on employees' motivation.

When it comes to the working condition, the variable is positive and has a statistically significant effect on motivation. This implies that the safer the work environment, the better the employees' motivation.

## **5.3 Recommendations**

- The first hypothesis verified that an increase in salary has a positive and

statistically significant effect on employee's motivation. This implies that more salary positively contributes to the employees' motivation in public sector. So, it is recommended to the Hawassa city trade and industry to work on salary improvement to improve the motivation of employees in achieving an organizational goal.

- The second hypothesis was proved that an increase on the value of fringe benefits leads to an increase in the employees' motivation in public sector. Hence, the Hawassa city trade and industry office should work on fringe benefits in more than current status due to fact that it has positive influence on the employees' motivation.
- The third hypothesis was proved that an increase on the value of promotion leads to an increase in the employees' motivation. Hence, the Hawassa city trade and industry office should work on promotion in more than status due to fact that it has positive influence on the employees' motivation.
- The conclusion that can be drawn from fifth hypothesis suggested that recognition has positive and statistically significant on the employees' motivation. Hence, Hawassa city trade and industry office should recognition more than current status due to fact that it has positive influence on the employees' motivation.
- Finally, on the conclusion drawn from hypothesis  $H_6$  which shows the existence of good work condition fosters employees' motivation. Hence, it can be recommended that Hawassa city trade and industry office should work condition of employee's more than current status due to fact that it has positive influence on the employees' motivation.

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