

**EFFECTS OF MOTIVATION ON EMPLOYEES' PERFORMANCE: The Case of  
Ethiopian Airlines in Addis Ababa**

*A Thesis Submitted to the School of Graduate Studies of Jimma University in Partial Fulfillment  
of the requirements for the Degree of a Master of Arts in Business Administration (MBA)*

BY:

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**JIMMA UNIVERSITY  
COLLEGE OF BUSINESS AND ECONOMICS  
MBA PROGRAM**



OCTOBER 5, 2020

ADDIS ABABA, ETHIOPIA

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**OCTOBER 5, 2020**

**ADDIS ABABA, ETHIOPIA**

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## DECLARATION

This is to certify that Yordanos Abrham Beyene carried out this research entitled “*Effects of motivation on Employee Performance: In the case of Ethiopian Airlines*”. This work is original in nature and is submitted in partial fulfillment of the requirements for the award of a master’s degree in Business Administration (MBA).

The thesis is original and has not been submitted for the award of any degree or diploma to any university or institution.

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Date

Signature

Yordanos Abrham Beyene \_\_\_\_\_

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### CERTIFICATE

This is to certify that this thesis entitled “*Effects of motivation on Employee Performance: In the case of Ethiopian Airlines*” has been carried out, under the guidance and supervision of Mr. Wondwosen Seyoum and Mr. Kedir Ibrahim, is my work and that all sources of materials used for this thesis have been fully acknowledged.

The thesis is original and has not been submitted for the award of any degree or diploma to any university or institution.

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## ABSTRACT

*The main aim of the study is to examine the effects of employees' motivation on employees' performance in the case of Ethiopian Airlines. A company may have good manager, good vision and good goal; however, if it neglects its employees that company is practically in turmoil. Unsatisfied employees produce unsatisfactory results; therefore, it is very vital for top management to take care of their employees to ensure that they are satisfied. Motivation is vital to employee's performance. This study was conducted based on the data gathered from employees of Ethiopian Airlines. The design of the study was explanatory survey. Research was conducted using questionnaire. Out of 420 questionnaires that have been distributed, 399 (95%) were returned and analyzed using descriptive and inferential statistics. To this end, the researcher has used stratified random sampling techniques to select sample elements from the organization. The mean value of the five-point Likert scale values of the dependent and various independent variables such as Payment, Fringe benefit, promotion, Co-worker relation, supervision and Career development were taken as motivational factors which determine the performance of the employees. The analysis of the data was done with the help of the SPSS. The research results found Payment, Fringe Benefit, promotion, Co-worker relation, supervision and Career development as major influencing factors for employee's performance in Ethiopia Airlines. The study recommended that to increase employees' performance organization need to focus on reasonable payment, attractive fringe benefit package, having strong leadership, promotion of staffs and smooth co-worker relationship for issues requested.*

**Keywords:** *employees' performance, Sound leadership and promotion as motivational factors,*

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## CHAPTER ONE

### INTRODUCTION

This chapter presents the background of the study and the organization, statement of the problem, research objectives, research questions, significance of the study, scope of the study, and organization of the paper respectively.

#### 1.1 Background of the Study

At the present time, employees' motivation comes to be a very essential element in every employees' performance. Employee motivation becomes crucial because it can influence employees to perform an upright performance in their job. It is for the reason that without employee motivation employees will not have the spirit to work very well in order to achieve the organization goal, in addition, motivation can rise employees' ability and strengthens their work so that the employees' can effort properly. (Ghani, 2011)

Motivation is a topic that is widely researched. Halfway the twentieth century pioneer motivational theories arose, namely Maslow's hierarchy of needs (1943), Herzberg's two-factor theory (1959) and Vroom's expectancy theory (1964). Those researches focused on motivation in general and employee motivation more specifically (Keijzers, 2010).

Motivation is the process that [advances, guides, boosts and sustains] behavior and performance. Motivation promote workers towards the actions which helps them to achieve a given task employ efficiency is a way which can inspire people to their work and can bring more work motivation to their commitment on their own jobs. Performance is considered as a multi-dimensional concept. One of them is Job performance, it is categorized as behavioral and performance aspect. The behavioral aspect refers to what people do while at work which means the action itself. The performance aspect is identified as specific behaviors such as sales conversation with customers, programming computer software and teaching statistic to undergraduate students. This concept explains that only actions can be scaled or counted (Rizwan et al, 2010).

It has been found out that highly satisfied and motivated employees following a pattern of daily work management have been the core strength not only for employees' performance but also for the success organizations. (Navdeep & Pankaj , 2010)

Today organizations exchange their material needs, equipment, goods and services to other organizations, or to other countries. But the only one resource which is not easily exchangeable is human resource. Thus we can safely conclude that human resource is very important and most competitive asset of any organization which cannot be exchangeable to stay in their competitive edge. (Hashim et al, 2014), Define human resources or human assets as workers or employee of any organization. Within this context, (Azar and Shafighi, 2013) and (Shehzad et al, 2014), note employee is the most important resource of an organization.

Motivated workers require an in-depth understanding of the human nature, individual differences and perceptions of appropriate consideration with a combination of motivation. However, many managers do not give more emphasis to the concept of employees' motivation and the relationship of employees' performance and therefore, fail to effectively motivate and mobilize their work force effectively (Cynthia & Frank K, 2011).

The research tries to answer the following

- What is the current level of employee motivation in Ethiopian Airlines?
- Which motivational techniques are vital in improving employee performance at Ethiopian Airlines?
- What are the effects of employees' motivational factors on employees' performance in Ethiopian Airlines?

Therefore, this research intends to find the effect of employees' motivation on employees' performance.

## **1.2 Background of the Organization**

Ethiopian Airlines is the fastest growing Airlines in Africa. In its operations of the past close to seven decades, Ethiopian has become one of the continent's leading carriers, unrivalled in efficiency and operational success. Ethiopian commands the lion share of the pan-African passenger and cargo network operating the youngest and most modern fleet to more than 92 international destinations across five continents (Misachi 2017).

Ethiopian Airlines is a member of Star Alliance. Star alliance is a global airline network which was established by five airlines, Air Canada, Lufthansa, Scandinavian Airlines, THAI and United on May 14, 1997. It has grown to 27 member airlines to become the first truly global airline alliance to offer worldwide reach, recognition and seamless service to the International traveler. Its acceptance by the market has been recognized by numerous awards including the Air Transport World Market Leadership Award, Best Airline Alliance by both Business Traveler magazine and Skytrax (Ethiopian Fact Sheet 2019).

Ethiopian Airlines offers African world-class air transport services both for passengers and cargo. Ethiopian also offers maintenance repair over-haul (MRO) for customer Airlines apart from Training of Pilots and Cabin Crew. The passenger network covers more than 90 international destinations in the five continents in Africa, Asia, Europe South and North America. As an African Airlines Ethiopian Airlines flies to more than 50 destinations in Africa alone from Cairo in the north to Cape Town in the south, from Dakar in the West to Djibouti in the East Africa. It connects Africa to Washington, Los Angeles, Toronto and São Paulo in the Americas and to Beijing, Shanghai, Guangzhou, Manila, Tokyo and many more in Asia. Ethiopian Airlines destinations - London, Frankfurt, Dubai, Mumbai, Hong Kong and Lagos are largest cities that Ethiopia Airlines frequents on the global scale. Ethiopian Airlines - The new spirit of Africa (Misachi 2017).

Ethiopian is currently implementing a 15-year strategic plan called Vision 2025 that will see it become the leading aviation group in Africa with seven business centers: Ethiopian Domestic and Regional Airlines; Ethiopian International Passenger Airlines; Ethiopian Cargo; Ethiopian MRO; Ethiopian Aviation Academy; Ethiopian In-flight Catering Services; and Ethiopian Ground Service (Casey 2018). Ethiopian is a multi-award-winning Airline registering an average growth of 25% in the past seven years. Ethiopian Airlines currently have 12,957 permanent and 2,608 outsourced employees. Out of the total 12,957 employees, 36% are women and 64% are men (Ethiopian Fact Sheet April 2019).

### **1.3 Statement of the Problem**

Different organizations possess resources necessary for their success such as human, physical and financial resources to produce intended outcome. To have and maintain the success every

organization demands extraordinary abilities and sustained efforts from its employees and people as Organizations do not exist without employees (Plessis, et al, 2016).

In a highly competitive, global environment, organizations are constantly under pressure to retain their workforce (Deci, 2013). Highly skilled, reliable and experienced employees are a valuable asset for any organization. It is evident that highly motivated employees are more likely to have high performance.

The relationship between employee motivation and job performance has been studied in the past by (Vroom, 1964). (Petty Richard E, Cacioppo John T, 1984), concluded that employee motivation and job performance are indeed positively correlated. (Nelson & Quick, 2003) Contend that a job with high motivation and hygiene factors leads to high performance and few complaints among employees. Employee's performances, like all other systems, do not function when their components do not work together smoothly and efficiently. Likewise, recent study by, (Irshad, 2016) established a strong relationship between extrinsic motivational means and employee's performance.

Negash (2014), stated that there is a relationship between compensation and its components and employee work motivation. Likewise, (Nigussie, 2014) on his study of secondary school of Jijiga city educators' found out that there is a poor work performance due to motivational factors.

Employee motivation affects productivity and a poorly motivated labor force will be costly to the organization in terms of lower productivity and performance, excessive staff turnover, increased expenses, frequent absenteeism and a negative effect on the morale of colleagues (Jobber and Lee, 2014). It is a well-known fact that the success of an organization largely depends on the quality of its human resource, irrespective of the industry within which it operates (Deci, 2013). It is with this in mind that leaders and managers must strive to ensure that their workforce is motivated and therefore productive. Motivation is seen as one of the most important factors in issues related to human resources management (HRM) and organizational behavior management (Nelson, 2013).

Motivation among employees is essential for business growth and develops team spirit among the employees so that company can grow to win the competitive forces in the market. Research

has suggested that reward and recognition now cause satisfaction among the employee which directly influences and enhances their performance in an integrated manner (Kalimullah et al, 2010).

Some organizations have been known to experience a high staff turnover despite offering above average salaries (Aguinis, 2012). This tells us that money is not the only way to motivate employees. Additionally, different people are motivated by different factors. It is important for managers and supervisors to understand what motivates individual employees, and not assume a one-size-fits-all approach (George and Jones, 2013).

An organization is only as strong as its workforce. Human resources need to be treated with great care, since they are a special resource that needs to be given special managerial attention and time (Storey, 2013). Therefore, studies like this are an invaluable resource in helping organizations identify and maximize on ways to motivate employees whilst mitigating employee turnover and under-performance (Steers and Porter, 2011).

Ethiopian Airlines is a very successful Airline in Africa and in the World with a strategy of fast and sustainable growth anchored by its vision 2025. One of the pillars is human resources development to retain highly motivated workforce to achieve its strategy. However, within the last few years, Ethiopian Airlines have been in turmoil suffering from lack of motivation by employees according to the informal sources of Ethiopian Airlines. The number of employees that leave the organization is increasing unlike the old times where it was the best employer and employees work for longer years. Therefore, the researcher was motivated to examine the motivation of employees from the employees' perspective and provide recommendations. Thus, the study will explain the perception of the employees of Ethiopian Airlines on employees' motivation.

This research intends to address the following questions:

- 1 What is the current level of employee motivation in Ethiopian Airlines?
- 2 Which motivational techniques are vital in improving employee performance at Ethiopian Airlines?
- 3 What are the effects of employees' motivational factors on employees' performance in Ethiopian Airlines?



## **1.4 Research Objective**

### **1.4.1 General Objectives**

The general objective of the study is to examine the effect of motivation on employees' performance of Ethiopian Airlines in Addis Ababa.

### **1.4.2 Specific Objectives**

The specific objective of the study is:

1. To assess the current level of employee motivation in Ethiopian Airlines.
2. To identify the major motivational factors that affect employee performance at Ethiopian Airlines.
3. To investigate the effect of employees' motivation on employees' performance in Ethiopian Airlines.

## **1.5 Significance of the Study**

Knowledge of the extent to what motivates employees is of paramount importance in public sector where high skill and rampant employment is available. The twenty first century has shown that the intangible resources such as patent, trade secret, and skilled human resource give the edge to organizations and often found to be difficult to exchange and integrate like other physical resources. Conceptually employees' motivation is measured under different dimensions. Hence, this study primarily focuses on employee performance, and motivational factors such as payment, fringe benefit, promotion, Co-worker relation, supervision and Career development in Ethiopian Airlines. The finding of this study will have great importance for the organization that helps to restructure the motivational factors and flourish the motivations environments by designing and implementing improvement initiatives to narrow any identified gaps. To future researchers, this study intends to spur more researchers and academicians within the staff motivation related matters. Moreover, the study will add to the existing literature on the topic.

## **1.6 Scope of the Study**

This study will emphasize on empirically examining effect of motivational factors on employees' performance of Ethiopian Airlines in 2019 G.C in Addis Ababa. Even though, motivation is

measured using various relevant variables this study primarily focuses on the association between employee performance and motivational factors such as payment, Fringe Benefit, promotion, Co-worker relation, supervision, and Career development.

## **1.7 Limitation of the study**

Every study conducted may have certain shortcomings. When conducting this research, the target population will be limited to current employees and exclude those who have already left the organization on and before March 2019 G.C in Addis Ababa. The study will also be limited to employees of Ethiopian Airlines located in Addis Ababa.

## **1.8 Operational Definition of terms**

**Motivation:** Motivation is derived from the word ‘motive’ which means needs, desires, wants or drives within the persons. It is the process of inspiring people to actions to achieve the goals (Annual Journal of IJBTS, 2012).

**Employee Performance:** The activity of performance; of doing something fruitfully; by using knowledge as famous from simply possessing it; A performance Comprises an event in which normally one group of people the performer or Performers act in a particular way for another group of people (Annual journal of IJBTS, 2012).

**Productivity:** Productivity is that which people can produce with the smallest amount effort Productivity is a ratio to calculate how well an organization or individual, industry, country converts input belongings, labour, and materials machines etc. (Annual journal of IJBTS, 2012) *intended or expected result.*

**Co-worker relation:** Coworker’s relationship contained in an organization is a type of interpersonal relationship based on two concepts: the leader-member relationship and coworkers' interactions (She & Jennifer , 2011).

**Supervisors:** supervisors typically are responsible for their direct reports’ progress and productivity in the organization. Supervision often includes conducting basic management skills (decision making, problem solving, planning, and delegation and meeting management) (Carter, 2011).

**Payment:** Payment, which encourages workers or groups by rewarding them according to their performance; personal or special allowances, or with long service; and fringe benefits such as holidays with pay, pensions, and so on. It is also important to ensure that employee satisfaction, in determining the pay structure of their organization has the power to attract, retain, and motivate individuals towards higher performance (Banjoko, 2010).

**Fringe Benefit:** Fringe benefits are forms of indirect compensation given to an employee or group of employees as a part of organizational membership (Mathis and Jackson, 2003).

**Top Manager:** in this study refers to heads of sections and departments within the organization.

**Employees:** refers to a person being hired in the Ethiopian Airlines.

**Incentive:** in this study the term identified that an incentive is a tangible or intangible reward that is designed to motivate a person or group to behave in a certain way (Ojeleye , 2017).

## **1.9 Organization of the Study**

This study will be organized into five chapters. The first Chapter one deals with introduction of the paper. Chapter two explores a review of related literature on the subject matter. That is the relationship between motivational packages and employees job satisfaction. The research design and methodology are presented in chapter three which explains the research design, data and data sources, sampling design and sample size, research instrument, data collection and statistical methods used to analyze the data. In chapter four, the results and findings of the study will be discussed. Finally, the last chapter will provide the summary of findings, conclusions drawn and recommendations of the study.

## **CHAPTER TWO**

### **REVIEW OF RELATED LITRATURE**

#### **2.1 Introduction**

This chapter deals with some of the related literature which may have direct or indirect significance with the study. The relationship between employees' motivation and performance is a widely discussed topic in the literature. This chapter explores various researches conducted by different authors in relation to the research topic. The reviewed literature helps in providing the right direction and laying the foundation to the proposed study and enabled to provide a general framework as well as conceptual understanding of motivation and employees' performance. The review has three major sections. The first section reviews the theoretical literature and related models to the research problem. Key concepts on employees' motivation and the relationship with performance have been reviewed. In the second section, empirical analysis of past studies has been conducted. In the last section the conceptual framework of the study is provided based on the reviewed literature.

#### **2.2 Theoretical Studies**

##### **2.2.1 Concepts of Motivation**

Every organization is concerned with what should be done to achieve sustained high levels of performance through its workforce. This means giving close attention to how individuals can best be motivated through means such as incentives, rewards, leadership etc and the organization context within which they carry out the work (Osabiya, 2015).

According to Webster's New Collegiate Dictionary, a motive is "something a need or desire that causes a person to act". "Motivate, in turn, means "to provide with a motive" and motivation is defined as "the act or process of motivating". Consequently motivation is the performance or procedure of presenting an intention that origin a person to capture some accomplishment (Shanks, N. H., 2006).

The concept of motivation is defined and expressed by many scholars. Yet many scholars refer to (Armstrong, 2009) version of definition while defining motivation he state that:

Motivation is concerned with the strength and direction of behavior and the factors that influence people to behave in certain ways. The term 'motivation' can refer variously to the goals individuals have, the ways in which individuals choose their goals and the ways in which others try to change their behavior (Arnold, 1991). Motivating other people is about getting them to move in the direction you want them to go in order to achieve a result. Motivating oneself is about setting the direction independently and then taking a course of action that will ensure you get there. Motivation can be described as goal-directed behavior. People are motivated when they expect that a course of action is likely to lead to the attainment of a goal and a valued reward-one that satisfies their needs and wants. Well-motivated people engage in discretionary behavior-in the majority of roles there is scope for individuals to decide how much effort to exert (Cole 2000).

Motivation is one of the constructs psychologists have propounded in their quest for understanding the individual. Motivation is the willingness to exert high levels of efforts towards organizational goals conditioned by the efforts and ability to satisfy some individual needs. Motivation is an elusive concept including both the directing and energizing of behavior (Robins 2008).

Motivation has an important role in encouraging someone to do the work to achieve their personal or group or company goals. The executive leaders and managers of the companies need to apply effective methods or approaches to influence the employee motivation in order to achieve better performance. Motivation of the employees can be sourced from internal (intrinsic) and external (extrinsic) value for the organization (Zamer, et. al., 2014). (Mariza, 2016)

Sustaining effective and productive organizations is a prerequisite for achieving economic, social and political development. Attracting employees to organization retention of committed employees to their organization and job satisfaction are outcomes of good human resource management. Employees join and continue to work for an organization if their needs are reasonably satisfied (Denton, 2000).

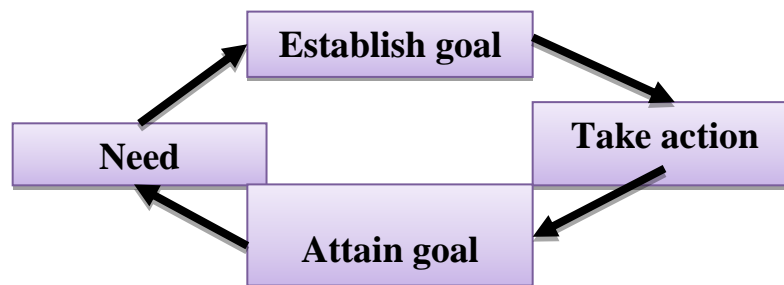
Motivation is the desire to achieve beyond expectations, being driven by internal rather than external factors, and to be involved in a continuous striving for improvement.” Motivation in the context of work is a psychological process that results from the interaction between an employee and the work environment and it is characterized by a certain level of willingness. The

employees are willing to increase their work effort in order to obtain a specific need or desire that they hold. (Luthans, 2007) suggests that employees are the backbone of an organization. The attainment of organizational objectives largely depends on the motivation of employees to work. Among other things employees are motivated to work when they are provided a fair financial and non-financial compensation for service rendered to the organization.

It has been established that motivation is concerned with the factors that influence people to behave in certain ways. According to Arnold (1991), motivation consists of three components i.e. direction look into what a person is trying to do, effort which focus on how hard a person is trying and persistence that looks into how long a person keeps on trying.

Motivation theory tries to explain why people at work behave the way they do in terms of their efforts and strive for achievement. The process of motivation can be shown as follows.

**FIGURE 2.1 - THE PROCESS OF MOTIVATION**



*The process of motivation (Armstrong, 2006)*

In this model motivation is initiated by the conscious or unconscious recognition of unsatisfied needs. These needs create wants which in turn become desire to achieve or obtain something. In order to satisfy the needs and wants goals are created and a behavior selected in order to achieve these goals. If the goal is achieved, the behavior is likely to be repeated when a similar need emerges. If the goal is not achieved the same action is less likely to be repeated (Armstrong , 2006).

### **2.2.2 Importance of Motivation**

Currently in any organization motivation plays a key role in employees' job performance. Organizations first and for most must establish the motivational system and must meet all the

employee's needs. If their satisfaction is fulfilled the employees will tend to outline an independent relationship between their involuntary wish of performing the professional activity and their mood. By considering, the company will gain a major benefit from its employee's performances as well it will create an Effective and Efficient human resource (Ioan et al, 2013).

One strategy for reaching higher goals and development is motivation. Employees are motivated to render quality service and effectiveness which means that motivation is a key factor for progress within an institution or organization. Motivating employees is essential for the achievement of organizational goals (Nchorbuno, 2011).

The achievements of individuals and organizational goals are independent process linked by employees' work motivation. Individuals motivate themselves to satisfy their personal goals. Therefore, they invest and direct their efforts for the achievements of organizational objectives to meet with their personal goals also. It means that organizational goals are directly proportional to the personal goals of individuals. (Robert C, 2005).

### **2.2.3 Types of Motivation**

Motivation at work can take place in two ways. First, people can motivate themselves by seeking, finding and carrying out work (or being given work) that satisfies their needs or at least leads them to expect that their goals will be achieved. Secondly, people can be motivated by management through such methods as pay, promotion, praise, etc. (Armstrong, 2009)

Hence as originally identified by (Herzberg, 1957), there are two main broad categories of motivation i.e intrinsic and extrinsic motivation:

#### ***Intrinsic and Extrinsic Motivation***

##### ***☞ Intrinsic Motivation***

This is related to psychological rewards such as the opportunity to use one's ability. There is also a sense of challenge and achievement, receiving, appreciation, positive recognition and being treated in a caring and considerate manner. Psychological rewards are those that can usually be determined by the actions and behavior of the individual managers (Mullins, 2010).

Intrinsic motivators are concerned with the quality of work life, and are likely to have deeper and long term effect because they are inherent in individuals and are not imposed from outside (Armstrong, 2006)

### ☞ ***Extrinsic Motivation***

It is related to tangible rewards such as salary and fringe benefits, security, promotion, contract of service, the work environment and conditions of service. These are what need to be done to or for people to motivate them. They are often determined at the organizational level and may be largely outside the control of the individual managers. Extrinsic motivators can have an immediate and powerful effect but will not necessarily last long (Mullins, 2010).

Given the complex and variable nature of needs and expectations the following is a simple and useful three fold classification for reviewing the motivation to work developed by (Mullins, 2010).

- ☞ ***Economic rewards:*** such as pay, fringe benefits, pension rights, material goods and security.
- ☞ ***Intrinsic satisfaction:*** derived from the nature of the work itself, interest in the job and personal growth and development. This is a personal orientation to work and be concerned about oneself.
- ☞ ***Social relationships:*** such as friendships group workings, and the desire for affiliation, status and dependency.

## **2.2.4 Motivation Theories**

### ***Content (needs) Theory***

The theory focuses on the content of motivation in the shape of needs. Its basis is the belief that an unsatisfied need creates tension and a state of disequilibrium. To restore the balance, a goal is identified that will satisfy the need, and a behavior pathway is selected that will lead to the achievement of the goal and the satisfaction of the need. All behavior is therefore motivated by unsatisfied needs (Osabiya, 2015).



People have a multiplicity of needs depend on interest and situation in, to select all sorts of goals and action to satisfy needs and observed behavior certain needs and goals that motivated can be consider as the three point to develop the Content theory models

It is unwise to assume that anyone approaches to motivation will appeal to all affected by it. Motivation policies and practices must recognize that people are different. Needs theory has been developed by Maslow, Alderfer and McClelland, as described below (Armstrong & Stephen , 2014).

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

Maslow (1943) was the first to use people's needs in motivation theory. He worked with individuals having neurotic ailments and assessed their hierarchy of needs in 1943. Maslow's theory on motivation has attracted management theorists. The hierarchies of needs according to Maslow are the following: Physiological needs, Safety needs, Love needs, Esteem needs and Self-Actualization Needs. These needs are arranged from the lower needs to the higher needs (Nchorbuno, 2011).

Maslow's full Name Abraham Maslow. He says that five universal needs motivate a person. He arranges them as (Hashim et al, 2014)

#### ***I. Physiological or Basic needs***

According to (Anyim, 2012) physiological or basic needs are the basic need of a person. It includes as driving force. This is also called felt need. This need causes physiological tension which is shown by anyone's behavior. This can be reduced by eating something (Chintaloo & Mahadeo, 2013). Also explain physiological needs. Physiological needs basically are satisfied the basic need of human is satisfied. Physiological needs or basic needs also called biological needs. (Micheal P.Todros and Stephen C.Smith, 2015) refer to human basic needs of food, shelter, health and reproduction as life sustaining basic human needs. Once a person fulfils the basic needs move to the next level.

#### ***II. Safety needs***

Safety needs is the needs for shelter and protection. In this need a person needs security, stability and dependency. Human needs freedom from anxiety law and order and structure. This need is

also called security needs. For examples the employee's or the worker's in a private organization demand that the organization or company must provide their job security, health security and promoting safety. And nowadays private organizations also provide safety and health plan, and emergency funds and accident coverage benefits. (Ibid, 2015)

### ***III. Belongingness needs***

These needs are also known as social needs. It includes love and belongingness. Usually people need love and care. These needs can be fulfilled by interaction with coworker and colleagues. For examples, the feelings of friendship, feelings of love, caring of family or relative etc. Apparently, when people in varies communities feel secure and safe enough in an environment the tendency is that they feel the need to identify and belong to social organization of family, community, community-based organization among others in the society. (Mulwa, 2008) remarks that when once people feel reasonably safe, that is when they tend to worry about belonging the social group where they ca love and be loved in the society.

### ***IV. Esteem needs***

Esteem and prestige needs can equally be referred to as ego needs in human environment. (Onah, 2015) asserted that when people achieve their social needs that they focus attention on such matters as reputation, recognition, self-esteem and prestige or self-worth, self-respect, status, among others and give people strong confidence to participate in activities that will certainly improve their living condition in their various community in the society. In communities, self-esteem and prestige needs are demonstrated in the end for recognition, reputation, respect and admiration for higher status or position in the community in the society.

### ***V. Self-actualization needs***

This is the highest need. According Bernard et.al (2010), self-actualization involves the pursuit of excellence and enjoyment; whichever people choose to desire and emphasize. Self-actualization has also been described as the psychological process aimed at maximizing the use of a person's abilities and resources. This process may vary from one person to another (couture et al.2007

**FIGURE 2.2 ABRAHAM MASLOW'S HIERARCHY OF NEEDS**



Source: *Abraham Maslow's Hierarchy of needs* (Mullins, 2010)

**ERG theory (Alderfer):** Alderfer (1972) produced a more convincing and simpler theory, which postulated three primary categories of needs:

**Existence needs** such as hunger and thirst – pay, fringe benefits and working conditions are other types of existence needs.

**Relatedness needs:** which acknowledge that people are not self-contained units but must engage in transactions with their human environment – acceptance, understanding, confirmation and influence are elements of the relatedness process.

**Growth needs:** which involve people in finding the opportunities to be what they are most fully and to become what they can. This is the most significant need. (Armstrong & Stephen , 2014)

### ***McClelland's Achievement–Affiliation–Power Needs***

Theory is also known as the Three-Need Theory or Learned Need Theory. Contrary to theorists who believe that individuals have identical innate needs, (McClelland, 1988) argues that certain needs differ from individual to individual and that they are often learned needs; with some people having higher levels of one need than others. (Seniwoliba A & Nchorbono A, 2013)

He identified three needs of which the need for achievement was the most important: (Armstrong & Stephen , 2014)

- A. **The need for achievement:** defined as the need for competitive success measured against a personal standard of excellence.

**B. The need for affiliation:** defined as the need for warm, friendly, compassionate relationships with others.

**C. The need for power:** defined as the need to control or influence others.

Needs theories are the basis of most workplaces' motivational theories. Here is an overview of the different workplaces' motivational theories that has been described so far. They show the similarities and differences between the workplaces' motivational theories based on needs. Indicating below some interesting motivational theories.

**Table 2.1 Maslow, ERG model and McClelland's model**

| Maslow                   | Alderfer ERG      | McClelland         |
|--------------------------|-------------------|--------------------|
| Self-Actualization Needs | Growth Needs      | Achievement Motive |
| Esteem Needs             |                   | Power Motive       |
| Social Needs             | Relatedness Needs | Affiliate Motives  |
| Safety Needs             | Existence Needs   | Avoidance Motives  |
| Physiological Needs      |                   |                    |

Source: Maslow, ERG model and McClelland's model (Mullins, 2010)

### **2.2.5 Job Satisfaction and Herzberg's two-factor Theory of Motivation**

The theory was highly controversial claims to be the most replicated study in this area and provided the foundation for numerous other theories and frameworks in human resource development (Herzberg, 1987). The theory states that job satisfaction and dissatisfaction are affected by two different sets of factors. Therefore, satisfaction and dissatisfaction cannot be measured on the same continuum. (Christina M, 2013).

Frederick Herzberg's two-factor theory (also called motivation-hygiene theory) proposes that intrinsic factors are related to job satisfaction, while extrinsic factors are associated with job dissatisfaction. The first assumption is that satisfaction and dissatisfaction are not on opposite ends of the same continuum, rather they are two continuums associated with various factors. The second assumption included two categories of factors of motivation: intrinsic or motivators,

which are job content factors and extrinsic or hygiene, which are job context factor (Burton, 2012)

The role of hygiene factors is simply to prevent workers' discontent. In other words, these factors do not lead to higher levels of motivation but without them there is dissatisfaction. In order to improve job satisfaction and performance level of employee, managers must work on the motivators by providing opportunities for career advancement and development as workers value motivators more than hygiene factor. (Ramlall, 2004).

Motivators are personal growth, passion for the job, social responsibility, opportunity for advancement, respect, praise, recognition, and the feeling of achievement (Daft, 2003). An interesting point is that salary can be a hygiene factor or a motivator according to the meaning of itself. If salary does not have any 'me power', it should be just considered a hygiene factor. On the contrary, salary could be a motivator if it represents a symbol of achievement at work (Daft, 2003).

### **2.2.6 Motivation and Job Satisfaction**

Motivation and Job Satisfaction has been affected by economic variables and this fact cannot be denied but are not enough to have a prolonged effect. However, it is seen that appeal to then motivating economic tools and expecting from them more than needed does not seem to result in success very much. Therefore, in planning rewarding, encouraging economic tools should be employed in accordance with employees' needs. In fact, there are ways of increasing employees' work motivation and satisfaction other than monetary tools (Moncrief , 2010).

### **2.2.7 Dimensions of Motivation**

Every organization is concerned with what should be done to achieve sustained high levels of performance through its workforce. This means giving close attention to how individuals can be motivated through means such as incentives, rewards, leadership etc. and the organization context within which they carry out the work (Armstrong, 2006).The study of motivation is concerned basically with why people behave in a certain way. In general, it can be described as the direction and persistence of action. It is concerned with why people choose a particular course of action in preference to others, and why they continue with chosen action, often over a long period, and in the face of difficulties and problems (Mullins, 2010).

### 2.2.8 Employees' Performance

Every human being needs to survive in the organization with full respect and honors. They stay when the organization pay more with return of the proper satisfaction. Employees have professional goals and targets. Different Scholars said individual performance with origination performance effects equally (Masood, 2013).

Good organizations are maintained to design and enable the organizations to attract highly skilled and qualified employees retain and motivate towards achieving the objectives and goals. If the employees are free that they have not getting good salary they are looking for better employee's dissatisfaction with the compensation towards goal attainment towards goals done to be lower. Dissatisfied employees increase employee's turnover and poor mental activity. The main objective of compensation is that employees are devoted to their work and motivated to the job (David A. DeCenzo, Stephen P. Robbins, 2015).

A good employee performance is necessary for the organization since and organization's success is dependent upon the employee's creativity, innovation and commitment (Ramlall, 2012) . Good job performance and productivity growth are also important in stabilizing economy by means of improved living condition, high wage, increase in availability of goods for consumption etc (Anyim, 2012)

Rewards and employees' performance are the expected theory which means that employees are most motivated for more performance to receive rewards and bonus. Rewards are the key motive to increase the employee's performance expecting the employees doing well. Giving monthly rewards also increase the performance some other views that recognition in pleasing. The organization favorable work environment motivated the employee Freedman (1978) as cited in (Rizwan & Ali , 2010).

An effective performance management action is an important tool for employee motivation for optimal performance. However, it is not an enough condition for effective performance management. The most important issue with any performance management is how critical it is taken and how devotedly it's used by managers and employees. (Pualkos, 2009) performance management is all about perfection, synchronizing, updating to create value for and from customer with the result of economic value creation to stockholders and owners.

The expansion of performance management is clearly very large, which is why performance management must be viewed within an enterprise as a tool to improve on employee motivation for high performance. (Cokins, 2009) Efficient management of performance requires a strong apprehension of the performance domain. That is, apprehending the obligation and projects that are part of the job description within a company or organization, once you have a full skill of what the job requires, you have the basic for assessing and enhancing performance. This is the foundation of assessing and improving performance withing a company. When this lacking t, the outcome is a missing link in evaluation employee performance and the possibility of improving the employee performance within the organization Moreover there is also the missing link in assessing employee’s performance in relationship to other colleagues in the same job description (Robert 2003, 7P)

### **2.3 Empirical Review**

One of the core relations developed in the workplace is between supervisor and employees. Positive relations with their supervisors may lead employees to have positive attitude towards their organization and, particularly, enhance their feelings of competence in performing job activities (Robbins, 2001). Kistin (2005), Liao et al. (2008), and Weng et al. (2010) also indicated that trust in the leaders and coworkers affect the rate of job performance, while the relationship between the leaders and the subordinates reveals the level of confidence, trust, and respect from the subordinates to the leaders.

Career development covers an employee’s working life. It starts with, for example staff orientation, on-job training, experience, short courses, professional courses, post graduate degrees or diplomas (Sarah M.K.N., 2010). As (Cappelli & Hamori, 2005) point out lack of career advancement, for any reason, damages an employee chances of making it to the top. Their study involving 100 executives 12 brought out an interesting fact – that the longer one stays in a job the less likely his/her chances of advancement.

(Christina , 2014) Stated Promotion constantly go with remuneration increase, either it is made within a grade or to the superior grade. A continuous procedure, which totally relies on the span of service and professional “competency”, is accepted now of promotion to higher step in the job within a grade promotion. Tessema and Soeters (2006) concluded that there is a positive association between promotion practices and employee performance. Shahzad et al., (2008) have

suggested that “there is a positive relationship of promotion practices with the university teachers” performance. In this study, the researcher is going to find out the impact of promotion on employees’ performance for the public organization in Tanzania.

Several recent studies have used an indirect effect model to examine that training administration and found that effect of supervisor’s role in job performance were indirectly affected by the motivation to learn. For example, several studies about supervisor’s role in training programs based on a sample of 45 trainees in UK organizations (Axtell et al., 1997), and 100 technical employees in North Kuching City Hall, Malaysia (Ismail et al., 2008) generally showed that properly implemented supervisor’s role in training programs had increased job performance in the workplace (Ismail et al., 2009)

In another study carried out by Centers and Bugental (2007), they also based their research on Herzberg’s two-factor theory of motivation, which separated job variables into two groups: hygiene factors and motivators. They made use of sample of 692 subjects to test the validity of two-factor theory. And it was discovered that at higher occupational level, “motivators” or intrinsic job factors were more valued, while at lower occupational level, “hygiene factors” or extrinsic job factors were more valued. From this work they concluded that organization that satisfies both extrinsic and intrinsic factor of workers get the best out of them (IJAH, 2013).

There is no doubt that job satisfaction leads to organizational commitment and that job satisfaction has been recognized as a component of organizational Commitment (Sharma, J.P. & Bajpai, N., 2010). According to (Adekola, 2012), many studies use different facets of satisfaction predict employee attributes such as performance, Organizational commitment and service quality.

Nowadays the biggest task of the human resource manager is to motivate and retain employees. Motivation is an organizations life blood. A well-managed organization can motivate and retain employees and hence has the following advantages: reduce turn over, reduce absenteeism, increase productivity and improve performance. It is important for managers to understand the factors that motivate their employees to perform to the best of their ability (Tekle H., 2014).

### **Motivational factors**



There are number of motivational factors that increase the performance of employee's in an association (Jacinta, 2013). At the present time a very essential question in the study of motivation is that; what motivational techniques can managers use to motivate their employees and increase performance? Even though motivation is so complex and individualized that there can be no single best answer, some of the major motivational techniques can be recognized as:

### ***Payment***

Pay level is not the only reason for employee's turnover and separation but also pay system whereby employees can be satisfied or dissatisfied with the organizations. Pay system based on the seniority of employees or per the performance appraisal. Employees are satisfied with existing pay system if they believed that rewards or incentives are paid based on fairness and considered seniority or performance evaluation of all employees (Herbert et al, 2000).

Payment which encourages workers or groups by rewarding them according to their performance; personal or special allowances, or with long service; and fringe benefits such as holidays with pay, pensions, and so on. It is also important to ensure that employee satisfaction, in determining the pay structure of their organization has the power to attract, retain, and motivate individuals towards higher performance (Banjoko, 2010).

#### ***1. Fringe Benefit***

According to Mathis and Jackson (2003), fringe benefits are forms of indirect compensation given to an employee or group of employees as a part of organizational membership. Ajiola (2006) define them as that part of the total reward package provided to employees in addition to base or performance pay. Fringe benefits focus on maintaining (or improving) the quality of life for employees and providing a level of protection and financial security for workers and for their family members. Like base pay plans, the major objective for most organizational fringe compensation programs is to attract, retain and motivate qualified, competent employees (Bernardin, 2007). Mathis and Jackson (2003) continue to state that an employer that provides a more attractive benefits package often enjoys an advantage over other employers in hiring and retaining qualified employees when the competing firms offered similar base pay. In fact, such benefits may create "golden handcuffs," making employees more reticent to move to other

employers. Some common examples are retirement or pension plans, medical and dental insurance, education reimbursement, time off, paid vacation and use of company car.

## ***2. Promotion***

Promotion is an appointment to a position requiring higher qualifications such as greater skill or longer experience and involving a higher level of responsibility, a higher rate of pay, and a title change is considered a promotion and will be classified as such in all personnel documents. Several researchers are of the opinion that job satisfaction is strongly related to opportunities for promotion (Pergamit & Vim, 1999; Peterson et al., 2003; Sclafane, 1999).

According to (Gupta, 2011) promotion is the upward movement of an employee in the organization's hierarchy, to another job commanding greater higher authority, higher status and better working conditions. Also, promotions are used to reward employees for better performance and to motivate them for greater effort.

## ***3. Co-worker relation***

There are empirical evidences that co-worker relations are an antecedent of job satisfaction. Another dimension which influence job satisfaction is the extent to which co – workers are friendly, competent and supportive (Robbins, 2005). This is mainly because the work group normally serves as a source of support, comfort, advice and assistance to individual worker (Luthans, 2006). According to (Luthans, 2005), co-workers requiring considerable interdependence among others to get the job done will have high satisfaction level and an effective team makes the job more enjoyable.

Researchers found that employees observe the levels of satisfaction of other employees and then model these behaviors. Hence, If an organization's employees work hard and talk positively about their job: new employee will model this behavior and will be both productive and satisfied. The reverse can also be true (Obasan, 2011)

In addition, forwarded that work groups characterized by co-operation and understanding amongst their members tend to influence the level of job satisfaction or dissatisfaction. When

cohesion is evident within a work group it usually leads to effectiveness within a group and the job becoming more enjoyable (Luthans, 2007)

#### ***4. Supervision***

Research indicates that people who enjoy working with their supervisors will be more satisfied with their jobs (M.G, 2004). Supervision outlines a very important role that has to do with employee's job satisfaction in terms of the supervisor's capability to give emotional and technical support along with direction with any task that has to do with their job (Robbins 2005:77)

According to (Luthans, 2005) There seems to be two dimensions of supervision that affect job satisfaction. The first dimension has to do with the extent to which supervisors concern themselves with the welfare of their employees. It is manifested in ways such as checking to see how well the employee is doing and providing advice and assistance to the individual. Research indicate that employee satisfaction is increased if the immediate supervisor is emotionally supportive (Luthans 2005: 213). The second dimension has to do with the extent to which people participate in decisions that affect their job. In most cases this approach leads to higher job satisfaction

The supervisors' behaviors have two effects on the employees. First, through better training and more practice opportunities, high expectancy employees learn more skills and knowledge than a low-expectancy employee. Second, the employees become more self-confident, which results in higher motivation and willingness to set more challenging goals (Mc Shane & Glinow , 2008).

#### ***5. Career Development***

“Career development is an organized, planned effort comprised of structured activities or processes that result in a mutual career plotting effort between employees and the organization” (Gilley & Eggland, 2009). Apparently, both the organization and employees have a responsibility with respect to career development. The individual responsibility is generally

referred to as career planning, while the organization's responsibility is often named career management (Banjoko, 2010).

The career of individuals is not only the jobs they have, but their training for fulfilling the expectation, goal, emotion, and desires related to their job role, and, as a result, progressing in that workplace with the knowledge, skill, quality and desire to work (Çiğdem & Belgin , 2014).

Career development is another leading factor that contributes to employees' turnover and separation. It is defined as advancement. Career development is the pattern of work-related experiences that span the course of a person's life. Career development is a process through which the action plans are implemented. It is where individual career plans encounter organizational realities. It is a guarantee for an employee to be promoted. Employee's commitment towards achievement of organizational goal will be developed by creating sense of ownership among the employee of the organization (Herbert et al, 2000).

Generally, the existing motivation theories will help organization to adapt changes in the world of work for motivating work force and retain them for the organization productivity and success.

## ***6. Performance***

Motivated employees perform better. If you offer commission to a salesperson, she/he typically tries harder to sell more. If you thank an employee for good customer service, she/he will likely strive to duplicate it since she feels appreciated. Likewise, if you motivate by threatening to reduce the hours of an underperforming employee, she may also try harder to prevent the negative consequence of the motivation. This "carrot and stick" approach to motivation is common in many realms. (Vibhu & Shubham , 2014)

## **2.4 Summary of Reviewed literature**

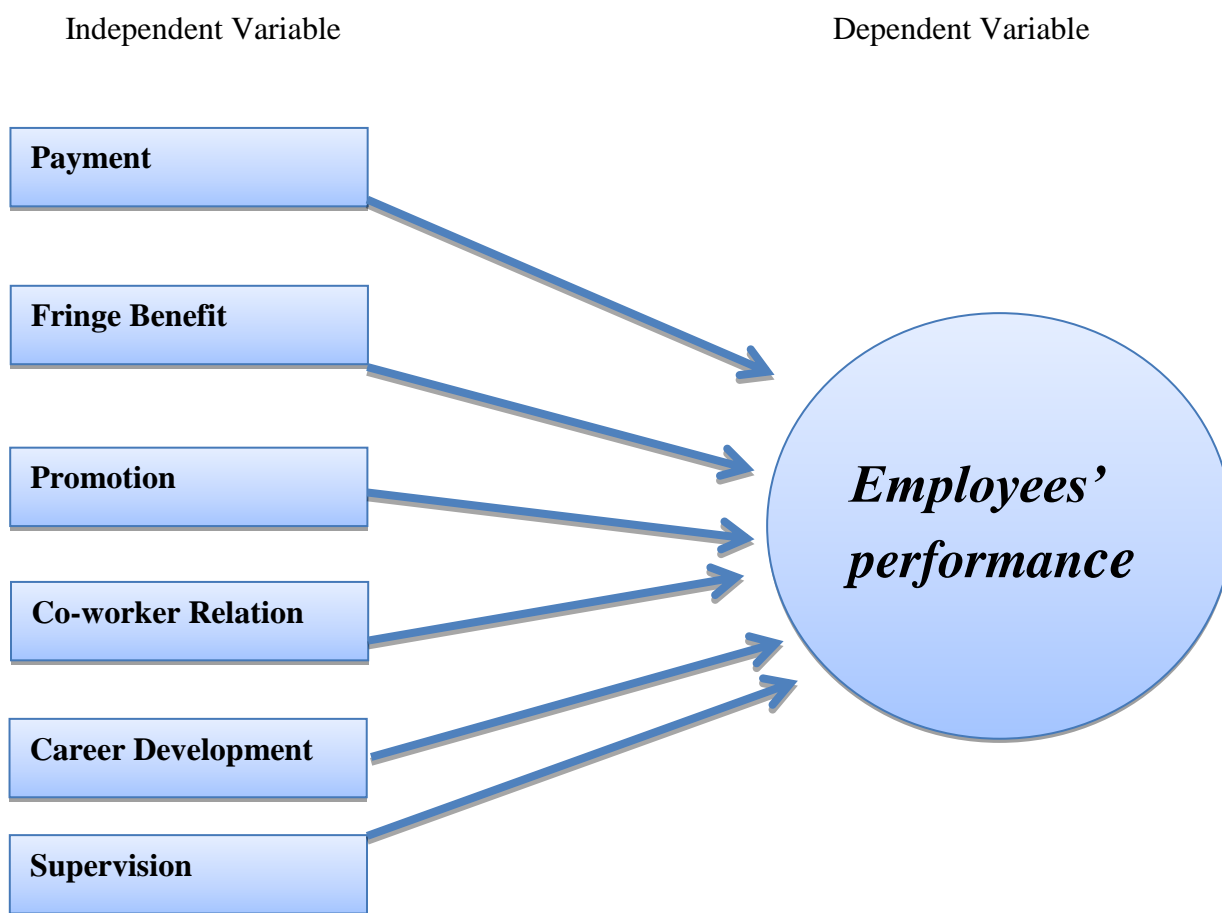
Generally, this chapter had given an important overview of employees' motivation and employee's performance. Employees form based on their evaluations of how much of their needs are fulfilled. Employees' motivation is considered as a complex construct and different scholars recommended the important examining various issues in order to understand one's motivation.

Different theories and models are available to form the constructs of employees’ motivation in an employee’s performance. The most widely used theories to understand employees’ motivation are the content theories of satisfaction. In terms of content theories, there is an emphasis on the type of goals and incentives that people endeavour to achieve satisfied and successful on the job.

## 2.5 Conceptual Framework of the model

From the literature review, discussed above, the researcher constructed the following inclusive research framework was to summarize the focus and scope of this study in terms of dependent and independent variables included.

FIGURE 2.3 CONCEPTUAL FRAMEWORK OF THE MODEL



Source: *Developed by researcher from reviewed literature*

*Developed for the research employee’s motivation variables vs. employee performance*

*Source:* (Masood, 2013)

## **CHAPTER THREE**

### **RESEARCH DESIGN AND METHODOLOGY**

#### **3.1 Introduction**

This chapter describes the methods and procedures to be used to carry out the study. The chapter comprises the research design, Data Sources and Collection Methods, Target Population, Sampling Size and Sampling Technique, Method of Data Analysis and presenting the outcomes, validity and reliability and ethical considerations.

#### **3.2 Research Design**

For this study, explanatory research design was applied. As this study is mainly aimed at establishing the cause and effect relationship between the six motivational factors and employee performance, explanatory research design is found to be the appropriate design. Furthermore, the study aimed to identify the motivational factors that have significant influence on employees' performance. As Dawson & Bob (2006) states, explanatory research design is used to determine how events occur and which ones may influence outcomes.

#### **3.3 Data Sources and Collection Methods**

Primary data were used for the purpose of this study. Primary data were collected using questionnaire that has five-point Likert scale to measure the relationship between employees' motivation and employees' performance in Ethiopian Airlines. The questions were on a 5-point Likert scale. The scores were coded 1. Strongly disagree, 2. Disagree, 3. Neutral 4. Agree, and 5. Strongly agree. For secondary data, books, journals, manuals, magazines and newspaper articles related to motivation factors were used.

### 3.4 Target Population

The target population is comprised of employees of Ethiopian Airlines. Per the organization database there are 12,957 permanent and 2,608 outsourced employees. Out of the total 12,957 employees, 36% are women and 64% are men. The organization have 16 divisions and seven business units: Ethiopian International Passenger Services, Ethiopian express domestic, Ethiopian Cargo, Ethiopian MRO, Ethiopian Aviation Academy, Ethiopian Catering and Ethiopian Ground handling. The sample frame of this study will be taken from the seven business units.

### 3.5 Sample Size and Sampling Technique

#### 3.5.1 Sample Size

For quantitative study, sample size is determined using single population formula by considering the proportion of customers. The study allows the error of sampling on 0.05.

Since the total number of employees were 12,957, the researcher used Taro Yamane's (1973) simplified formula and table to calculate sample size.

$$n = \frac{N}{1+N(e)^2}$$

Where, n = sample size

N = Population size

$$\text{Therefore, } n = \frac{12,957}{1+12,957(0.05)^2} = 389$$

Using this formula, the minimum sample size is determined to be 389. To counterbalance for non-respondents, additional 10% is added and a total of 420 employees were sampled for this research.

By taking the above calculation into consideration, the researcher selected 420 respondents from the total numbers of employees in the organization. By having the selected numbers of respondents, the questionnaires were distributed using stratified random sampling.

### 3.5.2 Sampling Technique

The study used stratified random sampling which is appropriate for selecting samples from the population. A stratified random sampling allows considering the different subgroups of people in the population and helps guarantee that the sample accurately represents the population on specific characteristics. The researcher started by dividing the population into subsamples or strata. In this study the criteria of strata identification were the business units. Then sample was randomly selected from each business units.

When the population is Heterogeneous with respect to the variable or characteristics under study, then the technique of stratified sampling is used to obtain more efficient results (Shajahan, 2004). According to Cooper and Schindler (2003) there are three reasons why a researcher chooses a stratified random sampling (1) to increase a sample statistical efficiency, (2) to provide adequate data for analyzing the various subpopulations, and (3) to enable different research methods and procedures to be used in different strata. The researcher used stratified random sampling method for the study the reason is that all types/categories of employees fall under the selected moderating variables and each of these categories can be sampled. This method is believed to give more precise information than other sampling method. The population divided into relevant strata and simple random sampling technique is used to choose respondents from each stratum and combined them into overall sample in order to attain balanced representation. This sample has been selected from each stratum by using stratified sampling techniques because it depends on the availability of the respondents at that time and places this sampling is called purposive sampling.

However, the total sample size determination with Business Unit is presented on Table. 3.1

**TABLE 3.1 SAMPLE SIZE DESCRIPTION IN NUMBER**

| Strategic Business Units                   | Population |            | Sample Size |
|--|------------|------------|-------------|
|  | Number     | Percentage |             |
| Ethiopian International Passenger Services | 3369       | 26%        | 109         |
| Ethiopian express domestic                 | 2072       | 16%        | 67          |



|                            |               |             |            |
|----------------------------|---------------|-------------|------------|
| Ethiopian Cargo            | 1813          | 14%         | 59         |
| Ethiopian MRO              | 2861          | 22%         | 93         |
| Ethiopian Aviation Academy | 1424          | 11%         | 46         |
| Ethiopian Catering         | 781           | 6%          | 25         |
| Ethiopian Ground Handling  | 637           | 5%          | 21         |
| <b>Total</b>               | <b>12,957</b> | <b>100%</b> | <b>420</b> |

Proportionate numbers of staffs are represented of each business unit in the sample size.

### 3.6 Method of Data Collection

The researcher employed various methods for data collection. The study used both primary and secondary data as a source of information. The primary data was used to collect through questionnaires. So, structured questionnaire were applied to gather data from the organization. The secondary data was used to support the study by examining other related researches. For this study, additional data were obtained by reviewing books, previous research works, articles and journals related, annual reports and online information available that are relevant for the study.

#### 3.6.1 Questionnaires

The questionnaire has two sections. The first section contained the demographic profile of the respondents. The numbers of questions were 30 closed-ended questions. The reason for using closed-ended questions was to manage the respondents' response.

All the questionnaires dealt about effects of motivational factors on employee's performance and its sub parts of the research objectives. The questionnaires were prepared by the researcher by refereeing different secondary data. The questionnaires were a five-point Likert scale questions.

1=strongly disagree, i.e., very much dissatisfied with the case described

2=disagree, i.e., not satisfied with the case described

3=neutral, i.e., uncertain with the case

4=agree, i.e., feeling alright with the case described

5= strongly agree, i.e., very much supporting the case described.

The average score (mean) obtained from each item will be interpreted into degree of satisfaction as follows:

- Mean value 2 and less, indicated Disagree with the statement listed.
- Mean value greater than 2 and less than 3, indicate Neutral.
- Mean value greater than 3 indicate the respondents are Agree with the statement.

### **3.6.2 Sources of Data**

There are two types of data, namely primary and secondary data. Researcher might use either both or one of the types of data depends on the research type and data collect by researcher (**saunders et al, 2007**). For this research, the researcher was used both primary and secondary data.

### **3.6.3 Primary data sources**

Primary data are those which are collected afresh and for the first time and thus happen to be original in character (Kothari, 2004). For this research purpose primary data was collected through standardize questionnaire. Primary data was originated by a researcher for the specific purpose of addressing the problem at hand (Malhotra & Birks, 2006).

### **3.6.4 Secondary data sources**

Secondary data are those have already been collected by someone else and which have already passed through statistical process (Fisher, 1960). For secondary data books, journals, manuals, magazines, annual reports and newspaper articles related to Motivation was used.

### **3.6.5 Model Specification**

The aim of this research was tried to investigate the relationship between Payment, Fringe Benefit, Promotion, Co-worker Relation, Supervision, and Career Development with Employee performance. The variables were taken from different papers discussed in the empirical literatures taking into consideration the availability of data. The regression model of this study was estimated in the following form:

$$\text{Employee performance} = \beta_0 + \beta_1 \text{ Payment} + \beta_2 \text{ Fringe Benefit} + \beta_3 \text{ Promotion} + \beta_4 \text{ Co-worker Relation} + \beta_5 \text{ Supervision} + \beta_6 \text{ Career Development} + \varepsilon$$

*Source: Developed for the research*

### **3.7 Method of Data Analysis**

Descriptive statistics such as frequency distribution and figures were used to assess the demographic profile of the respondents to make the analysis more meaningful, clear and easily interpretable. Descriptive statistics allow the researchers to present the data that acquired in a structured, accurate and summarized manner. The analysis of data was undertaken using statistical software of Statistical Package for Social Sciences (Version 23).

The data collected from the field was sorted out for completeness, checked for any errors and omissions, and was summarized in tables. Also the data obtained from the study was decoded into the computer and statistical analysis was employed using the Statistical Package for Social Sciences (SPSS) for the descriptive part of the study as well as Cronbach's Alpha for testing the validity of the data was taken place.

Descriptive statistics by percentages and tables was generated from the software to establish relationship among variables. The relevant information was obtained in a standard form using tables, frequencies and percentages to analyze and interpret the information. For the inferential part of the study OLS (ordinary least square) method was used using EViews 9 after diagnostics tests are conducted and confirmed of no violation.

### **3.8 Validity and Reliability**

**Validity** is the degree to which a test measures what it purports to measure (Creswell , 2009). Hammersley, (1987) asserted that “an account is valid or true if it represents accurately those features of the phenomena, that it is intended to describe, explain or theories”. In so far, validity is concerned with two main issues: whether the instruments used for measurement are accurate and whether they are actually measuring what they want to measure (Winter, 2000). (Ritchie & Lewis, 2003), indicated that the validity of research is conceived as the precision or correctness of the research finding.

Checking the validity of data collecting instruments before providing to the actual study subject is the core to assure the quality of the data (Yalew, 1998). To ensure validity of Instruments, the instruments were developed under close guidance of the advisors and also a pilot study was carried out on 25 employees of Ethiopian Airlines employee (respondents) to pre-test the instrument. The pre-test was providing an advance opportunity for the investigator to check the questionnaires and to minimize errors due to improper design elements, such as question, wording or sequence (Adams et al., 2007:136). After the dispatched questionnaires' were returned, necessary modification on 7 items and Complete removal and replacement of 2 unclear questions were done. Finally, the improved version of the questionnaires was printed, duplicated and dispatched to the targeted respondents.

**Reliability** is known as to what extent the research findings can be replicated, if another study is undertaken using the same research methods. They asserted that “the reliability of the findings depends on the likely recurrence of the original data and the way they are interpreted” in other word (Stability, Equivalence, Homogeneity) of the data (Ritchie & Lewis, 2003).

Dunn (2001) also defines reliability as a measure's stability or consistency across time. The data reliability test is measured by using Cronbach's Alpha. Cronbach's Alpha was also calculated as part of the reliability test to assess how valid the results were and should produce similar generalized results if the sample size were increase (Field, 2006). The Alpha value is ranges from a maximum of 1.0 for a perfect score to minimum of zero, good measure of the alpha should be 0.70 or higher (Neuman, 2007). According to William and Barry (2010) scales exhibiting a coefficient alpha between 0.80 and 0.96 are considered to have very good reliability, between 0.70 and 0.80 are considered to have good reliability, and alpha value between 0.60 and 0.70 indicates fair reliability and when the coefficient alpha is below 0.60, the scale has poor reliability. Accordingly, the Cronbach's Alpha values of the survey indicate good reliability and the result are presented in table below.

**Table 3.2 Reliability Test (Cronbach's Alpha)**

| Dimensions     | Alpha coefficients for dimensions |
|----------------|-----------------------------------|
| Payment        | .844                              |
| Fringe Benefit | .825                              |

|                            |      |
|----------------------------|------|
| Promotion                  | .807 |
| Co-worker relation         | .817 |
| Supervision                | .799 |
| Career Development         | .843 |
| Employees' performance     | .816 |
| Reliability of total scale | .844 |

*Source: Analysis of Survey data 2019, using SPSS 23*

The Cronbach's Alpha range value is between 0.799 to 0.844. Therefore, all variables are acceptable for further analysis.

### **3.9 Ethical Consideration**

Ethics are the moral principles or values that guide officials in all aspects of their work. Ethical behavior encompasses the concepts of honesty, integrity, probity, diligence, fairness, trust, respect and consistency (Wee, 2002). First permission was obtained from employees, as the study uses data from employees which will be collected through questionnaire. Respondents were told to not to write their names on the questionnaire to maintain confidentiality of information provided by respondents. Respondents were also assured of that the responses would be used for academic purpose only. Brief description of the central objectives of the study and the potential benefit of the research outcome was clearly given in the introductory part to motivate them to participate in the study and provide relevant information about the study. Finally, respondents were included in the study based on their free will. In addition, texts belonging to other authors that have been used in any part of this study have been fully referenced with reference page.



## **CHAPTER FOUR**

### **RESULTS AND DISCUSSIONS**

#### **4.1 Introduction**

In this chapter, the results obtained from the study are presented and discussed using different statistical tools and presented in two sections. First descriptive analysis is presented to provide brief overview of respondents, to assess respondent's perception towards the motivational factors and review the current level of employees' motivation with employee performance at Ethiopian Airlines. The analysis was done using frequency and percentages were computed for each variable and the results are presented using tables. The inferential analysis section is used to present the relationship between the independent and dependent variables.

#### **4.2 Response Rate**

A total of 420 questionnaires were administered for this study, of which, 399 (95%) were returned and analyzed using descriptive and inferential statistics. A response rate of 70% and above is considered excellent for research (Saunders, et al. 2009).

#### **4.3 Descriptive Analysis**

The descriptive analysis part presents brief overview of respondents' profile, respondents' perception towards the six motivational factors and employee performance of Ethiopian Airlines.

##### **4.3.1 Profile of Respondents**

This section provides a brief review of respondents' profile to give a summarized picture of the sampled respondents. The respondents' profiles are aggregated by age, gender, level of education, length of service and salary. The basic characteristic of the sample population is described in figure and Table.

**Table 4.1 Summary of respondents' Profile**

| <b>Variables</b>                                    | <b>Category</b>    | <b>Frequency</b> | <b>Percentage</b> |
|---|--------------------|------------------|-------------------|
| <b>Age of Respondents</b>                           | 20 – 30            | 15               | 3.8%              |
|   | 31 - 40            | 216              | 54.1%             |
|   | 41 - 50            | 137              | 34.3%             |
|   | 51 – 60            | 31               | 7.8%              |
| <b>Gender of Respondents</b>                        | Male               | 227              | 56.9%             |
|   | Female             | 172              | 43.1%             |
| <b>Level of Education of Respondents</b>            | Grade 12 and below | 41               | 10.3%             |
|   | Diploma            | 56               | 14.0%             |
|   | BA/BSC             | 191              | 47.9%             |
|   | MA/MSC/MBA         | 88               | 22.1%             |
|   | PhD                | 23               | 5.8%              |
| <b>No of years of service in Ethiopian Airlines</b> | Below 1 Year       | 102              | 25.6%             |
|   | 1 – 5 Years        | 129              | 6.3%              |
|   | 6 – 10 Years       | 59               | 1%                |
|   | 11 – 15 Years      | 71               | 2%                |
|   | More than 15 years | 38               | 65.2%             |
| <b>Basic Salary of Respondents</b>                  | 840 - 4,933        | 102              | 25.6%             |
|   | 4,934 - 7,400      | 129              | 32.3%             |
|   | 7,401 - 15,000     | 59               | 14.8%             |
|   | 15,000 - 30,000    | 71               | 17.8%             |
|   | >30,000            | 38               | 9.5%              |

*Source: Analysis of Survey data 2019*

As shown in table 4.1 above, the majority of the respondents (54.1%) were in the age bracket of 31-40 years old, while 34.3% are 41-50 years old. Respondents comprised of 56.9% males and 43.1% females.

65.2% of the respondents had been with Ethiopian Airlines for more than fifteen years while 25.6% were for less than a year. The remaining 6.3%, 2% and 1% had been employees of Ethiopian Airlines for 1-5 years, 11-15 years and 6 – 10 years respectively.

32.3% of the respondents earn between ETB 4,934 – 7,400, while 32.3% the respondents earn between ETB 840 - 4933. The remaining respondents' 17.8%, 14.8% and 9.5% respondents earn ETB 15,000 –30,000, ETB 7,401 – 15,000 and >30,000 respectively.



### 4.3.2 Survey Results

The following descriptive statistical analysis discusses the conceptual framework adopted for this study using frequency and percentile. Respondents were asked to indicate their level of agreement or disagreement on the research questions using five scales (1=strongly disagree, 2= Disagree, 3= Neutral, 4= Agree and 5=strongly agree) which were then analyzed to assess the effect of employees' motivation on employees' performance in Ethiopian Airlines.

#### 4.3.2.1 The Existing motivational plan used by the organization

In this section, responses received for each of the six motivational factors (independent variables) and employee performance (dependent variable) used for this study will be discussed. The analyses were done using highest and lowest percentages for each element under each motivational factor and presented using frequency and percentage. The results were analyzed and interpreted briefly following the summary table for each factor.

##### 4.3.2.1.1 Payment

Payment is one of the motivational tools used for the study and responses for the five research questions under this factor are summarized in table 4.2. The analyses of each of the five questions under the Payment factor were analyzed and interpreted using the highest and lowest percentages.

**Table 4.2 Descriptive Statistics of Payment**

| Payment |   | Disagree | Neutral | Agree |
|---------|---|----------|---------|-------|
| PAY     | Yearly salary increments are reasonable in comparison with the task allotted.                       | 62.1%    | 3.5%    | 34.4% |
| PAY     | I am satisfied with the salary I currently earn.  | 58.9%    | 5%      | 36.1% |
| PAY     | There is similar salary scale for similar position.   | 29.4%    | 17.5%   | 53.1% |
| PAY     | I am satisfied with the process used to determine annual raises.                                    | 47.1%    | 11.8%   | 41.1% |
| PAY     | I feel payment is adequate enough to motivate employees to give their best effort at the workplace. | 60.9%    | 8.8%    | 30.3% |

*Source: Analysis of Survey data 2019*

The results imply that the overall payment of Ethiopian Airlines is not attractive as indicated by the below average overall ratings of four of the five elements.

The analysis of each of the five items of Payment revealed that majority of respondents 62.1% disagree on the reasonableness of salary increment while 58.9% and 47.1% are not satisfied with the salary that they currently earn and with the annual raise processes respectively. In addition, 60.9% of the respondents feel that there is no adequate payment to motivate employees. Of all the five elements under payment factor the element similar salary scale for similar positions get the only positive response by the respondents with 53.1% agreement rate.

#### **4.3.2.1.2 Fringe Benefits**

Fringe Benefit is the second motivational factor used for the study and responses for the five research questions under this factor are summarized in table 4.3. The analyses of each of the five questions under the Fringe Benefit factor were analyzed and interpreted using the highest and lowest percentages.

**Table 4.3 Descriptive statistics of Fringe Benefits**

| Fringe Benefit |   | Disagree | Neutral | Agree |
|----------------|---|----------|---------|-------|
| FRING          | The benefits package is reasonable comparing other organizations. | 62.4%    | 6.8%    | 30.9% |
| FRING          | Incentive motivates employees to effectively dedicate to job.     | 58.9%    | 8.3%    | 32.9% |
| FRING          | Fringe benefit is important.                                      | 61.1%    | 10.3%   | 28.6% |
| FRING          | Fringe benefit is distributed fairly to all employees.            | 60.9%    | 8.5%    | 30.6% |
| FRING          | Employees are consulted on fringe benefit packages.               | 65.1%    | 4.5%    | 30.4% |

*Source: Analysis of Survey data 2019*

As shown in the above table 4.3, three of the five items under the Fringe benefit have low rate of below 50% which indicates that respondents perceive Ethiopian Airlines is not performing well in all the elements under Fringe Benefit package.

The analysis of each of the five items of Fringe Benefit reveals that most of the respondents 65.1% feel that employees are not consulted on fringe benefit packages, while 62.4% believe that the benefits packages are not reasonable comparing other organizations and 61.1% don't believe that fringe benefit is important. The analysis further indicates that 60.9% of the respondents feel that there is no fair fringe benefit distribution and 58.9% of the respondents disagree that incentives motivates employees to effectively dedicate to job.

#### 4.3.2.1.3 Promotion

The third motivational factor used for the study is Promotion and responses for the five research questions under this factor are summarized in table 4.4. The analyses of each of the five questions under the Fringe Benefit factor were analyzed and interpreted using the highest and lowest percentages.

**Table 4.4 Descriptive statistics of Promotion**

| Fringe Benefit |  | Disagree | Neutral | Agree |
|----------------|--|----------|---------|-------|
| PRO            | My company provides fair promotion opportunities to the employees.                               | 31.4%    | 5.5%    | 63.1% |
| PRO            | My company/supervisor always encourage me to perform well so to achieve promotion opportunities. | 29.4%    | 5.5%    | 65.2% |
| PRO            | Job promotion is based on job performance.   | 30.8%    | 5%      | 64.2% |
| PRO            | Organization policies on promotion are acceptable  | 31.9%    | 7.5%    | 60.6% |
| PRO            | I am satisfied with my chances for promotion   | 24.1%    | 14%     | 61.9% |

*Source: Analysis of Survey data 2019*

As shown in the above table 4.4, the results imply that Ethiopian Airlines is performing well under the promotion factor, as indicated in the overall ratings of five of the five elements.

The analysis of each of the five items of promotion reveals that most of the respondents 65.2% feel that the company provides fair promotion opportunities, while 64.2% believe that promotions are based on job performance. In addition, 63.1% believes there are fair promotion opportunities and 61.9% agrees they are satisfied with the chances of promotion and 60.6% of the respondent feels there is acceptable promotion policy in the organization.

#### 4.3.2.1.4 Co-worker Relation

The fourth motivational factor used for the study is Co-worker Relation and responses for the five research questions under this factor are summarized in table 4.5. The analyses of each of the five questions under the Co-worker Relation factor were analyzed and interpreted using the highest and lowest percentages.

**Table 4.5 Descriptive statistics of co-worker relation**

| Co-Worker Relation |  | Disagree | Neutral | Agree |
|--------------------|--|----------|---------|-------|
| COR                | I have good relationship with my coworkers               | 30.8%    | 8%      | 61.2% |
| COR                | My coworkers and I cooperate well with each other        | 22.8%    | 13.8%   | 63.4% |
| COR                | Coworkers positively affect job performance.             | 27.6%    | 10.5%   | 61.9% |
| COR                | I feel fortunate that I have good coworker relationships | 20.6%    | 7.8%    | 71.7% |
| COR                | I turn to a coworker for comfort and reassurance.        | 26.4%    | 16%     | 57.7% |

*Source: Analysis of Survey data 2019*

As shown in the above table 4.5, the results imply that Ethiopian Airlines is performing well under the co-worker relation, as indicated in the overall ratings of five of the five elements. As shown in the above table, 71.7% of the respondents indicated that they are fortunate that they have good coworker relationships, 63.4% responded their coworkers and themselves cooperate

well with each other while 61.9% believe that coworkers positively affect job performance. In addition, 61.2% of the respondents agree that they have good relationship with their co-workers and 57.7% believes they turn to coworkers for many things including comfort and reassurance.

#### 4.3.2.1.5 Supervision

Supervision is the fifth motivational factor used for the study and responses for the five research questions under this factor are summarized in table 4.6. The analyses of each of the five questions under the Supervision factor were analyzed and interpreted using the highest and lowest percentages.

**TABLE 4.6 DESCRIPTIVE STATISTICS OF SUPERVISION**

| Supervision |  | Disagree | Neutral | Agree |
|-------------|--|----------|---------|-------|
| SUPER       | Get clear instruction to accomplish my tasks.                    | 54.9%    | 16%     | 29.1% |
| SUPER       | I feel that my supervisor treats me fairly                       | 58.7%    | 12.3%   | 29.1% |
| SUPER       | Receive adequate support from my supervisor                      | 77%      | 14.5%   | 8.5%  |
| SUPER       | My supervisor encourages me to suggest new ways of doing things. | 76.7%    | 16%     | 7.3%  |
| SUPER       | I have confidence in the leadership of my supervisor             | 61.7%    | 12.3%   | 26.1% |

*Source: Analysis of Survey data 2019*

As shown in the above table 4.6, the results imply that Supervision of Ethiopian Airlines is not fully satisfactory as indicated by the below average overall ratings of five of the five elements.

The analysis of each of the five items of Supervision reveals that majority of respondents 77% disagree that they do receive adequate support from their supervisor and 76.7% are disagree supervisors encourages them to suggest new ways of doing things. In the analysis further indicates that 61.7% of the respondents disagree that they have confidence in the leadership of their supervisors. In addition, 58.7% of the employees feel that supervisors' treat them fairly. In addition, 54.9% of the respondents feel supervisors' don't provide clear instruction to accomplish tasks.

#### 4.3.2.1.6 Career Development

The last motivational factor used for the study is Career Development and responses for the five research questions under this factor are summarized in table 4.7. The analyses of each of the five questions under the Career Development factor were analyzed and interpreted using the highest and lowest percentages.

**Table 4.7 Descriptive statistics of Career Development**

| Career Development |  | Disagree | Neutral | Agree |
|--------------------|--|----------|---------|-------|
| CD                 | I feel employees are provided with equal opportunities to fulfill their career potential | 32.6%    | 1%      | 66.4% |
| CD                 | My supervisor encourages me to seek new educational/Training opportunities               | 62.9%    | 9.5%    | 27.6% |
| CD                 | I have opportunities to use my skills and knowledge                                      | 24.1%    | 12%     | 63.9% |
| CD                 | Advancement opportunities are adequately distributed                                     | 70.2%    | 2%      | 27.8% |
| CD                 | My employer gives me the opportunity to gain wider experience                            | 46.7%    | 12%     | 41.3% |

*Source: Analysis of Survey data 2019*

As shown in the above table 4.7, three of the five items under the Career Development have low rate of below 50% which indicates that Ethiopian Airlines is not performing well in all of the elements under Career Development.

The analysis of each of the five items of Career Development reveals that majority of respondents 70.2% disagree on the adequate distribution of advancement opportunities while 66.4% indicated that they feel employees are provided with equal opportunities to fulfill their career potential and 63.9% agree they have opportunities to use their skills and knowledge. In the other hand 62.9% of the respondents disagree that supervisors encourage them to seek new educational/training opportunities and 46.7% the respondent feel that employers don't give them the opportunity to gain wider experience.

#### 4.3.2.1.7 Employee Performance

The responses for the five questions used to measure Employee performance is summarized under table 4.8. The analyses of each of the five questions under this factor were analyzed and interpreted using the highest and lowest percentages.

**Table 4.8 Descriptive statistics of Employees performance**

| <b>Employee Performance</b> |  | <b>Disagree</b> | <b>Neutral</b> | <b>Agree</b> |
|-----------------------------|--|-----------------|----------------|--------------|
| EP                          | I am satisfied with my performance at workplace.                             | 23.8%           | 16%            | 60.2%        |
| EP                          | Specific knowhow of tasks enables me to perform the job assigned adequately. | 33.1%           | 7.3%           | 59.6%        |
| EP                          | I am committed to have continuous quality improvement in my work.            | 45.8%           | 16.8%          | 37.4%        |
| EP                          | I have good support from my supervisor in handling my tasks.                 | 24.8%           | 28.6%          | 46.7%        |
| EP                          | I have good knowledge of my company's products, services and policy.         | 28.9%           | 7%             | 64.1%        |

*Source: Analysis of Survey data 2019*

As shown in the above table, Under Employees Performance, the highest percentage 64.1% goes to they have good knowledge of company's products, services and policies and 60.2% are satisfied with their performance at workplace while 59.6% respondents agree specific know how of tasks enable them to perform the job assigned adequately. In the other hand 46.7% of the respondents agree they have good support from their supervisors in handling their tasks while 45.8% the respondent disagree that they are not committed to have continuous quality improvement in their work.

As shown above three of the five items under the Fringe benefit have low rate of below 50% which indicates that employees perceive Ethiopian Airlines is not performing well in most of the items under the Employees Performance.

## **4.4 Inferential Analysis**

The inferential analysis section includes correlation and regression analysis to assess the relationship between motivational factors and employee performance.

### **4.4.1 Correlation between motivational factors and employee performance**

Pearson correlation analysis was performed to see the association between motivational factors and employee performance.

Correlation is a statistical measure that indicates the extent to which two or more variables fluctuate together. A positive correlation indicates the extent to which those variables increase or decrease in parallel and a negative correlation indicates the extent to which one variable increases as the other decreases. The values of the correlation coefficients range from -1 (negatively correlated), to 0 (uncorrelated) to 1 (positively correlated). The sign of the correlation coefficient defines the direction of the relationship. The absolute value indicates the strength of the correlation (Field, 2009).

Dancey and Reidy (2004) stated that a correlation result which is 0 indicates zero correlation, a result between 0.1 and 0.3 indicates a weak correlation among variables, a result which is between 0.4 and 0.6 shows a moderate correlation, a result between 0.7 and 0.9 indicates a strong correlation among variables while a result which is equal to 1 indicates a perfect correlation.

Table 4.9 shows the correlation between the six motivational factors and employee performance.



**Table 4.9: Pearson Correlation Matrix between motivational factors and employee performance**

**Correlations**

|                    |                     | Emp. Perf. | Payment | Fringe Benefits | Promotion | Co-Worker Relation | Supervision | Career Devt |
|--------------------|---------------------|------------|---------|-----------------|-----------|--------------------|-------------|-------------|
| Emp Perf.          | Pearson Correlation | 1          | .514**  | .688**          | .723**    | .738**             | .581**      | .774**      |
|                    | Sig. (2-tailed)     |            | .000    | .000            | .000      | .000               | .000        | .000        |
|                    | N                   | 399        | 399     | 399             | 399       | 399                | 399         | 399         |
| Payment            | Pearson Correlation | .514**     | 1       | .524**          | .447**    | .596**             | .604**      | .540**      |
|                    | Sig. (2-tailed)     | .000       |         | .000            | .000      | .000               | .000        | .000        |
|                    | N                   | 399        | 399     | 399             | 399       | 399                | 399         | 399         |
| Fringe Benefits    | Pearson Correlation | .688**     | .524**  | 1               | .748**    | .739**             | .677**      | .725**      |
|                    | Sig. (2-tailed)     | .000       | .000    |                 | .000      | .000               | .000        | .000        |
|                    | N                   | 399        | 399     | 399             | 399       | 399                | 399         | 399         |
| Promotion          | Pearson Correlation | .723**     | .447**  | .748**          | 1         | .739**             | .726**      | .740**      |
|                    | Sig. (2-tailed)     | .000       | .000    | .000            |           | .000               | .000        | .000        |
|                    | N                   | 399        | 399     | 399             | 399       | 399                | 399         | 399         |
| Co-worker Relation | Pearson Correlation | .738**     | .596**  | .739**          | .739**    | 1                  | .664**      | .789**      |
|                    | Sig. (2-tailed)     | .000       | .000    | .000            | .000      |                    | .000        | .000        |
|                    | N                   | 399        | 399     | 399             | 399       | 399                | 399         | 399         |
| Supe.              | Pearson Correlation | .581**     | .604**  | .677**          | .726**    | .664**             | 1           | .628**      |
|                    | Sig. (2-tailed)     | .000       | .000    | .000            | .000      | .000               |             | .000        |
|                    | N                   | 399        | 399     | 399             | 399       | 399                | 399         | 399         |
| Career Devt        | Pearson Correlation | .774**     | .540**  | .725**          | .740**    | .789**             | .628**      | 1           |
|                    | Sig. (2-tailed)     | .000       | .000    | .000            | .000      | .000               | .000        |             |
|                    | N                   | 399        | 399     | 399             | 399       | 399                | 399         | 399         |

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

*Source:* Survey 2019

As shown in Table 4.9, all of the motivational factors have a positive relationship with employee performance although the strength of the relationship varies across the six motivational factors. Three of the six motivational factors have statistically significant correlation, the strongest correlation being between Career development and employee performance (0.774); followed by Co-worker Relation (0.738), and promotion (0.723). The remaining three factors have a moderately significant relationship with employee performance: Fringe Benefits (0.688), Supervision (0.581) and Payment (0.514).

Thus, it is possible to conclude that motivational factors and employee performance are positively related, which indicates that motivated employees will perform highly.

#### **4.4.2 Diagnosis Test**

Before running the regression analysis, the basic assumptions of multiple Regression Models (MRM) has been tested. Each of the tests are discussed below.

##### **4.4.2.1 Normality**

According to the central limit theorem, if the sample size is 30 or more; the sampling distribution would tend to be normal irrespective of the population distribution (Field, 2009). Primarily, the large enough sample size (399) of respondents used in this study satisfies the requirement of normality. However, in order to examine the suitability of data for further analysis, graphical methods, such as histograms and normality plots, can be conducted to provide a visual inspection of the normal distribution of a data set prior to further interpretation of the regression analysis (Tabachnick & Fidell, 2007). Histograms can provide important information about the shape of a distribution. If most of the scores are gathered around the middle of the continuum and a gradual, symmetric decrease of frequency on either side of the center score occurs, it is considered a normal distribution. However, if the scores are not symmetric and are spread out away from the majority it is considered skewed. The researcher did run histogram and normality plots with the data collected (Appendix II fig A1 and A2) and the data were normally distributed.

##### **4.4.2.2 Linearity**

Linearity defines the dependent variable as a linear function of the predictor (independent) variables (Darlington, 1968). Multiple regressions can accurately estimate the relationship between dependent and independent variables when the relationship is linear in nature (Osborne & Waters, 2002). Some researchers argue that this assumption is the most important, as it directly relates to the bias of the results of the whole analysis (Keith, 2006). If linearity is violated, all the estimates of the regression including regression coefficients, standard errors, and tests of statistical significance may be biased (Keith, 2006). If the relationship between the dependent and independent variables is not linear, the results of the regression analysis will under- or over- estimate the true relationship and increase the risk of errors (Osborne & Waters, 2002).

For the purpose of the study, use of theory method can be adopted, considering sufficient empirical evidences (in the literature) that link between motivational factors and employee performance. In addition, residual plots showing the standardized residuals versus the predicted values are very useful in detecting violations in linearity (Stevens, 2009). The linearity assumption can best be tested with scatter plots. Figure A3 in Appendix II visually demonstrate linear relationships since there is a random scatter about the horizontal line. For the assumption of error-free measurement of regression, it was of no concern in the context of this study, as the reliability coefficients (Cronbach alphas) were above the threshold limit of 0.7.

#### 4.4.2.3 Multicollinearity

Multicollinearity refers to situation in which two or more explanatory variables in a multiple regression model are highly linearly related, meaning one can be linearly predicated from the others with a substantial degree of accuracy. While it is good to have a relationship between dependent and independent variables, it is not recommended to have relationship between independent variables (Asthana & Bhushan, 2016).

**Table 4.10 Multicollinearity Test Coefficient**

|                           | Collinearity Statistics |       |
|---------------------------|-------------------------|-------|
|                           | Tolerance               | VIF   |
| <b>Payment</b>            | 0.536                   | 1.866 |
| <b>Fringe Benefits</b>    | 0.333                   | 3.001 |
| <b>Promotion</b>          | 0.282                   | 1.734 |
| <b>Coworker Relation</b>  | 0.276                   | 1.935 |
| <b>Supervision</b>        | 0.363                   | 2.758 |
| <b>Career Development</b> | 0.304                   | 2.310 |

Dependent Variables: Employee Performance

*Source:* Survey 2019

VIFs exceeding 10 are a sign of serious multicollinearity requiring correction and VIF results exceeding 4 needs further investigation for further multicollinearity (Asthana & Bhushan, 2016). The Multicollinearity tests in Table 4.10 above shows the variables with their respective Variance Inflation Factors (VIF) values ranging from 1.7 to 3.0. Therefore, regressions results were assumed to be free from the problem of multicollinearity.

#### **4.4.2.4 Heteroscedasticity**

The assumption of homoscedasticity refers to equal variance of errors across all levels of the independent variables (Osborne & Waters, 2002). This means that researchers assume that errors are spread out consistently between the variables (Keith, 2006). When the variance of errors differs at different values of the independent variables, heteroscedasticity is detected. According to Berry and Feldman (1985) and Tabachnick and Fidell (2007) slight heteroscedasticity has little effect on significance tests; however, when heteroscedasticity is marked it can lead to serious distortion of findings and seriously weaken the analysis, thus, increasing the possibility of error.

The homoscedasticity assumption can be checked by visual examination of a plot of the standardized residuals by the regression standardized predicted value (Osborne & Waters, 2002). Specifically, statistical software scatterplots of residuals with independent variables are the method for examining this assumption (Keith, 2006). Ideally, residuals are randomly scattered around zero (the horizontal line) providing even distribution (Osborne & Waters, 2002).

In Appendix II fig A3, the scattered plots indicate that the data distribution is randomly scattered with an even spread of residuals at all predicted values. It implied that there is homoscedasticity - equal variance of errors across all levels of the independent variables. This is an indication that the assumption of homoscedasticity for the variables has been met (Hair et al., 2010).

#### **4.4.3 Multiple Regression Analysis**

Multiple regression analysis examines the relationship between a single outcome measure and several predictor or independent variables (Jaccard et al., 2006). Correct use of the multiple regression models requires that several critical assumptions be satisfied in order to apply the model and establish validity (Poole & O'Farrell, 1971). Inferences and generalizations about the theory are only valid if the assumptions in an analysis have been tested and fulfilled.

As indicated in the above section, all assumptions for using multiple regression analysis were met. Linearity and homoscedasticity were examined through the analysis of residuals, and partial regression scatter plot, multicollinearity assumption was tested through variance inflation factor and tolerance. The normality was examined through normal probability plots (P-P plots) of the

standardized residuals. Hence, multiple regression analysis can be employed to examine the variables.

**Table 4.11 Model Summary<sup>b</sup>**

| Model | R     | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics     |          |     |     |               |
|-------|-------|----------|-------------------|----------------------------|-----------------------|----------|-----|-----|---------------|
|       |       |          |                   |                            | R <sup>2</sup> Change | F Change | df1 | df2 | Sig. F Change |
| 1     | .822* | 0.675    | 0.670             | 0.13742                    | 0.675                 | 135.847  | 6   | 392 | 0.000         |

- a. Predictors (Constant), Career Development, Payment, Supervision, Fringe Benefits, Promotion, Co-worker Relation
- b. Dependent Variable: Employee Performance

Source: Survey 2019

**Table 4.12 ANOVA<sup>a</sup>**

| Model |            | Sum of Squares | Df  | Mean Square | F       | Sig.  |
|-------|------------|----------------|-----|-------------|---------|-------|
| 1     | Regression | 310.588        | 6   | 51.765      | 135.847 | .000b |
|       | Residual   | 149.372        | 392 | 0.381       |         |       |
|       | Total      | 459.960        | 398 |             |         |       |

- a. Dependent Variable: Employee Performance
- b. Predictors: (Constant), Career Development, Payment, Supervision, Fringe Benefits, Promotion, Co-Worker Relation

Source: Survey 2019

**Table 4.13 Regression result of motivational Factors and Employee Performance**

| Coefficients <sup>a</sup> |                    |                             |            |                           |        |      |
|---------------------------|--------------------|-----------------------------|------------|---------------------------|--------|------|
| Model                     |                    | Unstandardized Coefficients |            | Standardized Coefficients | T      | Sig. |
|                           |                    | B                           | Std. Error | Beta                      |        |      |
| 1                         | (Constant)         | 0.331                       | 0.066      |                           | 6.262  | 0.00 |
|                           | Payment            | 0.115                       | 0.017      | 0.178                     | 6.605  | 0.00 |
|                           | Fringe Benefits    | 0.195                       | 0.022      | 0.225                     | 8.948  | 0.00 |
|                           | Promotion          | 0.233                       | 0.026      | 0.260                     | 8.959  | 0.00 |
|                           | Co-worker Relation | 0.247                       | 0.02       | 0.333                     | 12.545 | 0.00 |
|                           | Supervision        | 0.118                       | 0.014      | 0.223                     | 8.454  | 0.00 |
|                           | Career Dev't       | 0.260                       | 0.013      | 0.368                     | 7.053  | 0.00 |

- a. Dependent Variable: Employee performance

- b. Predictors: (Constant), Payment, Fringe Benefits, Promotion, Co-worker Relation, Supervision and Career Development

Source: Survey 2019

Table 4.12 above presents the model summary for regression. The model summary table helps to measure appropriateness of the regression model employed. The model summary shows that, the independent variables (Payment, Fringe Benefits, Promotion, Co-worker Relation, Supervision and Career Development) explained the level of employee performance with adjusted R-square of 67%, implying a significant relationship with employee performance. Furthermore, the value of  $R=0.675$  indicates that there is a strong correlation between the dependent variable and the independent variables together with the effect on the dependent variable of 67%. The remaining 33% is explained by other variables out of this model.

The ANOVA table (Table 4.12) provides the overall acceptability of the model being tested from statistics point of view. The significant value which is also P-Value in the model is 0.000 which indicates the independent variable in the model explains the dependent variable. As P is less than 0.01, the model is significant, and the variation explained by the model is not due to chance. Thus, the combination of the independent variables (Payment, Fringe Benefits, Promotion, Co-worker Relation, Supervision and Career Development) significantly predicted the dependent variable ( $F=135.847$ ;  $p < 0.01$ ).

The Beta (B) values were used as coefficients to complete the previously formulated regression model.

The mathematical formula for the multiple regressions is depicted below:

$$\text{Customer Satisfaction} = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \varepsilon$$

The established regression equation for customer satisfaction:

$$\text{Overall Customer Satisfaction} = 0.331 + 0.115(\text{PYT}) + 0.195 (\text{FRINGE}) + 0.233(\text{PROM}) + 0.247(\text{CO-WORKER}) + 0.118(\text{SUPERVISION}) + 0.260 (\text{CAREER DEVT}) + \varepsilon$$

## **CHAPTER FIVE**

### **FINDINGS**

#### **5.1 Summary of Findings**

##### **Payment**

The result of the multiple regression analysis, as shown in table 4:13, found that the payment factor has a beta value of 0.115 and that it was significant at 0.000 significance level. These findings indicated that there is a significant relationship between payment and employee performance.

##### **Fringe Benefits**

The result of the multiple regression analysis found that the fringe benefits factor has a beta value of 0.195 and that it was significant at 0.000 significance level, as shown in Table 4.13. These findings indicated that there is a significant relationship between fringe benefits and employee performance.

##### **Promotion**

The result of the multiple regression analysis found that promotion factor has a beta value of 0.233 and that was significant at 0.000 significance level, as shown in Table 4.13. These findings indicated that there is a significant relationship between promotion and employee performance.

##### **Co-worker Relation**

As shown in table 4.13, the result of the multiple regression analysis found the promotion factor has a beta value of 0.247 and that it was significant at 0.000 significance level. These finding indicate that there is a significant relationship between co-worker relation and employee performance.

##### **Supervision**

The result of the multiple regression analysis found that supervision has a beta value of 0.118 and that it was significant at 0.000 significance level, as shown in Table 4.13. These findings indicate that there is a significant relationship between supervision and employee performance.

### **Career Development**

The result of the multiple regression analysis found that Career Development has a beta value of 0.260 and that it was significant at 0.000 significance level, as shown in Table 4.13. This finding indicates that there is a significant relationship between career development and employee performance.

### **Summary**

To sum-up, the outcomes of regression analysis of each model shows that employee performance is individually and jointly predicted by Payment ( $\beta=0.115$ ;  $p<0.01$ ), Fringe Benefits ( $\beta= 0.195$ ;  $P<0.01$ ), Promotion ( $\beta=0.233$ ;  $P<0.01$ ), Co-worker Relation ( $\beta=0.247$ ;  $P<0.01$ ), Supervision ( $\beta=0.118$ ;  $P<0.01$ ), and Career Development ( $\beta=0.260$ ;  $P<0.01$ ). These variables together explain 67% of the variance on level of employee performance. Employee performance is primarily and positively affected by Career Development ( $\beta = 0.260$ ), followed by Co-worker Relation ( $\beta = 0.247$ ) and Promotion ( $\beta = 0.233$ ) factors, while Payment ( $\beta = 0.115$ ) is found to be the least determinant factor of employee performance.

The Regression analysis result (Table 4.13) shows that, other variables held constant, one-unit increase in Career Development would lead to 0.260 (26%) increase in employee performance and one unit increase in each of Co-worker Relation and Promotion factors will lead to 0.247 unit (24.7%) and 0.233 unit (23.3%) increase in the level of employee performance respectively. Similarly, one-unit increase in Payment, Fringe Benefits and Supervision factors would lead to 0.115 (11.5%), 0.195 (19.5%), and 0.118 (11.8%) increase in employee performance respectively, provided that other variables remain constant.

**Discussion:** The findings of the inferential analysis indicated that there is a significant and positive relationship between all the six motivational factors and employee performance. This is in line with a study conducted by (Ojeleye , 2017). Likewise, previous literatures Tessema and Soeters (2006) and Shahzad et al., (2008) also found significant positive result of promotion on employees' performance. In addition this result also confirms with previous researches by (She



& Jennifer , 2011) and (Li Min & Su Yong, 2014) found Coworkers' relationship has positive effect on job satisfaction. At work, colleagues should cooperate with each other, to ensure the completion of their work, which inevitably produce instrumental relationship among employees.

This result also confirms with previous researches by (Ismail et al., 2009) that found supervisor support positively and significantly correlated with employee's job performance and also proved in previous literatures (Sarah M.K.N., 2010) and (Cappelli & Hamori, 2005).

Although all the six factors have positive relationship, the degree of significance varies among the six factors. According to this study, Career Development, Co-worker Relation and Promotion are the most significant predictors while Payment and Supervision is the least predictor.

## CHAPTER SIX

### CONCLUSION AND RECOMMENDATION

This chapter presents conclusion drawn from the study and recommendations given based on the findings and suggestions for future studies.

#### 6.1 Conclusion

The objective of the study was to investigate the effects of employees' motivation on employees' performance in Ethiopian Airlines. Based on the findings of the study, the following conclusions were drawn.

The study concluded that the two variables are in fact highly related indicating that high employee motivation will result in high employee performance and vice versa. As can be seen from the correlation results, all motivational factors have positive and statistically significant relationship with employee performance although the degree of significance varies among the six factors. The most significant relationship is obtained between Career Development and Employee Performance, followed by Co-worker Relation and Promotion. Supervision, Fringe Benefits and Payment have a moderately significant relationship with Employee Performance.

When we look at employees' perception towards the six motivational factors, Ethiopian Airlines is performing well on the Promotion and Co-worker Relation motivational factors. On the other hand, the remaining four motivational factors are perceived to be low by respondents.

The results of the regression analysis indicated that Career Development, Co-worker Relation and Promotion take priority over the remaining three factors to increase Employee Performance. This indicates that although

Ethiopian Airlines is perceived to be strong in the Career Development and Co-worker Relation motivational factors, employees perceive that the organization is not performing well in the Promotion factor. On the other hand, Payment has the least influential control on Employee Performance.

## 6.2 Recommendations

The purpose of the study was to examine the effects of employees' motivation on employee's performance in the case of Ethiopian Airlines. The management and organization want sustainable development and growth. One of the ways to achieve this is to create conditions in which employees see a bright future in their workplace.

In conclusion, the motivation of employees plays one of the most vital roles in an organization's effectiveness and assertively contributes to its growth and prosperity. Therefore, it is necessary for any employer to understand what truly motivates the employees and how to maximize the overall job performance.

Based on the findings and the conclusions reached, the following recommendations are made:

As indicated in the findings and conclusions sections above, quite significant of employees are found to be not in the best motivational level which has a direct negative effect on employee performance. Ethiopian Airlines should work on improving employees' motivation through monetary and non-monetary benefit packages.

✎ **Co-worker Relation and Career Development** have a statistically significant effect on employee performance. Respondents also indicated that Ethiopian Airlines is doing well on these two factors.

- **Coworker Relation** - Good working relationship would cause the individuals to feel that the other members of organization give attention to them and contribute to them. When people feel that other members in the organization supports them, they will reply by giving the best on co-workers, supervisors, and organization
- **Career developments** has a great effect on employee's performance if employees are provided with equal opportunities to fulfill their career potential, have the opportunities to use their skills and knowledge, there is an adequate opportunity for advancement and the organization provides opportunity to gain wider experience through job rotation.

Therefore, it is recommended that the organization should keep the existing process to motivate employees on these two factors and find additional ways to improve in order to keep employees motivated.

✎ **Promotion** has a significant effect on employee performance. However, Ethiopian Airlines is not performing well in this factor as indicated in the study findings. The organization must take promotion as a culture and hence, staffs get encouragement which in turn induces the effectiveness of the organization. It is recommended that effective and transparent promotion process should be established with clear requirements and procedures for promotion. If staff promotion opportunity is fair and transparent, promotions are based on performance and the organization policies and promotions are acceptable, employees will know their rights and the obligation of the employer's role and will perform well.

✎ **Supervision, Fringe Benefits and Payment** has a moderately significant relationship with employee performance. Respondents indicated that organization is not performing well in these three factors.

- **Supervisors'** of the organization needs to enhance their leadership role so that they show new ways and directions for their workers, give continuous support, help and introduce new methods of working to the employees to motivate employees and achieve the organization's goal. Utilization of appropriate management style and effective communication within all levels of the organization are as well the elements that contribute to higher motivation level of employees. If supervisor guides employees, gives clear instruction and adequate professional supports to the staff, and treat employees fairly, employees will have confidence in the leadership of the supervisor and the performance of employees will be enhanced.
- **Fringe Benefit** motivates employees to effectively dedicate to job and increase employees' performance. It is recommended that Ethiopian Airlines improve its fringe benefit package both in terms of monetary and non-monetary benefits. The organization is recommended to make a thorough research on what type of fringe

benefits motivates employees and implement system to fulfil this need to increase employees' motivation, which in turn could increase employees' performance.

- It is also recommended that Ethiopian Airlines should increase the level of salary payment for its employees in order to motivate them to increase performance. Motivation will increase if employees earn a reasonable payment for the task allotted. Employees' payment should be attractive and comparative with similar organization.

In conclusion, it is recommended that Ethiopian Airlines work on improving its performance on the motivational factors, especially on those factors that the organization is not performing well.

### **6.3 Suggestions for Future Research**

Further research needs to be carried out on a larger population and sample size to measure the general liability of the findings. More motivation factors and other factors that could have influenced the job performance must be included in order to obtain more comprehensive understanding about the factors that influence employee's performance. The result of this study indicates that there is a need for the management to care about these factors and others as likely to influence the employee's performance.

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## **Questionnaire to be filled by employees of Ethiopian Airlines**

**Dear Respondents!**

My name is Yordanos Abraham. I am a postgraduate student pursuing MBA at Jimma University, College of Business and Economics. I am carrying out a research on *Effect of employee motivation on employees' performance in the case of Ethiopian Airlines*.

This questionnaire is aimed at eliciting information that will be useful for the above mentioned research. You are randomly selected as one of the respondents of the questionnaire for this study. The information supplied will be used strictly for academic purposes and will be treated with utmost confidentiality. Your cooperation will be highly appreciated. If you have any question on the questionnaire or need further information, please email me at

Thank you for your cooperation and assistance.

Sincerely,

Yordanos Abraham

[Yordanos.abraham@gmail.com](mailto:Yordanos.abraham@gmail.com)

Mobile: 0930 48 15 70

## APPENDIXES I: QUESTIONNAIRE

### SECTION I. DEMOGRAPHICAL DATA

Please put a tick  mark in the appropriate box below:

1. Gender : a. Male  b. Female
2. Age: a. 20-30 years  b. 31- 40 years  c. 41-50 years  d. 51-60 years   
e. Above 60 years
3. Current level of education
  - a. Grade 12 and below  b. Diploma (12+2, 10+3)  c. BA/BSC (Under graduate)  d. MA/MS/MBA (Graduate)  e. PhD
4. Total years of work experience in Ethiopian Airlines?
  - a. below 1 year  b. 1-5 years  c. 6-10 years
5. Basic salary earned a month
  - a. 840 - 4933 (birr)  b. 4934-7400  c. 7401 - 15000 (birr)
  - d. 15,000 – 30,000 (birr)  e. above 30,001 (birr)
6. Current Position:
  - a. Department head  b. Unit supervisor  c. Senior expert
  - d. Expert I  e. Junior expert  f. Clerical position

**SECTION II: EFFECTS OF EMPLOYEE MOTIVATION ON EMPLOYEES PERFORMANCE**

Please judge how frequently each statement fits you using the following rating scales. And please indicate your level of agreement or disagreement to the opinion stated in the table below

Select one of the five scales set below from **1= Strongly Disagree to 5= Strongly agree**. Each of the five scales in set to give the meaning stated against each as follows.

|                   |          |          |          |                |
|-------------------|----------|----------|----------|----------------|
| <b>1</b>          | <b>2</b> | <b>3</b> | <b>4</b> | <b>5</b>       |
| Strongly Disagree | Disagree | Neutral  | Agree    | Strongly Agree |

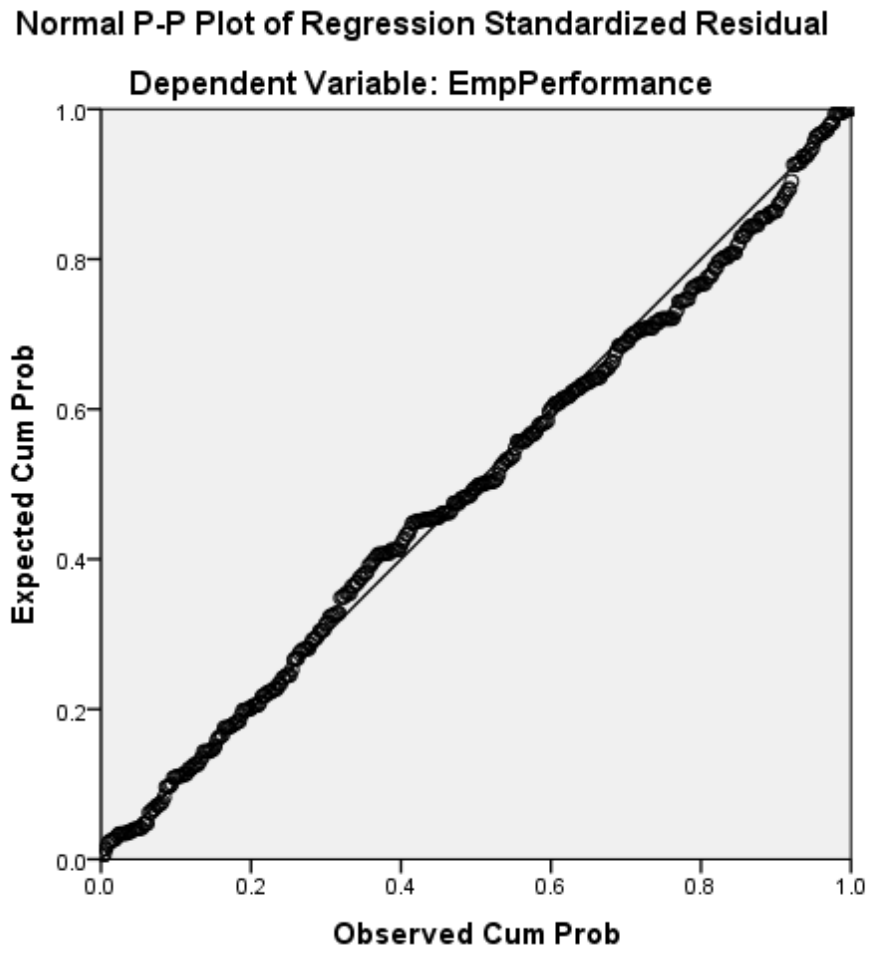
| Variable used   |   | Rating |   |   |   |   |
|---|---|--------|---|---|---|---|
|   |   | 1      | 2 | 3 | 4 | 5 |
| 1. Existing employee motivational tools those are applicable by the organization. |   |        |   |   |   |   |
| <b>1. 1. Payment</b>  |   |        |   |   |   |   |
| 1   | Yearly salary increments are reasonable in comparison with the task allotted.                       |        |   |   |   |   |
| 2   | I am satisfied with the salary I currently earn.  |        |   |   |   |   |
| 3   | There is similar salary scale for similar position.   |        |   |   |   |   |
| 4   | I am satisfied with the process used to determine annual raises.                                    |        |   |   |   |   |
| 5   | I feel payment is adequate enough to motivate employees to give their best effort at the workplace. |        |   |   |   |   |
| <b>1.2. Fringe Benefit</b>  |   |        |   |   |   |   |

|   |  |  |  |  |  |  |
|---|--|--|--|--|--|--|
| 1   | The benefits package is reasonable comparing other organizations.                                |  |  |  |  |  |
| 2   | Incentive motivates employees to effectively dedicate to job.                                    |  |  |  |  |  |
| 3   | Fringe benefit is important.   |  |  |  |  |  |
| 4   | Fringe benefit is distributed fairly to all employees.   |  |  |  |  |  |
| 5   | Employees are consulted on fringe benefit packages.  |  |  |  |  |  |
| <b>1. 3. Promotion</b>  |  |  |  |  |  |  |
| 1   | My company provides fair promotion opportunities to the employees.                               |  |  |  |  |  |
| 2   | My company/supervisor always encourage me to perform well so to achieve promotion opportunities. |  |  |  |  |  |
| 3   | Job promotion is based on job performance.   |  |  |  |  |  |
| 4   | Organization policies on promotion are acceptable  |  |  |  |  |  |
| 5   | I am satisfied with my chances for promotion   |  |  |  |  |  |
| <b>2. The major motivational techniques that helps to improve employee performance.</b> |  |  |  |  |  |  |
| <b>2.1. Co-worker relation</b>  |  |  |  |  |  |  |
| 1   | I have good relationship with my coworkers   |  |  |  |  |  |
| 2   | My coworkers and I cooperate well with each other  |  |  |  |  |  |
| 3   | Coworkers positively affect job performance.   |  |  |  |  |  |

|                                      |  |  |  |  |  |  |
|--------------------------------------|--|--|--|--|--|--|
| 4                                    | I feel fortunate that I have good coworker relationships                                 |  |  |  |  |  |
| 5                                    | I turn to a coworker for many things, including comfort and reassurance.                 |  |  |  |  |  |
| <b>3.1. Supervision (leadership)</b> |  |  |  |  |  |  |
| 1                                    | Get clear instruction to accomplish my tasks.  |  |  |  |  |  |
| 2                                    | I feel that my supervisor treats me fairly   |  |  |  |  |  |
| 3                                    | Receive adequate support from my supervisor  |  |  |  |  |  |
| 4                                    | My supervisor encourages me to suggest new ways of doing things.                         |  |  |  |  |  |
| 5                                    | I have confidence in the leadership of my supervisor                                     |  |  |  |  |  |
| <b>3.2 Career Development</b>        |  |  |  |  |  |  |
| 1                                    | I feel employees are provided with equal opportunities to fulfill their career potential |  |  |  |  |  |
| 2                                    | My supervisor encourages me to seek new educational/Training opportunities               |  |  |  |  |  |
| 3                                    | I have opportunities to use my skills and knowledge                                      |  |  |  |  |  |
| 4                                    | Advancement opportunities are adequately distributed                                     |  |  |  |  |  |
| 5                                    | My employer gives me the opportunity to gain wider experience                            |  |  |  |  |  |
| <b>3.3 Employees performance</b>     |  |  |  |  |  |  |
| 1                                    | I am satisfied with my performance at work place.  |  |  |  |  |  |

|   |   |  |  |  |  |  |
|---|---|--|--|--|--|--|
| 2 | Specific knowhow of tasks enable me to perform the job assigned adequately. |  |  |  |  |  |
| 3 | I am committed to have continuous quality improvement in my work.           |  |  |  |  |  |
| 4 | I have good support from my supervisor in handling my tasks.                |  |  |  |  |  |
| 5 | I have good knowledge of my company's products, services and policy.        |  |  |  |  |  |

**FIGURE A2: Normality P-P plot of standardized regression residual**



**Figure A1. Normality test by histogram**



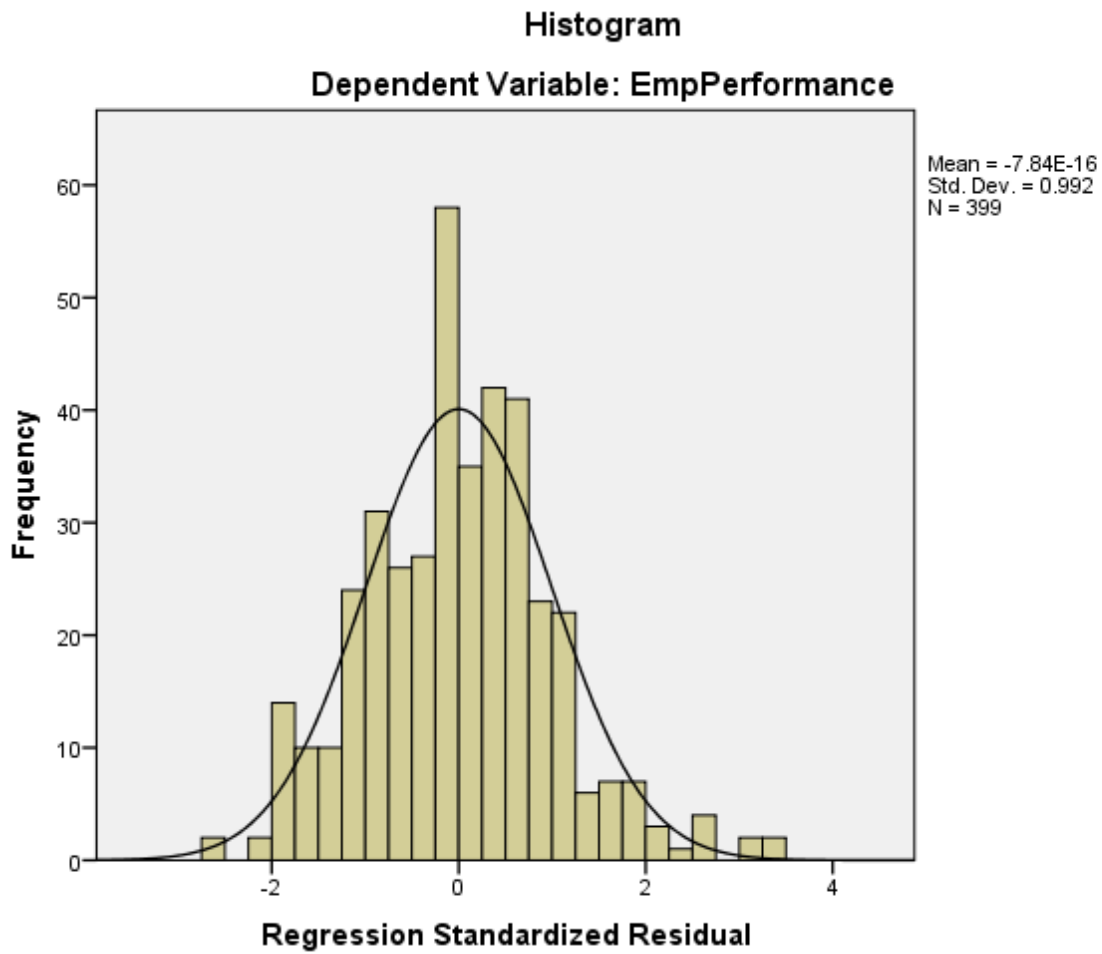


FIGURE A3. Scatter plot showing homoscedasticity

