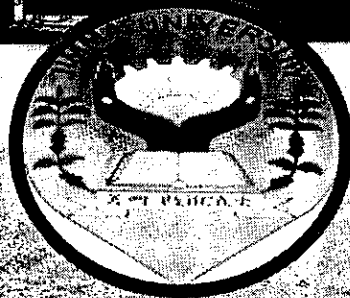


Policies and Practices of Employees' Motivation and Leadership in case of Commercial Bank of Ethiopia, Jimma District.



by

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A Research project submitted to

The College of Business & Economics, Jimma University, in partial fulfillment of the requirement for the award of the degree of Master of Business Administration.

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Jimma, Ethiopia

December 2013



DECLARATION

I undersigned declare that this is my original work and has not been presented for a degree in any other university, and all the materials used for this study have been duly acknowledged.

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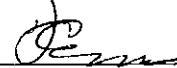
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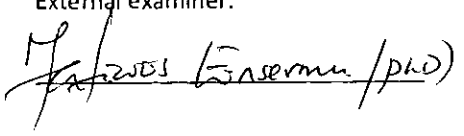
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Date: 16/01/14

Dedication

Dedicated to employees whose potentials are locked and dumped by their narcissistic, grandiose, and paranoid managers recklessly in the corner of every office like unusable battered furniture.

May my God deliver them from the yoke of such toxic managers and help them to release their potential that will benefit their colleagues, teams, and organizations!

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Abstract

The hawthorn study of Elton Mayo brought a paradigm shift in the history of work motivation which altered the thought of economic man. Since then, a myriad of research conducted to identify what motivates employees most and various motivational techniques and tools devised and come to effect in various organizational settings. However, whatever types of motivation models available, it is up to the management own accord to apply in motivating its employees. The purpose of this research paper is to examine the policies and practices of employees' motivation and leadership in commercial bank of Ethiopia, especially in Jimma district workplace. A mixed of both qualitative and quantitative research methods was applied. A survey questionnaire of ten motivation factors and six leadership characters designed from motivation factors proposed by Fredric Herzberg, Kenneth Kovach, and Bob Nelson, the gurus of motivation who conducted intensive research on the area blended with the company's motivational tools, to identify the most motivating factors. The questionnaire distributed to employees under the district using quota sampling technique. The collected descriptive data was then analyzed to identify the level of motivation and leadership practices in the district by highlighting the average means of the responses of the designed sixteen factors of motivation and leadership practices. The key informant interviews responses used to triangulate the descriptive results. The result indicated that level of motivations and leadership practices in the district are good for the majority factors. The findings of the research showed that the pay and benefit packages of the bank is attractive and competitive at the current market level. Moreover the result revealed that interesting work and doing meaningful job are overwhelming motivational factors with the highest scores. Promotion & growth, and performance management practices are unsatisfactory/low. And also the research revealed that low performance in providing necessary working materials. Based on the findings, the management should take necessary action to improve promotion & growth, performance management, and work materials to motivate employees for the desired level of motivation.

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Chapter-I

1.1 Background of the Study

Organizations in this era of competition are looking for appropriate style of leadership and motivation that can ensure the objectives of sustainable organizational performance through committed and productive workforce (Adair, 2006). Since 19th century, leadership has assumed great attention by many researchers, scholars and organizations, because of the fact that without good leadership organizational success is becoming unthinkable. Regardless of the size and type, every conceivable organization requires a successful great leader who can sustain growth and development under the current more volatile, complex and tumults environment (Kounz & Posner, 2007). The relationship effective leadership and employee motivation has become more and more clear as both the theories and practices of leadership are advancing (Fairweather, 2007). Leaders are vital for the growth and development of every individual's career, every community, every business entities, every institution, every nation, and for the world as a whole (Pinnow, 2011). It can be argued that behind the failure of all these units, there are also unsuccessful ineffective leaders.

Scholars argue that leadership and motivation are the two sides of a coin; it is not possible for one to stand alone without the other. As described by (Maddock and Fulton, 1998), leadership is motivation and leader is motivator. The well-known maxim "People don't leave companies; they leave managers" clearly indicates that the absolute impact of leaders in motivating or demotivating employees.

The style and approach applied by the leader significantly affects employee motivation (Adair, 2006). Getting organization members to go to work willingly and enthusiastically is a problem that has been compounded by such factors as increasing educational level of employees, greater utilization of professional personnel, advanced technology, the power of labor relations (Flippo, 1980).

Flippo's argument about the importance of employee motivation emphasizes that organizations should not expect an automatic success in employee performance by merely focusing on planning, organizing and controlling. Particularly in modern organizations what so ever strong

the plan may be, employees are in a strong and constant need for intrinsic motivation and good leadership. While both Classical and neo-classical management thinkers essentially focus on the improvement of productivity and maximum organizational performance, the basic question lies how to succeed it (Luthans, 2011). According to (Brooks, 2006), highly skilled and motivated employees can achieve high organizational performance. Whatever the manager has a worldwide-accredited qualification, experience, and knowledge unless and otherwise the employees are adequately motivated, work will be performed grudgingly and the organization creeps by mediocre performance (Anne, 2003). As a matter of fact, motivation is the sole reason of the study of organizational behavior (Kondalkar, 2007). Managers and leaders can make a consummate strong plan and set attractive and sound goals to attain high productivity, but they frequently ponder with the question 'how?' to achieve it. Unless and otherwise they are good and capable motivators of their employees, Taylor (2008) argues, it is difficult to realize the desired goals and they couldn't achieve their target while they still keep pondering with their unanswered question 'how?' which remain as unraveled riddle.

The contemporary leadership thoughts fundamentally focus on employee motivation as an instrument for improving sustainable performance and productivity. (Maddock and Fulton, 1998) argued that the value of employee-centered leadership that consistently identifies employee needs and aligns these needs with organizational objectives is showing remarkable achievements in getting the best results from employees' knowledge, skill and abilities. In advanced countries, how an organization can utilize an employee for the best benefit of the organization is centering on both intrinsic and extrinsic employee motivations (Kroth, 2007).

Though the role of leadership in employee motivation is strongly believed by almost all scholars of the 21st century, the type of leadership approach that can sustainably motivate employees needs an empirical research. Employees, managers and academicians, currently question the transactional leadership approach that primarily focuses on material and external factors to push employees towards good performance Luthans (2011). A leadership approach that blends both intrinsic and extrinsic motivation instruments is being opted for to keep balance of all types of employee needs (Rae, 2008). Employee centered leadership strongly believes that workers are willingly engaged in good performance and sustainable organizational commitment when their economic, social, psychological and job related needs are fairly and adequately addressed. Arguing that all styles of leadership may not necessarily motivate employees, scholars indicate

that there are typical leadership styles, coupled with different employee handling strategies that can motivate the majority of employees.

In developing countries, lack of professional organizational management followed by inappropriate leadership approach is believed to seriously affect employee motivation and performance in both public and private organizations. The undue emphasis on patronage public service and disregard of merit principles has not only affected the effective and efficient performance of employees but also leadership practices in public organizations. The fact that many of the African countries emerged out of colonialism in the 1950s has made them adopt old and traditional management and leadership approaches that the colonial powers were applying in those countries. As a result, highly bureaucratic organizations and autocratic leadership styles that were commonly known to de-motivate employees were installed.

In Ethiopia, the emergence and development of professional management and modern leadership is a very recent phenomenon introduced with the structural adjustment of the government and the subsequent involvement of the private sector in the economy through privatization and deregulation. The incorporation of modern employee management approaches in general and consideration of different motivation strategies in particular is also at a very infant stage due to the young age of modern leadership practices in both public and private organizations in Ethiopia. Incorporating different motivational tools in the organizational policies and procedures which paves the way for practical application of employee motivation needs to be empirically studied. Based on the policy frameworks, how different organizations apply the motivational tools can be investigated.

The purpose of this research was to assess policies & practices of employees' motivation and leadership in the Commercial Bank of Ethiopia, by focusing on Jimma District, policies and procedures developed to facilitate employee motivation was investigated which was followed by the assessment of the practices of different employee motivation tools and techniques that require effective leadership role in the bank.

1.2 Role & importance of banking industry

According to (Khubchandani 2000) banking is defined as accepting, for the purpose of lending or investment of deposits of money from the public repayable on demand or otherwise and withdrawable by checks, drafts, order or otherwise. The fundamental business of banking is to accept deposits as a source of funds and then to make loans to consumers and businesses.

In modern economies money plays an important role in determining the level & direction of economic activities, the size & distribution of national income, the level of productive employment, etc... in the economic system. In addition, changes in the aggregate money supply also can cause significant changes in the magnitudes of real variables- saving, investment, income and employment in the economic system (Vaish 1989). Production and consumption are significantly affected by the aggregate money supply consisting of the currency, demand and time deposits with banks. Credit or bank money constitutes bulk of the aggregate money supply (Hubbard 2000).

When money is the blood of modern economic system, financial institutions mainly commercial banks are the hearts, which serve as engine for proper blood circulation. Commercial Banks play an important role in directing the affairs of the economy in various ways and facilitate the flow and efficient allocation of funds throughout the economy. An efficient and sound financial system is necessary condition to having a highly advanced economy. They play vital role in giving direction to economy's development by financing the requirements of trade and investment in the country, by encouraging thrift among people (Kidwell et al 2006). Banks have fostered the process of capital formation in the country.

Development is a hot button of Ethiopian leaders to disentangle the country from the firmly embodied poverty over a period and enhance society's living standard. CBE the oldest and the largest state owned bank, beyond profit making motive has great role to address the noble development issues of the country in mobilizing funds by creating strong saving culture and channels the fund to national development priorities. However, in order to meet the growing demand of investment, low-income level and poor saving culture of the people make the task of capital creation quite conundrum.

1.3 Statement of the Problem

Researchers in leadership and organizational behavior argue that employee motivation is a function of what leaders do in their organization. In developed countries in both private and public sector organizations, leaders try to address motivational needs of employees by applying different theories into actual work environment. Leaders in these countries take an initiative at policy level and try to incorporate as many motivational tools as possible in their management policies, collective agreements and internal human resource manuals. Moving further, some organizations like Lydia Banks deliberately and carefully incorporate employee motivation policies as a separate corporate governance document to effectively address motivational issues (Lydia Banks Virginia, 1997).

In addition to the regular wage, salary and other fringe benefit packages, organizational leaders are applying extrinsic motivational tools such as profit sharing, gains sharing, and employee stock plans. These schemes have successfully motivated employees and positively contributed to sustainable employee commitment and organizational citizenship.

Intrinsically, organizations in developed countries have done remarkable jobs in addressing the social and psychological needs of employees' by including right at the beginning in the organizational policies and effectively implementing at operational levels. Issues related to employee promotion, trust, future opportunity, job autonomy, empowerment, praise and recognition, and other non-material benefits that improve employee belongingness and strong commitment to their organization are not researched in Ethiopian Public Enterprises in General and Commercial Bank of Ethiopia in particular.

In the banking industry of developing countries, the fact that professional leadership is in its infant stage has made organizational leaders to fail in incorporating multiple motivational tools in organizational policies. Those who have better employee motivation policies at corporate level fail to implement effectively the policies due to leadership problems at operational levels (Armstrong, 2007).

The issues of employee motivation take a bit different track when it comes to government organizations. Leadership in government organizations is bound by public objectives and political motives (Liff, 2007). These public objectives and political motives are deliberately reflected in the constitution, sector policies and different proclamations. These are again reflected in the bureaucratic nature of public organizations limiting the level of autonomy of the

organizational leaders to design and apply flexible and employee friendly motivation tools for specific organizations. It can be generally argued that leaders in government organizations cannot design and apply multiple motivational tools due to the specific characteristics of public organizations Liff (2007).

For the banking industries of Ethiopia, although employee motivation is indispensable in terms of surviving and succeeding in the current economic scenario, the researcher couldn't get empirical studies that show whether employees' motivation policies and practices exist. Commercial Bank of Ethiopia strongly requires applying different motivational tools and packages in order to have highly motivated and satisfied employees for several reasons.

Firstly, CBE is one of state owned giant public enterprise which governed by Agency of Government Financial Institutions. As a result, as most government owned organizations, CBE lacks flexibility and timely responsiveness to address employees and customers needs. Moreover, the government uses as a tool to achieve its policies, and programs especially in development areas. For instance, CBE's financing direction focus on priority areas which are currently agriculture, manufacturing and export sectors. The bank addresses the needs of government in its mission statement stating as "we are committed to best realize the needs of stakeholders through enhanced financial intermediation globally and supporting national development priorities..." as a matter of fact, in one side the bank has to play its national role beyond profit making while on the other side it has to compete in the market unlike its peer companies such as Ethio telecom and Ethiopian Electric, Light and Power Authority (EELPA).

Secondly, competition in the banking industry is more and more getting stiff from time to time. Following the downfall of derg regime, Ethiopia has turned her face from command economy policy of the then socialist ideology to market economy. In line with the financial sector has been opened to local private investors. Since then, the number of private banks joined the industry increasing gradually and currently there are sixteen private commercial banks operating in the market. As the existing private banks expanded and a new enters the market, CBE is the major supplier of skilled manpower. In line with, as the number of branches of private banks opened under the domain of Jimma district is increasing now & then, they become fierce rivalry of the district. In order to win the competition and retain the market share, highly motivated staffs are required. As a result, applying effective motivation techniques and tools are necessity for the district to retain motivated and skilled employees.

Thirdly, the aggressive expansion strategy that the bank adopted obviously leads to dearth of skilled manpower in the areas of both operational as well as managerial posts. For instance, as indicated on the annual performance progress reports of Jimma district as of June 30, 2010 the number of branches that opened over seventy years history of the bank were only twelve, whereas it surged up to hit forty as of June 30, 2013, which mounted by twenty eight branches within three years. This expansion process requires to recruit new employees that are equivalent to the established manpower size of the twenty eight new branches, and selection of twenty eight new managers and several supervisors which results in shortage of skilled manpower. Consequently, many managers and supervisors have infant experience of leadership which adversely affects employees' motivation.

Finally, under the existing tumultuous and complex business environment, motivated and skilled employees are a competitive advantage for survival and success. Similar to the most service rendering companies due to the variability, inseparability, perishability, and intangibility characteristics, the quality of banking products and services highly determined by the performance of individual employees. In addition to this, the ability and motivation of customer attendants in customer handling highly determine customer satisfaction. Even though various banking technologies are available, they couldn't be competitive advantage of a bank as others easily adopt the same technology from the market.

The researcher strongly argues that these exigencies obliged the bank to maintain highly motivated employees. However, policies and practices of employees' motivation and the leadership role in the commercial bank of Ethiopia are not researched as a whole, which intrigued the student researcher to conduct the study in this particular area.

1.4. Research Question

Within the framework of the above statement of the problem, this research is going to address the following broad research questions.

- How does the Commercial Bank of Ethiopia address issues of employee motivation factors in its organizational policies?
- What are the employee motivation practices in place in the commercial bank of Ethiopia, Jimma district?
- What are the leadership practices in motivating employees?

- What are the factors affecting the practices of employees' motivation in the Commercial bank of Ethiopia, Jimma district?

1.5 Objectives of the Study

1.5.1 General Objective

The aim of this study is to examine the motivation and leadership practices at commercial bank of Ethiopia, Jimma district.

1.5.2 Specific objectives

This research mainly focus on to address the following specific objectives

- ☞ To assess employees' motivation policies of CBE and identify types of motivational items addressed in the policies.
- ☞ To investigate the existing employees' motivation practices at CBE Jimma district.
- ☞ To examine the leadership practices to motivate employees in the district.
- ☞ To point out common challenges in motivating CBE's employees.

1.6 Significance of the Study

This research paper has great benefits mainly to CBE, and in general, for both private and public financial institutions, business organizations, leaders and managers, researchers, scholars, management students, and any interested persons.

The research paper will give an opportunity to the bank to evaluate its activities of employees' motivation. It gives feedback, portrays where it stands in motivating employees from global context; it helps the bank to get an insight on the problems identified and take corrective actions on them.

Both government and private financial institutions can learn a lot in terms of motivating their employees and easily identify their shortcomings. It will help them to take necessary action to improve their employees' performance.

For researchers who are interested to make further study in the field of motivation and leadership, this will help as a reference and it may also indicate them their research problems. The research paper may be used for academic purposes as a reference in social science study particularly in the area of organizational behavior, leadership, and management fields. It will help both the instructors and students to have common understanding and deep insight about theories and practices of motivation and leadership.

To the journalists, workers, writers, and any other interested persons who want to know about the dynamism of motivation and leadership, the paper will give them the full picture on the subject matter and provides them with a glimpse of information about their practices in the largest bank in Ethiopia.

1.7 Scope of the study

This particular study mainly focuses on employees' motivation & leadership practices in commercial Bank of Ethiopia, Jimma District. This study is specific in scope in such a way that it tried to assess the overall employees' motivation policies available in addressing the motivational needs of its workers and the existing practices. It gave emphasis on the issue of motivation from the leadership perspective by analyzing individual consideration, tactfulness, concern for employees, sympathetic help to employees and leadership role. The population of the study included all clerical and permanent employees of CBE, Jimma district. Since the bank outsourced non-clerical posts to external body, they are excluded from the population. The survey questionnaires were distributed in late August and the responses were collected up to the mid of October 2013, which shows that the process of data collection almost took a couple of month.

1.8 Limitations

Limitations are potential weaknesses in the design and conduct of a study, and researchers must identify and acknowledge such limitations Creswell (2003). This study might face several limitations that affect the quality of the research process and its findings. The following are identified as some of the limitations in the research process.

- a- These research questionnaires were distributed following the payment of two months salary as a bonus to employees in the mid of August. Amidst, salary adjustment up to

100% that would be effected commencing from July 1, 2013 was released to employees with one month payback. In line with their representation and housing allowances were adjusted with significant amount and unlike to the previous practices it makes the majority staff beneficiary. Prior that around May 2013 fuel and transportation allowances were adjusted significantly which made all clerical staff included in the package. As a whole the time was a bonanza period for all the employees of the bank!

Although recency and halo effects are a well-known biases applied in performance rating, they might be used under such circumstances. The astounding salary increment, two months bonus payment and the revised benefit package might have recency and halo effect on respondents to rate motivations and leadership practices in the bank. As a result, the researcher has more than a doubt whether the respondent accurately and objectively rated the factors other than salary and benefits.

- b- The willingness and ability of respondents in understanding clearly the questionnaires, correctly filling and returning on time is another factor that is a matter of concern for the researcher.

1.9 Structure of the paper

The structure of this thesis can be broken down into four general parts. The first part is an introduction. It contains basic information about theoretical foundations of the thesis and the importance of the topic of motivation. It presents research question and explains what the aim of the paper is. Finally, it suggests for whom the results of this study might be useful. The limitations of the study are concerned at the end of the introductory part.

The second part is a theoretical background of the thesis. It is based on findings from the literature and previous research on motivation. This part contains the researcher's theoretical analysis in which he synthesize and ex-pound ideas upon the subject area in question. It consists of four subchapters which are organized in a deductive way, from the most general to the most specific one. Firstly, the concept of motivation is presented and clarified. Secondly, the most important content and process theories of motivation are introduced. In the third part, specific needs and wants of employees drawn from both theoretical and empirical studies presented. Finally, presents existing findings from researches on what employee want most from organization in return of their work and the effects of motivation on employees are analyzed.



The third part of this thesis is based on author's own research. It starts with description of the philosophical stand of the researcher about reality and the quest of knowledge, and the methodology applied to conduct the research. The research method, sampling technique, data collection instruments and preparation of the questionnaire, type and ways of gathering information, collecting data presented.

The fourth part presents the whole data analysis. At the beginning of this section, the motivation policies of the bank obtained from secondary sources mainly issued by the bank is discussed precisely. Next the demographic characteristic of respondent are described. Then, the quantitative data analysis of sixteen factors of motivation and leadership practices in the bank is presented with supporting graphs and tables.

The final part of the paper presents discussion of the research findings. The paper is ended by a conclusion which summarizes the thesis and recommendations.

The last part lists the literature used during the process of writing this thesis and is followed by appendix that contain questionnaire.

1.10 Acronym

ANOVA = Analysis of variance

BM= Branch Manager

CATS= Customers' account and transaction services

CBE =commercial Bank of Ethiopia

CSO =Customer Service Officer

District= Commercial bank of Ethiopia, Jimma district

EthioTelecom= Ethiopian Telecommunication Corporation

Feeling = feeling of doing meaningful job

FDRE = Federal Democratic Republic of Ethiopia

HR= Human resource

HRD= Human resource development

HRM =Human resource management

LU= labor Union

PMS = Performance Management System

The bank= Commercial bank of Ethiopia

Chapter-II

Review of Related Literatures

2.1 Introduction

The empirical aspect of any research essentially makes use of the available body of knowledge. According to Newman (2003), literature review establishes the available research gaps and also creates the framework for questionnaire development, data analysis and interpretation. This chapter focuses on the theoretical and empirical literature related to employee motivation and leadership. The conceptual and theoretical issues covered in the different topics in this chapter are used to analyze and interpret data in the subsequent chapters.

2.2 Types of Motivation

Sources of motivation can be classified into two broad categories: Intrinsic motivation and extrinsic motivation.

2.2.1 Intrinsic motivation

Intrinsic motivation is a motivation arises from inner influences of people's behavior Armstrong (2009). Deci and Ryan (1980) define intrinsic motivation as a form of motivation deriving from the innate needs for competence and self-determination (Deci & Ryan, 1985, 2000, cited by F. Rheinberg, 2008). According to Mullins (2005) Intrinsic motivation are those rewards that can be termed "psychological motivation" and examples are opportunity to use one's ability, a sense of challenge and achievement, receiving appreciation, positive recognition, and being treated in a caring and considerate manner (Mullins 2005). It can be described as the process of motivation by work itself as far as it satisfies the personal needs of the employee. Intrinsic motivation is self-generated and it is thought that people seek for a job they think will most satisfy their needs. The factors affecting intrinsic motivation include for example responsibility, freedom to act, courage to use and develop personal skills, interesting tasks and opportunities for advancement Armstrong (2009). The rewards the individual gets from intrinsic motivation come from the work itself, rather than from external factors such as increases in pay or compliments from the boss. Rae (2008) pointed out that intrinsic motivators consist of personality, emotion, needs, motives, goals, and expectations.

2.2.2 Extrinsic Motivation

Extrinsic motivation is a motivation that arises when things are done to or for people to motivate them Armstrong (2009). It is an external stimuli uses to influence a person actions, which includes rewards such as incentives, increased pay, praise, or promotion; and punishments, such as disciplinary action, withholding pay, or criticism. Armstrong (2009) pointed out that extrinsic motivators have an immediate and powerful, but short lasting effect.

An intrinsically motivated individual will be committed to his work to the extent to which the job inherently contains tasks that are rewarding to him or her, where as an extrinsically motivated person will be committed to the extent that he can gain or receive external rewards for his or her job. He further suggested that for an individual to be motivated in a work situation, there must be a need, which the individual would have to perceive a possibility of satisfying through some reward. If the reward is intrinsic to the job, such desire or motivation is intrinsic. But, if the reward is described as external to the job, the motivation is described as extrinsic. DuBrin (2012) stated that the kernel of Herzberg's theory is intrinsic motivation, which is fundamental for job enrichment as well as job design.

Adair (2006) argues that even though managers can motivate their employees, motivation is challenging and the most difficult task of management. Managers can strongly influence goals and expectations where as they influence some of needs and motives while they control many organizational rewards and punishments Rae (2008). As described in the figure here below, the more motivating factors away from the center, the stronger managers can influence them. On the other hand, the degree to which managers' influence decreases as they more approach to core motivators due to instincts, personality and emotions are congenital and firmly embodied, and they cannot be easily changed. If the work requires such motivators, Rae (2008) advises to recruit individuals who already have such characteristics.

What motivators do managers influence

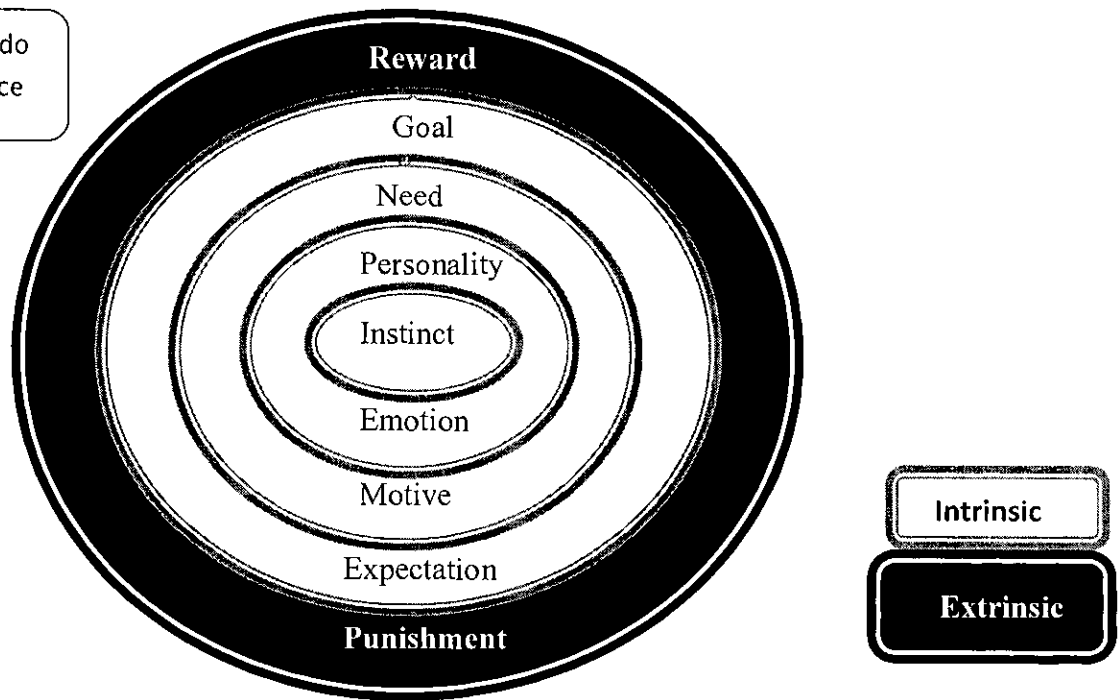


Figure 1- Rae Andre, 2008. *Organizational Behavior: An Introduction to Your Life in Organizations*. New Jersey: Pearson Education, Inc. P-98

2.3 Motivation Theories

The subject of motivation has been started to present widely in the literature from the early of 20th Century. Although, many theories have been developed and a myriad of research has been conducted, there are no universally applied single motivational theories, and factors that motivate people to perform well at work are still a controversial topic. the vast array of motivation theories in their essence are based on differing approaches to the origins or sources of motivation, e.g. energy, heredity, learning, social interaction, cognitive processes, activation of motivation, homeostasis, hedonism or growth motivation (Petri 1996). Motivation for some researchers is strictly related to human needs, while point of view of other researchers is much more focused on cognitive processes that influence peoples' behavior. Based on the differences in the underlying cognitive processes, motivation theories broadly classified in to content and process theories Mullins (2005).

2.3.1 Content/ needs theory

Need theories pinpoint internal physiological and psychological deficiencies to stimulate action. Armstrong (2009) stated that the foundation of this theory is unfulfilled needs that produce tension and state of imbalance, so the unfulfilled needs or deficiency motivates people. The most known content theories include Hierarchy of needs theory, ERG theory, Herzberg Two Factor Theory and Acquired needs theory.

2.3.1.1 Maslow's Hierarchy of Need Theory

One of the most popular need theories is the one developed by the clinical psychologist Abraham M. Maslow. He proposed five levels hierarchy of human needs consists which starting from the bottom physiological, safety, affiliation, esteem, and self-actualization needs Armstrong (2009). The lower needs are deficiency needs that must be satisfied to ensure a person's existence, safety and social affiliation while needs on top are growth needs which are concerned with personal development and reaching one's potential Andrew (2012).

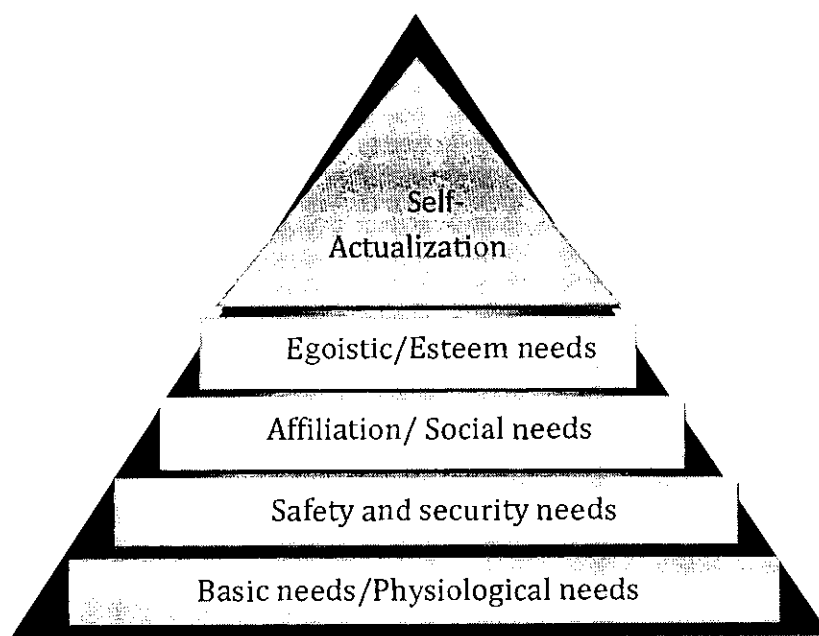


Figure 2- Maslow's hierarchy of needs

Physiological needs are related to basic survival or bodily needs such as hunger or thirst. Safety needs do not only apply to physical safety and security, but also to a person's striving for personal security, such as a steady job. Social needs refer to friendship, love and social acceptance and support, whereas egotistical or esteem needs involve a person's desire to have social status and to be respected by others and by him- or herself. Self-actualization occurs at the

pinnacle of the needs hierarchy, as it represents a person's striving towards the development and realization of his full potential, which can not be satisfied Armstrong (2009).

The basic tenet of the theory is that people are motivated by their quest to satisfy their needs, or deficiencies, which may be grouped in five categories, and that these needs occur in a specific hierarchy, where lower order needs have to be satisfied before those of a higher order nature activated. "Maslow has taken a deprivation gratification approach to need satisfaction" (Uma-Sekaran, 2000, cited by Kondalkar, 2007). According to Maslow's need theory, an unfulfilled or deprived need become a motivating influence, and once one level of need is satisfied, the next higher level of needs will appear as the deprived needs seeking to be gratified Kondalkar (2007).

The need hierarchy prompted managers to think about ways of satisfying a wide range of worker needs to keep them motivated. Although Maslow's hierarchy of needs theory is widely accepted as a predominant motivation theory, it is not supported by adequate empirical researches Armstrong (2009). In addition to this, many argued that individual might not have a rigid particular pattern and hierarchy of needs as holistically stipulated by Abraham Maslow. And also, it doesn't consider values and preferences of individual differences on the same needs (Mullins 2005, Armstrong 2009, Kondalkar 2007).

2.3.1.2 ERG THEORY OF MOTIVATION

Clayton Alderfer of Yale University reworked Maslow's theory of need hierarchy in order to cover the limitations observed on Maslow's theory Kondalkar (2007). Alderfer attempted to resolve the multitude of issues in Maslow's theory by aligning the needs hierarchy with empirical research (Robbins, 2002). He revised the five hierarchies of needs and developed ERG theory, which consist of three basic needs of human being against five needs of Maslow: Existence, Relatedness and Growth needs, which he coined E.R.G. theory Nancy and Robbins (2006).

The existence needs refer to all various forms of material and physiological factors important for survival and necessary to sustain human existence. Thus, the existence needs are concerned with providing our basic material existence requirements. These needs correspond to Maslow's basic and security needs. Such needs include the working environment, pay, fringe benefits and physical working conditions. Both hunger and thirst are forms of a

deficiency in existence needs. Hunger and thirst – pay, fringe benefits and working conditions are other types of existence needs.

Relatedness needs deals with the desire of an individual to maintain sound interpersonal and social relationships. It is related to Maslow's, Social need and external component of esteem needs i.e., status, recognition and attention Shajahan & Linu (2004).

Growth is an intrinsic desire for personal development. It is related to intrinsic component of esteem needs and self-actualization like advancement, self respect, autonomy, and achievement.

Alderfer's ERG theory is more flexible on movement between need levels. He removed the restriction imposed by Maslow in which lower-order needs must be satisfied before the next higher-level need becomes a motivator. Unlike Maslow's hierarchy of needs, all the three categories of needs can interact back and forth continuously. In his frustration-regression hypothesis, he proposes that when a person frustrated to fulfill higher-level needs, he redirect his energy to satisfy lower-level needs Levy (2010). When an individual is motivated to satisfy a higher-level need but has difficulty to achieve, motivation of the individual to satisfy lower level needs will rise up. Moreover, Alderfer suggests that the three needs can operate simultaneously, which implies that needs found at more than one level can be motivators at the same time Spector (2000).

2.3.1.3 McClelland Theory of Learned Needs

Psychologist David McClelland proposed the idea of learned needs that is also known as needs achievement theory. As stated by Steve and Mary (2010), McClelland developed the theory of learned needs based on his understanding about the effect of reinforcement, learning, and social conditions on the strength of individual's needs. He proposed three learned Needs: achievement, power, and affiliation.

- Need for achievement (nAch) viewed as behaviour directed towards competition with standards of excellence. People with a strong need for achievement (nAch) want to accomplish reasonably challenging goals through their own effort. They prefer working alone rather than in teams, and they choose tasks with a moderate degree of risk (neither too easy nor impossible to complete). High nAch people also desire unambiguous feedback and recognition for their success. Money is a weak motivator, except when it provides feedback and recognition. In contrast, employees with a low nAch perform their work better when money is used as an incentive. Successful

entrepreneurs tend to have a high nAch, possibly because they establish challenging goals for themselves and thrive on competition.

- Need for affiliation (nAff). Need for affiliation (nAff) which refers to the desire to establish and maintain satisfying relationships with other people. People with a strong nAff try to project a favorable image of themselves. They tend to actively support others and try to smooth out workplace conflicts. High nAff employees general work well in coordinating roles to mediate conflicts, and in sales positions where the main task is cultivating long-term relations

- Need for power (nPow)- Which denotes the need to control others, influence their behavior and be responsible for them. People with a high need for power (nPow) want to exercise control over others and are concerned about maintaining their leadership positions. They frequently rely on persuasive communication, make more suggestions in meetings, and tend to publicly evaluate situations more frequently Steve & Marry (2008, p-141). According to McClelland there are two types of nPow.

- a- *personalized power*- refers to a person who enjoy his power for its own sake use it to advance personal interests, and wear his power as a status symbol have.

- b- *socialized power*- refers to a person who desire power as a means to help others.

McClelland asserted that leaders are more effective when they have a high need for socialized rather than personalized power. They should have a high degree of altruism and social responsibility and must be concerned about the consequences of their own actions on others Steven & Marry (2008).

McClelland has also suggested that as effective managers need to be successful leaders and to influence other people, they should possess a high need for power. However, the effective manager also scores high on inhibition. Power is directed more towards the organization and concern for group goals, and is exercised on behalf of other people. This is 'socialized' power. It is distinguished from 'personalized' power which is characterized by satisfaction from exercising dominance over other people, and personal aggrandizement Mullins (2005).

2.3.1.4 Theory of X and Theory Y

Douglas McGregor introduced the dual theme which is called theory of X and theory of Y. He observed that traditional managers were operating on a set of assumptions that he christened as theory of X (Flippo 1980). The assumptions Theory X are: 1.) the average person is lazy and has an inherent dislike of work, 2.) most people must be coerced, controlled, directed and threatened

with punishment to increase their performance 3.) the average person avoids responsibility, prefers to be directed, lacks ambition and wants security above all; and 4.) they can be only motivated by basic needs and security needs.

Theory of X managers applies the traditional reward system of carrot and stick approach which is an exploitative or authoritarian style of management (Mullin 2005)

In order to make people to achieve the organizational objectives they need to be persuaded, rewarded, coerced, controlled, directed or threatened with punishment. The role of management is to coerce and control employees. If management does not have an active intervention, people tend to remain passive and resistant to the needs of the organization.

Based on psychological and social research results, to the contrary of theory of X, McGregor developed theory of Y - it emphasizes the capability of people. The foundation of theory of Y lays on the integration of individual and organizational goals Mullins (2005).

The Theory Y manager operates under the assumption that work is a natural part of peoples' lives, and rather than avoid it, most people seek greater meaning in it. As a result, individuals are capable of some degree of self-control and will work toward the goals of the organization to the extent that they find doing so to be personally rewarding. Another fundamental Theory Y assumption is that, under the right conditions, many people will seek out responsibility and will creatively solve organizational problems if they are allowed to do so. A final key assumption of Theory Y is that most organizations are designed in a way that results in the underutilization of employees' skills and talents.

Theory Y shows that management is charged with the responsibility to organize the elements of productive enterprise such as money, materials, equipment and people with the aim of meeting economic ends. To people work is a natural thing; they are not passive or resistant to organizational needs and are always ready to express self direction when committed to the objectives because people are naturally not lazy. Unlike theory X people accept and seek responsibility at all times. However the only way management can ensure that people are committed is to provide them with the right conditions and operation methods to enable them achieve their goals through the direction of their efforts to meet objectives of the organization.

In the assumptions suggested in theory Y, management's role is to set conducive environment and to develop employee's latent potential and help them to release that potential towards the achievement of common goals.



2.3.1.5 Herzberg's Two Factor Theory

In late 1950's the popular two factors theory which also called motivation-hygiene theory was developed by Fredrick Herzberg and his associates. The study was aimed to investigate sources of satisfaction and dissatisfaction, from the findings Herzberg concluded there are two types of human needs which are independent of each others. *The need to avoid pain and survive and the need to grow, develop, and learn Flipppo (1980).*

In the one hand there are hygiene factors, which also called maintenance factors. This continuum covers ranging from dissatisfaction to no dissatisfaction that would be affected by environmental factors over which the employee has little control. They are extrinsic in nature and their presence do not motivate strongly, where as their inadequacy dissatisfy employees Kondalkar (2007). Hygiene factors includes Company policy and administration, Supervision, Relation with superior, Work conditions, pay, Relations with peers, Personal factors, Relations with subordinates, Status, and Security.

On the other hand, there are motivational factors - this continuum lies from no job satisfaction to job satisfaction and they are intrinsic in nature and their presence increase productivity, employees' morale and organizational efficiency Kondalkar (2007). Motivational factors consist of achievement, recognition, the work itself, responsibility, advancement, and growth.

In general, the motivators have the ability to create an effective motivation in individuals in order to be able to perform and exert considerable effort while the dissatisfiers describe the work environment but do not have much effect in creating positive job attitudes. The hygiene factors are dissatisfiers because they form the environment in which man is persistently trying to adjust while the motivators create motivation because they are the tasks available to facilitate the achievement of growth.

Herzberg argues that hygiene factors must be initially observed in the job before motivators can be used to stimulate the job and the resultant feeling of motivation to be achieved. This implies that you can not use motivators until all the hygiene factors have been fulfilled. Hygiene's theory spells out unique and distinct issues which people need in their work to enable them feel motivated to perform well.

While his theory was able to clearly point out some of the key work-related factors that are typical of an organizations experience and particularly useful to managers in manipulating workers positive performance. In the view of Armstrong (2009) it has also been appreciated, partly because for the common man it provides an easy understanding based on real life concerns

as opposed to academic abstractions and because it bears a lot of similarities with the greatly respected ideology of Maslow and McGregor.

The Herzberg theory has been criticized mainly because it was not able to measure the relationship between satisfaction and performance Armstrong(2009). Besides, his theory has been assailed as being a method-bound, that is, individual tend to blame environmental factors for job failure and consequent dissatisfaction and take credit for any job successes that occur Flippo (1980).

In addition to this opposition has been directed to his limited number of specialized samples from which large inferences have been established and also to the fact that no evidence can be made that can prove the assumed position that actually satisfiers do improve productivity Armstrong (2009). He focuses too narrowly on the workplace related factors, ignoring the fact that some motivation problems or work related failures actually stem from the family are then extended to the workplace.

He is too specific and clear-cut in listing a number of preconceived factors, leaving no room for flexibility and yet human behavior is complex. Herzberg's theory is too ambitious, he states that all the hygiene factors should first be met, to ensure motivators are then derived. In practice this is not possible. His theory lacks a sense at change process and time factor and is strangely in human reduces a person to a check list.

2.3.2 Process Theories of Motivation

Process theories try to find the relationships among the dynamic variables that affect motivation Mullins (2005). They emphasize on the thought or cognitive processes that take place within the minds of individuals and that affect their behavior. Also called as cognitive theories, it deals with peoples' perceptions, interpretation, and understanding of their working environment Armstrong (2009).

The major theories and leading contributors of process theories of motivations are Expectancy-based model of Vroom, and Porter and Lawler, Adams' Equity theory, Locke and Latham's Goal setting theory, and Job characteristics model of Richard Hackman & Grey Oldham.

2.3.2.1 Expectancy theory

Victor Vroom, who criticized Herzberg's two-factor theory, developed one of widely accepted Expectancy theory of motivation at work Ambuvelan (2008). The theory depends on the idea that actions and their outcomes will have a series of consequences with varying levels of positive or negative valences for the person Jutta & Heinz (2008).

Expectancy theory explains that the level of effort on action highly depends on the strength of an expectation that the action will result in a given outcome and on the attractiveness of that outcome to the person. The theory describes that an employee will be motivated to exert a high level of effort when he or she believes that effort will lead to a good performance appraisal; that a good appraisal will lead to organizational rewards like a bonus, a salary increase, or a promotion; and that the rewards will satisfy the employee's personal goals. In other words, expectancy theory suggests that a person's effort is highly determined by his/her beliefs and expectations in the relationships of effort, performance and outcomes Rae (2008), which induce the three key variables of expectancy theory model: expectancy, instrumentality, and valence.

- 1- Expectancy (perceived effort-performance relationship) – it is the belief that the degree to which one's effort associated with performance. It refers to the probability perceived by the person that exerting a given amount of effort will lead to good performance. When expectancy is high, the employee work hard, but when it is low, he does not work hard Chuck (2009).
- 2- Instrumentality (Perceived performance-outcome relationship) - it refers to the individual's belief that certain level of performance achieved leads to specific type of outcome Rae (2008). Michael (2010) also argues that one's experience of the past on similar work determines the degree of expectation. When workers belief that the higher the performance achieved will result in the more attractive rewards, they prefer to perform harder Chuck (2009).
- 3- Valence – it refers to the individual perceived value for the expected outcome or the attractiveness of various potential rewards Michael (2010). It is the belief that the degree to which the outcome will satisfy personal needs and goals. The theory recognizes needs and preferences of individual differences on the type of rewards; the same reward could not entice all workers equally.

In general expectancy theory model measures individual's motivation level by giving weights to each of the three beliefs and then multiplying them together, which implies that the lower of one belief will result in more reduced motivation level of a person Rae (2008).

Motivation = Valence X Expectancy X Instrumentality

Despite its widely acceptance, many argued that expectancy theory is complex and the three main variables are vague.

2.3.2.2 Adam's equity theory

Needless to say that workers compare their earnings with earnings of other employees. John Stacey Adams, a workplace and behavioral psychologist, put forward his Equity Theory on job motivation in 1963 Miner (2005). Because of fairness is the focal point of Adam's equity theory, some scholars see equity theory along with organizational justices.

According to Mathis and Jackson, equity is "the perceived fairness between what a person does (inputs) and what the person receives (outcomes)" (Mathis and Jackson, 2008). Individuals judge equity in compensation by comparing their input (effort and performance) against the effort and performance of others and against the outcomes (the rewards received).

The Adams' Equity Theory model therefore extends beyond the individual self, and incorporates influence and comparison of other people's situations, for instance colleagues and friends - in forming a comparative view and awareness of equity, which commonly manifests as a sense of what is fair. When people feel fairly or advantageously treated they are more likely to be motivated, when they feel unfairly treated, they are highly prone to feelings of disaffection and demotivation. The way that people measure this sense of fairness is the tenet of equity theory.

The actual sense of equity or fairness or inequity or unfairness within Equity Theory is arrived at only after incorporating a comparison between our own input and output ratio with the input and output ratios that we see or believe to be experienced or enjoyed by others in similar situations. This comparative aspect of Equity Theory provides a far more fluid and dynamic appreciation of motivation than typically arises in motivational theories and models based on individual circumstance alone.

Equity theory is constructed on the bases of three main components: input, outcome (rewards) and referents. The theory formed based on exchange theory Mullins(2010). The employee gives his inputs in different forms and gets various outcomes termed as reward in return.

After one then it requires a reference person or group like coworker, relative, neighbor, group of coworkers, craft group, industry pattern, and profession to compare the equity of one's own exchange relationship. Equity is achieved when the ratio of employee outcomes over inputs is equal to other employee outcomes over inputs.

Equity, and thereby the motivational situation we might seek to assess using the model, is not dependent on the extent to which a person believes reward exceeds effort, nor even necessarily on the belief that reward exceeds effort at all. Rather, Equity, and the sense of fairness which commonly underpins motivation, is dependent on the comparison a person makes between his or her reward/investment ratio with the ratio enjoyed (or suffered) by others considered to be in a similar situation.

If a person feels that he has been treated inequitably, he generally acts to reduce that inequity. The most common methods for reducing a perceived inequity are Change inputs, Change outcomes, distort perceptions or leave the organization Daft & Marcic (2009).

1. *Change inputs.* A person may decide to increase or decrease his level of effort. For example, underpaid individuals may reduce their level of effort or increase their absenteeism. Overpaid people may increase their effort on the job.
2. *Change outcomes.* A person may change his or her outcomes. The individual may renegotiate his contract to get a higher salary and perks.
3. *Distort perceptions.* Daft and Marcic(2009) pointed out that when changing input or outcome seems remote, research suggests that an individual may distort perceptions of equity. To bring equity into balance, the individual may take one of the three choices.
 - a. *Adjust perceptions of self* – the individual could have thought maybe I don't really have the same experience, talent, etc as the other people.
 - b. *Adjust perceptions of others*- the individual could have thought, maybe the other person deserves greater pay.
 - c. *Choose a different referent*- the individual may consider a reference other employee who have been in the same organization with the same qualifications.
4. *Leave the organization.* A person who feels unfairly treated may decide to leave his organization rather than suffer the inequity.

Effective communication also significantly matters to adjust inequity Noe, Hollenbeck, Gerhart, and Wright (2011). It is not enough to raise only pay, managers must effectively communicate

their workers about the fairness of the pay as compared to similar posts within the organization and in the market.

The implication of equity theory for managers is that employees indeed evaluate the perceived equity of their rewards compared to others'. An increase in salary or a promotion will have no motivational effect if it is perceived as inequitable relative to that of other employees.

One of the critics of equity theory is being its oversimplified and lack of practical researches (Huseman *et al*, 1982, cited by Armstrong, 2010). The theory of equity is complex since equity can be perceived at individual basis and by reference to the fairness of processes in the organization as a whole. The idea of offering equitable reward and employment practices are interesting, but the way to achieve equity is still obscured Armstrong (2010).

2.3.2.3 Goal setting theory

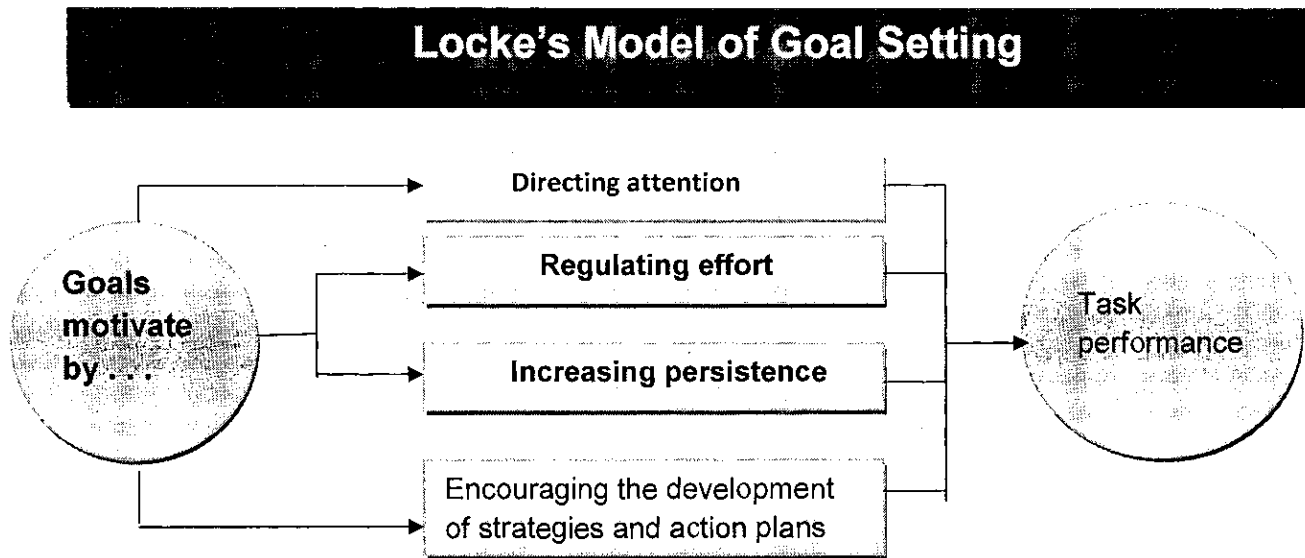
Edwin Locke and his colleague Gary Latham have designed goal-setting theory. They argued that high motivation and performance will be achieved when individuals set specific and challenging but acceptable goals and there is a timely feedback Luthans (2011). Chuck (2009) defined goal as "a target, objective, or result that someone tries to accomplish." According to Steve and Marry (2010) goal-setting is defined as "a process of motivating employees and clarifying their role perception by establishing performance objectives. DuBrin (2012) relates goal theory with Pygmalion effect- the idea that people live up to the expectation set for them. DuBrin ideas here is that the higher managers have confidence on their subordinates and expect more from them, the better workers can perform.

Stewart and Brown (2011) stated that goal setting motivate employees to improve their performance in four ways as presented in the figure here below.

- Goals direct attention. Goals direct attention and action to those behaviors which a person believes will achieve a particular goal;
- Goals regulate effort. They mobilize effort towards reaching the goal and suggest the level of effort one should put into a given job;
- Goals increase persistence. Goals increase the person's persistence, which results in more time spent on the behaviors necessary to attain the desired goal. Persistence represents the effort spent on a task over time. When people keep goals in mind, they will work hard on them, even in the face of obstacles.

- Goals encourage the development of strategies and action plans. Goals motivate the person's search for effective strategies and help to develop action plans for achieving those goals, because the goal creates a gap between the reality and the desired, it fosters the creation of strategies and courses of action.

Figure-3 Locke's model of goal setting



Source: Adapted from E. A. Locke and G. P. Latham, *A Theory of Goal Setting and Task Performance* (Englewood Cliffs, NJ: Prentice Hall, 1980).

In short, having a goal can improve individual performance by focusing attention on specific goals, increasing intensity and persistence, and encouraging learning.

Although researchers have proved that goal-setting theory can be effective, some researchers have begun to notice its limitations. Goal-setting studies involve single goals, and that when goals are more than one and are more complex or difficult, performance is poorer.

2.2.2.4 Job characteristics Model

The researcher Richard Hackman & Grey Oldham have developed Job characteristics model(JCM) which is used to analyze job design so as to improve motivation, satisfaction and performance (Hackman & Oldham 1976 cited by Armstrong 2009). According to JCM, the intrinsically motivating work is results in employee's job satisfaction Locke (2009). An intrinsically motivated employee enjoys the work he does Steward and Brown (2011).

The model identifies how jobs can be designed to help people feel that they are doing meaningful and important work. In particular, it specifies that enriching certain elements of jobs alters employees' psychological states in a manner that enhances their work effectiveness. As demonstrated in the figure here below, the model identifies five core job dimensions that help to create three critical psychological states, leading in turn, to personal and work outcomes Chuck (2009).

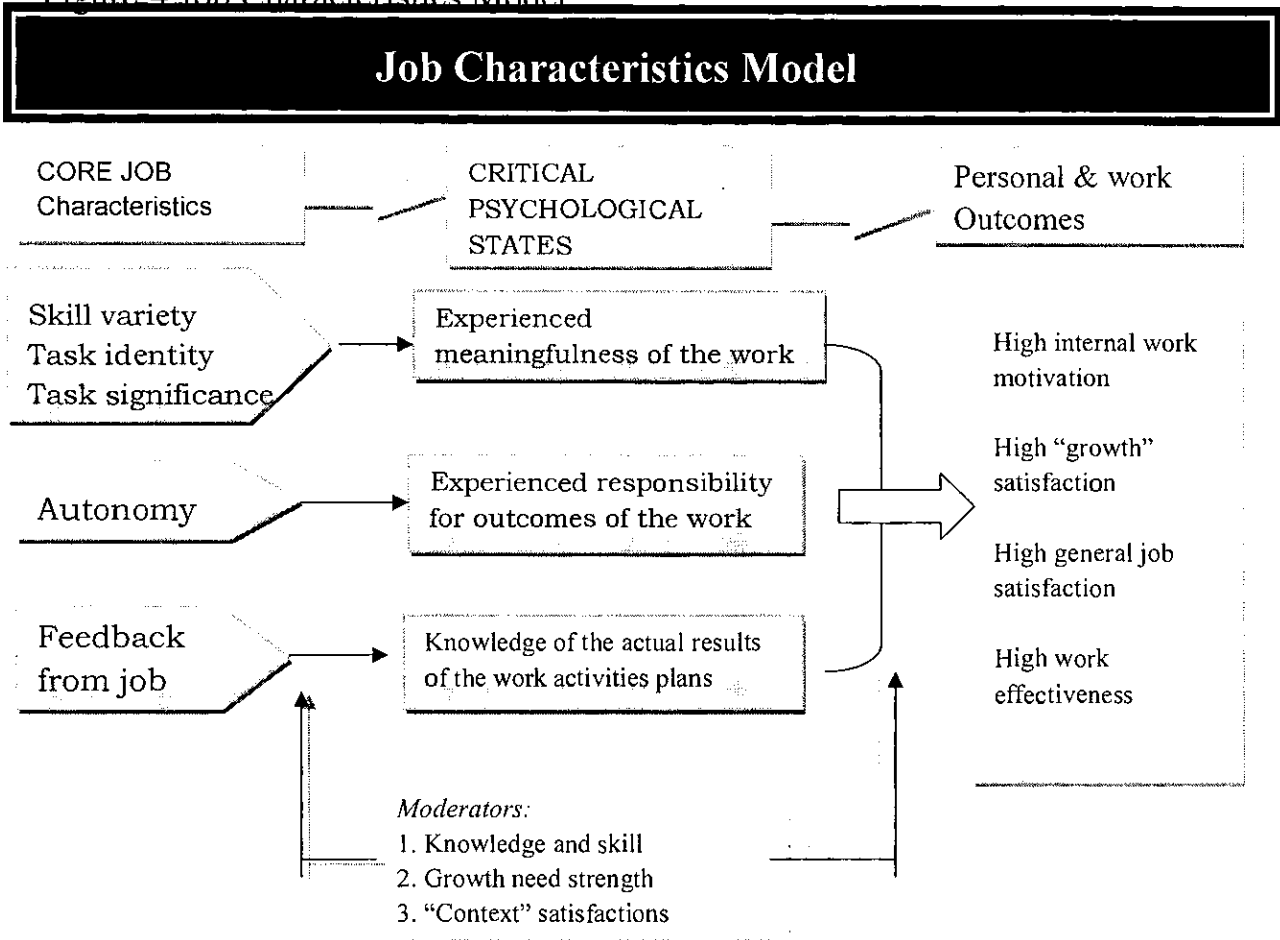
The model recognizes that these relationships become stronger among those individuals who have the strongest growth need strength.

According to the JCM, any job can be described in terms of five core job dimensions: skill variety, task identity, task significance, autonomy, and feedback. Skill Variety is the extent to which the work requires several different activities. The work is become meaningful when it requires various skills and talents to accomplish Mathis & Jackson (2008). Skill variety is not to do several tasks at the same time, rather a number of different activities performed to complete work Mathis & Jackson (2008). Task identity is the degree to which a job requires doing a whole task from beginning to end. Task significance is the degree to which a job is perceived to have a substantial impact on others inside or outside the organization. Autonomy is the extent to which employees have the freedom, independence and discretion to plan, schedule, and carry out their jobs as desired. Finally, feedback is the extent to which the job provides to workers to have information about the effectiveness of their performance.

According to the Hackman–Oldham's job characteristics model, the occurrence of the three critical psychological states will result in four kinds of work and personal outcomes. More and more the individual experienced the three states, the higher feelings of work motivation, quality of work performed, and satisfaction with work, whereas absenteeism and turnover is dwindled Wagner and Hollenbeck (2010).

The model suggests that several individual differences influence the relationship among the five-core job dimensions, the three critical psychological states, and the four work and personal outcomes Wagner and Hollenbeck (2010). As pointed out by Wagner and Hollenbeck (2010) for high personal and work outcomes, the employee should have the required knowledge and skills that enables him to perform the job effectively. If an employee fails to perform a job due to lack of knowledge and skills leads to frustration, not encouragement. Again, Hackman–Oldham JCM is determined by the strength of individual needs for personal growth.

Figure-4 Job Characteristics Model



Source: Hackman and Oldham (1980, 90). Copyright © 1980 by Pearson Education, Inc. Reprinted with permission. Minner p-78

A work with high core job dimensions attract and liked by employee with strong growth needs while employee with weak growth needs unlike it and feel overburdened. Finally, context satisfactions, satisfaction from pay, benefits, job security, and relationship with co-workers and supervisors also moderate the applicability of the model. A dissatisfied employee, who feels underpaid, unsecured, abused and unfairly supervised is likely perceived job enrichment as more exploitation of his toil.

To assess the motivating level of job, Hackman and Oldham have developed Job Diagnostic Survey (JDS)- questionnaires which measures to what extent the five core job dimensions are present in a given job Locke (2009). The questionnaires uses to compute motivating potential score (MPS) of a particular job Minner (2005).

MPS = $\frac{(\text{Skill variety} + \text{Task identity} + \text{Task significance})}{3} \times \text{Autonomy} \times \text{Feedback from job}$

MPS is equal to the average of the first three core characteristics (skill variety, task identity, and task significance) multiplied by autonomy and feedback.

Studies conducted on job characteristics reveals that work characteristics and job satisfaction has strong positive relationship Locke (2009). Meta-analysis made over 250 researches show that the five core job dimensions highly determine job satisfaction, organizational commitment, work motivation and job performance outcome Locke (2009).

Although job characteristics model is widely accepted and supported model in theory of work motivation, it does not escape from criticism. As Locke (2009) describes some researchers argue that measures of job characteristics are perceptual which are subject to biasing influence like mood.

2.3 **Communication**

Whether it is good or bad, workers want to know what is going on in their organization Economy & Nelson(2003) . Communication is important for passing along information from one individual or group to another. Lack of good communication causes low productivity, poor service, and increased costs Economy & Nelson(2003) . The success of current managers is highly determined by the performance achieved by their employees. Since motivated employees are more productive, managers must have a clear interest in knowing what motivates their staff. Communication is one of many factors to motivate employees into a cohesive working module which results in objectives being achieved Daft & Marcic (2009).

Communication occurs in many ways both formal and informal. DuBrin (2012) stated that communication within organization can flows in four directions: downward, upward, horizontal, & diagonal.

Chunk (2009) stated that the downward communication, which has an informative or directive nature, is occurred when information flows from higher levels to the lower levels in an organization. Communication between managers to subordinates can be sighted as a major downward communication. The other channels of downward communication used by managers are policy manuals, employee handbooks, newsletters, magazines, memoranda, annual reports, posters and bulletin boards. Each item should have a specific purpose and be written clearly.

The second type of communication is upward communication that comes from the lower level to the top level such as from the employees to the managers. The sample of upward communication includes the suggestion box, employees satisfaction survey, open-door policy, management-

employee meetings, and exit interviews. The managers should accept new ideas even offbeat, without anger. They should encourage more frankness from their employees and make themselves more accessible.

Horizontal communication is the interchange of information and ideas among all sectors of organization or people at the same level. The diagonal communication is when information transferred to upward or downward in different divisions or departments. Effective horizontal & diagonal communication is an essential element of teamwork.

2.4) What are employees wants from organization?

When people join an organization, they have certain specific needs and wants derived from their physiological, psychological, social and economic needs that they expect to be fulfilled by the organization in exchange of their services. All motivation theories developed and analyzed by researchers and scholars have identified several types of human needs, wants, motives, goals and expectations. However, workers change these needs in to their specific wants in the organization. Naturally, it is difficult to ferret out that the most strong need common to most people since it changes and varies across time and space. The core point is most workers go to work not for a single most want, but they want most several things at the same time from the organization.

From the various empirical studies conducted on motivation, the most commonly identified major specific wants of employees can be presented as follows.

1- Pay

Not only in third world countries like Ethiopia where it is difficult to gratify physiological needs properly, but also in advanced countries money considered as universal motivator. According to Andre (2008), physiological and safety needs are employees top priority wants to be fulfilled at the outset. Therefore, people look for high salary and attractive benefit packages to satisfy these basic two needs.

The most critical issue in pay system is fairness at least from three equity angles, which are internal equity, external equity, and individual equity (cascio 2006).

Cascio (2006) described that pay and benefit systems of companies are changing due to the change in the following three major factors.

- a- The increasing trend in downsizing workforce, outsourcing jobs, and restricting pay.
- b- Giving more focus on the company's ability to pay than competitors offer
- c- The increasing trend of variable pay system to reward performance.

2. Job security-

Due to the existing rapid technological change particularly in western countries, job security is one of the top priority want of employees and labor unions Fillipo(1980). The need for securing a job is more intensified in developing countries. It is difficult to stay as unemployed workforce even for short period of time since workers in developing countries lead hand to mouth way of life and haven't savings for rainy day or social security benefits to sustain their lives. Security is the second most important wants in hierarchy of needs theory. When workers feel their job is in jeopardy, they would be demotivated.

Now a days, beyond assuring job continuity, companies have established grievance handling system, adequate insurance coverage, and retirement benefit package for their workers Cascio (2006).

3. Full Appreciation of work done

Mary Kay Ash, founder of Mary Kay Cosmetics said "There are two things people want more than sex and money... Recognition and Praise" Anne (2003)

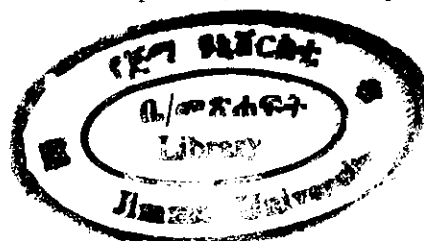
Individuals want to be recognized and praised for their effort and good performance; otherwise, they lack interest to exert their effort for high productivity. It is highly important to reinforces, motivates, and rewards value-enhancing behaviors for superior performances. Under the purview of leaders to give credit for efforts made & performance achieved through verbal praise, monetary rewards and public recognition. The American president Abraham Lincon, who understood well the importance of recognition once said that "it is surprising how much you can accomplish, if you don't care who gets the credit." Anne (2003). If efforts of employees are fully appreciated, they fully engaged, put more efforts and strive to bring innovative new ideas to their work.

4. Interesting work

"If you want someone to do a good job, give them a good job to do." —Frederick Herzberg, Management Theorist Anne (2003).

This want issues from both needs for recognition and the drive toward self-realization and achievement, and a very difficult want to supply, particularly in big organizations Flipppo (1980).

One of the main shortcomings of scientific management was failure to recognize the importance of job itself in motivating employees. The researcher believe that scientific management not only neglected the high motivational effect of jobs have on employees, to the contrary it contributed to the design of a dissatisfying work making jobs more simplified, low variety and highly



standardized. Because of the human nature requires challenging jobs and seeks meaning from his work, latter due to dreary and stuffy nature of tasks monotony, boredoms, fatigue, and tiredness crept over employees as they work.

From his seminal work of motivation-hygiene factors, Herzberg introduced job redesign that led to the theory of job enrichment. Herzberg believed that if the job has intrinsic value such as personal growth, responsibility, sense of achievement and recognition, employees would be motivated by work itself Kondalkar (2007).

Job enlargement (horizontal expansion of jobs), job enrichment (vertical expansion of jobs), and job rotation (moving from one to another job) are the three well-known methods to redesign jobs that have intrinsic motivating values.

5. Promotion and Growth

Employees want there is opportunities for promotion and seek fair promotion policies and practices in their organization. Promotions help workers to achieve personal growth, high responsibilities, and high social status.

Leaders should take due cares in promoting their employees. Studies show that a worker bypassed for promotion considered as unfairly treated and reflect their discontentment by reducing their commitment while absenteeism grownup; on the other hand, commitment of the promoted staff rises Cascio (2006). Since for one vacant post there may be several applicants, it will result in to have one satisfied and many dissatisfied workers. In order to avoid such discontentment of employees, leaders have great responsibility in setting clear promotional guidelines, effectively executing the procedure, timely and clearly communicating it, and proper handling of employees appeal.

6. Good working condition

Employees want a salubrious working environment for their personal comfort and better work performance. Good working condition is needed for reasons such as safety, status, and smooth work flows Flippo (1980). People want to work relatively close to home, in clean and relatively modern facilities, and with adequate tools and equipment. Following salary offices account the second largest expenses of organizations Rae (2008).

7. Competent and fair Leadership

Fillipo (1980) pointed out that the need for competent and fair leadership emanated from physiological, security and egoistic needs. Employees want to receive orders from leadership

they feel trust, admiration, loyalty, and respect. If the leader is untrustworthy, abusive, domineering, and often uses coercive power, there is no doubt that workers become frustrated and lacks interest on their work. Such leader creates a work place of despair and work is performed grudgingly.

8. Tactful Discipline

It is closely related with 'Reasonable order and direction' of Flippo's (1980) categorizations of the ten most wants of employees. It refers to governing rules, decision rights, privileges, rewards, and channel of authority. Employees want more timely and constructive feedback and they want to be treated fairly. According to Griffin(2000), order is the official communication of organization requirements. Direction can be defined as one of the basic management function, which is necessary to align individual interest with organizational interests, to maintain harmony among individuals and groups in an organization to attain organizational goals Chuck (2009). Reasonable order and direction enhance efficiency and effectiveness, where as the unreasonable orders are incapable of accomplishment, serve only to increase insecurity and frustration.

9. A feeling of doing meaningful job

Feeling on things is a feeling that one is doing something significant and important in terms of one's work to the organization as well as to the society. Employees want to realize that their work contributes to the success of the team and the organization and their organization is socially relevant Ted and Phil (2005). Employees want to have a sense of meaningfulness, a feeling they are engaged on valuable mission and pursuing a worthy purpose that deserves their time and energy Thomas (2009). This want arises from the need of self-esteem and it becomes a growing challenge for management to provide it Flippo (1980).

In the current working environment more and more people are demanding to find meaning in their work Ted and Phil (2005). They argue that by using the old fear and reward system, it is difficult to align workers with the purpose of an organization. In order to get committed workforce, the management has to provide meaning to its people. Today manager cannot rely solely on the manipulation of pay, benefit or working conditions to encourage workers to perform effectively and efficiently.

10. Congenial associates

This want addresses Maslow's social/belongingness need, Aldfer's relatedness need or McClelland's need for affiliation. Human beings are a social animal who needs to establish

relationships with others in such way that of liking, affection, and helping both horizontally and vertically. Positive interaction with others is not only gratifying, it is essential for mental health. Individuals often consider the extent to which an organization functions satisfies the social and emotional needs of its members. Recent studies revealed that a worker who has closed friend at workplace shows high engagement and productivity than a worker who hasn't Hellriegel & Slocum (2011).

2.5) Empirical Studies

Javed et al made review of 12 years papers published in the area of motivation for the period covering from 2000-2012, in which they identified that motivation & performance, and motivating elements are the most researched area of topics while culture and motivation, personality and motivation, and motivation and leadership are the next major issues most studied in the field. However, none of these studies have focused on the developing countries in general and the banking industry of such countries in particular. As this master's thesis focuses on the employee motivation policies and practices in public bank in Ethiopia, the researcher strongly believes that the gap in the existing empirical research can be filled.

Different researchers and scholars lists the top most employee's motivating factors that address needs, wants, expectations, and beliefs of workers.

In 1959, Herzberg et al. developed Herzberg's theory of motivation in the workplace through research including a survey of 200 Pittsburgh engineers and accountants. Herzberg et al.'s ideas relate strongly to the concepts of modern ethical management and social responsibility (Chapman, 2006). Herzberg et al.'s theory of motivation in the workplace with six motivation factors and 10 hygiene factors changed managers' approach to leadership throughout the course of history. Herzberg et al. (2002) explored factors supporting and inhibiting motivation for employees in organizations. Herzberg understood the importance of motivational factors in the workplace and attempted to teach important ethical management principles lacking in many organizations (Gibson et al, 2012). Herzberg's concepts are as relevant in the 21st century as when Herzberg initiated them, and his study remains a fundamentally important reference in motivational research (Chapman, 2006). Chapman listed the following motivation and hygiene factors Herzberg had identified, "People are motivated by the six motivation factors of (1) achievement, (2) recognition, (3) the work itself, (4) responsibility, (5) advancement, and (6)

growth” (p. 7). Chapman further noted, “The 10 hygiene factors do not motivate people and are inclusive of the following: (1) company policies, (2) supervision-technical, (3) relationship-superior, (4) working conditions, (5) salary, (6) relationship-peers, (7) personal life, (8) relationships-subordinates, (9) status, and(10) security”.

However, the study made by Herzberg does not fit in to the today’s modern competitive banking industry due to its long age. On the other hand Herzberg’s study did not show the interrelated characteristics of hygiene and motivational factors. More importantly, the study was conducted in western societies in which the motivational elements may be essentially different from that of developing countries like Ethiopia.

Dr. Kenneth A. Kovach, a professor of management at George Mason University in Fairfax Virginia, developed a questionnaire to learn about motivational factors of employees. He has conducted research mainly to highlight any differences in the prioritization of motivation factors between supervisors and employees in the years 1946, 1981 and 1986 (Kovach, 1987). The findings were one set of variables that would often times alter the outcome of the rank order of Kovach’s questionnaires. No matter the result of his studies were, he listed the following ten most motivational factors of employees.

- A feeling of being involved
- Supervisor’s help with personal problems
- Interesting work
- Promotion or career development
- Supervisor’s help with personal problems
- Full appreciation of job well done
- Job security
- Good Wages
- Tactful discipline
- Good working conditions

Kovach (1987) noted that the supervisors’ rankings of his ten motivation factors remained almost the same for each year. He concluded that supervisors were very inconsistent in which factors they thought motivated employees and which factors actually did motivate their employees. In Herzberg’s (1968) terms, supervisors incorrectly ranked many extrinsic factors higher than they were ranked by the employees. Kovach (1987) attributed this misalignment to a phenomenon known as “self reference” where supervisors were ranking motivation factors based on what

would motivate them. He identified that demography and time has a significant effect on employees to rank their most valued motivational factors.

Another researcher, (Manopoulos, 2007) who has conducted an evaluation of employee motivation in the extended public sector in Greece, applied twelve motivation items in his study. He based his questionnaire on motivation factors categorized by Herzberg's two factor theory of extrinsic and intrinsic factors. Each question provided a 4-point likert scale with ranges that were specific to the context of the questions.

According to Manopoulos (2007) the intrinsic factors contain opportunities to advance the field of employees' expertise, need for creative work, need for esteem and reputation, recognition for work, need for competence, and opportunity to take responsibilities. The extrinsic factors hold provision of fair wage, provision of pay incentives, communication and cooperation in the working environment, opportunity for hierarchical advancement, security in the workplace, and working conditions.

In a survey conducted by the US department of labor, 1500 workers were asked to rank 1-10 important job factors from a list of 23 items (Sanzotta, 1977).

Surprisingly from the 23 job factors listed for the survey, both working classes selected the same nine factors out of top ten, although with different rankings. It is significant that good pay was considered as the most important factor by the blue-collar workers, but it ranked as the least important for white-collar workers Sanzotta (1977).

Table -1 Job Satisfaction Findings

Job Satisfaction Findings		
	White-collar workers	Blue-collar workers
1	A. Interesting work	A. Good pay
2	B. Opportunities for development	B. Enough help and resources
3	C. Enough information	C. Job security
4	D. Enough authority	D. Enough information
5	E. Enough help and resources	E. Interesting work
6	F. Friendly, helpful coworkers	F. Friendly, helpful co-workers
7	G. See results of own efforts	G. Clearly defined responsibilities
8	H. Competent supervision	H. See results of own work
9	I. Clearly defined responsibilities	I. Enough Authority
10	J. Good pay	J. Competent supervision

A researcher (Lindner, 1998), in his journal "Understanding employee motivation" pointed out that to keep the employees motivated is a key for a company to survive. Motivating employees is known as one of the most complex duties a manager has perform, due to the fact that it deals with the dynamic nature of different people.

Lindner (1998) conducted the research to examine the importance of certain motivation factors, using a descriptive survey method, at the Piketon Research and Extension Centre and Enterprise Centre at the Ohio State University. The target group was asked to rank ten motivating factors from the most motivating to the least motivating. From the finding the ranked order of motivating factors were: (a) interesting work, (b) good wages, (c) full appreciation of work done, (d) job security, (e) good working conditions, (f) promotions and growth in the organization, (g) feeling of being in on things, (h) personal loyalty to employees, (i) tactful discipline, and (j) sympathetic help with personal problems Lindner (1998).

Based on her findings, Lindner (1998) proposed that For higher employee motivation, manager have to design a motivating work that include job enlargement, job enrichment, promotions, internal and external stipends, and a motivating compensation system.

Moreover she recognizes variations in ranked order of motivational factors in comparison with similar research conducted by Kovach (1987) Harpaz (1990), and her attribution for the discrepancies regarded to the complexity of motivation Lindner (1998).

After repeated research and interviews, Nelson, the founder of Nelson Motivation Inc., identified the top ten ways to motivate today's employees (Economy & Nelson, 2003). In order of priority they are:

- Give personal thanks to employees for a job well done in verbal form, in writing, or both, in a timely manner and sincerely.
- Be willing to take time to communicate with the employees.
- Provide feedback on the performance of each individual employee, the department and the whole organization.
- Create a work environment that is open, trusting and creative.
- Provide information on the company and how the person fits in with the overall plan, in other words, be transparent.
- Encourage decision making among the employees.
- Create a sense of ownership in the work and the work environment.
- Provide recognition and reward, and promote employees based on their performance.
- Create a learning organization and a partnership with each employee.
- Celebrate the successes of the company, the department and the individuals in it.

Similar with Kovach (1987) and Lindner (1998) there are a number of researches conducted in various organizations to investigate the most work motivation factors in a ranked order. According to them managers should give more attention to the top ranked motivation factors. Their surveys report some motivation factors are most important, whereas others as least important, but it lacks to show whether the presence or absence of such factors have significant impact on employee's job satisfaction and performance.

The questionnaires designed for the surveys seem just asking a man to put his body part in a ranked order from highly important to least important. In this case from top to down one can list as eye, hand, leg, tongue, ear, teeth etc, but it doesn't mean that his body part listed at the last row has little or no impact to function as a full person.

(Nohria, Groysberg and Linda, 2008) conducted intensive research in the area of motivation and proposed a new employee motivation model which is known as the four drive – the drive to

acquire, bond, comprehend, and defend under which various needs and motives of employee would be enclosed. They made two surveys on 385 workers from two global organization & 500 workers from 300 fortune companies. The finding of both surveys clearly indicates that the leadership that strives to meet the four basic drives will get the highest result Nohrion, Groysberg and Linda (2008). They concluded that to give low attention on one drive significantly reduces the impact of high performance attained on the other three; it implies motivation factors have a synergy effect and managers to take a holistic approach in motivating their employees effectively.

As a principle, the researcher totally concur with the statement of Nohrion, Groysberg and Linda (2008) to apply a holistic approach, otherwise the absence of one factor nullify the effort made to fulfill all the other motivation factors. For simplicity, Kovach's ten motivational factors and the bank's policies are used as the bases to develop the survey research questionnaires.

Chapter-III

METHODOLOGY

3.1 Research Design

This research was conducted with the philosophy of post positivism research paradigm. Post-positivism which is called critical realism, lays between positivism and interpretism research paradigms, between the two opposite ends of the continuum (Grix, 2004). According to post positivism, reality is a combination of both objectively observable elements (foundationalist ontology) and human interpretation of these elements Grix (2004). It is both ontological as well as epistemological position - Like positivism it views the world exists independent of our knowledge, but it differs in as the world is not observable as it is which open the door to interpret subjectively by acknowledging human experience, reasoning, and interpretation to acquire knowledge (Given, 2008). This ontological and epistemological position of the researcher makes it legitimate to apply mixed research method. Mixed research method combines both qualitative and quantitative research approaches in both data collection and analysis. Mixed method which has complimentary function is appropriate for complex social science researches (Mertins 2005, cited by Zoltan, 2007). It uses to integrate the advantages of both qualitative and quantitative approaches to produce broad and enrich understanding of research problems Given (2008). It is the firm belief of the researcher that mixed method best help to understand and explain the present practices and problems of employees' motivation and leadership role in Commercial Bank of Ethiopia, Jimma District.

This study focused on assessing leadership role (characteristics) and practice of employee's motivation (observed phenomena). A normative or descriptive survey describe and interpret currently existing conditions, relationships, practices, beliefs, attitudes, processes, influences, and trends (Kumar, 2006). A survey method was applied in assessing the opinions, believes, attitude and behaviors of employees and managers. Surveys are more efficient and economical method than others, and facilitate a larger geographical area to be covered Kumar (2006). Descriptive survey method is selected for this study because of its relevance to the research questions identified in this project.

3.2 Population of the study

A population is considered to be any group of people, events, or things that are of interest to the researchers and that they wish to investigate. CBE was chosen for this research primarily for the easy access it afforded to the researcher. CBE has fifteen district offices out of which four are found in Addis Ababa and eleven in regional cities and major town outside Addis Ababa. Under the domain of each district, at least forty branches are governed. This research is focused on Jimma district, which operate to the southwest of Ethiopia in Jimma, Illubabor, Kafa, Bench-Maji, and Sheka zones, and Gambella regional state. As of June 30, 2013 there are forty (40) branches operating under the district office.

CBE Jimma District has a total number of 434 clerical staff including those at supervisory and managerial positions. This study population comprised of permanent employees existed in the district human resource inventory list as of June 2013.

3.3 Sampling Technique

Sample is the part of the population that helps us to draw inferences about the population. Sampling is described as the selection of a proportion of the total number of units of interest for the ultimate reason of being able to draw general conclusions about the total number of units (Dattalo, 2008.). Collecting data of the complete information about the population is not possible and it is time consuming and expensive. Thus, using representative sample we can make inferences about the population.

One of the most frequent problems in statistical analysis is the determination of the appropriate sample size. If the sample size is too small, it will not yield valid results. An appropriate sample size can produce accuracy of results. Moreover, the results from the small sample size will be questionable. A sample size that is too large will result in wasting money and time. Creswell (2002, p-70) stated that a researcher must "Regardless of the form of data collection, provide a rationale for the data collection procedure using arguments based on its strengths and weaknesses, costs, data availability, and convenience."

According to (Blaikie, 2003: P-166) samples "should normally be about 10 per cent of the population." However, (Neuman, 2003) suggested the sample size for populations under 1,000 should be approximately equal to 30% of the entire population.

(Yamane Taro, 1967) provides a simplified formula to calculate sample sizes. This formula is used to calculate the sample size taking into account 95% confidence level, 5% precision level and total population size.

Hence, the sample size is computed and obtained using the following formula:

$$n = \frac{N}{1 + N (e^2)} = \frac{434}{1 + 434 (0.05)^2} = 208.19 \approx 209$$

Where:

n = size of sample

e = maximum tolerable sampling error=5% at 95% confidence level

N= population size which is 434 clerical employees of CBE Jimma district

Based on this, the sample size obtained from the total population of 434 is become 209. The tabular method suggested by Professor Israel D. Glenn states that from a study population of 450 people, the researcher should derive a sample of 212 respondents to form the sample for quantitative data (Glenn 1992, reviewed 2009). The study population was 434, a figure which is found between the population of 425 and 450 quoted in Professor Glenn's table which approximately results 209. To make the sample the actual size expecting 80% responses, the researcher went extra mile by distributing 250 questionnaires and was able to collect 207 purified final responses.

The study adopted quota sampling technique to obtain fair representatives because of the technique allows the researcher to classify the population into homogeneous groups based on their similar characteristics such as geographical and branches' grade. The District office operates in a wide range of diverse geographical area that covers Jimma zone, Illubabor zone, Kefa zone, Bench-Maji zone, Sheka zone, and Gambella regional state. The researcher believes that branches' grade has significant impact on leadership behavior and motivation practices. CBE has classified its branches in to four categories the smallest as grade-I to the highest grade-IV, mainly based on their transaction volumes, number of customers, and the magnitude of other resources utilization which might influence the level of motivation and leadership practices.

3.4 Data Collection Methods/ Tools

The researcher applied a mixed method which uses both the qualitative and quantitative research methods by applying survey and key informant interview data collection techniques to obtain information from primary data sources. The qualitative aspect helps the researcher to investigate the attitude, behavior and experience of leaders towards employee motivation, while the quantitative method will generate the statistics that help to assess the leadership role of the bank and evaluate the existing motivation practices in the bank.

The primary data was collected from the respondents selected from employees of Commercial Bank of Ethiopia, Jimma District since they are the population of the study. The population includes all permanent administrative, professional and clerical staffs who are categorized as clerical staff as per the bank classification. The required quantitative data was obtained using data collection techniques of closed ended questionnaires that designed at five point likert scale, while the qualitative data gathered through key informant interviews. The secondary data was extracted from different sources accessible to the researcher such as the Bank's manuals, magazines, journals, textbooks, websites and other relevant publications. The policy documents, reports, strategic plans and other important written sources were thoroughly consulted. The Federal Democratic Republic of Ethiopia's (FDRE) constitution, the labor and civil service proclamation, and collective bargaining documents were reviewed as important secondary data sources.

3.5 Key Informant Interview

A key informant interview is a loosely structured conversation with people who have specialized knowledge about the topic they wish to understand (Yin, 2011; Ritchie, 2000). In the aforementioned study, the researcher believes that conducting key informant interviews with highly knowledgeable and experienced staff and management members will enhance the in-depth understanding of the policies, practices and challenges of employee motivation and leadership in the selected study area.

Accordingly, to supplement the analysis of data collected through secondary data and the questionnaire, 5 key informants were purposively selected one from the primary labor union, two from human resource department, one from legal office and one from highly experienced senior

employees of the bank. These respondents were selected for key informant interview because of their depth knowledge of issues related to employee motivation and leadership in the Jimma District Commercial Bank of Ethiopia. The information collected through key informant interview was systematically sorted and analyzed to identify patterns, conformities or disconformities with the data collected through other instruments. To this end, the information from key informant interviews was utilized to triangulate the data and add value to the findings of this thesis.

3.6 Questionnaire Instrument

The survey questionnaire instrument is comprised of three sections. The first section contains demographic information of the respondents such as gender, age, education level, job title, service year, marital status, and monthly income. The second section has two parts and the questions were designed to be answered in a five-point Likert scale format to measure the leadership role and employee's motivation practices in the bank. Part one questions were designed to assess the leadership competency level as motivational leader in the areas of individual consideration, tactful discipline, Loyalty to employees, knowledge the management, Sympathetic help with personal problems and leadership action. the second part of section two consisted pay, benefits, work, security, feeling of doing meaningful job, promotion and growth, labor union, communication, working Environment, and performance management system which designed so as to thoroughly assess the existing motivation practices in the bank. Under each issues, there are from two to seven questions were designed under the aforementioned motivation & leadership practices. These questions were designed in detail to probe the respondents exhaustively to find the stark necked truth beyond the surface. For instance if the respondents requested pay only, what cross their mind might be the amount they received at the end of the month. However in this case respondents forced to analyze their pay critically from the point of view of living standards, their effort made and as compared to the pay of similar organization/posts

The researcher employed self administered questionnaires which are as Dattalo (2008) noted instruments of data collection that are handed out to respondents and are filled by them without any assistance from the respondents. The researcher chose this instrument because he wanted to cover a large representative sample of respondents from several branches and wide geographical coverage.

The business process of the banks was assessed to ensure that the questionnaires were distributed during slack time of operation and when the counters of branches relatively free. From experience, the lobby of commercial bank branches is crowded by customers on the first week of payday of government workers since their salary paid through branches of CBE. In most cases Monday, Wednesday, and Saturday are also the busiest days of the week regularly in the bank. Moreover, at the end of each month in Gregorian calendar, employees are busy with back office work to prepare myriad of monthly report. Since the questionnaire is a little time taking, the researcher tried to avoid distributing in those hectic days. This facilitated a high and prompt return rate of the questionnaires.

3.7 Pre-testing the instruments

A pilot study involving 20 (twenty) selected respondents was carried out to test the instruments and to identify and address any inadequacies therein. Comments from the pilot participants kindle light on questions that participants would not have understood or would have misinterpreted. The researcher was able to provide more answers or options on the scales in the place of the many questions that had been included. That feedback helped to ensure that the instruments were not too long and vague. In addition, the researcher improved on the clarity of instructions. Leadership actions and motivation practices were separated. Comments from experts composed of three university lecturers in the field of management, one trade union representative of the bank, one consultant and one human resource manager were sought individually and their valuable remark and constructive comments effectively used to prune and modify the questions before distribution.

Cronbach's Alpha was used to test for the reliability of the sixteen factors in assessing motivation and leadership practices in CBE Jimma district. When the factors tested together, the Cronbach Alpha resulted 92%.

Table -2 Cronbach's Alpha Reliability test

	Motivation & leadership factors	Cronbach's Alpha
	Individual consideration	0.83
	Tactful discipline	0.80
	Sympathetic help with personal problems	0.81
	Concern for employees	0.79
	knowledge	0.73
	Leadership Role	0.95
	Pay	0.64
	Benefits	0.57
	Work	0.79
	security	0.71
	Feeling of doing meaningful job	0.72
	Promotion and Growth	0.87
	Labor union	0.84
	communication	0.79
	Working Environment	0.76
	Performance Management System	0.86
	Cronbach's Alpha for the total 16 factors	0.92

Even if alpha coefficient below 0.7 is less reliable, for new developed scales 0.6 or more is acceptable (Tharenou, Ross, and Cooper, 2007). As depicted in the table 2 here above, except benefit all factors of motivation and leadership practices are fairly reliable.

3.8 Data preparation

The collected data was checked and edited for clarity, legibility, relevance and adequacy. This involved checking for non-response and acceptance or rejection of answers, which had been pre-coded by the researcher (textual responses were allocated numerical codes or values e.g. 1, 2, 3, 4, or 5 according to the scale or range for demographic questions). These codes eased the process of data entry. The data was cleaned, tabulated and weighted and percentages were used to analyze the data.

Among 250 questionnaires distributed, 223 respondents filled and returned which is 86% response rate. From the responded questionnaire, 16 were excluded due to they have many incomplete responses while minor and simple missed data of 6 questionnaire were amputated

with at most care. The collected data was entered and analyzed using Statistical Package of Social Sciences 16 (SPSS). Descriptive statistics were utilized for computing means, standard deviation, and cross tabulation. The analysis of the survey results combined with the statistical applications allowed for the researcher to draw conclusions in regards to the objectives of the study.

3.9 Ethical Considerations

As social science researches in general and business studies in particular primarily focus on human beings as a source of information, this study was fully governed by the ethical principles of social research. To this effect, during data collection through questionnaire and key informant interviews, utmost effort was made to protect every respondent thereby to build confidence with participants of the research. The research problem, the research objectives and questions as well as interview guides all carefully consider ethical issues related to business management research, professional ethics and preferences of individual respondents.

More specifically, this master's thesis promotes and maintains ethical values of social research in the following ways. Information supplied to the researcher in the due course of the study was neither disclosed to any third party nor be used for other purpose than this research. To keep the anonymity of the participants, all key informants and respondents to the questionnaire are not mentioned by name in any place in the thesis report. All sources of information are duly acknowledged and carefully utilized with no distortion and unwarranted manipulation. The data is maintained updated, made accurate and secured to comply with the national laws of Ethiopia. The final thesis report will be made accessible to the institutions and individuals who have participated in the research process.

Finally, this research was conducted with full professional integrity that promotes the spirit of utmost objectivity, neutrality and professional accountability.

CHAPTER- IV

Data analysis and presentation

4.1) Introduction

The purpose of this chapter is to present summary of secondary data collected in the areas motivational policies of the bank. Next, to present and discuss the results of the data analysis as produced using the Statistical Package of Social Sciences 16.00 (SPSS) for each of the 16 factors motivation and leadership practices research questions commencing with the description of demographic characteristics for the sample respondents. Then, research questions one to 16 explained and discussed with the support of tables and figures generated from statistical data analysis. This section mainly focuses on the descriptive statistics to illustrate the characteristics of the sample studied and present the frequencies for all of the questions that are contained in the questionnaire.

Analyses of the field data, secondary data and the discussion of the findings therein have been presented in the following structure: 4.1 summery of motivation policies of the bank, 4.2) Profile of Respondents; 4.3 motivation factors; and 4.4) leadership practices.

4.2 Summery of motivation policies of the bank

Even if the bank doesn't have an independently organized and separately written document of employee's motivation policy and procedure manual, various affairs of employees were stated in different documents such as human resource management (HRM) policy and procedures manual, human resource development (HRD) procedure manuals, customers account & transaction services (CATS) procedure, credit procedure, and the 11th collective agreement made between the management and labor union representatives and other various interdepartmental memorandums.

a) (HRM) policy and procedures manual

As clearly stated in the HR policy, CBE has the responsibility to create for all its managers and employees a caring environment in which they are assured of respect, care, concern, and a healthy and safe working environment.

The policy also explained that CBE promotes open and honest communication in a timely manner, with a view to creating an environment in which individuals can freely communicate their opinions. It is clearly stipulated in the HR policy manual that the management style of CBE is participatory management, which provides for the active involvement of employees.

In respect of providing interesting work, the policy stated that the bank organizes and delegates work in a flexible way as possible, in order to empower all employees to meet their goals in the most effective way. Regarding promotion, it was indicated that CBE put in place a management succession system to ensure an internal supply of competent managers and key professionals while selection to fill vacant positions is based on merit and proven ability and the bank promotes and fills vacant posts internally as long as such qualified staff exists.

The Bank described its assent on the manual to put in place a competitive performance related reward system to recognize and reward employees' creativity, their endeavor to fill fraudulent act by taking prompt measures and reporting, and high performance. The bank institutes a performance measurement system where by individual employees share parts of the CBE's and/or its unit's goal and be measured by the level of performance towards goal.

As mentioned in the HR policy the bank strives to minimize the sense of job insecurity among its permanent employees, even under restructuring plan and change management, employees whose jobs are eliminated will be reassigned to new or other jobs, otherwise the reduction of the workforce will be conducted in accordance with the labor law and of the civil code as appropriate. The bank strives to match each employee's career needs to the constantly changing business needs. The bank encourages and support innovation that meet and promote its business needs. It acknowledges and respects an employee's rights as stipulated in the Collective Agreement, administrative directive in force, the labor law, the Civil Code and other applicable laws. Employees have the right to lodge complaints in accordance with the complaint handling system if and when they believe that the disciplinary measures taken against them are unjustified and/or in contravention of the rules and regulations of the CBE, or any applicable law. The manual also described that CBE's commitment to creating an adaptable and flexible organization and its intention to be a learning organization that accepts and promotes change and inspires belongingness and self-confidence.

The HR policy stipulates that the bank encourages and provides educational support to its employees who pursue their study when deemed necessary on the basis of corporate needs and the supply of labor market. Educational support will be given with due regard to priorities of the CBE. Besides the bank provides short term trainings consistent with its business needs, in order to enable employees to do their jobs more efficiently and effectively. It underlined that it is CBE's responsibility to take the steps necessary to build the capacity of its employees to efficiently

discharge their duties through a developmental program. In addition to this, CBE provides a management development program ranging from medium to long term based on a carefully outlined career and management succession plan.

b) Human Resource Development(HRD) procedure manual

This procedure addresses mainly the issue of developing employees for higher positions. It mainly includes how to provide various trainings, learning opportunities, and selection criteria for further education.

c) Collective agreement

CBE is one of giant public enterprise which has a unionized labor force and governed by collective agreement. Labor unions work to increase job security for their members and to improve wages, hours, and working conditions. Labor unions achieve their objective through collective bargaining, the process of negotiation between management and union representatives. The existing eleventh collective bargaining which was signed between labor representatives and management of the bank on Megabit 2002 EC for the period covering three years had expired on March 2013, but not yet replaced until now. The collective agreement contains various types of employee's benefits such as living allowance, transfer allowance, fuel allowance, representation allowance, housing allowance, utility allowance, health care, insurances, leaves, & uniforms. On the other hand, the collective agreement also contains details of grievance handling procedures.

d) Credit procedures

The credit procedure of the bank offers different benefit package of credit facilities including emergency staff loan, staff mortgage loan, car loan, and staff personal loan. Employees of CBE entitled for revolving emergency staff Loan (RESL) which is a maximum amount of six months' salary, to be repaid at monthly bases within three years, free of interest charge. The employee has a privilege of mortgage loan of 25 years or up to the age of retirement for construction, rehabilitation, acquisition, expansion of houses, fence construction or works, which add value to the residential house. Staff personal loan is availed to the Bank's employees for purposes other than Staff Mortgage Loan if the staff offers collateral. However, no loan granted to staff for commercial purposes.

e) CATS procedure manual

Cash indemnity and verification allowances are allowances incorporated in the bank's customer account and transaction services (CATS) procedure manual. Cash indemnity allowance is an allowance given to front makers who involve in cash paying and receiving activities while verification allowance is paid to employees whose job include verifying customer's signature.

According to Armstrong (2010) the human resource policy and procedure manuals are very important for consistency, uniformity, and lawful management of employees in accordance with the organizational values. The human resource policy and procedure manuals of the bank contained the majority of motivational factors and clearly shows the direction of the bank to enhance employees motivation through satisfying their needs in the area of work environment, communication, management style, interesting work, promotion, recognition & reward, performance management system, job security, education, training and management development. In addition to this, the HRD procedure manual hold issues of training and development of employees, while some benefit packages subsumed in the credit and CATS procedures manuals of the bank.

The eleventh collective agreement encompasses details of benefit packages, working areas facilities, leave, medical care, transfer issues, and other benefits, rights and obligations of employees and detail administrative measures and penalties for grievances handling.

The findings from the review of policies of the bank revealed that the bank has well articulated sound motivational policies for its employees in general. The availability of such document leads to effective practices of the distributive justice and procedural justice throughout the bank.

4.3) Demographic characteristics of the sample

The frequency distribution & percentage values of the seven demographic variables are listed in the table here below:

Table-3 Composition of employee sample by demography

demography		Frequency	%age	Valid %age	Cum. %age
factor	category				
Sex	Male	160	77.3	77.3	77.3
	Female	47	22.7	22.7	100
	Total	207	100	100	
Age	Under 25 years	66	31.9	31.9	31.9
	25 TO 30	92	44.4	44.4	76.3
	31 TO 35	23	11.1	11.1	87.4
	36 TO 40	10	4.8	4.8	92.3
	41 TO 50	12	5.8	5.8	98.1
	50 AND ABOVE	4	1.9	1.9	100
	Total	207	100	100	
Educational Qualification	Diploma	24	11.6	11.6	11.6
	BSc/BA	183	88.4	88.4	100.0
	Total	207	100.0	100.0	
Occupation	CSO	168	81.2	81.2	81.2
	SUPERVISOR	22	10.6	10.6	91.8
	Branch Manager	17	8.2	8.2	100.0
	Total	207	100	100	
Service year	0 TO 2 YR.	110	53.1	53.1	53.1
	3 TO 5 YR.	39	18.8	18.8	72
	6 TO 10 YRS.	29	14	14	86
	11 TO 15 YRS.	11	5.3	5.3	91.3
	16 TO 20	12	5.8	5.8	97.1
	21 TO 25	3	1.4	1.4	98.6
	26 TO 30	3	1.4	1.4	100
	Total	207	100	100	
Marital Status	SINGLE	147	71	71	71
	MARRIED	58	28	28	99
	OTHERS	2	1	1	100
Monthly Income	2001 TO 3000	5	2.4	2.4	2.4
	3001 TO 5000	128	61.8	61.8	64.3
	5001 TO 7000	20	9.7	9.7	73.9
	7001 TO 10,000	31	15.0	15.0	88.9
	ABOVE 10,000	23	11.1	11.1	100.0
	Total	207	100.0	100.0	

The total 207 respondents of the questionnaire were composed of 160 male and 47 female which accounts 77.3% male and 22.7% female. the number of female respondent constitute less than one fourth of the total sample size, despite the wide range of variation, the researcher has made extra effort to increase female response to conduct a balanced study in terms of the respondents' gender.

The age distribution of respondents as indicated in the above table, employees under the age of twenty-five constitute around 32% while 44% fall between the ages of 25-30 years. As the age increased, the number of respondents decreased sharply. Responses obtained from the age group of above 30 years contained less than 24% whereas respondents of age 30 and below constitute more than 76% of the final sample size. Considering their educational qualification, 88.4% BA holder while 11.6% diploma holder. Regarding their occupation, 168(81.2%) response obtained from customer service officer, while supervisors and branch managers response constitutes 22(10.6%) and 17 (8.2%) respectively. In relation to service year, 110(53.1%) response collected from employees who had work experience of 2years and below in the bank followed by 39(18.8%) and 29(14%) response received from employees with service year ranging between 3 to 5 and 6-10 years. Between service year of 11 to 20 years 23(11.1%) response were received while only 6(2.8%) response collected from employees who had more than 20 years of experience. Based on their marital status, single and married respondents were 147(71%) and 58(28%) respectively, while 2(1%) response collected from others (divorced/ widowed).

In terms of their income, the highest response rate obtained from the income group of birr 3001-5000, which accounts 61.8%. Next to this, around 15% and 11.1% response collected from income group fell between birr 7001-10000 and above ten thousand respectively. The least respondents of this category are monthly salary ranging from birr 2001-3000 and from birr 5,001.- to 7,000.- hold 2.4% and 9.7% each respectively

Although demography of respondents in each factor seems unevenly distributed, it was quit congruent with the commonly known real feature of the population and showed high reliability of the sample taken. Due to the aggressive expansion strategy implemented, the number of branches under the district that were 12 as of June 30, 2010, became 40 as of June 30, 1013, which showed the opening of 28 new branches within 3 years period of time.

As demonstrated in the demography part from the total respondents, 158(76.3%) were an age of 30 and below, while 149(72%) had less than 5years experience and 147(71%) were single. These all evinced that in line with the aggressive expansion, the work force of branches under the district filled by recent recruited young graduates.

4.4 One-way Analysis of Variance (ANOVA)

The one-way analysis of variance (ANOVA) also called one-factor ANOVA was used to compare the variance between different groupings of demographic variables Agarwal (2003). Unlike its name the purpose of Analysis of variance is not to analyze variances, rather it is a statistical tool to analyze disparity among group means (Berenson, Levine, and Krehbiel, 2012).

In order to measure the observed practices of motivation and leadership differences among employees, the one-way analysis of variance was used to check for significant differences between group means. The one-way analysis of variance was conducted to explore whether differences exist in employees motivation and leadership practice variables among demographic groups of respondents in this thesis study.

Table- 4 demonstrates the employee motivation scale ratings one-way analysis of variance for each variable of motivation and leadership practices and the age group of respondents. To display significance in the variables, the variable must measure at the significance level of greater than 0.05.

Table 4 One-way ANOVA for Age

Factors		Sum of Squares	df	Mean Square	F	Sig.
Individual consideration	Between Groups	2.513	5	.503	.525	.757
	Within Groups	192.569	201	.958		
	Total	195.082	206			
Tactful discipline	Between Groups	12.286	5	2.457	2.598	.027*
	Within Groups	190.101	201	.946		
	Total	202.386	206			
Sympathetic help with personal problems	Between Groups	2.596	5	.519	.502	.774
	Within Groups	207.762	201	1.034		
	Total	210.357	206			
Concern for employees	Between Groups	1.972	5	.394	.471	.798
	Within Groups	168.463	201	.838		
	Total	170.435	206			
knowledge	Between Groups	13.498	5	2.700	3.080	.011*
	Within Groups	176.193	201	.877		
	Total	189.691	206			
Leadership Role	Between Groups	8.946	5	1.789	2.785	.019*
	Within Groups	129.121	201	.642		

	Total	138.068	206			
Pay	Between Groups	1.127	5	.225	.571	.722
	Within Groups	79.289	201	.394		
	Total	80.415	206			
Benefits	Between Groups	4.417	5	.883	2.114	.065
	Within Groups	84.017	201	.418		
	Total	88.435	206			
Work	Between Groups	6.283	5	1.257	3.254	.482
	Within Groups	77.630	201	.386		
	Total	83.913	206			
security	Between Groups	.541	5	.108	.130	.986
	Within Groups	167.875	201	.835		
	Total	168.415	206			
Feeling of doing meaningful job	Between Groups	2.079	5	.416	.685	.635
	Within Groups	121.989	201	.607		
	Total	124.068	206			
Promotion and Growth	Between Groups	7.847	5	1.569	1.718	.132
	Within Groups	183.583	201	.913		
	Total	191.430	206			
Labor union	Between Groups	6.344	5	1.269	.901	.008*
	Within Groups	283.086	201	1.408		
	Total	289.430	206			
communication	Between Groups	4.261	5	.852	1.606	.160
	Within Groups	106.695	201	.531		
	Total	110.957	206			
Working Environment	Between Groups	5.334	5	1.067	1.449	.208
	Within Groups	147.980	201	.736		
	Total	153.314	206			
Performance Management System	Between Groups	13.891	5	2.778	3.417	.006*
	Within Groups	163.423	201	.813		
	Total	177.314	206			

Notes: * Denotes significance level < 0.05

From the above results, at the 5% significance level, out of the sixteen factors of motivation and leadership practice five indicate that differences exist in these factors between age groups. The practice of motivation and leadership is not good for certain age groups, specifically for tactful discipline with a p-value of 0.027, knowledge with a p-value of 0.011, leadership role p-value of 0.019, labor union with a p-value of 0.008, and performance management system with a p-value 0.006 all of which were less than 0.05 indicating different means between the age groups.

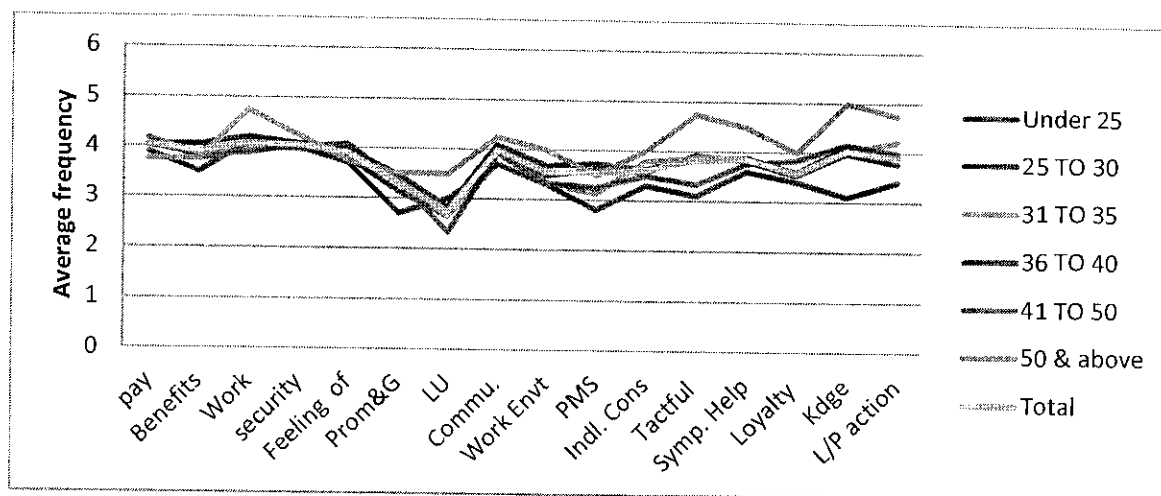


Figure- 5 Age comparisons of means

As depicted in the figure here below, except for labor union, there is no significance difference of average means for all factors between male and female respondents.

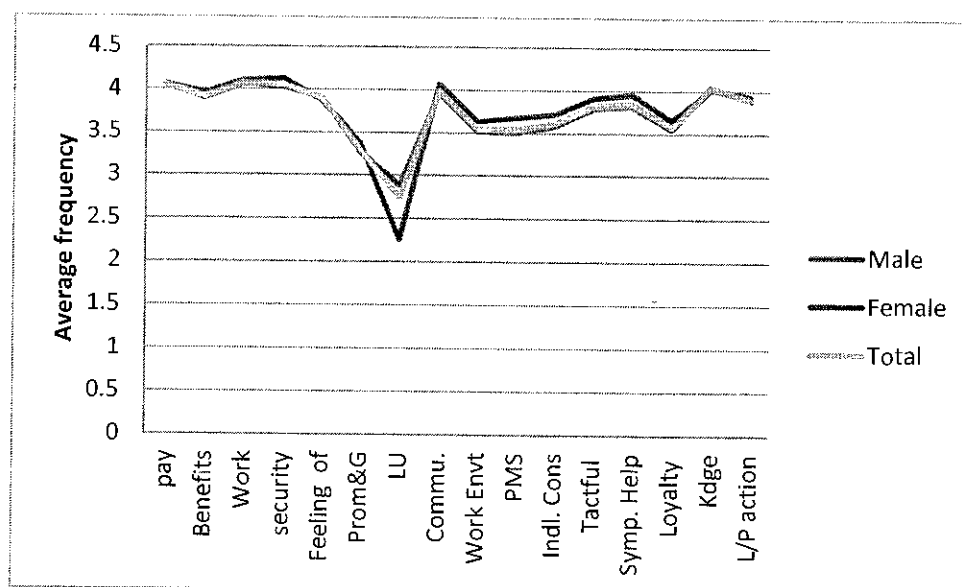


Figure- 6 Gender comparisons of means

Table 5 demonstrates the employee motivation and leadership practices scale ratings one-way analysis of variance for each factors and occupation in the commercial bank of Ethiopia, Jimma district. To display significance in the variables, the variable must measure at the .05 level or less.

Table 5 One-way ANOVA for occupation

Factors		Sum of Squares	df	Mean Square	F	Sig.
Individual consideration	Between Groups	2.653	2	1.326	1.406	.247
	Within Groups	192.429	204	.943		
	Total	195.082	206			
Tactful discipline	Between Groups	3.145	2	1.572	1.610	.202
	Within Groups	199.242	204	.977		
	Total	202.386	206			
Sympathetic help with personal problems	Between Groups	2.778	2	1.389	1.365	.258
	Within Groups	207.579	204	1.018		
	Total	210.357	206			
Concern for employees	Between Groups	2.302	2	1.151	1.397	.250
	Within Groups	168.132	204	.824		
	Total	170.435	206			
knowledge	Between Groups	6.176	2	3.088	3.433	.034*
	Within Groups	183.515	204	.900		
	Total	189.691	206			
Leadership Role	Between Groups	1.954	2	.977	1.465	.234
	Within Groups	136.113	204	.667		
	Total	138.068	206			
Pay	Between Groups	.056	2	.028	.071	.931
	Within Groups	80.359	204	.394		
	Total	80.415	206			
Benefits	Between Groups	.807	2	.404	.940	.392
	Within Groups	87.627	204	.430		
	Total	88.435	206			
Work	Between Groups	1.142	2	.571	1.407	.247
	Within Groups	82.771	204	.406		
	Total	83.913	206			
security	Between Groups	4.647	2	2.324	2.895	.058
	Within Groups	163.768	204	.803		
	Total	168.415	206			
Feeling of doing meaningful job	Between Groups	1.224	2	.612	1.017	.364
	Within Groups	122.843	204	.602		
	Total	124.068	206			
Promotion and Growth	Between Groups	1.266	2	.633	.679	.508
	Within Groups	190.164	204	.932		
	Total	191.430	206			
Labor union	Between Groups	5.883	2	2.941	2.116	.123
	Within Groups	283.547	204	1.390		
	Total	289.430	206			
communication	Between Groups	.904	2	.452	.838	.434

	Within Groups	110.053	204	.539		
	Total	110.957	206			
Working Environment	Between Groups	2.773	2	1.386	1.879	.155
	Within Groups	150.542	204	.738		
	Total	153.314	206			
Performance Management System	Between Groups	11.612	2	5.806	7.148	.001*
	Within Groups	165.702	204	.812		
	Total	177.314	206			

Notes: * Denotes significance level < 0.05

From the results obtained in the above table, at the 5% significance level, fourteen factors out of sixteen obtained p-value of more than 0.05, this indicates the availability of good motivation & leadership practices for all occupational groups in the bank. However, the leadership knowledge with a p-value of 0.034 and Performance Management System with a p-value of 0.001, both of which were less than 0.05 significance levels indicating different means among the respondents of occupations group.

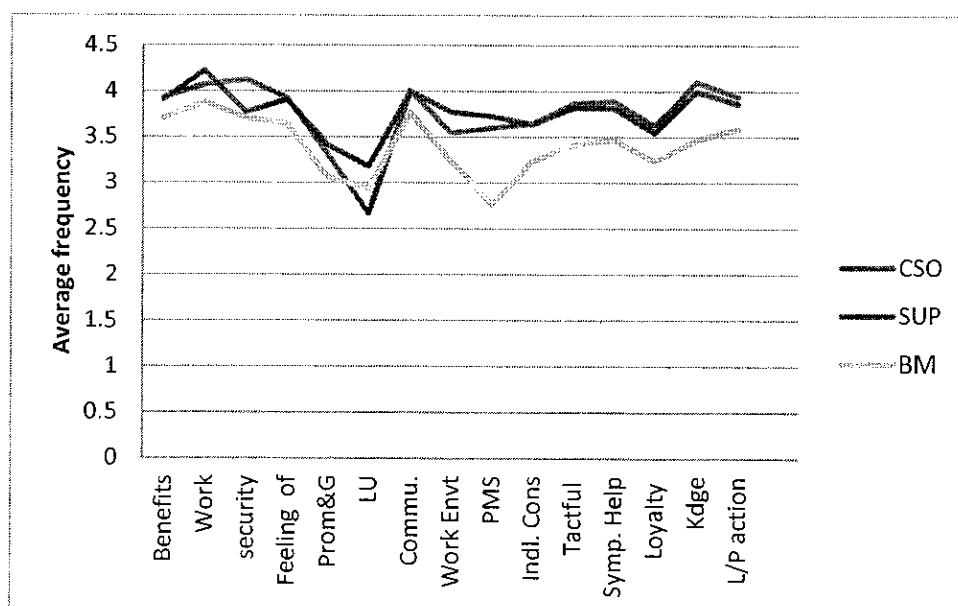


Figure- 7 occupation comparisons of means

The above figure shows that in most cases branch manager responses was the lowest especially for PMS and knowledge from the group.

Table 6 demonstrates the employee motivation and leadership practices scale ratings one-way analysis of variance for each factors and service year group in the commercial bank of Ethiopia, Jimma district.

Table 6 One-way ANOVA for Length of service years

Factors		Sum of Squares	df	Mean Square	F	Sig.
Individual consideration	Between Groups	15.405	6	2.568	2.858	.011*
	Within Groups	179.677	200	.898		
	Total	195.082	206			
Tactful discipline	Between Groups	22.478	6	3.746	4.165	.001*
	Within Groups	179.908	200	.900		
	Total	202.386	206			
Sympathetic help with personal problems	Between Groups	14.459	6	2.410	2.460	.026*
	Within Groups	195.898	200	.979		
	Total	210.357	206			
Concern for employees	Between Groups	10.042	6	1.674	2.087	.056
	Within Groups	160.392	200	.802		
	Total	170.435	206			
knowledge	Between Groups	32.137	6	5.356	6.799	.000*
	Within Groups	157.554	200	.788		
	Total	189.691	206			
Leadership Role	Between Groups	17.747	6	2.958	4.917	.000*
	Within Groups	120.320	200	.602		
	Total	138.068	206			
Pay	Between Groups	1.886	6	.314	.801	.570
	Within Groups	78.529	200	.393		
	Total	80.415	206			
Benefits	Between Groups	7.722	6	1.287	3.189	.005*
	Within Groups	80.713	200	.404		
	Total	88.435	206			
Work	Between Groups	4.651	6	.775	1.956	.074
	Within Groups	79.262	200	.396		
	Total	83.913	206			
security	Between Groups	7.560	6	1.260	1.567	.159
	Within Groups	160.855	200	.804		
	Total	168.415	206			
Feeling of doing meaningful job	Between Groups	17.044	6	2.841	5.308	.000*
	Within Groups	107.024	200	.535		
	Total	124.068	206			
Promotion and Growth	Between Groups	19.475	6	3.246	3.775	.001*

	Within Groups	171.955	200	.860		
	Total	191.430	206			
Labor union	Between Groups	11.745	6	1.957	1.410	.212
	Within Groups	277.685	200	1.388		
	Total	289.430	206			
communication	Between Groups	7.688	6	1.281	2.482	.024*
	Within Groups	103.268	200	.516		
	Total	110.957	206			
Working Environment	Between Groups	8.122	6	1.354	1.865	.089
	Within Groups	145.192	200	.726		
	Total	153.314	206			
Performance Management System	Between Groups	22.490	6	3.748	4.842	.000*
	Within Groups	154.824	200	.774		
	Total	177.314	206			

Notes: * Denotes significance level < 0.05

From the above results, at the 5% significance level, out of sixteen factors of motivation and leadership practices, ten obtained p-value of less than 0.05, which indicates the poor motivation & leadership practices service year wise for the ten factors. The ANOVA test for service year revealed there were high mean variations among the group and indicates that employees' service year have little impact particularly on the practice of individual consideration, tactful discipline, sympathetic help with personal problems, knowledge, leadership role, benefits, feeling of being in on things, promotion and growth, communication, and performance management system. Especially knowledge, Leadership Role Feeling of being in on things, & Performance Management System each with p-value of 0.000 showed no significance level, which implies age wise they were poorly practiced in the bank.

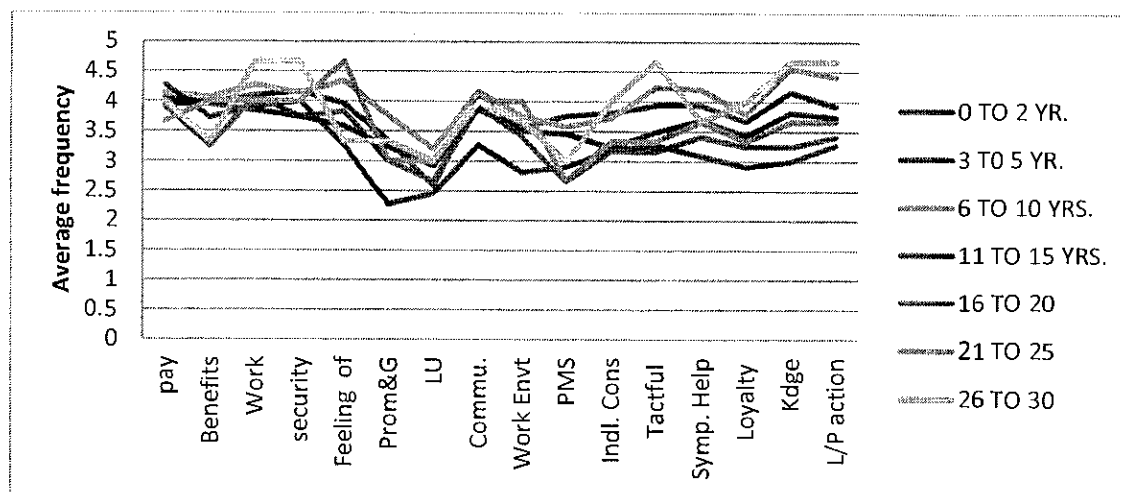


Figure- 8 service year comparisons of means

Table 7 demonstrates the employee motivation and leadership practices scale ratings one-way analysis of variance for each factors and monthly income group in the commercial bank of Ethiopia, Jimma district.

Table 7 One-way ANOVA for monthly salary range

Factors		Sum of Squares	df	Mean Square	F	Sig.
Individual consideration	Between Groups	11.086	4	2.771	3.043	.018*
	Within Groups	183.996	202	.911		
	Total	195.082	206			
Tactful discipline	Between Groups	11.713	4	2.928	3.102	.017*
	Within Groups	190.673	202	.944		
	Total	202.386	206			
Sympathetic help with personal problems	Between Groups	17.296	4	4.324	4.524	.002*
	Within Groups	193.061	202	.956		
	Total	210.357	206			
Concern for employees	Between Groups	7.532	4	1.883	2.335	.057
	Within Groups	162.903	202	.806		
	Total	170.435	206			
knowledge	Between Groups	20.090	4	5.023	5.982	.000*
	Within Groups	169.600	202	.840		
	Total	189.691	206			
Leadership Role	Between Groups	10.977	4	2.744	4.362	.002*
	Within Groups	127.090	202	.629		
	Total	138.068	206			
Pay	Between Groups	.281	4	.070	.177	.950
	Within Groups	80.135	202	.397		
	Total	80.415	206			
Benefits	Between Groups	4.268	4	1.067	2.561	.040*
	Within Groups	84.167	202	.417		
	Total	88.435	206			
Work	Between Groups	1.263	4	.316	.772	.545
	Within Groups	82.650	202	.409		
	Total	83.913	206			
security	Between Groups	5.375	4	1.344	1.665	.160
	Within Groups	163.041	202	.807		
	Total	168.415	206			
Feeling of doing meaningful job	Between Groups	3.464	4	.866	1.450	.219
	Within Groups	120.604	202	.597		
	Total	124.068	206			
Promotion and Growth	Between Groups	15.198	4	3.800	4.355	.002*
	Within Groups	176.232	202	.872		

	Total	191.430	206			
Labor union	Between Groups	20.175	4	5.044	3.784	.005*
	Within Groups	269.255	202	1.333		
	Total	289.430	206			
communication	Between Groups	5.351	4	1.338	2.559	.040*
	Within Groups	105.605	202	.523		
	Total	110.957	206			
Working Environment	Between Groups	3.585	4	.896	1.209	.308
	Within Groups	149.729	202	.741		
	Total	153.314	206			
Performance Management System	Between Groups	17.514	4	4.378	5.535	.000*
	Within Groups	159.800	202	.791		
	Total	177.314	206			

Notes: * Denotes significance level < 0.05

From the above results, at the 5% significance level, out of the sixteen factors of motivation and leadership practices ten indicate that differences exist in these factors among monthly income groups. The factors individual consideration with a p-value of 0.018, Tactful discipline with a p-value of 0.017, Sympathetic help with personal problems with a p-value of 0.002, knowledge with a p-value of 0.000, leadership role with a p-value of 0.002, benefits with a p-value of 0.040, Promotion and Growth with a p-value of 0.002, Labor union with a p-value of 0.005 Communication with a p-value of 0.040, and Performance Management System with a p-value of 0.000 exhibited high different means among the income group.

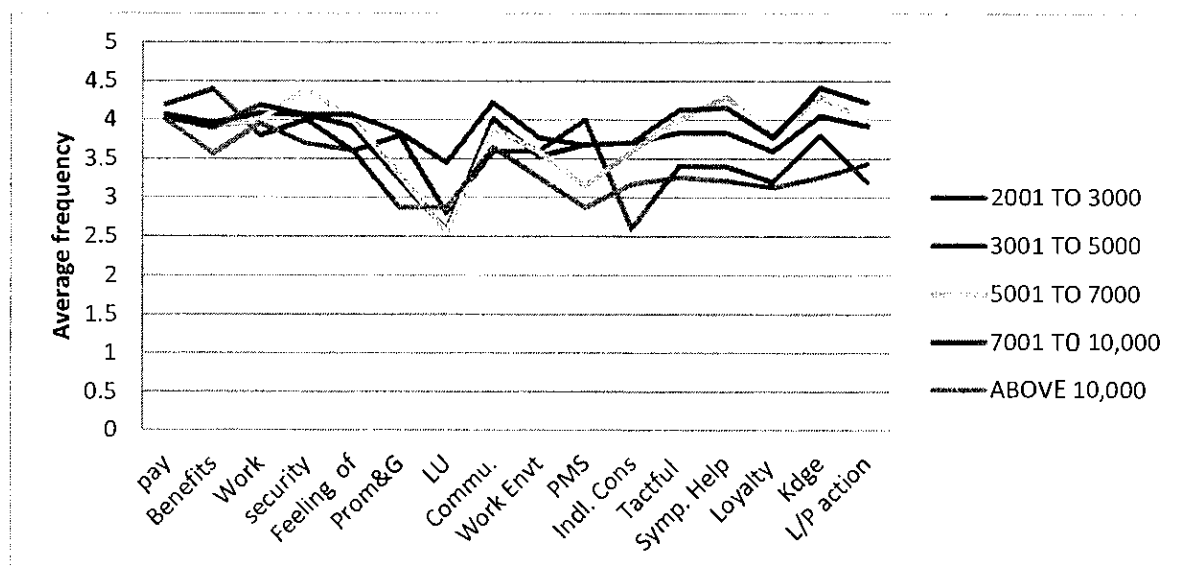


Figure- 9 monthly income means comparison

The one-way analysis of variance was used to compare the variance between employee motivation factors and marital status. The one-way analysis of variance was conducted to explore the practices of employee motivation and leadership variables and marital status in this study.

Table 8 demonstrates the employee motivation scale ratings one-way analysis of variance for each employee motivation variable and that employee's marital status.

Table 8 One-way ANOVA for Marital status

Factors		Sum of Squares	df	Mean Square	F	Sig.
Individual consideration	Between Groups	6.219	2	3.110	3.359	.037*
	Within Groups	188.863	204	.926		
	Total	195.082	206			
Tactful discipline	Between Groups	8.265	2	4.133	4.343	.014*
	Within Groups	194.121	204	.952		
	Total	202.386	206			
Sympathetic help with personal problems	Between Groups	3.967	2	1.983	1.960	.143
	Within Groups	206.391	204	1.012		
	Total	210.357	206			
Concern for employees	Between Groups	2.647	2	1.324	1.609	.203
	Within Groups	167.787	204	.822		
	Total	170.435	206			
knowledge	Between Groups	1.838	2	.919	.998	.370
	Within Groups	187.853	204	.921		
	Total	189.691	206			
Leadership Role	Between Groups	7.875	2	3.937	6.170	.003*
	Within Groups	130.193	204	.638		
	Total	138.068	206			
Pay	Between Groups	1.868	2	.934	2.426	.091
	Within Groups	78.547	204	.385		
	Total	80.415	206			
Benefits	Between Groups	1.162	2	.581	1.359	.259
	Within Groups	87.272	204	.428		
	Total	88.435	206			
Work	Between Groups	.554	2	.277	.678	.509
	Within Groups	83.359	204	.409		
	Total	83.913	206			
security	Between Groups	.206	2	.103	.125	.883
	Within Groups	168.209	204	.825		
	Total	168.415	206			
Feeling of doing meaningful job	Between Groups	2.262	2	1.131	1.894	.153
	Within Groups	121.806	204	.597		

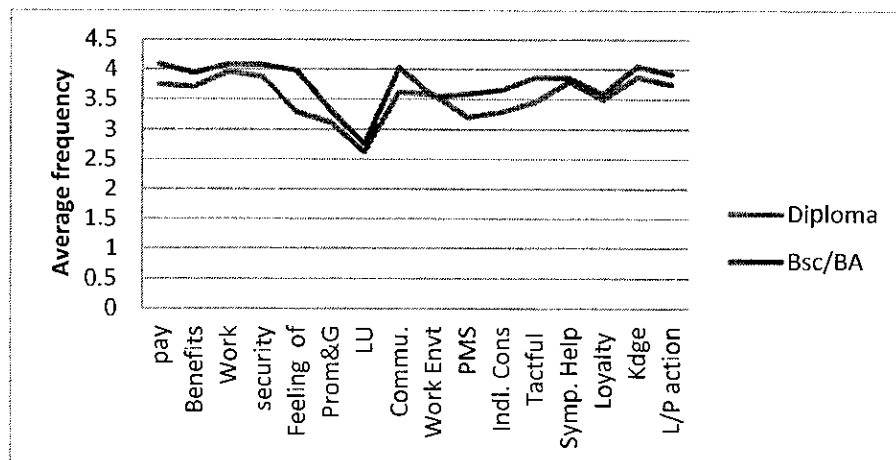


	Total	124.068	206			
Promotion and Growth	Between Groups	8.802	2	4.401	4.916	.008*
	Within Groups	182.628	204	.895		
	Total	191.430	206			
Labor union	Between Groups	12.980	2	6.490	4.789	.009*
	Within Groups	276.450	204	1.355		
	Total	289.430	206			
communication	Between Groups	2.333	2	1.166	2.190	.114
	Within Groups	108.624	204	.532		
	Total	110.957	206			
Working Environment	Between Groups	4.081	2	2.041	2.789	.064
	Within Groups	149.233	204	.732		
	Total	153.314	206			
Performance Management System	Between Groups	1.803	2	.902	1.048	.352
	Within Groups	175.511	204	.860		
	Total	177.314	206			

Notes: * Denotes significance level < 0.05

From the above results, at the 5% significance level, out of the sixteen factors of motivation and leadership practices, five obtained p-value of less than 0.05, this indicates that the five variables of motivation & leadership practices are insignificant with respect to marital status. The factors below the significance level of 0.05 individual considerations with a p-value of 0.037, tactful discipline with a p-value of 0.014, leadership role with a p-value of 0.003, Promotion and Growth with a p-value of 0.008, and labor union with a p-value of 0.009 exhibited high different means among the marital status group.

Figure- 11 educational qualification comparisons of means



As indicated in the figure above diploma holders rated lower for the majority factors than degree holders.

4.5 Summary of ANOVA test

The following table provides a summary view, indicating good (✓) & low or poor (X), for each factor of motivation and leadership practices in this section which tested against demography of respondents by ANOVA test at 95% significant level.

	Age	occupation	Marital	Serviceyear	Income
Individual consideration	✓	✓	X	X	X
Tactful discipline	X	✓	X	X	X
Sympathetic help with personal problems	✓	✓	✓	X	X
Concern for employees	✓	✓	✓	✓	✓
knowledge	X	X	✓	X	X
Leadership Role	X	✓	X	X	X
Pay	✓	✓	✓	✓	✓
Benefits	✓	✓	✓	X	X
Work	✓	✓	✓	✓	✓
security	✓	✓	✓	✓	✓
Feeling of doing meaningful job	✓	✓	✓	X	✓
Promotion and Growth	✓	✓	X	X	X
Labor union	X	✓	X	✓	X
communication	✓	✓	✓	X	X
Working Environment	✓	✓	✓	✓	✓
Performance Management System	X	X	✓	X	X

Table 9 Summary view factors of motivation and leadership

4.6 Data Analysis

4.6.1 Data analysis for ten motivational factors

Table 10 Demographic means table for motivation practices

Demography	Factors	pay	Benefits	Work	security	Feeling of doing	Promotion and Growth	Labor Union	Communication	Working Env't	PMS
Age	Under 25	4.0303	3.8485	3.8788	4.0455	3.8030	3.1364	2.6515	3.9697	3.4848	3.6061
	25 TO 30	4.0543	4.0543	4.2065	4.0870	3.9783	3.4565	2.8261	4.0978	3.6848	3.7283
	31 TO 35	4.1739	3.8261	4.0435	3.9565	3.9130	3.3478	2.6522	3.6957	3.3043	3.1304
	36 TO 40	3.9000	3.5000	4.1000	4.0000	3.7000	2.7000	3.0000	3.7000	3.3000	2.8000
	41 TO 50	4.1667	3.7500	3.9167	4.0000	4.0833	3.3333	2.3333	3.9167	3.3333	3.2500
	50 & above	3.7500	3.7500	4.7500	4.2500	3.7500	3.5000	3.5000	4.2500	4.0000	3.5000
	AGM	4.0531	3.9130	4.0725	4.0531	3.9034	3.2995	2.7440	3.9855	3.5459	3.5459
Sex	Male	4.0500	3.9000	4.0625	4.0312	3.9125	3.2750	2.8875	3.9625	3.5187	3.5063
	Female	4.0638	3.9574	4.1064	4.1277	3.8723	3.3830	2.2553	4.0638	3.6383	3.6809
	AGM	4.0531	3.9130	4.0725	4.0531	3.9034	3.2995	2.7440	3.9855	3.5459	3.5459
Occupation	CSO	4.0595	3.9345	4.0714	4.1250	3.9286	3.3095	2.6667	4.0060	3.5476	3.6012
	Supervisor	4.0455	3.9091	4.2273	3.7727	3.9091	3.4091	3.1818	4.0000	3.7727	3.7273
	Branch Mgr.	4.0000	3.7059	3.8824	3.7059	3.6471	3.0588	2.9412	3.7647	3.2353	2.7647
	AGM	4.0531	3.9130	4.0725	4.0531	3.9034	3.2995	2.7440	3.9855	3.5459	3.5459
Service year	0 TO 2 YR.	4.0727	3.9636	4.1000	4.1636	3.9636	3.3455	2.5818	4.0545	3.5727	3.7636
	3 TO 5 YR.	3.9487	3.9487	3.8462	3.7436	3.5897	3.2308	2.9231	3.8718	3.5128	3.4615
	6 TO 10 YR	4.1379	4.0690	4.2759	4.1379	4.3448	3.7586	3.2069	4.1724	3.7586	3.5862
	11-15 YR	4.2727	3.7273	3.9091	4.0000	3.2727	2.2727	2.4545	3.2727	2.8182	2.9091
	16 - 20 yrs	3.9167	3.2500	4.0833	3.7500	3.8333	3.0000	2.6667	3.9167	3.4167	2.6667
	21 -25 yrs	3.6667	4.0000	4.0000	4.0000	4.6667	3.0000	3.0000	4.0000	4.0000	2.6667
	26 – 30yrs	4.0000	3.3333	4.6667	4.6667	3.3333	3.3333	3.0000	4.0000	3.6667	3.0000
	AGM	4.0531	3.9130	4.0725	4.0531	3.9034	3.2995	2.7440	3.9855	3.5459	3.5459
Marital	SINGLE	4.0544	3.9592	4.0408	4.0340	3.8367	3.1701	2.6531	3.9184	3.4694	3.4898
	MARRIED	4.0172	3.7931	4.1552	4.1034	4.0690	3.6034	3.0345	4.1552	3.7586	3.6724
	OTHERS	5.0000	4.0000	4.0000	4.0000	4.0000	4.0000	1.0000	4.0000	3.0000	4.0000
	AGM	4.0531	3.9130	4.0725	4.0531	3.9034	3.2995	2.7440	3.9855	3.5459	3.5459
Income	2001- 3000	4.2000	4.4000	3.8000	4.0000	3.6000	3.8000	2.8000	3.6000	3.6000	4.0000
	3001 - 5000	4.0703	3.9609	4.0859	4.0625	3.9141	3.2266	2.5781	4.0156	3.5312	3.6797
	5001 -7000	4.0000	3.9000	4.0000	4.4000	4.0000	3.3000	2.5500	3.9000	3.6000	3.1500
	7001- 10,000	4.0323	3.9032	4.1935	4.0645	4.0645	3.8387	3.4516	4.2258	3.7742	3.6774
	>10,000	4.0000	3.5652	3.9565	3.6957	3.6087	2.8696	2.8696	3.6522	3.2609	2.8696
	AGM	4.0531	3.9130	4.0725	4.0531	3.9034	3.2995	2.7440	3.9855	3.5459	3.5459
Education	Diploma	3.7500	3.7083	3.9583	3.8750	3.2917	3.1250	2.6250	3.6250	3.5833	3.2083
	Bsc/BA	4.0929	3.9399	4.0874	4.0765	3.9836	3.3224	2.7596	4.0328	3.5410	3.5902
	AGM	4.0531	3.9130	4.0725	4.0531	3.9034	3.2995	2.7440	3.9855	3.5459	3.5459

AGM= Average grand mean

The responses were evaluated and used to compute descriptive statistics (frequency, weighted score, means, standard deviation) for each of the explained variables. A single index (in form of grand mean) was obtained in respect of all motivational factors and leadership practices. Consequently, any score (mean and/or average grand mean) between 1.00 to 1.99 was considered as an indication of very low motivation level and poor leadership practices; 2.00 to 2.99 was an indication of low level of motivations and leadership practice; 3.00 to 3.49 was an indication of moderate level of motivation & leadership practices; 3.50 3.99 was an indication of high motivation and leadership practices; and 4.00 to 5.00 was considered to be very high motivation and leadership practices.

1) Pay

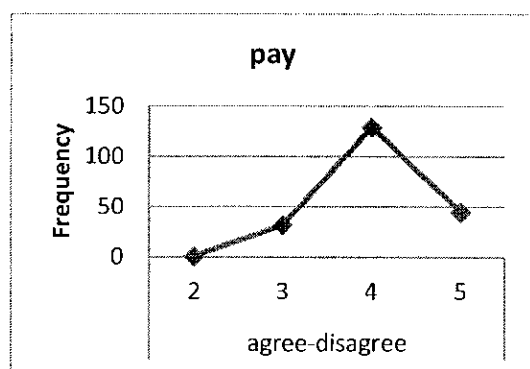


Figure-12 pay graph

rate	F	%age	Valid %	Cum Percent
2	1	.5	.5	.5
3	32	15.5	15.5	15.9
4	129	62.3	62.3	78.3
5	45	21.7	21.7	100.0
Total	207	100.0	100.0	

table -11 pay frequency distribution

Considering pay, only one individual answered disagree whereas 32(15.5%) people answered as there is a fair pay in the bank. 62.3 % respondents agreed while 21.7% strongly agreed with the statements in the question about pay. Based on demographical variables of respondents, there is no much significant differences among the average means of each groups.

The data analysis obtained from the descriptive statistics evinced that among the sixteen factors of motivation & leadership practices, respondents gave one of the highest score for pay (mean=4.0531, Std error=.04343, SD= .62479, and variance=.390), which indicates that the bank is paying an attractive and competitive high salary to its workers.

2) Benefits

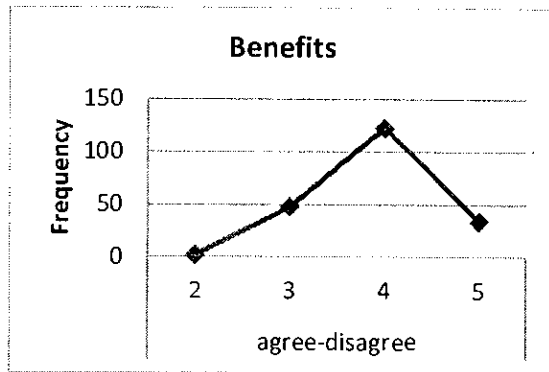


Figure-13 Benefit graph

Rate	F	%age	Valid %	Cum Percent
2	2	1.0	1.0	1.0
3	48	23.2	23.2	24.2
4	123	59.4	59.4	83.6
5	34	16.4	16.4	100.0
Total	207	100.0	100.0	

Table -12 Benefit frequency distribution

Similar to pay, no one respondent gave 'strongly disagree' answer. 2 people answered disagree and 48 respondents claimed that there are fair benefit packages in the bank. On the other hand, 123 (59.4%) individuals answered agree while 34 (16.4) strongly agreed.

Age wise, age group of 25 to 30 years scored the highest mean of 4.0543 while the lowest mean of 3.5000 achieved by 36-40 age group. In respect to occupational status of respondents, customer service officers scored high mean of 3.9385 whereas branch managers exhibited the lowest mean of 3.6667. Considering their service year and monthly income respondents with experience of 6-10 years and monthly income group fell between birr 2001-3000 have got the highest mean points of 4.0690 and 4.4000, whereas the minimum mean point of 3.2500 and 3.5000 displayed by the respondents who had experience of 16-20 years and respondents who earned monthly income above birr 10,000.00. The means values of groups' classified based on sex and marital status have no significant variations.

The overall statistical score for benefit is mean value=3.9130 (with standard error=.04554, SD=.65521 and variance of=.429), which revealed that there is high practices of motivation packages currently the bank is offering to its workers.

3) Work

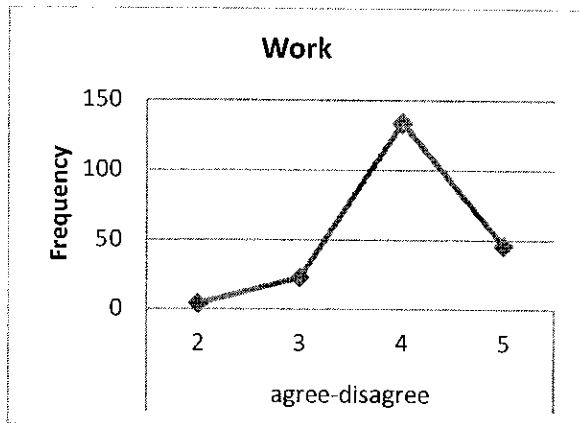


Figure-14 Interesting work

Rate	F	%age	Valid %	Cum Percent
2	4	1.9	1.9	1.9
3	23	11.1	11.1	13.0
4	134	64.7	64.7	77.8
5	46	22.2	22.2	100.0
Total	207	100.0	100.0	

Table -13 Work frequency distribution

134 (64.7 %) respondents agreed and 46(22.2%) respondents strongly agreed with the bank provided them interesting work, while only two individuals disagree in the idea and 23 persons are neutral about it. There is no significant difference between average means of male and female, as well as single and married, diploma and degree holders, and among the age group respondents. Based on the occupational status of respondents, supervisors rated the highest ($m=4.2273$) whereas branch managers scored the lowest ($M=3.8824$). in respect of service year and monthly salary, respondents with service year fall between 26-30 years and income group ranging from birr 7001- 10,000 scored the highest mean of 4.6667 and 4.1935, while respondents with service year fall between 3-5 years and income group ranging from birr 2001- 3,000 scored the lowest mean of 3.8462 and 3.8000 each respectively.

The total respondent scored average grand mean of 4.0725 (with $SD=0.63824$, and Variance $V=0.407$) which indicate that the bank has provided interesting work to its employees.

4) Security

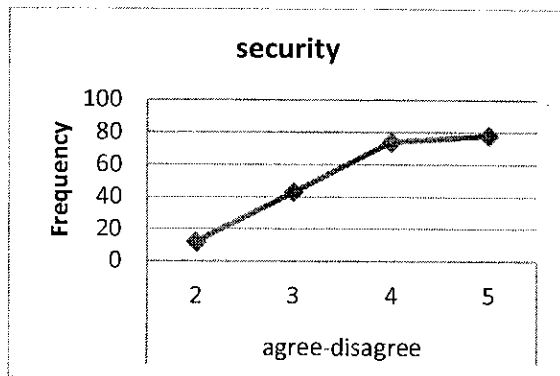


Figure-15 Security

Rate	F	%age	Valid %	Cum Percent
2	12	5.8	5.8	5.8
3	43	20.8	20.8	26.6
4	74	35.7	35.7	62.3
5	78	37.7	37.7	100.0
Total	207	100.0	100.0	

Table -14 Security frequency distribution

74 and 78 respondents answered they agreed and strongly agreed on the existence of job security in the organization while 12 respondents disagreed on the availability of job security, whereas 43 answered neutral. Based on the demographic characteristics of respondents, the average mean slightly lower than the grand mean for job security recorded by supervisors (3.6875), branch managers (3.7500), service year between 16-20 years (3.7500), salary above birr 10,000.00 (3.8750), and diploma holders (3.7692).

The average mean analysis revealed that there is strong job security in the bank (mean=4.053, standard error=.06285, SD=.90419, and variance=.818)

5) Feeling of doing meaningful Job

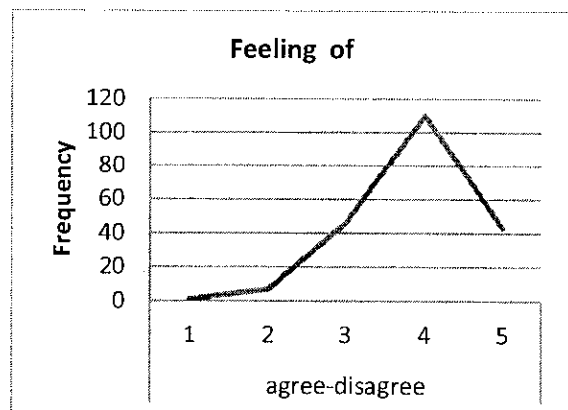


Figure-16 Feeling of doing meaningful Job Table -15 Feeling frequency distribution

Rate	F	%age	Valid %	Cum Percent
1	1	.5	.5	.5
2	7	3.4	3.4	3.9
3	46	22.2	22.2	26.1
4	110	53.1	53.1	79.2
5	43	20.8	20.8	100.0
Total	207	100.0	100.0	

From the 207 total respondents, 153 (73.9%) believe that there is high feeling of doing meaningful job in their work. But only one respondent strongly disagree with whereas 7 respondents gave disagree responses.

Respondents under the demographic classifications of age, sex, marital status, income group showed a slight difference in their average mean, but not significant. A wide range of mean differences observed in service year and educational qualification groups. The 21-25 service year respondents scored the highest mean of 4.6667 whereas 11-15 service years scored the lowest mean 3.2727, while the mean value of respondents based on their qualification range from the lowest 3.2917 to the highest mean 3.9836. On a five-point Likert scale, the data analysis revealed a mean score of 3.9034 for 'feeling of doing meaningful job' that shows high level of employees contentment with the factor.

6) Promotion and Growth

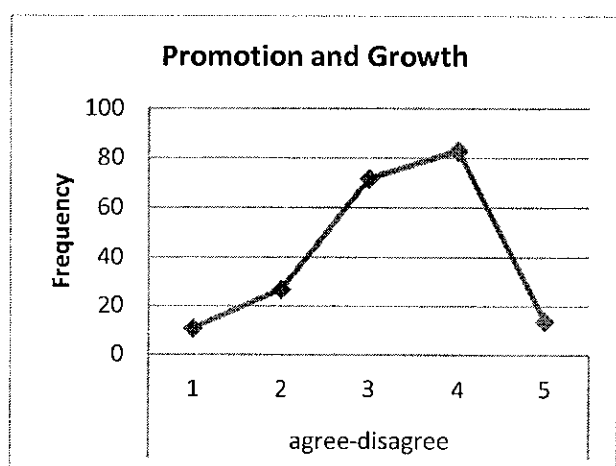


Figure-17 Promotion & growth

Rate	F	%age	Valid %	Cum Percent
1	11	5.3	5.3	5.3
2	27	13.0	13.0	18.4
3	72	34.8	34.8	53.1
4	83	40.1	40.1	93.2
5	14	6.8	6.8	100.0
Total	207	100.0	100.0	

Table -16 Promotion frequency

From the total respondents, only 6.8% answered strongly agree while 83 (40.1%) agree on the existence of good promotion and growth practices in the bank.

A wide mean variation observed among age groups ranging from the highest mean of 3.4565 scored by age group between 25-30 years and the lowest mean of 2.7000 obtained by age group of 36 to 40 years. In terms of the respondents' occupation, a wide range of variance observed between the supervisors response highest mean 3.7500 to branch managers response the lowest mean 3.0833. Similarly, there are high mean variations among respondents service year group ranging from 2.2727 to 3.7586. The maximum and minimum means of 4.0000 and

2.8846 scored by income group who earned birr 2001 to 3000 and above birr 10,000 respectively. There is a slight mean variation between male and female respondents as well as married and single respondents.

In general the average mean analysis showed that the practice level of promotion and growth in the bank is good enough with high variations (mean=3.2995, standard error=.06700, SD=.96399, and variance=.929).

7) Labor Union

46 individuals answered that they strongly disagree with the practice of labor union towards enhancing and protecting their interest at workplace, and 33 respondents also disagreed in a similar fashion. On the other hand, 55 (26.6%) person responded as agree while only 3.9% respondents answered strongly agree with the questions.

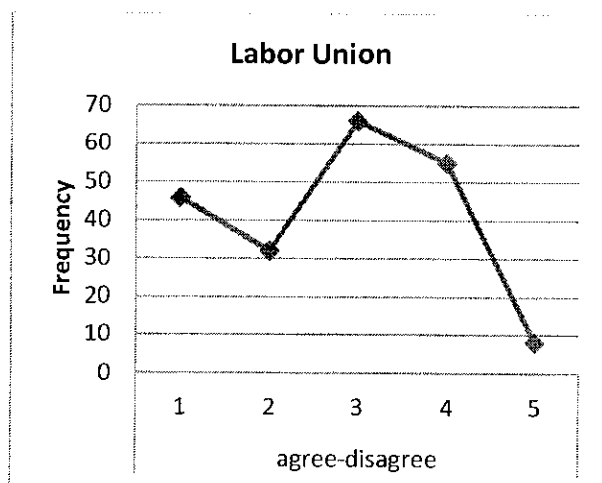


Figure-18 Labor Union

Rate	F	%age	Valid %	Cum Percent
1	47	22.7	22.7	22.2
2	33	15.9	15.9	38.2
3	64	30.9	30.9	69.1
4	55	26.6	26.6	95.7
5	8	3.9	3.9	99.5
Total	207	100.0	100.0	

Table-17 Labor Union frequency distribution

The average mean obtained from the survey is 2.8068 which is the lowest mean among all questions with the highest standard error =0.10744, and the highest standard deviation =1.54585 and the highest variance =2.390. The data analysis revealed that the labor union performance to protect employees interest is low.

8) Communication

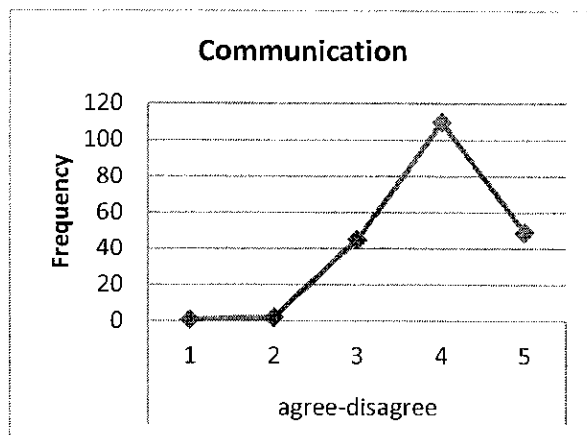


Figure-19 Communication

Rate	F	%age	Valid %	Cum Percent
1	1	.5	.5	.5
2	2	1.0	1.0	1.4
3	45	21.7	21.7	23.2
4	110	53.1	53.1	76.3
5	49	23.7	23.7	100.0
Total	207	100.0	100.0	

Table -18 Communication frequency

The questionnaire consist six questions regarding employees' opinions about the level of effective communication practices throughout the company and within their respective branches. Their responses average mean on what they observed about the communication in the company, 23.7% answered that they strongly agreed and 110(53.1%) respondents answered that they agree with the statements in the questionnaire. 21.7% respondents feel neutral about the communication level, but Only 1 respondent claimed strongly disagree while 2 disagree with the idea of good communication practice in the bank.

The average mean analysis showed that the practice level of communication in the bank is high with acceptable level of standard error & low variations. The average mean for the total respondent is 3.9855 with standard error of .05101, standard deviation level=.73391, and variance=.539.

9) Working Environment

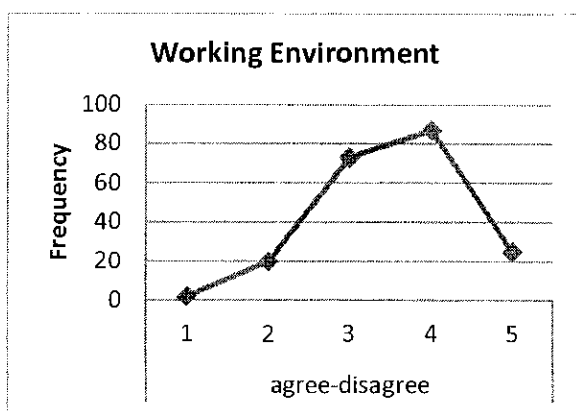


Figure-20 Working Env't

Rate	F	%age	Valid %	Cum Percent
1	2	1.0	1.0	1.0
2	20	9.7	9.7	10.6
3	73	35.3	35.3	45.9
4	87	42.0	42.0	87.9
5	25	12.1	12.1	100.0
Total	207	100.0	100.0	

Table-19 Working condition frequency

Concerning the work environment of the bank, 25(12.1%) responded strongly agree and 87 (42%) were agree on the availability of conducive working environment. 1% respondents find as very poor working environment and 9.7 % answered disagree, while 73(35.3%) individuals find it average.

Supervisors, respondents with 21-25 service years, income group between birr 5001 to birr 7000, and married respondents scored high mean value of 3.8750, 4.0000, 3.8125, and 3.7586 respectively while branch managers, employees with 11-15 service years, income group above birr 10,000, and single respondents obtained low mean value of 3.3333, 2.8182, 3.2308, and 3.4694 each as compared to their respective demographic groups.

The data analysis indicated that the average mean score for the level of work environment is 3.5459 with standard error of .05996, SD of .86270, and variation of .744, which revealed that the practice of good working environment in the bank.

10) Performance Management System

Regarding the existence of good performance management system in the bank, 3 strongly disagreed and 24 (11.6%) disagreed, while 67 responded as fair. To the contrary, 83 respondents agreed and 30 respondents strongly agreed on the availability and practice of good performance management system.

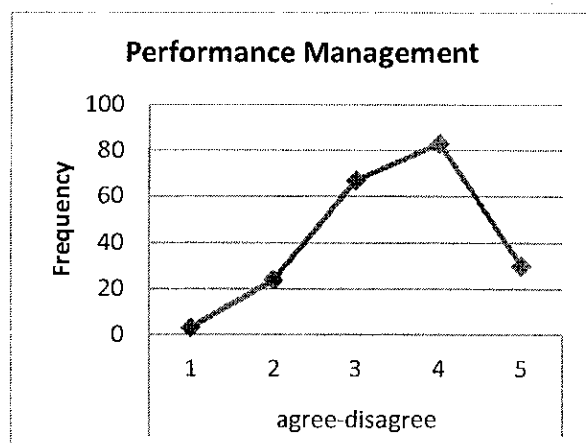


Figure-21 Performance

Rate	F	%age	Valid %	Cum Percent
1	3	1.4	1.4	1.4
2	24	11.6	11.6	13.0
3	67	32.4	32.4	45.4
4	83	40.1	40.1	85.5
5	30	14.5	14.5	100.0
Total	207	100.0	100.0	

Table-20 PMS frequency distribution

The data analysis revealed that there are significant variations among the demographic groups of respondents. Age group 25 to 30 years scored the highest mean of 3.7283 and the age group fall in the range of 36 to 40 years scored the lowest mean of 2.8000, based on their occupation

supervisors scored the highest mean of 3.9375 whereas the lowest mean of 2.7500 belongs to branch managers, based on the respondents monthly income classification, the income group of birr 2001 to 3000 scored the highest mean of 4.2500 while the highest income group who earn above birr 10,000.00 scored the lowest mean of 2.8077. In respect of service year classifications, as the service year increased the lower mean value recorded, when 0 to 2 years scored the highest mean of 3.7636, respondents under 16 to 20 years of service scored the lowest mean of 2.6667 from the group. There is no significant mean variation between the two sexes, while a slight difference but insignificant variation recorded among groups classified based on marital status and educational qualification.

Despite the above mean variations of among demographically classified groups of the respondents, the average grand mean of 3.5459 (with standard error .06448, SD=.92776, and variance of .861) showed that there is high performance management system in the bank.

4.6.2 Data analysis for six factors of leadership practices

Table 21 Demographic means table for leadership role

demography	Factors	Individual cons.	Tact. Disc.	Sympathetic help	Concern for emp.	knowledge	Leadership Action
Age	Under 25 years	3.5758	3.9242	3.8182	3.5303	3.9848	3.7727
	25 TO 30	3.6304	3.8370	3.8804	3.5870	4.1196	3.9239
	31 TO 35	3.7826	3.8696	3.8696	3.5652	4.0435	4.2174
	36 TO 40	3.3000	3.1000	3.6000	3.4000	3.1000	3.4000
	41 TO 50	3.5000	3.3333	3.7500	3.8333	4.1667	4.0000
	50 AND ABOVE	4.0000	4.7500	4.5000	4.0000	5.0000	4.7500
	AGM	3.6135	3.8213	3.8502	3.5797	4.0386	3.9034
Sex	Male	3.5812	3.7938	3.8188	3.5562	4.0438	3.8937
	Female	3.7234	3.9149	3.9574	3.6596	4.0213	3.9362
	AGM	3.6135	3.8213	3.8502	3.5797	4.0386	3.9034
Occupation	Customer service officer	3.6488	3.8631	3.8929	3.6190	4.1012	3.9405
	SUPERVISOR	3.6364	3.8182	3.8182	3.5455	4.0000	3.8636
	Branch Manager	3.2353	3.4118	3.4706	3.2353	3.4706	3.5882
	AGM	3.6135	3.8213	3.8502	3.5797	4.0386	3.9034
Service Year	0 TO 2 YR.	3.8091	3.9455	3.9455	3.6727	4.1636	3.9273
	3 TO 5 YR.	3.2308	3.4872	3.6923	3.4359	3.8205	3.7436
	6 TO 10 YRS.	3.7241	4.2414	4.2069	3.7931	4.5517	4.4138
	11 TO 15 YRS.	3.1818	3.2727	3.0909	2.9091	3.0000	3.2727
	16 TO 20	3.1667	3.1667	3.4167	3.2500	3.2500	3.4167
	21 TO 25	3.3333	3.3333	3.6667	3.3333	3.6667	3.6667
	26 TO 30	4.0000	4.6667	3.6667	4.0000	4.6667	4.6667
	AGM	3.6135	3.8213	3.8502	3.5797	4.0386	3.9034
Marital Status	SINGLE	3.5170	3.6939	3.7619	3.5238	3.9796	3.8027
	MARRIED	3.8793	4.1379	4.0690	3.7414	4.1897	4.1897
	OTHERS	3.0000	4.0000	4.0000	3.0000	4.0000	3.0000
	AGM	3.6135	3.8213	3.8502	3.5797	4.0386	3.9034
Income	2001 TO 3000	2.6000	3.4000	3.4000	3.2000	3.8000	3.2000
	3001 TO 5000	3.7109	3.8359	3.8359	3.5938	4.0547	3.9219
	5001 TO 7000	3.6000	4.0000	4.3000	3.8000	4.3000	4.0000
	7001 TO 10,000	3.7097	4.1290	4.1613	3.7742	4.4194	4.2258
	ABOVE 10,000	3.1739	3.2609	3.2174	3.1304	3.2609	3.4348
	AGM	3.6135	3.8213	3.8502	3.5797	4.0386	3.9034
Educational Background	Diploma	3.2917	3.4583	3.7917	3.5000	3.8750	3.7500
	Bsc/BA	3.6557	3.8689	3.8579	3.5902	4.0601	3.9235
	AGM	3.6135	3.8213	3.8502	3.5797	4.0386	3.9034

AGM= Average grand mean

11) Individual consideration

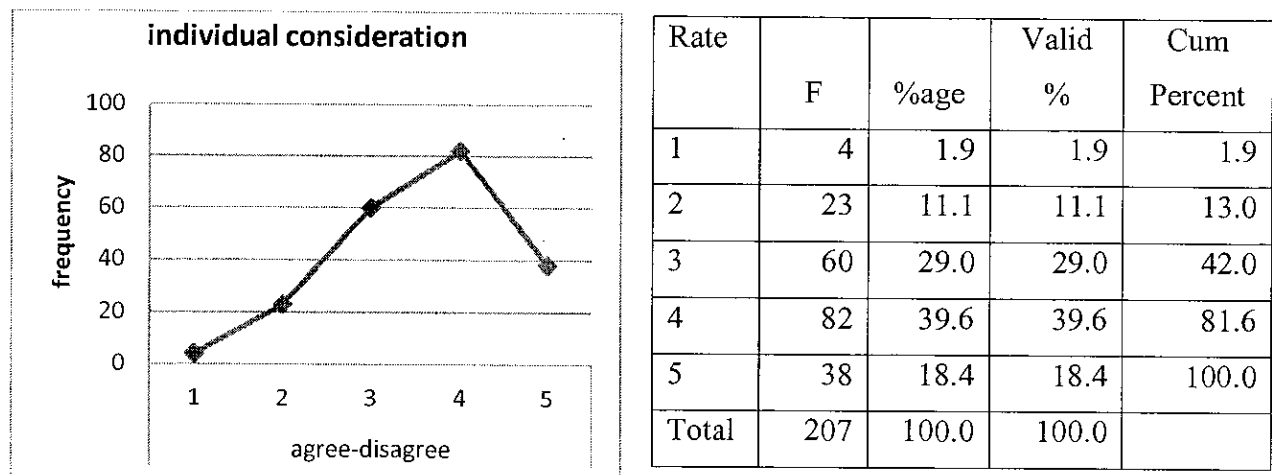


Figure-22 Individual Consideration Table-22 Individual frequency distribution

4 respondents answered strongly disagree and 23 answered disagree for the questions whether the leadership is individually considerate, while 60 respondents replied as neutral about it. On the other hand, 82(39.6%) people answered agree while 38 (18.4%) responded strongly agree that the leadership exercise individual consideration.

The minimum mean of 3.3000 scored by age group of 36 to 40 years range, while the maximum mean of 4.0000 obtained by age group of above 50 years. Based on occupation and service year classifications of respondents, supervisors and respondents with service year ranging from 26-30 years scored the highest mean value of 3.8125 and 4.0000 where as branch managers and service year group of 16-20 years have got the minimum mean of 3.3333 and 3.1667 each among their respective groups. In relation to their income, the minimum mean of 2.7500 scored by income group fell in the range of birr 2001-3000 while the maximum mean of 3.7273 registered by income group birr 7001 to 10,000.

All in all, the data analysis revealed that the average mean is 3.6135 (with standard error =0.06764, SD=0.97314, and variance V=.947), which evinced that the leadership is highly individual considerate.

12) Tactful discipline

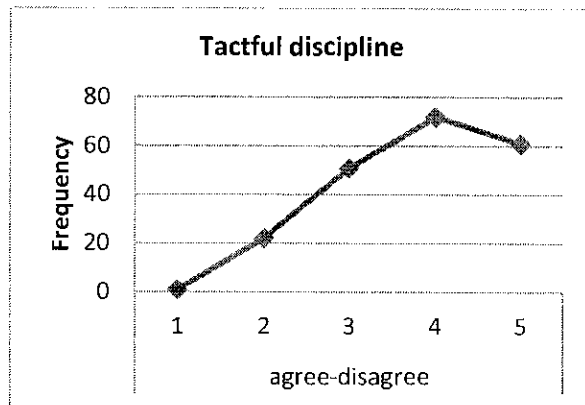


Figure-23 Tactful Discipline

Rate	F	%age	Valid %	Cum Percent
1	1	.5	.5	.5
2	22	10.6	10.6	11.1
3	51	24.6	24.6	35.7
4	72	34.8	34.8	70.5
5	61	29.5	29.5	100.0
Total	207	100.0	100.0	

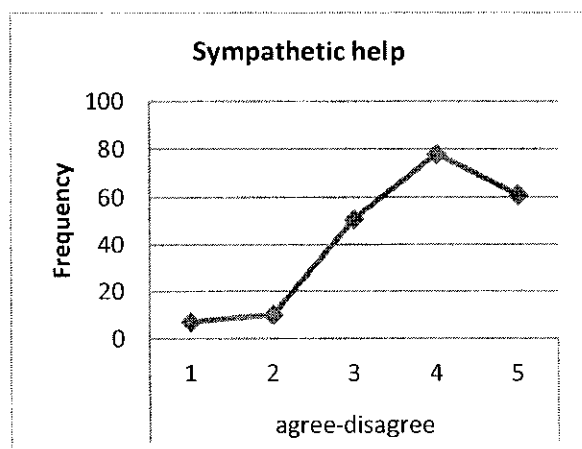
Table- 23 Tactful frequency distribution

The frequency distribution of tactful discipline depicted that from the total respondents 61(29.5%) strongly agreed and 72 (34.8%) agreed, whereas 22 (10.6%) disagreed and only one respondent strongly disagree about the tactfulness and performance handling of managers.

The demography data analysis of respondents revealed that significant variation among certain groups. Age wise under 25 years scored the maximum mean of 3.9242, while respondents 36-40 years age scored the minimum mean of 3.1000. Maximum and minimum means scored within their respective groups based on occupation supervisors (4.0625) and branch managers (3.5000), in respect of experience 26-30 service year(4.6667) and 16-20 service year (3.1667), regarding income birr 5001-7000 monthly income (4.2500) and above 10,000 monthly income(3.2308), and based on their educational backgrounds BSc/BA holders (3.8674) and Diploma holders (3.4583).

The descriptive data analysis revealed that the grand average mean for tactful discipline is 3.8213(with standard error=0 .06889, SD =0.99119, and variance=0 .982), which portrayed that the tactfulness of management in sustaining performance of individuals.

13) Sympathetic help with personal problems



Rate	F	%age	Valid %	Cum Percent
1	7	3.4	3.4	3.4
2	10	4.8	4.8	8.2
3	51	24.6	24.6	32.9
4	78	37.7	37.7	70.5
5	61	29.5	29.5	100.0
Total	207	100.0	100.0	

Figure-24 Sympathetic help

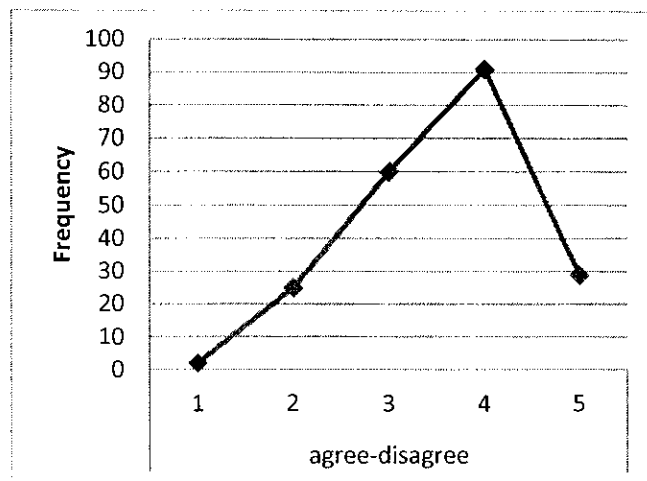
Table -24 Sympathetic frequency distribution

The frequency distribution of respondents showed that 3.4% answered as strongly disagree while 4.8% responded as disagree. The number of respondents who answered as strongly agrees and agree constitutes 29.5% & 37.7%, while 24.6% replied as neutral.

The demographic data mean analysis of respondents evinced that there is a slight variation within the group of age, sex, marital status, and educational background, but the difference among the group of occupation, service year, and monthly income are significant. The maximum mean recorded by supervisors = 4.1250, service year ranging from 6 to 10 years=4.2069, and monthly income birr 5,001 to 7,000=4.5000, whereas the lowest mean exhibited by managers=3.4167, service year ranging from 11 to 15 years=3.0909, income group fell between birr 2001 to 3000=3.2500 from their respective demographic group.

The descriptive data analysis revealed that the average grand mean for managers action on Sympathetic help with personal problems is 3.8502 (with SD=1.01052 and variance=1.021), which shows the management of the bank is highly supportive and helpful to personal affairs of workers.

14) Concern for employees



rate	F	%	Valid %	Cum. %
1	2	1.0	1.0	1.0
2	25	12.1	12.1	13.0
3	60	29.0	29.0	42.0
4	91	44.0	44.0	86.0
5	29	14.0	14.0	100.0
Total	207	100.0	100.0	

Figure-25 Concern for employees Table -25 Concern for employees frequency

About managers concern for employees, 58% responded above the average (the summations of strongly agree and agree), 29% replied as being neutral, while 12.1% and 1% of respondents answered as disagree and strongly disagree.

Age wise, 50 years and above scored the highest mean of 4.0000 while age group within 36-40 years obtained the lowest mean of 3.4000. Based on their occupation, service year, and monthly income classifications supervisors, service year fall between 26-30 years, and income group within the range of birr 5001 to 7000 scored the highest mean of 3.7500, 4.0000, and 4.0625 each respectively, while branch managers, respondents with service year fall between 11-15 years, and respondents with income group above birr 10000 scored the lowest mean of 3.3333, 2.9091, and 3.1154 each from their respective demographic group. Sex, marital status and educational qualification of respondents have no material effect on their average mean value.

The average grand mean for managers concern for employees is 3.5797(with SE=.06322, SD=.90959, and variance=.827) which shows that the management of the bank is highly concerned to create trustful work environment and to look the best interest of employees.

15) Knowledge

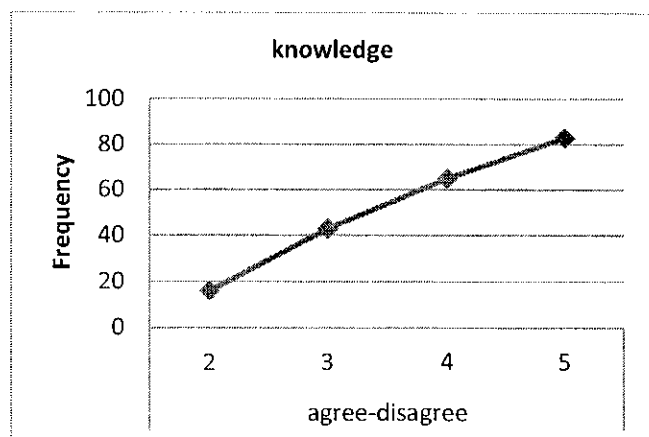


Figure-26 Knowledge

rate	F	%	Valid %	Cum. %
2	16	7.7	7.7	7.7
3	43	20.8	20.8	28.5
4	65	31.4	31.4	59.9
5	83	40.1	40.1	100.0
Total	207	100.0	100.0	

Table -26 Knowledge frequency distribution

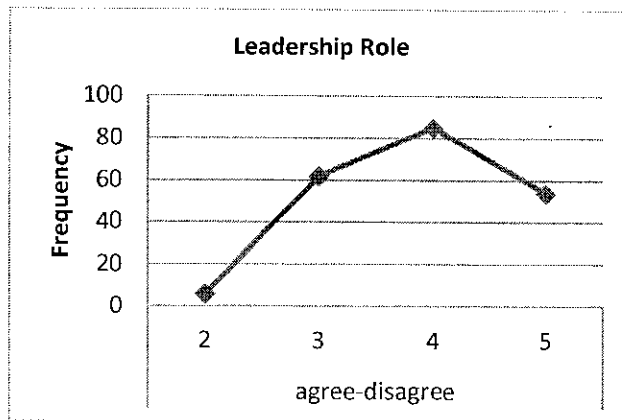
From 207 respondents 83 answered strongly agree and 65 answered agree about the competency level of their manager to lead. When 43 individuals became neutral, 16 respondents disagree with the statements about the knowledge of their manager.

Based on the demographical analysis of respondents, there are noticeable average mean variations among age, occupation, service years, monthly salary, and educational qualification group, but there is no significant difference by sex and marital status.

From each demographic group, the maximum and minimum mean scored by Customer service officer (4.1012) and Branch Manager (3.4706), respondents with service year fall between 26-30 years (4.6667) and 11-15 years (3.0000), age of 50 years and above (5.0000) and respondents with age fall between 36-40 years (3.1000), and income group ranging from birr 7,001 to 10,000.- (4.4194) and income group above birr 10,000.- (3.2609) each respectively.

The knowledge and skills of the management to lead earned one of the highest score of an average grand mean above 4 point ($m=4.0386$, $SD=.95960$, and $V=.921$). The result obtained from the statistical data analysis uncovers that the management is highly capable to manage.

16) Leadership role



rate	F	%	Valid %	Cum. %
2	6	2.9	2.9	2.9
3	62	30.0	30.0	32.9
4	85	41.1	41.1	73.9
5	54	26.1	26.1	100.0
Total	207	100.0	100.0	

Figure-27 Leadership role

Table- 27 Leadership frequency distribution

There is no one strongly disagrees with the leadership role questions, while 2.9% disagree with and 30% answered neutral. To the contrary, 41.1% and 26.1% respondents replied as agree and strongly agree respectively.

The average mean score comparison among the age groups show that the minimum & maximum mean obtained by age group in the range of 36 to 40 years (3.4000) and age group above 50 years (4.7500). based on occupation, service year and monthly income classification of respondents, the maximum mean scored by Customer service officer (3.9405), respondents with service year falls between 6-10 years (4.4138), and income group fall within the range of birr 7001 to 10,000 (4.2258). in contrast, from their respective groups the lowest mean scored by Branch Manager (3.5882) respondents between 11 to 15 service years (3.2727), and income group fall between birr 2001 to 3000 (3.2000).

The data analysis indicates that the average grand mean score for the leadership role is 3.9034 (with SD = 0.81868 and variation V = 0.670, which shows that the management plays high leadership role in motivating, coaching, empowering, and recognizing individual efforts of their employees.

4.7 Summary of average grand mean for all sixteen factors

Table-28 Statistics data .

	N	Mean		Std. Dev.	Variance	Skewness		Rank
	Statistic	Statistic	Std. Error	Statistic	Statistic	Statistic	Std. Error	
pay	207	4.0531	.04343	.62479	.390	-.158	.169	2
Benefits	207	3.9130	.04554	.65521	.429	-.118	.169	6
Work	207	4.0725	.04436	.63824	.407	-.515	.169	1
security	207	4.0531	.06285	.90419	.818	-.583	.169	3
Feeling of being in on things	207	3.9034	.05394	.77606	.602	-.523	.169	7
Promotion and Growth	207	3.2995	.06700	.96399	.929	-.534	.169	15
Labor Union	207	2.7440	.08267	1.18942	1.415	-.156	.169	16
Communication	207	3.9855	.05101	.73391	.539	-.424	.169	5
Working Environment	207	3.5459	.05996	.86270	.744	-.258	.169	13
Performance Management Sys	207	3.5459	.06448	.92776	.861	-.301	.169	14
individual consideration	207	3.6135	.06764	.97314	.947	-.404	.169	11
Tactful discipline	207	3.8213	.06889	.99119	.982	-.419	.169	10
Sympathetic help	207	3.8502	.07024	1.01052	1.021	-.778	.169	9
Loyalty to employees	207	3.5797	.06322	.90959	.827	-.357	.169	12
knowledge	207	4.0386	.06670	.95960	.921	-.610	.169	4
Leadership Role	207	3.9034	.05690	.81868	.670	-.141	.169	8
Valid N (list wise)	207							

Based on the average grand mean results obtained from the descriptive statistical data analysis, out of the sixteen factors of motivation and leadership practices, fifteen scored average mean of above 3.2 which revealed that from moderate to high level of motivation and leadership practices in the bank. Interesting work was ranked first scoring the highest average mean of 4.0725. Pay and security took the second and the third positions by scoring equal mean value of 4.0531 each, but differentiated by low value of standard deviation. Knowledge of the leadership was ranked fourth by getting average grand mean of 4.0386. To sum up, interesting work, pay, security, and knowledge of the leadership earned the largest mean above 4.000., which implied very high level of practices in the bank.

Under high score categories that ranging between 3.50- 3.99 which indicates high level of practices of the factors includes communication scored mean of 3.9855 was ranked fifth, benefits (3.9130) was placed sixth, feeling of being in on things (3.9034) secured the seventh position, leadership role (3.9034) with higher standard deviation as compared to feeling on things was

placed eighth, managers sympathetic help with personal problems (3.8502) has got the ninth rank, tactful discipline (3.8213) became tenth, and individual consideration (3.6135) has got the eleventh rank. Management loyalty to employees (3.5797), working environment (3.5459), and performance management system (3.5459) held positions from twelve to fourteen, also classified under high level of practices.

The average grand mean of 3.2995 for promotion and growth indicate that there is moderate practice in the bank whereas labor union scored the lowest average grand mean of 2.7440 from all factors which also indicate its low level of performance.

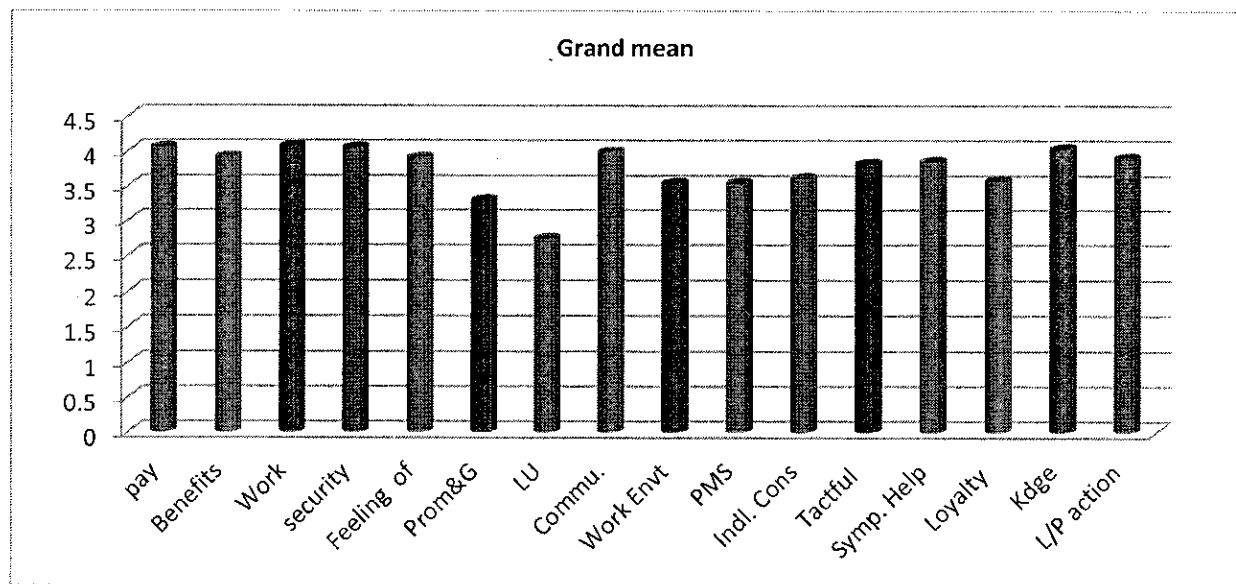


Figure 28 Average grand mean for all factors of motivation and leadership practices

Chapter-V

Major findings, Conclusions & Recommendations

5.1) summary of major findings.

Although no a compiled single printed document exists about employees' motivation, the majority of the motivational factors are stated on various policy & procedure manuals of the bank. From the outset, the bank acclaimed the value and importance of employees in its mission statement and core values. It described the significance of motivated, skilled and self-disciplined employees to realize its mission and vision statements and acclaimed employees as valuable organizational resources. The overall contents of the written documents of the bank regarding employee motivation quit satisfactory.

The descriptive data analysis based on demographic classifications of gender and marital status of respondents revealed that there are no significant mean differences between male and female, married and single respondents across all 16 factors of motivation and leadership practices.

Managers gave low rate for performance management system (2.7647), which indicates the practice of goal setting, performance evaluation, and rewarding is below the average in the bank particularly for managerial positions. In addition to this, income group who earned monthly salary above birr 10,000 scored average mean below 3.00 in two factors – promotion & growth(2.8696) and performance management system(2.8696). Other than the questions for labor union, respondents gave the lowest rate for the statement “My working area is well furnished and equipped with the standard quality materials” which scored mean of (2.99). This low result shows that the bank is performing below the average in the area of providing the standard quality materials and furniture to the performers.

Respondents' year of experience revealed that more than 53% have less than two years banking experience and respondents with experience of 5 years and below constitute 72 % which clearly shows that the bank is suffering from dearth of experienced manpower.

As a principle, the importance of labor union lies in pursuing to enhance mainly salary, benefits, working condition, and working time of employees (Boone & Kurtz, 2011). In addition to this, The raise of pay & perks made by the bank after the expiry of the collective bargaining, clearly indicate that the initiation of the bank to motivate its employees while it portrays nominal function of the labor union.

Money is a worldwide motivation tool Rae (2008). In third world country like Ethiopia, CBE's new salary rate is enticing the majority of employees.

Now a days, organizations offer various types of benefits as a part of compensation, to improve the wellbeing of their employees, like pay for the purpose of attracting, retaining, and motivating employees (Daley, 2008). According to Daley (2008) benefits constitutes 20-40% of compensation. The basic objectives of the salary & benefits program are to help the company

attract and keep qualified people, provide equal pay for equal work, reward good performance, control labor costs, and maintain cost parity with direct competitors Daley (2008).

The bank is providing various types of allowances included 9% pension contribution, medical care, housing allowance, living allowance, transfer allowance, fuel & representation allowance, verification allowance, cash indemnity allowance, utility allowance, and work place insurance.

The mortgage staff loan, car loan and personal loans help employees to satisfy their basic needs for residential house, car, durable goods, which in return bring long year commitment of employees.

All the interviewees' response also support the result obtained from the descriptive statistics. They concurred with the availability of good pay and adequate motivational packages in the bank.

The psychologist Herzberg brought the idea of interesting work to the front line as the main intrinsically motivating factor. His seminal work on work motivation introduced vertical job loading to provide a stimulating job for employees Brook (2006). Moreover, the investigation of Hackman & Oldham job characteristics model (1976) an intrinsically motivating job that can fulfill and motivate employees are challenging work, work that yields a sense of personal accomplishment, increased responsibility and the chance to grow in the job. And some more factors that employees need are job rotation, job enlargement and job enrichment Armstrong (2009). When a given work contains the five characteristics, workers experienced the three psychological states of feelings - higher feelings of motivation, performance, and satisfaction, which increase workers commitment to organization Wagner and Hollenbeck (2010).

The descriptive statistics result evinced that employees of CBE are contented with the nature of the work they are doing. As per the evaluation of respondents, interesting work has got the first rank by earning the highest average grand mean from all other factors.

The interviewees agreed that somewhat there is interesting work with the following reservation.

One respondent said *"... before the implementation of BPR, work in the bank was divided in to various small tasks, which is routine and insipid, now after BPR several works combined, workers to some extent empowered that make work interesting."*

Another respondent after confirming the above statement, he said *"as long as you work properly, you don't have a boss. Your work is your boss."*

However, the interviewees mentioned some limitations like *"there is high work load, it is better to consider the work life balance of employees."* While another mentioned *"working extra time is common in the bank, if a person works beyond the regular working hours per a day, he has to get overtime payment for his toil as specified by the labor law of the country proclamation"*

number 377/97 and the collective agreement. However the bank lacks the willingness and discourages overtime payment totally."

To sum up, regardless of workload and unwillingness of the district to pay overtime, work in CBE is interesting.

In Maslow's Hierarchy of Needs, after the people were satisfied by the first level, such as money, their next needs which is security will be activated Kondalr (2007). Researches conducted by Lindner (1998) and Kovach (1987), in both cases employees ranked security as the forth most priority need among ten motivational factors.

The data analysis revealed that security obtained the second highest mean score which shows that the bank Employees at CBE have a feeling of high security.

The interview responses ascertained the above results; one respondent gave his testimony by saying *"In rare cases individuals may be fired as per the collective agreement and the civil code of the country while managers and higher officials might be demoted from their post. Except this here job security is high."*

In conclusion, the bank provides high job security to its employees.

Ted and Phil (2005), and Flippo's (1980) argued that the employees in today's work environment highly scouting for meaningful work, it become insurmountable difficulties for management to provide. In this regard, the result revealed that there is high feeling of doing meaningful job among employees.

All the interviewees agreed that there are unfair practices of promotion under the district. One informant puts it *"Promotion in the bank transgresses the collective agreement. The practices of promotion in the district, favoritism and nepotism widely observed."*

Performance management system requires goal setting, devising and instituting clear performance measurement system, facilitating and recognizing and rewarding performance.

The qualitative data obtained from key informants revealed that there is no good practice of performance management system in the bank as a whole and at the district level in particular. They also mentioned that the bank is on the verge of implementing balanced scorecard (BSC), which can alleviate the existing performance measurement problem.

5.2 Major Challenges of employees' motivation in the bank

- CBE is a state owned giant organization governed by board of directors whose accountability to government financial institutions agency. Being as a public enterprise decision making takes a long process. As one of key informant clearly explained that

various studies conducted to revise salary and benefit of employees became worthless and expired before they have got approval. Like wise, the procurement of goods and materials also requires lengthy and time taking processes to of auction. As a result, CBE's management is not responsive to employees deprived needs and challenges on time.

- Inflation is another great peril of employee motivation in an organization. A new salary adjustment made after a long time negotiations with a lot of effort, the motivational effect waned within short period of time.
- Intuition, personality and emotion of individuals highly determine motivation level.
- The growing trend of employees to pursue further education is also another bugbear of the bank to meet their want.
- Stiff competition with private banks is becoming a growing challenge in retaining especially skilled man power. Due to CBE has more than 13,000 employees, salary couldn't be its competitive advantage. Because, if CBE starts to pay birr 20,000 for a given post, the private banks forced to pay more than birr 20,000.

5.3) CONCLUSIONS

In general, the quantitative data analysis revealed that there are sound employees' motivation and leadership practices in the bank. On the other hand, the qualitative data obtained from key informant interview indicate that except some flaws the existing practices for the ten motivation factors are well. However, their perceptions for the leadership practices were low and completely disagree with the findings obtained from the descriptive statistics. According to the interviewees' response, the existing leadership practices in the areas of individual consideration, coaching, performance management, rewarding, providing timely feedback, promotion, and the competency of the leadership to lead were explained in general term as poor. The researcher tends to support more the result obtained from the interviews because of the following major reasons.

In the first place 53% of respondents had experience of two years and below which indicate that they might not have the capacity to evaluate the leadership competency and practices. Beside the known limitations of rating scales, the salary and benefits adjustments and lack of experience about the business environment would have been a straightjacket for the quality of responses. To

the contrary, due to the in depth knowledge of interviewees and the effort of interviewer in probing deep in to the subject matter to ferret out facts, the interview result is more tangible. In addition to this, among motivation factors the low rate obtained in the areas of promotion, training and education, performance appraisal, reward and office facilities clearly indicate some how there is poor leadership practices in the district.

To sum up, the working in CBE is very encouraging there by boosting employees' contentment on the job. Essentially, the bank commitment to workers motivation is overwhelming and remarkable in the areas of pay and benefit packages, security, interesting work, and feeling of doing meaningful job. Obviously, an outstanding employee motivation would have benefited the bank by ensuring performance and productivity of employee in all area of banking activities, which if improved in the leadership area and sustained can assist the institution in realizing its big Vision: "To become a world class commercial bank, by 2025."

5.4) RECOMMENDATIONS

For effective and maximum level of motivation, the bank should take the following measures.

- 1) To fill the skill gap of employees of both technical and managerial posts, the bank should impart intensive practical training which gives the required skills and confidence to the employees.
- 2) In addition to financial motivating factors, the bank should work to enhance the practice of fair promotion, use sound performance appraisal system, and enhance good leadership practice which are classified as intrinsic motivation factors.
- 3) Providing comfortable furniture, equipments, and materials are the basic ingredients to create conducive work environment for employees. Since productivity is a multiplicative function of ability, motivation and working conditions, they have a detrimental effect on performance. Unlike motivation, improving ability of individuals and creating conducive working condition are relatively simple tasks for management. Because, the individual's skills gap can be filled by offering necessary trainings, while the later can be improved by purchasing from the market. Besides, being service rendering organization, the effect brings high customers dissatisfaction and severely damages the reputation and goodwill of the organization in the eyes of the public. Therefore, the organization should give due

attention in improving the working condition for high productivity and employee satisfaction.

5.5) FURTHER STUDY

Being a survey research, this study is most likely to provoke some other studies as a follow up in a bid to establish the likely effect of motivation factors and leadership practices. Specifically, to enhance the prospect of generalizing the findings of the current study, it is necessary to replicate the study after awhile the employees' excitement of the new salary increments and revised benefit packages waned and faded, and also expanding the scope in terms of the sample size and the selection strategy. It is therefore suggested that the study be replicated by using a much larger sample selected more broadly from the fifteen districts across the bank and including the head office and district organ.

It is recommended to conduct further study to examine the effect of leadership style on employees' motivation and employees' performance in the bank wide using mixed research method.

Also it is recommended to conduct further study to assess the effects of motivation on employee's performance in the bank by taking the sample from all districts and head office organs.

More extensive investigation is needed in the relationship among employee's motivation, job satisfaction and commitment in the bank.

More extensive investigation into the relationship between the demographic variables of employees and work motivation.

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Appendix

Jimma University Department of Business Management Masters of Business Administration Program Questionnaire for CBE staff

Introduction:

Dear respondent, thank you for your cooperation in filling this questionnaire, which aims at collecting data for the research entitled "Employee motivation and leadership practices in case of Commercial Bank of Ethiopia, Jimma district". Your genuine response to each and every question will add significant value in the research findings. The researcher would like to assure you that no part of your response to the questions will be disclosed to any party and all responses will only be used for academic research purpose.

SECTION A: BIO-DATA

1. Age

Less than 25	25-30 years	31-35 years	36-40 years	41-50 years	Above 50
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2. Sex

Male

☐

Female

☐

3. Educational Qualification

Diploma

☐

BA/ BSc

☐

MA/MSc

☐

PHD

☐

other.....

4. Your Current status

Customer service officer	Supervisor	Branch manager
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5. Length of service year in the Commercial Bank of Ethiopia

0-2 years	3- 5 years	6-10 years	11-15 years	16-20 years	21-30 years	Above 30
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6. Marital status

Single	married	divorced	widowed	other
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7. Gross Salary per month

Less than birr 2,000	Birr 2001-3000	Birr 3001-5000	5,001-7,000	7,001-10,000	Above 10,000
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SECTION B:

You are kindly requested to indicate to what extents do you agree or disagree with the practices of the following statements in your organization.

1=strongly disagree, 2=disagree, 3=neutral, 4=agree, 5=strongly agree

I-Leadership

	Individual consideration	1	2	3	4	5
1	The management asks what I value and what motivates me.					
2	The management treats everyone fairly and honestly					
3	The management shows a genuine interest in motivating employees.					
	Tactful discipline					
4	My manager provides me with timely, proper, and constructive feedback on my accomplishment					
5	The management is constructive and tactful when dealing with poor performance					
	Sympathetic help with personal problems					
6	The management is approachable to discuss my personal problems					
7	The management gives time to meet and listen to me					
	Loyalty to employees					
8	The management creates an environment of trust					
9	The management is trustworthy to look after my best interests					
10	The management accepts mistakes I make in the process of trying new things					
	knowledge					
11	My manager has the knowledge regarding all aspects of my job responsibilities					
12	My manager has sufficient skill and knowledge on his job					
	Leadership Role					
13	I receive coaching and training from my direct manager					
14	The management share more accurate information about the organization with me on a regular basis					
15	I have got adequate support from my direct manager					
16	My Manager inspires me to do my best					
17	My manager is passionate on his work and makes me passionate					
18	My manager has a strong positive relationship with workers					
19	My manager strongly values his workers					
20	My manager clearly knows what is important to me					
21	My manager helps me in attaining my personal goals					
22	My manager does not show his power directly to workers					
23	My manager finds and celebrates success					
24	Overall working with my manager motivates me on job					

II- motivation practice

	Pay	1	2	3	4	5
1	My pay is adequate to provide for the basic things in life.					
2	Compared to the rates for similar work, here, my pay is good.					
3	Considering the work required, the pay is what it should be.					
	Benefits					
4	The benefit program here gives nearly all the securities I want.					
5	Types of our benefits cover many of the areas they should.					
6	Compared to other places, our benefits are excellent					
	Work					
7	I feel that my work is very valuable to the company					
8	My job requirements are clear					
9	My job requires that a person use a wide range of abilities.					
10	My job requires making important decisions every day					
11	I always get the feeling of learning new things from my work					
12	I have the opportunity to do challenging things at work.					
13	There is greater work-life balance in my job					
	security					
14	There is high stability of employment at my company					
15	There is greater job security in my organization					
	Feeling of being in on things					
16	I am encouraged and motivated to come up with new and better ideas of doing things					
17	I actively involved in decision making that affect my branch/division performance					
18	I am empowered to influence the quality of my work					
19	My company places great emphasis on creativity and innovation					
	Promotion and Growth					
20	The bank Provides learning and development opportunities for staff and look for their career development					
21	There is development opportunities that are aligned to my needs and aspirations					
22	Significant support and advice is available to help staffs with career development					
23	Workers are promoted based on their merit and proven ability					
24	Promotion processes are fair and transparent					
25	I have received enough trainings that required to perform my task					
26	transfer processes are fair and transparent.					
	Labor union					
27	The labor union knows well the needs & wants of employees and works for the fulfillment of those needs and wants					
28	The union has strong bargaining power to keep employees interest					

29	The labor union is very important to protect employees' rights and benefits					
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	communication	1	2	3	4	5
30	Diverse ideas are valued within my branch/department					
31	My organization clearly communicates its goals & strategies to me					
32	Workers communicates their opinions freely in the bank					
33	Communication in the bank is a two-way dialogue between the management and employees					
34	I understand the bank's mission statements, vision and values					
35	All policies and procedures of human resource management and human resource development are available any time to refer					
	Working Environment					
36	My working environment is healthy and safe.					
37	The management provides all the necessary resources with the standard quality on time to do my job effectively.					
38	My working area is well furnished and equipped with the standard quality materials.					
39	There is a friendly relationship and a greater sense of unity in my workplace					
	Performance Management System					
40	All staff understand what is expected of them and have clear objectives					
41	There is more explicit performance criteria against which, I am Rewarded accordingly					
42	My performance is evaluated at a regular bases					
43	The existing practices of performance appraisal in the bank is useful to improve workers' performance					
44	There is high recognition and appreciation in the workplace					

THANK YOU FOR YOUR ASSISTANCE IN THIS SURVEY

Appendix- 2

Key informant semi-structured interview questionnaire

1. Do you think the existing salary & benefit packages are adequate enough to motivate employees of CBE to give out their best effort at their workplaces? If no what do you suggest additional and alternative adequacy levels of packages for management of the bank?

2. What is your opinions on the performance management system of the bank?

3. How did you see the overall leadership practices of the bank?

4. What are the most motivating factors you observed in this organization?

5. Could you mention some of the demotivating factors you observed in this organization?

6. How did you evaluate the working environment of this organization in respect of furniture, equipment, materials, safety, and workplace relationships?

7. How did you evaluate the practices of Reward system, Promotion, Communication, Appraisal system, Decision making process, Transfer, Work life balance, Empowerment, and Training & Education in the bank?.....

8. What should be done in the future to have highly motivated and productive employees in CBE ?

9. What are the major problems and challenges you have observed for sound motivation practices in the bank?

