

# Effect of Motivation as Factors on Employees Performance in Public Institutions: A Case Study of Rwamagana District

Jacky FURAHA<sup>1</sup>, Dr. Paul Muturi<sup>2</sup>

<sup>1,2</sup>Jomo Kenyatta University of Agriculture and Technology

**Abstract:** Many organizations especially public organizations have for a long time been blamed for having poor staff motivation schemes resulting to poor corporate performance and hence failure to reach such organizations' business objectives. The problem is that motivating public employees is easier said than done. Public workers have a reputation for being lazy and tired. The objectives of this study is; to analyze the role of financial motivation on employee performance in Rwamagana district; to examine the role of non-financial motivation on employee performance in Rwamagana district and to assess the role of working environment motivation to the performance of employee in Rwamagana district. In this study researcher was used Stratified random sampling. Data collection instruments for the purpose of this study researcher were used questionnaires and interview technique. The target populations of this study were 968 employees of Rwamagana district and the sample size are 283. The objectives of this study were achieved as follow: Spearman's correlation coefficient, ( $r=0.724$ ) shows that there is Positive high correlation between effect of motivation factors and employees Performance. ANOVA results further shows that the sig value (0.000) is less than the level significance (0.05). The F-statistics ( $F=214.145$ ) is far greater than the P-value (0.000) hence a further confirmation that aspects of financial motivation, non-financial motivation and workplace environment motivation were significantly influential the employee's performance in Rwamagana. The linear regression analysis shows that financial motivation, Non-financial motivation and workplace environment motivation were strongly affect the employee Performance in Rwamagana district, with ( $R^2=0.909$ ). All independents variables contributed 90.9% to employee's performance in Rwamagana district. Achieving an organization's goal through excellent employee's performance depends largely on the contribution made by employees. In this regard, the following steps are therefore recommended. Leaders in Rwamagana district are encouraged to show greater interest in the welfare of workers to make them more valuable and see themselves as contributors to the success of district through effective leadership.

**Keywords:** Motivation, employee's performance and Rwamagana district

## 1. Introduction

A. Worldwide, all organizations are concerned with what should be done to achieve sustained high levels of performance through people. Therefore the subject of adequate incentives for workers, as derived from the so many attempts made by management practitioners, is to look for the best way to manage so as to accomplish an objective or mission with the least inputs of materials and human resources available (Emile & al., 2009). Certain problems of inadequate motivation however arise as it concerns certain individuals who come into the work situation with differences in expectation, behavior and outlook. These problems of individual motivation may be divided into two categories. Firstly, the inability of certain individuals to be motivated may stem from the fact that there is a deficiency in their personality. For such people, the desire to avoid failure may be too strong while paradoxically, the motive to produce positive results may be too weak (Albert, 2006).

This could produce a general resistance to achievement - oriented activity that should naturally be overcome by other extrinsic modes of motivation if there is to be any spur to success oriented activity at all. Secondly, even when the achievement motive is relatively strong, the challenges before the individual worker may be proven to be inadequate or too difficult, whichever of these that apply to the individual worker will usually manifest themselves in different ways such as lack of enthusiasm or premature surrender (Crouin & Bryan, 2015). Good payment to workers has been found over the years to be one of the policies the organization can adopt

to increase their employees' performance and thereby increase the organizations productivity. The present global economic trend, most employers of labor has realized the truth that for their organizations to compete favorably, the performance of their employees goes a long way in determining the success of the organization. On the other hand, performance of employees in any organization is vital, not only for the growth of the organization, but also for the growth of individual employees. An organization must know who are its outstanding workers, those who need additional training and those not contributing to the efficiency and performance on the job can be assessed at all levels of employment such as: personnel decision relating to promotion, job rotation and job enrichments (Bloisi & Jean, 2009).

Employees obtain financial payment from employers in the form of a salary or commission. This payment is expected as a result of the work the individual was hired to complete. In addition to regular compensation, financial rewards are monetary incentives that an employee earns as a result of good performance. These rewards are aligned with organizational goals. When an employee helps an organization in the achievement of its goals, a reward often follows. All financial rewards are extrinsic. Financial motivation is based on tangible rewards, such as pay raises, bonuses, and paid time off. Non-financial motivations are the types of motivation that are not a part of an employee's pay. Typically, they cost the company little or no money, yet carry significant weight. Incentives of this nature are particularly effective for workers who are comfortable with

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their salaries or have been in the position for a long time (Fhrmann, 2006).

Rwamagana District was founded in 2006 as one of the seven Districts that Constitute Eastern province (EDPRS self-assessment district report). This District employs 968 employees who are paid according to the government of Rwanda pay structure. *NISR Provisional Population and Housing Census 2012 results reveal that Rwamagana district population was 310,238 people (Rwamagana District Development Plan, 2013).*

### 1.1 Problem statement

According to (Garg et al., 2014), well-motivated employees can provide a lot of benefits to organizations such as better productivity, lower levels of absenteeism as the employees are happy with their working lives, lower levels of staff turnover, improved industrial relations with trade unions, contented employees give the firm a good reputation as an employer so making it easier to recruit the best workers, motivated employees are likely to improve product quality or the customer service associated with a product. Some of challenges associated with employees who are demotivated include poor quality work, high employee turnover, poor working environment, too much non-attendance, etc

The rapid increase of the number of public organizations, degree of competition (Imihigo) and the required increase in employee's turnover and costs of employee's replacement have forced public organizations to aggressively compete for employees. These issues and problems demand that public organizations continually assess its internal processes and capabilities if it is to remain competitive. Some organizations have been known to experience a high staff turnover despite offering above average salaries (Aguinis, 2012). This tells researcher that money is not the only way to motivate employees. Additionally, different people are motivated by different factors. It is important for managers to understand what motivates individual employees, and not assume a one-size-fits-all approach (George & Jones, 2013).

Many organizations especially public organizations have for a long time been blamed for having poor staff motivation schemes resulting to poor corporate performance and hence failure to reach such organizations' business objectives. The problem is that motivating public employees is easier said than done. Public workers have a reputation for being lazy and tired. This study seeks to examine the role of motivation factors on employee performance in Rwamagana district of Rwanda.

### 1.2 Specific Objectives

- 1) To analyze the effect of financial motivation on employee performance in Rwamagana district;
- 2) To examine the effect of non-financial motivation on employee performance in Rwamagana district;
- 3) To assess the effect of working environment motivation to the performance of employee in Rwamagana district.

## 2. Conceptual Framework

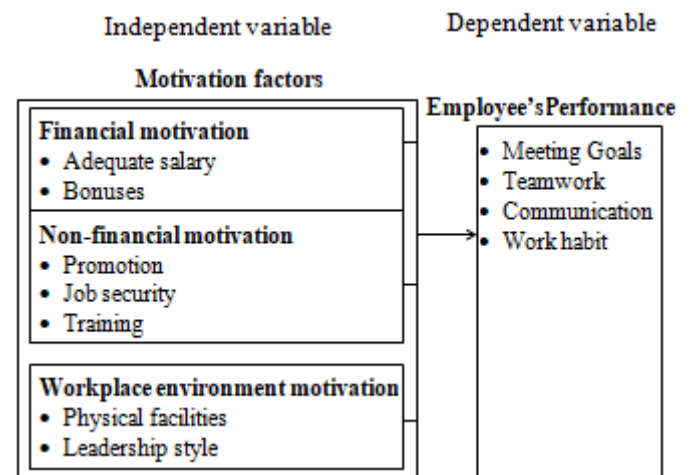


Figure 2.1: Conceptual Framework

## 3. Research Design

Research design was overall plan for doing research (Frank and Nachimias, 2006), defined research design as arrangement of conditions for data collection and data analysis in a manner that aim to combine relevance to the research purpose as well with economy in procedure. This study used a descriptive research design, where qualitative and quantitative approach was used in order to describe the effect of motivation factors on employee performance in Rwamagana district

### 3.1 Target Population

The target population contains members of a group that a researcher is interested in studying. According to the figures from District Human Resource Management department, Rwamagana District has employees 968 employees.

### 3.2 Sample size and sampling technique

For the purpose of this study, a sample size of 283 respondents was determined from total population of 968 employees using the formula of Slovin's. Stratified random sampling was used to select the respondents. The Stratified Random Sampling technique ensure that different groups of a population are adequately represented in the sample since it divides the population into homogenous groups such that the elements within each group are more alike than the elements in the population as a whole (Nachimas, 2008).

$$n = \frac{N}{1+N(\epsilon)^2} \quad \text{Therefore for this study;}$$

$$n = \frac{968}{1+968(0.05)^2} = 283 \text{ employees}$$

### 3.3 Model specification

$Y = \beta_0 + X_1\beta_1 + X_2\beta_2 + X_3\beta_3 + \epsilon$   
 $\beta_0$  = intercept;  
 $\beta_1$  &  $\beta_3$  = Coefficients of each of the independent variable.  
**Y:** Employee performance  
**X1:** Financial motivation

X2: Non-financial motivation  
 X3: Workplace environment motivation  
 ε: Error term

#### 4. Results and Discussion

**Table 4.1:** Regression

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.953 <sup>a</sup>	.909	.905	.160
a. Predictors: (Constant), Financial motivation, Non-financial motivation and Workplace environment motivation.				

According to results in above Table 4.1 shown that, the model summary of all variables, financial motivation, Non-financial motivation and Workplace environment motivation were strongly affect the employee Performance in Rwamagana district ( $R^2=0.909$ ) with variations of financial motivation, Non-financial motivation and Workplace environment motivation contributed 90.9% to employee's performance in Rwamagana district.

**Table 4.2:** ANOVA<sup>b</sup>

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	21.930	3	5.483	214.145	.000 <sup>a</sup>
	Residual	2.202	279	.010		
	Total	24.132	282			
a. Predictors: (Constant), financial motivation, Non-financial motivation and Workplace environment motivation						
b. Dependent Variable: Employee performance						

ANOVA results further shows that financial motivation, non-financial motivation and workplace environment motivation explains variations of employee's performance in Rwamagana district. The table above 4.2 shows the sig value (0.000) less than the level significance (0.05). The F-statistics (F=214.145) is far greater than the P-value (0.000) hence a further confirmation that aspects of financial motivation, non-financial motivation and workplace environment motivation are significantly influential the employee's performance in Rwamagana district. The residual value (2.202) is less than the regression value (21.930) which means that all independent variables contribute to the employee's performance in Rwamagana district.

**Table 4.3:** Regression Analysis

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.671	0.145		4.618	.000
	Financial motivation	0.82	0.032	0.542	2.05	.000
	Non-financial motivation	0.632	0.024	0.044	1.653	.000
	Workplace environment motivation	0.573	0.005	0.132	0.896	0.002
a. Dependent Variable: Employee performance						

Using linear regression analysis from SPSS data bases, shows that financial motivation, non-financial motivation and working environment motivation were positive significant to the employee performance in Rwamagana district. This means that all variables influence the employee's performance in Rwamagana district. All variable were significant contributed to the employee performance in Rwamagana district.

$$Y=0.671+0.820x_1+ 0.632x_2+.573x_3+\varepsilon$$

**Table 4.4:** The relationship between financial motivation and employees performance

		Employees Performance	Financial motivation
Employees Performance	Pearson Correlation	1	.707**
	Sig. (2-tailed)		.000
	N	283	283
Financial motivation	Pearson Correlation	.707**	1
	Sig. (2-tailed)	.000	
	N	283	283
**. Correlation is significant at the 0.01 level (2-tailed).			

Pearson correlation coefficient, ( $r=0.707$ ) shows that there is Positive high correlation between financial motivation and employees Performance. The result shows that, the P-value is less than the level of significant ( $P=0.000 < 0.005$ ). This means that financial motivation contributed positive to the employee performance in Rwamagana district.

**Table 4.5:** The relationship between financial motivation and employees performance

		Employees Performance	Non-Financial motivation
Employees Performance	Pearson Correlation	1	.652**
	Sig. (2-tailed)		.000
	N	283	283
Non-Financial motivation	Pearson Correlation	.652**	1
	Sig. (2-tailed)	.000	
	N	283	283
**. Correlation is significant at the 0.01 level (2-tailed).			

Pearson correlation coefficient, ( $r=0.652$ ) shows that there is Positive and moderate correlation between Non -financial motivation and employees Performance. The result shows that, the P-value is less than the level of significant ( $P=0.000 < 0.005$ ). Non-financial motivation contributed positive to the employee performance in Rwamagana district.

**Table 4.6:**The relationship between environment motivation and employees performance

		Employees Performance	Workplace Environment motivation
Employees Performance	Pearson Correlation	1	.523**
	Sig. (2-tailed)		.000
	N	283	283
Workplace Environment motivation	Pearson Correlation	.523**	1
	Sig. (2-tailed)	.000	
	N	283	283
**. Correlation is significant at the 0.01 level (2-tailed).			

Pearson correlation coefficient, (r=0.523) shows that there is Positive and moderate correlation between workplace environment motivation and employees Performance. The result shows that, the P-value is less than the level of significant (P=0.000 <0.005). Workplace environment motivation contributed positive to the employee performance in Rwamagana district

## 5. Conclusion

This study was conducted to test the effect of motivation of employee's performance in Rwamagana district. The study concludes that there is significant relationship between effect of factor of motivation and employees performance. In an organization, it may be practically impossible to work out of motivations that will affect the employee's performance at all times. In order to elicit better employee performance, motivational factors must be accorded high priority and employed properly as an essential ingredient for organizational progress in the current day turbulent operating environment. Such factors include adequate salary, bonus, improved training, health care facility, better communication between employees and better working environment.

## 6. Recommendation

Achieving an organization's goal through excellent employee's performance depends largely on the contribution made by employees. In this regard, the following steps are therefore recommended: (1) Leaders in Rwamagana district are encouraged to show greater interest in the welfare of workers to make them more valuable and see themselves as contributors to the success of district through effective leadership. (2) A good working condition and work environment should be provided within the workplace to make employees contribute their best towards the district objectives and there should be timely and periodic on-the-job training to boost employees' performance in Rwamagana district. (3) The district should continue strive to install good pay base that is enticing and competitive and also ensure payment for increased skills or responsibilities. It should also create room for profit sharing through bonus. Pay performance bonus based on employees' performance. Give recognition and handshake for a job well done.

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