

THE EFFECT OF MOTIVATION ON EMPLOYEE PERFORMANCE IN FINANCIAL
INSTITUTIONS

CASE STUDY: DIAMOND TRUST BANK (MAIN BRANCH)



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AN UNDERGRADUATE DISSERTATION PRESENTED TO
THE FACULTY OF BUSINESS ADMINISTRATION AND MANAGEMENT IN PARTIAL
FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF
BACHELORS IN BUSINESS ADMINISTRATION AND MANAGEMENT OF
UGANDA MARTYRS UNIVERSITY

MAY, 2014

DEDICATION

I dedicate this work to the entire family of Mr Godfrey Ssaka (my dad) for supporting me in my studies in different ways both financially and spiritually. It's entirely because of my family that I have made it to this level. May the almighty bless my lovely parents, my brother Mulindwa Rolland and Matovu Richard and my sisters Ndibassa Lillian, and Nassaka Robinah for loving me dearly and supporting me to their best. I too dedicate this piece of work to the management and employees of Diamond Trust Bank without whose continuous support I would not produce this dissertation, may God bless you all abundantly.

ACKNOWLEDGEMENT

My sincere gratitude goes to all those who helped me in one way or the other to make sure that this research is a success, may the good Lord bless you all.

I am so humbled by the support given to me by the entire management and staff of Diamond Trust Bank by making sure that Am availed with all the necessary information that subsequently led to the successful completion of the study.

In a special way, I would like to thank my dear supervisor Sr.Dr. Prisca Kobusigye for her continuous support and guidance throughout this study hence it's successful.

To my dear classmates of Business Administration and Management 2011/2014, thank you so much for being there for me to ensure that we struggled and finished together, May you all be blessed abundantly.

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ABSTRACT

The main purpose of this study was to find out the effect of motivation on the employee performance. Research for the study included a literature study of how intrinsic and extrinsic motivational factors effect on the performance of the employees in Diamond Trust bank main branch. Motivation is a critical aspect to the performance of employees. Companies have put many resources into it so as to improve on their competitiveness with other companies. However the employees have kept underperforming making companies make losses. This has hence always prompted research in this given area. An empirical study was conducted after the appropriate research tools were made and these were questionnaires. The purpose of these research tools was to identify the importance of these identified factors of motivation and to find out how they effect on the employee motivation in this banking institution. The case study design was used with both quantitative and qualitative approaches to collect and analyze the data. A sample was selected from the target population (50 respondents) and this is why the researcher used 35 questionnaires. Of these all of them were returned, data was got from managers, tellers, cashiers among others.

The results were examined with the help of Statistical Package for Social Scientists (SPSS) computer program, which helped in the computation of responses into frequencies and percentages. The major findings indicated that some of the factors of motivation were provided for to a great extent, while others had serious shortcomings. Majority of the respondents showed that the salary they get is not enough to meet their demands, but also that they are motivated by their managers and there are always fair promotions done and these are done according to performance of the employees. The researcher also found out that the respondents are intrinsically responsible for their actions and that they always want to know how they are performing hence the importance of feedback information comes into play here. Recognition was also found out to be intrinsically important. The researcher concluded that intrinsic and extrinsic plus performance appraisals are very important in the motivation of the employees. Intrinsic is where one is responsible for his or her actions internally (from inside him or her) while extrinsic is where one's actions can be seen and motivated. The researcher suggested certain recommendations for those areas where findings indicated shortcomings, in an attempt to increase the overall levels of motivation within this specific functional department in the organization. The researcher also recommended that the locus of control should be looked at, and also salary of the respondents should be increased to help them meet their demands.

CHAPTER ONE

GENERAL INTRODUCTION

1.0 Introduction

This study examined the impact of motivation on the employee performance. Hence there is no doubt that organizations worldwide are striving for success and out-competing those in the same industry. In order to do so, organizations have to obtain and utilize her human resources effectively. With this hence, these employees need to be motivated in order to achieve both organizational goals and objectives. In this chapter, the researcher looks at the impact of motivation on employee performance. The chapter looks at the background of the study, the purpose of the study, the problem statement, the research questions, the aims and objectives of the study, the research hypothesis, limitations of the study, definition of key words and conceptual framework.

The notions of motivation and work performance have become a popular driving force behind most successful organizations especially banks. These notions, always lead to either increased or reduced performance. According to Mills, Mills, Bratton and Forshaw (2006:207), work motivation is one of the most researched yet misunderstood concepts. It is a subject many would say has been researched to death, yet still has far more questions than answers. Effective managers realize that in order to motivate their employees they need to understand their employees and identify what motivates them. It is important to realize that people have different needs, goals and objectives and will act differently toward obtaining or achieving their goals or satisfying their need deficiencies.

One of the most difficult aspects of controlling management of the most organizations in the world is how to make workers efficient and keeping them motivated. This has made companies and other organizations to employ certain strategies to motivate the workforce. This therefore makes it a necessity to employ ‘talented individuals’, who need to be developed, motivated, rewarded and provided with the organizational culture and work processes that will make them successful.’ (Hay group, 2000)

That is why it is widely recognized in the human resource literature that promotion of the motivation of the workers in both private and public organizations lead to a higher quality of human resources and optimum performance. Consensus is also growing among managers about the significance of combining good human resource performance approaches on motivation to encourage good performance. This hence has insinuated the researcher to go and find out about the effect of motivation on employee performance in financial institutions.

Good remuneration has been found out to be one of the good policies the organization can adopt to increase the workers performance hence increasing productivity in the organization. (Bateman and Snell (1996),

1.1 Background of the Study

Halfway the twentieth century the first important 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. In the past years various definitions of motivation were defined, e.g. Herzberg (1959) defined employee motivation once as *performing a work related action because one want to*. This thence shows how important motivation has been evolving through the years.

Human resources are one of the most critical issues of the organization. Therefore they have to be handled with care. There is no disagreement about the fact that these human resources can either lead to the development of an organization or destroy it. As such, Human Resource Management (HRM) has made a transition from a state of insignificance to one of strategic importance academically and business wise (Jago, 1997). The current trend in all organizations is for them to deploy that manpower that they consider integral in their development.

In human resource management, one of the other most important aspects that has to be considered is the way this department in partnership with other departments like production and finance are going to motivate these workers.

The commercial banks play important roles in worldwide economies and their employees are the best sources of delivering good services to their customers. Excellent services provided and offered by employees can create a positive perception and ever lasting image in the eyes of banks' customers. The motivation of a bank's employee plays a major role in achieving high level of satisfaction among its customers (Petcharak, 2004). With this the banks especially Diamond trust bank have to put more emphasis in the motivation of their employees so that they can do well and help the organization achieve both its goals and objectives.

It is most important to note that after recruitment, most employees subsequently expect or demand for other benefits like compensation for their time and efforts towards achievement of the goals of the organization apart from the standard wage and salary (Miles, 2004). If these are not offered, it will always lead to high rates of absenteeism, high labor turnover, and strikes which may cost greatly the organization (Abuja, 1998).

Worldwide, motivation has been found to be a greater factor toward good employee performance.

Peters and Waterman Report of 1999 show how a U.S television in Japan reduced its defect rate from 140% to 6%, its complaint rate from 70% to 7% and turnover rate among employees from 30% to 1% all due to the motivational methods that were being used by the company (Tuchman et al 1989). This example by the U.S television company hence shows how motivation can be an important aspect in the organization.

In Nigeria, low productivity has been blamed on low motivation and this remained a recurrent phenomenon owing to the physical and psychological problems created by the need to see how they are solved. This has led to low productivity among the workers. (Abiola, 1992)

In addition, interest in effective use of rewards to influence work performance to motivate them begun in early 1970's and has been extensively researched by scholars including Oloko (2003) and Nwachukwu (2004). This interest continues to show that motivation is a necessary tool in employee performance. However motivation is important to employee performance which in turn leads to higher performance in the organization (Ibrahim).

Almost all the organizations both big and small in the world believe that human resources are the most critical resources that an organization can have and if not managed well in that given organization, they can lead to the downfall of the organization hence leading to its collapse. Unless these resources are managed well, and are satisfied with what is taking place, none of the organizations can grow or progress.

Diamond trust bank has been in existence for 65 years but it has suffered numerous problems ranging from late coming, poor time management, and failure to meet deadlines for reports to be handed in and this has become a common practice. This has been observed by the missing

documents during assessment; the staff appraisal exercise has also shown that duties and responsibilities are not being adequately carried out with low scores observed in many cases.

This is one of the cases amongst the many cases that have hit tragically the many banks that are in existence in Uganda.

The study makes a critical analysis of motivation and workers performance in Diamond Trust Bank and indentifies several motivational incentives that can help boost better performance. Its central question is “why are workers not performing to the expectation?” its assumption is that qualified and skilled workers have assumed their rightful positions based on job description and specification but their performance is not satisfactory. The research examines whether this is due to limited or inadequate motivation measures to insinuate better performance.

1.2 Statement of the Problem

Motivation is an important element for the growth of every organization because it can improve on their skills, knowledge and behavior hence a good result in performance. According to Coetzee (2003:2), the improvement of employee performance – which includes the unlocking and utilization of their potential and motivating them – is probably the greatest challenge facing many African managers and supervisors today and in the future. In this challenge, it leaves many employees working below their usual capacity hence underperforming. Most financial companies have now embarked on motivation through devoting some considerable resources to motivate their employees either using intrinsic methods or extrinsic ones by rewarding and providing incentives such as annual get together parties upon set targets and ensuring the availability of security to the employees.

However the biggest problem is caused by the organizations with dissatisfying factors like unreasonable workload, underpayment, inadequate appreciation and long working hours. The lack of proper motivating factors could lead to losses which may actually cause poor attitude towards work and also lead to staff turnover which is in accordance with the annual report of 2012/2013 where cases of employee turnover resulting from motivation strategies were presented.

It is because of this that the study is being conducted to investigate why there is still low performance despite the provision of rewards to employees and also to find a solution before it becomes a routine in financial institutions. The research seeks to establish the extent to which motivation affects Employee Performance of the Banks in Uganda.

1.3 Objectives of the study

1.3.1 General Objective

To assess the effect of motivation on employee performance in financial institutions.

1.3.2 Specific Objectives

- i. Examine the effect of extrinsic motivation on the employees performance in financial institutions.
- ii. Examine the effect of intrinsic motivation on the employees performance in financial institutions.
- iii. Examine how performance appraisal relates to employee performance in financial institutions.

1.4 Research Questions

- i. What is the effect of extrinsic motivation on the employee performance in financial institutions?
- ii. What is the effect of intrinsic motivation on employee performance in financial institutions?
- iii. How does performance appraisal affect motivation and the performance of employees in the financial institutions?

1.5 Scope of the Study

The research was carried out in Diamond Trust Bank because of its location. This bank started to operate on 13th of July 1945 as Diamond Jubilee investments Trust limited in Dar-el-salaam Tanzania. It was intended to help the Somalia community. The branch that is being focused on is based in the industrial area and the reason why it is being focused on is because it has been implementing new policies which have been found difficult and challenging by the employees. The study addresses the topic of motivation and employee performance in financial institutions focusing mainly on Diamond Trust Bank, main branch on Kampala road.

The study was confined to the period between the years 2010-2013 considering the much rapid advancement in the industry that could have effected much change in the service industry. This time scope was selected because it was long enough for the researcher to establish the effect of motivation on employee performance.

1.6 Significance of the Study

This study is important as it will help those academicians who wish to do more research on the subject matter and also acquire a Business Administration and Management degree.

The study will be relevant to different scholars who would present their research with factual information on the relevance of employee performance.

The study will provide the reader with knowledge of the effect of motivation on employee performance in financial institutions.

The findings of the study are expected to highlight the advantages of motivation on employee performance in Diamond Trust Bank and also show how they influence the employee output or productivity.

1.7 Justification of the Study

The study will mainly help Diamond Trust Bank understand the value of motivation. To achieve this, the study will be indented to improve in the understanding of academicians and researchers on the variables of the study.

The study will help create a clear view of the positive and negative effects of motivation on employee performance. But however, not only will the study benefit Diamond Trust Bank alone but it is important to the researcher because it will result into fulfillment of a research report.

1.8 Definition of Key Terms

1.8.1 An Employee

This is a person who works in the service of another person under an express or implied contract of hire, under which the employer has the right to control the details of work.

1.8.2 Employee Performance

It is defined as the outcome or contribution of employees to make them attain goals (Herbert, John & Lee 2000) while performance may be used to define what an organization has accomplished with respect to the process, results, relevance and success Uganda National Development Program (1995). Afshan et al. (2012) define performance as the achievement of specific tasks measured against predetermined or identified standards of accuracy, completeness, cost and speed. Employee performance can be manifested in improvement in production, easiness in using the new technology, highly motivated workers performance.

1.8.3 Motivation

This is the combination of a person's desire and energy directed at achieving a given goal. It is the course of action. Motivation can be intrinsic, such as satisfaction and feelings of achievement, or extrinsic such as rewards and goal obtainment. Not all people are motivated by the same things and these things always change over time.

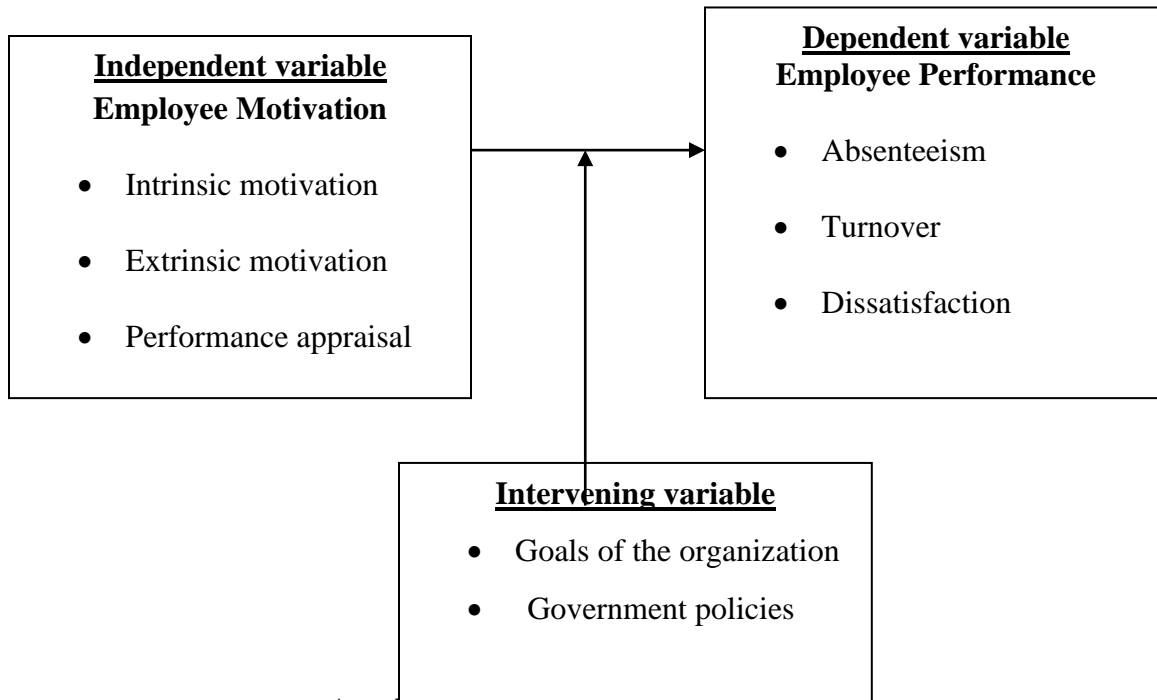
1.8.4 Extrinsic Motivation

This is the motivation that comes from outside the individual. These motivating factors always come from outside such rewards may include money and bonuses. These rewards always provide satisfaction and pleasure that the task its self can't provide.

1.8.5 Intrinsic Motivation

This refers to motivation that comes from inside the person and it is derived from one enjoying what he or she is doing.

1.9 Conceptual Framework



As adopted by Amabile (1993)

The conceptual framework above shows the relationship between motivation and employee performance in Diamond trust bank. The figure attempts to illustrate the relationship between the independent and dependent variables, the relationship between moderating factors and dependent and independent variables.

Firstly, the relationship between motivation and moderating factors is that; when the government passes a law or has a bill in progress; the policies it puts in place affect the workers performance either directly or indirectly. Policies such as pay as you earn, taxation rates among others always affect the way in which the workers perform. For example, Taxes rates always affect their net income. Also there is the minimum wage payable by the company hence this is a standard which is good for the employees. The other policies like salary scale, the working standards have also to be indicated when motivating an employee and these will also affect one's performance either positively or negatively.

For the motivating factor such as intrinsic motivation and employee performance, it has to be reviewed that the type of factor used always determines the way one works or looks at the job. If it is intrinsic motivation, one is highly motivated because such type of motivation touches the inner ward part of the person; it is derived from his or her ability to get satisfied with what they are doing. For extrinsic motivation, this one all comes from the organizational influence like the salary paid among other issues.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter reviews the literature about the subject matter and this includes the review of the related literature about the objectives stated in chapter one. The literature written covers concepts of motivation, extrinsic motivation, intrinsic motivation and performance appraisal and how all the above affect the employee performance in the financial institutions.

The general belief is that all people can be motivated. However, people are not motivated by the same things, at the same time, for the same reasons, or with the same intensity. It is for this reason that it is important that both managers and supervisors understand the factors that motivate people. Motivational theories provide managers with a framework for understanding and motivating their employees by highlighting the impact certain factors have on motivation. Each motivational theory provides the manager with insight and contains specific suggestions for better managing human capital.

2.1 The Concept of Motivation

According to McCormick and Tiffin (1979), motivation can be either intrinsic or extrinsic. Intrinsic motivation stems from motivations that are inherent in the job itself and which the individual enjoys as a result of successfully completing the task or attaining his goals. While Extrinsic motivations are those that are external to the task of the job, such as pay, work condition, fringe benefits, security, promotion, contract of service, the work environment and conditions of work. Such tangible motivational things always stem from the organizational setup

and this is done according to the organizational policies which policies are always laid down in the company's act.

Notwithstanding the fact that motivation is very important to determine employee's ability so do other factors such as the resources given to an employee to do his or her job. Many people are motivated differently in order for them to be successful at their work. For instance two people doing a different job may be motivated differently such as a sales person may be motivated by the commission he or she receives and the accountant may be motivated by the holiday he or she gets with his or her family. These different aspects therefore should be looked into in order to motivate these people.

According to Nel (2004:310), motivation can be described as intentional and directional. The word 'intentional' refers to personal choice and persistence of action. The word 'directional' indicates the presence of a driving force aimed at attaining a specific goal. Rajput (2011), contends that the word motivation is derived from a Latin word "Movere" which literally means "to move". He defined motivation as "the individual's desire to demonstrate the behaviour and reflects willingness to expend effort". According to Bagraim, Cunningham, Potgieter and Viedge (2007:69), the concept motivation refers to the force within us that arouses, directs and sustains our behaviour. The first part of the definition, arousal, is about the energy that drives our behaviour. The second part of the definition is about the choices we make between different behaviours to achieve our goal, the direction of our behaviour. The third part of the definition is concerned with how long we are willing to persist at attempts to meet our goals, to sustain our behaviour.

According to Smith (1994) it is because of the survival of the company. Amabile (1993) adds to this statement by arguing that it is important that managers and organizational leaders learn to understand and deal effectively with their employee's motivation; since motivated employees are necessary to let the organization being successful in the next century. Amabile (1993) also argues that unmotivated employees are likely to expend little effort in their jobs, avoid the workplace as much as possible, exit the organization and produce low quality of work. In the case that employees are motivated; they help organizations survive in rapidly changing workplaces (Lindner, 1998). Lindner agrees with Bowen 1992 that the most complex function of managers is to motivate employees; because what motivates employees changes constantly (Bowen and Radhakrishna,1991).

In addition, motivation is a very important concept in the welfare of all employees in any given organization. (Luthan 1998), asserts that motivation should not be thought of as the only explanation of behaviour, since it interacts with and acts in conjunction with other mediating processes and with the environment. Luthan adds that, like the other cognitive process, motivation cannot be seen. All that can be seen is behaviour, and this should not be equated with causes of behavior. With Luthan's view, it is important to note that managers should always observe their employees behaviours so as to determine how to motivate them in the end.

Luthan (1998) defines motivation as, "a process that starts with a physiological deficiency or need that activates behaviour or a drive that is aimed at a goal incentive". Therefore, the key to understanding the process of motivation lies in the meaning of, and relationship among, needs, drives, and incentives. Relative to this, Minner, Ebrahimi, and Watchel, (1995) state that in a system sense, motivation consists of these three interacting and interdependent elements, i.e., needs, drives, and incentives. With these above given definitions, it is always for managers to

note that it's not only money and wages that motivate the workers but also other incentives like medical benefits, holidays among others.

In all organizations, managers should note that none of the organizational goals can be attained without commitment of their members. Hence this brings us to the definition by Stokes 1999 who defined motivation as a human psychological characteristic that contributes to the person's degree of commitment. Hence this means that without committed organizational members, no organizational work can be completed. The characteristics that lead to a person's commitment include those that cause, channel and sustain human behaviour in a particular committed direction.

Stoke (in Adeyemo 1999) goes on to say that there are basic assumptions of motivation practices by managers which must be understood. First, that motivation is commonly assumed to be a good thing. One cannot feel very good about oneself if one is not motivated. Second, motivation is one of several factors that go into a person's performance. Factors such as ability, resources, and conditions under which one performs are also important. Third, managers and researchers alike assume that motivation is in short supply and in need of periodic replenishment. Fourth, motivation is a tool with which managers can use in organizations.

Sales people are out in the real world doing their things all by themselves without direct supervision. This lack of direct supervision makes controlling and motivating sales people different, Cooke (1999). Sales people should have, and usually do have, strong ego drives. However some sales people the relationship between sales results and performance of these duties is obscure and the degree and control should and must be exercised. My work comparing it with the bank's employees as Cooke (1999) states, the way sales people should be controlled is

the similar way bank employees. He continues to point out that people also must be motivated to perform these duties but the way motivation is used here, it refers to sales performance. He further points out that money is one of the motivators of sales personnel as it satisfies higher needs. Money has become a measurement of performance and a way of power. Money in form of commission as the writer continues to point out is a very big motivator. Motivation as he points out can be accomplished through commission which is a variable cost. According to Cooke (1999), a straight commission is not a maximum motivator but a negative salary is a maximum motivator. In conclusion contrary to Cooke's (1999) argument, I disagree with the writer because a negative salary cannot be the maximum motivator instead it can demoralize employees irrespective of what they do because of the needs they need to take care of. A good salary coupled with fringe benefits can be a very good motivator for bank employees especially in Uganda.

2.2 Intrinsic Motivation and Employee Performance

Intrinsic motivation is that motivation that stems from a person's ability to get satisfied with what he is doing that is it originates from one's ability to enjoy what he or she is doing. These rewards that are intrinsic can be termed as psychological rewards as they affect someone mentally.

The term motivation is always used to explain decisions and behaviors that cannot be explained by ability alone. Work motivation is a construct that generally refers to motivation to do one's current job. (London). Career motivation encompasses the term work motivation and managerial motivation and goes further to include motivation associated with the wide range of decisions and behaviors. He continues to point to the fact that career motivation can be understood in personal characteristics and how they relate with one's performance at work. In this I intend to

deal with personal characteristics and how they can be motivated for one's improved performance. The individual characteristics are needs, interests and personality variables potentially related to a person's career. They are divided into three dimensions which are career identity, career insight and career resilience.

Examples of these rewards include opportunity to use one's ability, a sense of challenge and achievement, receiving appreciation, positive recognition among others. An intrinsically motivated individual, according to Ajila (1997) one is committed to his work to the extent to which the job inherently contains tasks that are rewarding to him or her. He further suggested that for an individual to be motivated in a work situation there must be a need, which the individual would have to perceive a possibility of satisfying through some reward. If the reward is intrinsic to the job, such desire or motivation is intrinsic. This hence continues to point to all those in charge of all personnel to ensure that they know what motivates their employees intrinsically.

Good remuneration has been found over the years by many human resource management researchers to be one of the policies the organization can adopt to increase their workers performance and thereby increase the organizations productivity. Also, with the present global economic trend, most employers of labour have realized the fact 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 employee. This hence means that for these employees to grow themselves, they have to be mostly intrinsically motivated hence being more productive both to themselves and to the organization.

A study of what motivates senior employees like managers (Analuio 2000) revealed discontent with the management styles and attitude by the top management who always took things for granted. Good work and high performance were not always recognized. This behaviour always demotivated employees which in turn lead to poor performance by these workers in the organization. Torrington et al 2001, points out that poor human management resource seriously demotivate employees. Therefore it is important that these managers manage very well these resources so that they can perform to the expectations.

According to Story et al. (2009), individuals high in intrinsic motivation seem to prefer challenging cognitive tasks and can self-regulate their behaviours, so offering rewards, setting external goals, or deadlines, will do little for them, unless they are also high in extrinsic motivation. For employees high in intrinsic motivation, emphasis could be placed on the engaging nature of the task and encouragement of self-set goals deadlines (Story et al., 2009).

Therefore managers need to know exactly what intrinsically motivates employees so that they can perform to the expectations while at their work stations. It is therefore important according to the author to understand how people's interpretation of the environment has implications for the motivational strategies for example a given situational change may not affect the motivation of the employees unless it is introvestic. Therefore, it is important to understand that for people to be motivated, one has to understand their individual characteristics which in turn make their work and job easier to do as this is in agreement with what the author was saying.

In addition, Ali and Hoque (2003), point out that achievement motivation is generally assumed to have an important impact on employee performance. It is deep rooted in human nature. The presence of need for achievement in a person reflects what one likes to do. According to them,

the need for achievement is highly recognized by social scientists and business managers. In this view, in spite of this widely held view, there are a dismally small number of investigations in this area in particular in their social and economic culture (that is in Bangladesh). In their findings, Hoque and Ali 2003, found out that motivation among officers and non officers was at the same level. However their results didn't support their hypotheses that officers and non officers level of achievement motivation is on the same level. A comparison between females and males show that the females' level of achievement motivation was significantly lower. In this to the authors show that through workshops and motivational courses, the females' level of achievement motivation can be lifted up. In agreement with the article, and the authors' views, comparing with the Ugandan situation, through motivational courses, achievement motivation for females can be propelled to greater heights.

Amabile (1993) states in her research that employees can be intrinsically motivated. According to her there exist jobs which are purely extrinsic motivated, however pure intrinsically motivated jobs are scarce. Deci (1972) argues that employees can be motivated to perform well by the job itself and can derive satisfaction from a good performance.

The five job characteristics, as proposed by Hackman and Oldham (1976), Brass (1981), Griffin al. (1981), are intrinsic motivators. They are designed in this way since, e.g. according to Herzberg's (1959) theory, only intrinsic factors can lead to an increase in motivation (extrinsic factors cannot cause motivation according to Herzberg; they can only cause de-motivation when not present on the job). This statement is also argued by Deci (1972); according to him there are two essential aspects to motivating employees intrinsically. The first one involves designing tasks which are interesting. And the second one is allowing workers to have some say in decisions which concern them, also known as autonomy. Amabile (1993) adds to this discussion

that employees feel capable if they obtain feedback that indicates their progress in their jobs, or suggests ways for improvement. However as Deci (1972) and Amabile (1993) argue that, the difficulty of the employee's work should match his/her ability and intrinsic motivation cannot exist unless the task is interesting in some degree. An interesting task arises from skill variety, and task significance (Deci, 1972). Hereby Deci (1972) refers to the five job characteristics a certain job must have in order to produce high intrinsic motivation and performance. Leavitt (1962) suggests that challenging jobs may be even more important than autonomy; however he argues that the most intrinsically motivating jobs are the ones which have both.

According to Brass (1981) and Hackman and Oldham (1976) for a high performance, an organization has to be able to provide high scores on the five job characteristics. In case the organization does not succeed in this, the cycle of performance, satisfaction and motivation will no longer be a reinforcing but a downward cycle. When an organization does not provide the right characteristics for a good performance, a person will not derive internal satisfaction and motivation to perform well in the future will not arise (Griffin et al., 1981).

However, as argued vroom 1964 in his expectancy theory, the type of personality of an employee also has a role in the employee's level of intrinsic motivation; this seems to be related to the level of commitment of an employee. Seligman (2002) refers to intrinsic motivation of employees by distinguishing three kinds of work orientation: a job, a career and a calling; a job has the lowest level of commitment (mostly extrinsically motivated) and a calling the highest level (a combination of high intrinsic and extrinsic motivation). Seligman explains that the part of what turns a job into a calling is the state known as flow; in other words flow has a mediating function. Csikszentmihalyi (1997) defined flow as "complete absorption in an activity whose challenges mesh perfectly with one's ability", hereby is referred to the abilities an employee

needs to have to be able to perform. According to Ramlall (2008) employees who experience flow are more productive than others. Ramlall (2008) additionally argues that if the personality of the employee is in line with the organization, it will create higher levels of satisfaction as well as higher outputs.

The concept of the expectancy theory was first developed by Victor Vroom and was published in 1964. Victor Vroom offered an expectancy approach to the understanding of motivation. As a result, motivation is a product of the anticipated value to a person in an action. He perceived probability that the person's goals would be accomplished as a product of the anticipated value in an action. Thus the Vroom's model is built around the concepts of value, expectancy and force. The concept of force is on the whole equivalent to motivation and may be shown to be the algebraic sum of the products of valences and expectations. Hence it can be argued that organizations need to score high on the five job characteristics (skill variety, task identity, task significance, autonomy and feedback). This is order to intrinsically motivate their employees for generating a high performance. However, it also seems that the personality and ability of an employee have a moderating effect on the relationship.

2.3 Extrinsic Motivation and Employee Performance

This is motivation that is based on external factors such as self interest and pleasure of making profits. (Nelson et al 2006). People who are extrinsically motivated don't derive it from work itself. They expect to receive rewards after accomplishing that particular task. (Gagne et al 2005)

An extrinsically motivated person works on a task even when they have little interest in it because of the anticipated satisfaction they expect get from some reward. The reward can be something minor like smiley faces to something large like fortune or fame for example an

extrinsically motivated person who dislikes mathematics may work hard on a mathematics equation because they want a reward for completing it. In the case of a student, the reward would be good grades on an assignment or in class.

Burton et al (1993) reveals that expectancy models are cognitive explanations of human behavior that cast a person into active thinking, predicting creature in his or her environment. Hence this article describes the application of expectancy theory to measure behavioral intention and motivation to use a system. Burton et al's article points to the fact that research had been carried out on 125 graduate students. they started by mapping the participants to work as loan officers in commercial banks with the responsibility of judging loan applications and determining whether or not to approve the loans. Their results show that the valance model of expectancy theory can explain a user's perception of the attractiveness of making maximum usage of an expert system. The second part of the theory showed that the force models can explain a user's motivation to use a newly implemented system. Therefore it has to be understood according to the authors that for a user to be motivated to use a certain expert system, they do not need to be pushed a lot to do what they want but be left to do what they want. In Uganda, expert systems give hard time to users therefore these users need to be motivated to use these systems.

Amabile (1993) argues that there exist numerous jobs which are purely extrinsic motivated. However, when taking Herzberg's (1959) Two-Factor theory into account, it is argued that extrinsic factors (or hygiene factors) cannot cause motivation or satisfaction, so it is likely that those factors are not causing high performances (Brass, 1981). Hackman and Oldham (1976) argue that an exclusively increase in extrinsic factors will not lead to an increase in performance. However, it seems that there are some extrinsic factors which can (in combination with intrinsic

factors) lead to higher performances (e.g. Ansar et al., 1997). Extrinsic motivators are not a logically inherent part of the work, as Amabile (1993) describes. Amabile (1993) states that they are intended to control the performance of the work. Examples are: promised rewards, praises, critical feedback, deadlines, surveillance and specifications on how the work needs to be done. An example of a purely extrinsic task is doing formal performance reviews of employees; that's a task which is barely intrinsically motivated. In Seligman's (2002) theory, a person who is extrinsically motivated can be described as an employee who perceives his work orientation as "a job"; this kind of worker performs his job for the paycheck at the end of the month.

Salary is an extensively researched extrinsic motivator. Since it is labeled as an extrinsic factor, it is not perceived as causing motivation in the workplace (Herzberg, 1959). However recent research of Ansar, Cantor & Sparks (1997) resulted in considerable evidence that higher wages directly affect job performance. These authors also argue that in the case that labour turnover is costly for an organization (because of severance, training and hiring costs), firms could pay higher wages to decrease quit rates and save on turnover costs. These statements are confirmed by Rynes et al. (2004); the above authors argue that pay is probably the most important motivational factor. And studies done by Jurgensen (1978) concluded that job applicants seemed to believe that pay is the most important attribute to everyone except themselves. Ansar et al. (1997) also argue that that lowering wage levels to market parity can even reduce worker productivity. However, Deci (1972) argues that pay can decrease intrinsic motivation. Deci (1972) proved in his research that if payments are not contingently presented it decreases intrinsic motivation and it does not if payments are contingently presented.

However, it studies show that pay increases job performances but a high commitment to supervisors and a high job security can obtain the same results (Becker et al., 1996; Kraimer et al., 2005). Becker et al. (1996) concluded in their research that a high overall commitment to an employee's supervisors and peers increases job performance. But, they state that overall commitment to organizations is uncorrelated with job performance. Kraimer et al. (2005) argue that when organizations succeed in providing employees a high job security, job performances will increase. And the other way around; they concluded that the less job security an employee has, the fewer obligation the person has to perform well. However, Perry and Porter (1982) argue that job security can be expensive for firms if they rely on temporary workers. According to Lindner (1998), managers should begin by focusing on pay and job security before focusing on the five intrinsic job characteristics. Linder (1998) also state that the reinforcing circle of performance is applicable to salary, commitment to supervisors and peers and job security; through one of these factors a higher performance is established, which causes satisfaction for the employee and results in a higher motivation to perform well in the future.

It is stated by researchers that extrinsic factors do not contribute to an increase in performance.

However, it seems that for some forms of extrinsic factors the opposite is true. It is stated that salary, commitment to supervisors and peers and job security can increase job performances. Through providing one or more of these factors a higher performance is established, therefore the employee gains external satisfaction and is motivated to perform well in the future. But managers should be careful with extrinsic motivational factors, since in some cases they can decrease intrinsic motivational factors.

According to Brooks and Shell (2006), successful employees are concerned with motivation and identity motivation as a key process in teaching. Some of personal and social characteristics of learners, the evaluating process including assessing learners arose and paved way towards motivation. They continue to define competence as a condition or quality of effectiveness, ability, sufficiency or success. Hence competence motivation broadly takes into account most affects of human life. The authors continue to argue that there are two extremes or poles from which one might view the ability motivation interaction. At one pole sits the expert where as a result of chunking, knowledge and expertise are high while the other pole takes into account novice where knowledge and expertise is low. This means that motivation has to be tendered to the pole where expertise is low. The intention of the article writers points towards a notion that motivation is the process by which we consciously or unconsciously allocate work memory resources. This in turn in agreement with the above authors shows that in all extrinsic motivation still remains relevant in the life of an employee as it guides them.

2.4 Performance Measurement and Employee Performance

Chen and Silverthorne (2008), identify three types of performance. One is the measure of output rates, amount of sales over a given period of time, the production of a group of employees reporting to manager, and so on. The second type of measure of performance involves ratings of individuals by someone other than the person whose performance is being considered. The third type of performance measures is self-appraisal and self-ratings. As a result, the adoption of self-appraisal and self-rating techniques are useful in encouraging employees to take an active role in setting his or her own goals. Thus, job performance measures the level of achievement of business and social objectives and responsibilities from the perspective of the judging party (Hersey and Blanchard, 1993).

2.4.1 Performance Appraisal

Employees want to know how well they perform on their jobs. A simple statement, almost axiomatic in any organization, yet it has probably caused more controversy, applied research and practical advice than any other assertion in the history of management writing and thinking (Kavanagh, 1997). Employees want to know how well they are performing and are interested in getting feedback to ensure that they work towards goals of their work at the financial institution. The assessment of employees helps the institution to grow, fill in vacant positions, prepare employees for training and development. Performance appraisal is a process within the overall performance management process (Dowling et al., 1999), and is defined as “the evaluation of an individual’s work performance in order to arrive at objective personnel decisions” (Robbins et al., 2000). This appraisal is important as it motivates the employees through knowing what they have to improve and how to improve it.

2.4.2 Performance Appraisal Purpose

Taylor and Wherry (1951), proposed that ratings collected for administrative purposes would be more lenient than ratings collected for research or developmental purposes. The majority of the research on performance appraisal purpose has focused on the rater, some work has also been conducted on rater effects (Boswell & Boudreau, 2000, 2002).

There are numerous methods to measure employee’s performance appraisal but some of these methods are not suitable in some cases. Effective appraisal systems should address clarity, openness, and fairness; recognize productivity through rewards; and be cognizant of appraiser leadership qualities (Winston & Creamer, 1997).

2.4.3 Performance Appraisal Methods

Decenzo and Robbins (2002), denominate that there are three existent approaches for measuring employees' performance appraisal. These are (1) absolute standards (2) relative standards and (3) objectives.

2.4.3.1 Absolute Standards

It refers to a situation that employees are compared to a standard, and their evaluation is independent of any other employee in a work group (Dessler, 2000). This absolute standard is also known as the old method of performance appraisal of employees. Included in this group are the following methods: the essay appraisal, the critical incident appraisal, the checklist, the graphic rating scale, forced choice and behaviorally anchored rating scales. The essay appraisal: It is the simplest evaluating method in which evaluator writes an explanation about employee's strength and weakness points, previous performance, positional and suggestion for his (her) improvement at the end of evaluation term. This kind of evaluations usually includes some parts of other systems to cause their flexibility. This method often combines with other methods. In essay appraisal, we attempt to focus on behaviors (Mondy, 2008).

The critical incident appraisal: It focuses on key factors which make difference in performing a job efficiently. This method is more credible because it is more related to job and based on individual's performance than characteristic. The necessity of this system is to try to measure

2.4.3.2 Relative Standards

In the second general category of appraisal methods, individuals are compared against other 29 individuals. These methods are relative standards rather than absolute measuring device. The most popular of the relative method are group order ranking, individual ranking and paired comparison. Group order ranking: In this method, employees are placed into a particular classification, such as “top one-fifth”. For example, if a rater has 20 employees, only 4 can be in the top fifth and 4 must be relegated to the bottom fifth (Decenzo, 2002). Individual ranking: In this type of appraisal, individuals are ranked from highest to lowest. It is assumed that the difference between the first and second employee is equal to difference between 21st and 22nd employee. In this method, the manager compares each person with others than work standards (Dessler, 2000). Paired comparison: In this method, employees are compared with all others in pairs. The number of comparison is followed as $(1) 2N \cdot N -$ in which N shows the number of employees. After doing all comparisons, the best person is determined for each characteristic (Mondy, 2008).

2.4.3.3 Objectives

The third approach to appraisal makes use of objectives. Employees are evaluated on how well they accomplished a specific set of objectives that have been determined to be critical in the successful completion of their job. This approach is frequently referred to as Management by Objectives (MBO). Management by objectives is a process that converts organizational objectives in to individual objectives. It consists of four steps (Ingham, 1995): goal setting, action planning, self-control and periodic reviews.

360 Degree Feedback Appraisal

360 degree evaluations are the latest approach to evaluating performance. It is a popular performance appraisal method that involves evaluation input from multiple levels within the firm as well as external sources. There are numerous authors who propose definitions of the 360 degree feedback process. "Feedback from multiple sources or „360 degree feedback“ is a performance appraisal approach that relies on the input of an employee's superiors, colleagues, subordinates, sometimes customers, suppliers and/or spouses" (Yukl and Lepsinger, 1995). In a special edition of Human Resource Management on 360 degree feedback, Tornow (1993), observes that in 360 degree feedback programmes, feedback about a target individual is solicited from significant others using a standardized instrument. Jones and Bearley (1996), refer to 360 degree feedback as the practice of gathering and processing multi-rater assessments on individuals and feeding back the results to the recipients. Hoffman (1995) explains that 360 degree feedback is an approach that gathers behavioral observations from many layers within the organization and includes self-assessment. The 360-degree evaluation can help one person be rated from different sides, different people these can give the wider prospective of the employee's competencies (Shrestha, 2007). It has been used for human resource development, appraisal and pay decisions (Armstrong, 1998; Stone, 2002).

GCB Bank uses employees' performance appraisal to assess the individual performance for the bank. This system ensures that supervisor/managers assess the employees at the end of the year and a report is sent to Head Office for onward promotion or non-promotion for that particular year. The managers use the graphic rating scale approach and easy appraisal method to assess the performance of the employees. This form gives a qualitative and quantitative work done by employees for the year. The managers are call to assessment

2.6 Conclusion

This chapter has presented the works and views of different scholars and researchers on the attributes of motivation that is motivation in terms of extrinsic and intrinsic motivation and performance appraisal in relation to how these affect the employee performance. On intrinsic, it looked at factors like use of abilities, responsibility among others and for extrinsic, it touched on issues such as salary, hygiene factors among others and how they relate to employee performance

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

The previous chapter discusses the literature about the effect of motivation on employee performance within an organisation. The literature review gives an insight into the topic under study by presenting what had been established by several scholars in regard motivation and employee performance. This chapter will present the methods the researcher will employ and the instruments the researcher will use in data collection and analysis. It will describe the research designs and the methodology used which include sources of data, study population, sample size, data collection methods and instruments, presentation analysis, interpretation of findings and the ethical consideration.

3.1 Research Design

This encompasses a method in which procedures are employed to conduct scientific research. It is a detailed outline of how an investigation takes place. The researcher used the case study design using the exploratory research design which includes both the quantitative and qualitative approach. The aim was to typically show how data was collected, what instruments are adopted and how the instruments will be used and an intended means for analyzing data collected. The correlation and descriptive methods were adopted in order to find out the effect of motivation on the Employee Performance in Diamond Trust Bank. The qualitative approach was to collect data from the theory part of the questionnaire; the quantitative approach involved the use of descriptive statistics that were generated by use of frequency tables. The use of these approaches helped the researcher to get and examine information concerning respondents' opinions and also view the relationship between motivation and employee performance in Diamond Trust Bank.

Basing on the case study design, the researcher was able to attain the research objectives and answer research questions on the effect of motivation on the Employee Performance.

3.2 Target Population

Diamond trust bank has a population of 50 employees that work in different departments and they are categorized into staff and non-staff members. The researcher carried out the study from the main branch Diamond Trust Bank located on Kampala road where 30 staff members and 5 non staff members were given questionnaires and they gave most of the response. These categories were used because they are the best source of information about how motivation is done at Diamond Trust Bank

Table 1: Showing the Classification of employees

This table shows the way employees in Diamond trust bank are classified according to the staff and the non staff

Category	Number of employees	Percentage
Staff	30	60%
Non-staff	20	40%
TOTAL	50	100%

Source: Primary data 2014

3.3 Sample Size

The researcher based on the total population of 50 employees out of which 30 staff and 20 Non-staff. The sample size that the researcher used consisted of the wardens in charge, staff and Non-staff. This sample size was determined using the Krejcie and Morgan (2005) tables.

$$n = \frac{N}{1 + Ne^2}$$

$$1 + Ne^2$$

$$n = \frac{50}{1 + 50(0.05)^2}$$

$$1 + 50(0.05)^2$$

$$n = \frac{50}{1.3125}$$

$$1.3125 \quad n = 35 \text{ employees}$$

Where n is the sample size

N-is the total number of employees at diamond trust bank

e- represents the error which can be either 0.05 or 0.01 but the error used is 0.05

3.4 Sampling Design

The researcher carried out a purposive sampling technique for the study simply because it is a deliberately non-random method of sampling which aims to sample a group of people or settings, with a particular characteristic more so in qualitative research designs. Purposive sampling is sometimes called judgment sampling where respondents are selected because they have

knowledge that is valuable to the research process i.e. for this study, motivation of employees and their performance within an organisation.

3.5 Methods of Data Collection and Tools

While collecting data for the study, the researcher used both primary and secondary sources of data. Using the Primary source the researcher got first hand information from the subjects using methods like questionnaires. In using secondary source the researcher got information from the journals, news papers and other literatures that gave relevant information about the research topic.

3.5.1 Questionnaires

Questionnaires were the main instrument to be used in the study. The researcher formulized questions which were sent to respondents, they consisted of structured or open ended and closed-ended questions to allow respondents to freely express their opinions. The closed ended questions were used to determine multiple responses measured against with a scale that was used to collect quantitative data. This instrument was used to cover a large number of respondents in relatively a short time, it also made it easy to guarantee the respondents confidentiality and acquire reliable data as respondents answered in their own mood and time without being affected by the researcher's presence.

3.6 Data Collection Procedures

In order to be able to collect this data, the researcher first got a letter from the faculty of Business Administration and Management of Uganda Martyrs University that identified her to the bank in order to seek permission to carry out the research. The researcher then arranged and tested the tools to be used during the research like questionnaires and interview guides.

3.7 Reliability and Validity

The reliability and validity of the methods was determined by the use of pretesting/piloting methods in order to allow the researcher get actual facts to solve the problem under study since this method is used to see how accurate the response in the questionnaires are. The reliability was tested using the Statistical package for social scientists and the validity was pre-tested using the coefficient of validity index (CVI) and the research tools used were questionnaires. Out of the 42 coefficient of validity used, the items rated relevant were 36 and 6 were rated as irrelevant from the questionnaire.

$$\text{CVI} = \frac{\text{Items rated relevant}}{\text{Total number of items}} * 100\%$$

Total number of items

$0 \leq 50$ is rated unreliable and $50 \geq$ is reliable

Items rated relevant = 36

$$\text{CVI} = \frac{\text{Items rated relevant}}{\text{Total number of items}} \times 100$$

Total number of items

$$\frac{36}{42} \times 100$$

$$= 85.7\%$$

3.8 Data Analysis

Data analysis is a process of inspecting, cleaning, transforming and modeling data with the aim of enabling useful information, suggesting conclusions, and supporting decision making. When data is wrongly analyzed, it might lead to a wrong conclusion. Therefore in order to obtain data,

it was correctly coded and examined quantitatively and qualitatively in order to avoid making wrong conclusions, this data was analyzed using the Statistical Package for Social Sciences (SPSS). Quantitative approach applied to the data was generated from questionnaires. The researcher then converted the data into frequency count/ percentages which were used to help in organizing and summarizing the data in order to develop clear and accurate information. . On the other hand the researcher graded qualitative responses which were done theoretically through explanations in order to draw conclusions regarding objectives of the study.

3.9 Ethical Consideration

The researcher accorded respect to the respondents' views and decisions so as to get the needed information for the study.

There was high level of confidentiality. All the information got from the different respondents was kept with the high degree of secrecy without reach of others. The researcher did not use money to get information from the respondents implying that their responses were freely given from any source hence limited biasness, and more reliable information gathered.

The researcher clearly explained the objectives of the study so as to make it simple for her to get the necessary information and the respondents were not coerced in order to give information.

3.10 Limitations

The researcher also experienced a problem of non response from respondents who were given the questionnaires to fill. However, the researcher assured the respondents that any information given was to be treated with maximum confidentiality.

It was difficult for the employees to attain time to answer the questionnaires since in most cases they were busy hence too many and long movements were made by the researcher so as to attain the data needed.

There was a problem of language barrier especially with the non staff members who were not well versed with the English language but are so fluent and conversant with Swahili especially the guards. This is because the majority of them were not that well educated.

Some respondents gave biased information based on personal interests and to complete with answering of the questionnaire. The researcher had to tolerate with such people so as get the data needed.

3.11 Conclusion

In summary, this chapter is about the research methodology which comprises of the research design, study population, the sample size, sampling design, methods of data collection and the tools, data collection procedures, reliability and validity, data analysis and the ethical consideration of the research that was carried out in Diamond Trust Bank. All the above were very vital and helped the researcher in getting the necessary information in spite of all the limitations of the research.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND DISCUSSION

4.0 Introduction

This chapter focuses on the analysis, presentation and discussion of data gathered from the field. It captures the effect of Motivation on Employee Performance within an organization, using Diamond Trust Bank, Main branch as the case study.

The captured data was presented and analyzed on demographic characteristics and the objectives of the study namely; to examine the effect of extrinsic motivation on the employee performance in financial institution; to examine the effect of intrinsic motivation on the employee performance in financial institutions; to examine how performance appraisal relates to employee performance in financial institutions.

4.1 Demographic Characteristics of the respondents

The background information of the respondents was found necessary because their ability to give satisfying information on the study variables is greatly dependent upon their background and as such, data has been collected on the samples and this has been presented below categorized into; gender, age, education levels, marital status, job grade, and the length of employment with the organisation among others.

4.1.1 Gender of Respondents

Gender is an important aspect in the organization as the needs of the females are never the same as those of their male counterparts. In this study the number of male respondents was 20 comprising a percentage of 57.1% greater than that of the female respondents 42.9% as shown in Table 4.1 below.

Table 4.1: Gender of Respondents

Valid	Frequency (no)	Percent (%)
Male	20	57.1
Female	15	42.9
Total	35	100.0

Primary data 2014

According to table 4.1, the research findings show that 57% were males while 42.9% were females in that given banking institutions. This is so because the number of banks position in Diamond Trust Bank industrial area branch, which is a brisk business and in commercial area more feminists are needed than men to provide good and fast routine services to the customers. This idea would draw new more customers to the bank. This is true and supported by the assertion founded by Naff and Crum (1999), who studied employees from the public sector and found that the level of motivation for men was higher than for women in the private institutions thus emphasizing the role of gender in motivation.

4.1.2 Age of Respondents

Ages have different needs and different aspirations. That is why they have to be always classified. This is to easily motivate them according to their needs. Table 4.2 shows the age of the respondents

Table 4.2: Age of Respondents

Valid	Frequency (no)	Percent (%)
0-18	1	2.9
19-29	19	54.3
30-40	15	42.9
Total	35	100.0

Primary data 2014

From the table 4.2 above, research findings found that 54.3% (19 respondents) were between 19-29 years of age. Many of the respondents in this age bracket have been employed by the organization for the majority of their working careers and have little or no experience working for other organizations. Therefore, they have limited or no experience of the motivation strategies implemented by other organizations. This limitation could influence their judgment in terms of their expectations or opinions of what factors motivate them or whether or not those factors are adequately provided for by the organization. From the results it can be concluded that the majority of the staff in diamond trust bank are relatively young years while 42.9% (15 respondents) were between the ages of 30-40. This is good for the main branch of Diamond trust Bank as those between the ages of 30-40 may be the one to guide those below them in order to do work well and always support them when they are down. In terms of motivation, these aged people may be the inspiration to those below them so that they may work hard to develop themselves and their careers.

4.1.3 Education level of the Respondents

Different personnel in the organizations hold different educational backgrounds and hence these are important as it will always help the management in knowing how to motivate these different personnel. Table 4.3 shows the education level of the respondents

Table 4.3: Education level of the Respondents

Valid	Frequency (no)	Percent (%)
UCE	1	2.9
UACE	1	2.9
Tertiary	2	5.7
University	31	88.6
Total	35	100.0

Primary data 2014

Table 3 depicts the educational level of the respondents and these overwhelmingly show that 88.6% (31 out of the 35 respondents) had all completed their university education in different courses. This hence implies that there is a lot of experience in that lot and these understand when the conditions change and they can easily learn and adapt to new changes which hence helps in the development of this financial institution.

4.1.4 Marital status of the Respondents

Relationship status is an important aspect to some companies as this helps them to know how to motivate their staff. Table 4.4 shows the marital status of the respondents.

Table 4.4 Marital status of the Respondents

Valid	Frequency (no)	Percent (%)
Single	15	42.9
Married	18	51.4
Window(er)	1	2.9
Divorced	1	2.9
Total	35	100.0

Primary data 2014

According to table 4.4 above, it depicts that 51.4% of the respondents were married while 42.9% are single. This hence implies that it is easy to motivate married people while very hard to convince the unmarried people as these people always become materialistic and always want very many lavish items to attract potential people. It can thus be concluded that the majority of the respondents had no strong family ties that could compromise their performance with the bank.

4.1.5 Position held in the Bank

Table 4.5 below shows the positions held in the bank by different personnel and these include tellers, cashiers, and loans officers among others.

Table 4.5: Position held in the Bank

Valid	Frequency (no)	Percent (%)
Teller	12	34.3
Cashier	7	20.0
loans officer	8	22.9
Manager	1	2.9
Others	7	20.0
Total	35	100.0

Source: Primary Data 2014

Table 4.5 revealed that the core duties of employees of the bank are dependent on employees' designation. Nevertheless, 12 (34.3%) of the employees perform teller duties, while , 7 (20.0%) of the employees perform duties of being a cashier, and the bank has got 8 loans officers totaling to 22.9% while the researcher managed to get hold of one manager who is the branch manager. The manager's role is to achieve the target for the bank, and so that makes the manager achievable. This confirms what Heller, J., Goulet, L., Mohr, E., (2004), in their research on

Acquired-Needs Theory of David McClelland. According to the acquired-needs theory, individuals acquire types of needs as a result of their life experiences. Some needs could be learned; the achiever seeks to appreciate frequent recognition of how well they are doing rather than money being paid to them. A branch manager would be happy to realize his bank's targets before the year ends. To achieve these they ensure that every employee delivers delight service to customers and also perform the role of human resource management at each branch. This confirms what Cheng (1995), views that the biggest challenge for banks management today is to motivate employees for lack of proficient offer and better services according to customers' expectations. One of the major functions of a human resource manager is to enhance and maintain employees' work motivation. Human resource management's function is to assist the general manager or line management in keeping the employees satisfied with their jobs by providing motivation of different kinds. Branch managers thus double as both human resource and general managers to propel job satisfaction through motivation so as to generate high performance (Petcharak, 2004).

EXTRINSIC MOTIVATION AND EMPLOYEE PERFORMANCE

4.2.1 Company's Promotion Policy

There is always a quarrel when it comes to promotions in organizations and this is because people always say that promotions are biased. Table 4.6 shows results from the study on my company provides fair promotions

Table 4.6: Company's Promotion Policy

Valid	Frequency (no)	Percent (%)
Disagree	1	2.9
Neutral	7	20.0
Agree	18	51.4
strongly agree	9	25.7
Total	35	100.0

Primary data 2014

From table 4.6 above, it can be seen that 51.4% of the respondents agree that the company gives them fair promotions while 25.7% strongly agree to the above statement. Hence this implies that when a company carries out fair promotions, it gives them morale to work more and develop the company hence giving it a competitive edge over others. This is also an indication that employees can be aware of the fact that they are on focus, sign of company appreciation to the staff. It gives the opportunity for co-workers to interact most closely to each other.

The research conducted by Dr. Kashifurrehman et al. (2007), in Pakistan measuring the effect of Human Resource Strategies" like pay, promotion and training on job satisfaction. Their study was focused on workforce of service based companies in Pakistan. They concluded from their research that pay, promotion and training had positive and significant impact on job satisfaction.

They argued and suggested that employees in Pakistan give more importance to pay and promotion than training.

4.2.2 Promotions are based on Performance.

Every good performance has to be rewarded with a promotion and table 4.7 shows the results from promotions are based on performance.

Table 4.7: Promotions are based on Performance.

Valid	Frequency (no)	Percent (%)
Neutral	5	14.3
Agree	16	45.7
Strongly agree	14	40.0
Total	35	100.0

Primary data 2014

Table 4.7 revealed that 45% and 40% agree and strongly agree respectively that the promotions in the bank are based on the performance of that given employee hence which is fair to every employee in that very given organization. This hence implies that if a person in the bank for example a teller is under performing, or making shortages for the bank, he can be demoted instead of being promoted and if one is performing well can be promoted from being a teller to the loans officer. This hence motivates the people to work hard in order to earn the promotions.

4.2.3 My Boss is good at communicating Information

Communication is an important aspect in the relationship between the employer and the employee. Therefore table 4.8 shows whether the bosses at Diamond Trust Bank are good at communicating information to their subordinates.

Table 4.8: My Boss is good at communicating Information

Valid	Frequency (no)	Percent (%)
Disagree	14	40.0
Neutral	11	31.4
Agree	4	11.4
Strongly agree	6	17.1
Total	35	100.0

Primary data 2014

Table 4.8 above shows the findings which are very worrying as an overwhelming 40.0% disagree that their bosses are not good at feedback information and where information is hidden, then there is backward development of the organization and hence this needs reviewing by whoever is heading the organization. A small margin of 6 respondents strongly agrees that their bosses are good at communicating information. Communication will help the managers in their technical planning as well as the development of new strategies. To the human resource manager it is a professional ethic to communicate with employees. He adheres to the fact communicating with

employees build a good working relationship where both the manager and the employee can learn from each other. Both managers used the advance technological devices as their main means of communication that is through e-mail, phone, and online meetings with conference calls, as well as physical contacts.

4.2.4 My Salary is enough to meet my Demands

Table 4.9 introduces us to the concept of salary and whether this same salary is enough to meet the respondents' demands.

Table 4.9: My Salary is enough to meet my Demands

Valid	Frequency (no)	Percent (%)
strongly disagree	8	22.9
Disagree	15	42.9
Neutral	8	22.9
Agree	4	11.4
Total	35	100.0

Primary data 2014

From the information in table 4.9 above, it can be seen that 42.9% of the respondents disagree with the statement above with 22.9% strongly disagreeing while 22.9% agree with the statement that the salary got is enough to meet their demands while 11.4% strongly agree with the salary got is enough to meet their demands. This hence implies that with the prevailing economic and

social conditions prevailing in the country for example high priced goods, inflation, need to keep up with the status quo of the working class, need to pay for school fees of the students among others that is why many see their salary as strife as it can't cope up with all their demands.

Herzberg, (1959) argues that since salary is labeled as an extrinsic factor, it is not perceived as a causing motivation in the working place.

However recent research of Ansar, Cantor and sparks (1997), resulted in considerable evidence that higher wages and salaries directly affect job performance. This is hence directly linked to the results in table 4.9 which shows that the salary is not enough to meet the respondents' demands.

4.2.5 Employees' feelings about Salary

Salary is a hygiene factor according to the ERG motivation theory. Therefore salary has to be used by organizations to motivate their employees. Table 4.10 shows whether respondents are happy with the salary they get.

Table 4.10: Employees' feelings about Salary

Valid	Frequency (no)	Percent (%)
Strongly disagree	3	8.6
Disagree	9	25.7
Neutral	15	42.9
Agree	8	22.9
Total	35	100.0

Primary data 2014

Salary is one of the most important extrinsic motivators of employees in any given organization. It is hence important for the employees of any given organization to be given enough salary so that they can work with commitment and they become settled. From the findings in table 4.10 above, it was revealed that 42.9% of the respondents are not sure whether they were happy with the salary they get or not while 22.9% were not happy. 25.7% were happy with the salaries they got. These findings therefore divert from the Jurgensen, (1978)'s view that employees in any organisation believe that pay is the most important attribute to anyone.

4.2.5 The Bank values my Services

The employee is supposed to be motivated by having his or her work recognized as this helps them to work harder and hence in the process develop both the bank and themselves. Table 4.11 shows the results about the bank valuing the employees services.

Table 4.11: The Bank values my Services

Valid	Frequency (no)	Percent (%)
Disagree	1	2.9
Neutral	9	25.7
Agree	19	54.3
Strongly agree	6	17.1
Total	35	100.0

Primary data 2014

From the findings in table 4.11, it was revealed by the respondents that 54.3%, agree that their value to the bank is valued by the bank and this hence always helps the bank to keep its staff as that staff will always feel appreciated for whatever they have done for that given organization and hence this helps build the organization and hence its development. During the interview, all the employees emphasized that the organization upholds the work of their sweat as they make sure that whatever they do is valued and appreciated. This is good for the organization as it gives

more morale to the employees to do more and develop both themselves and the organization. However this is shadowed by those who disagree who are 2.9%

THE EFFECT OF INTRINSIC MOTIVATION ON EMPLOYEE PERFORMANCE

4.3.1 My Abilities are used to their full Potential

Ability is that internal energy or force or even talent that is inside a person. Hence every employee abilities has to be exploited in order to make them achieve their goals and those of the organization.

Table 4.12: My Abilities are used to their full Potential

Valid	Frequency (no)	Percent (%)
Strongly disagree	1	2.9
Disagree	4	11.4
Neutral	4	11.4
Agree	11	31.4
Strongly agree	15	42.9
Total	35	100.0

Primary data 2014

From the table 4.12 above, it was found out by the researcher that 31.4% and 42.9% agree and strongly agree respectively that their potential (abilities) are used to their full potential by the

bank. This is good news to the employees and the bank at large as this always helps them to gain their worth and develop their capacities. Storey, (2009) concurs that employees high in intrinsic motivation, emphasis should be put on those challenging tasks and encouragement of self set goals deadlines. This hence will help them to use their abilities to the fullest as engaging in these challenging tasks will always help employees use their abilities to the maximum.

4.3.2 Opportunities in the Bank intrinsically Motivates me

Opportunities in any given organization will always arise and hence employees have to be informed about them. Table 4.13 shows how these new opportunities intrinsically motivate employees at Diamond Trust Bank.

Table 4.13: My abilities are used to their full potential

Valid	Frequency (no)	Percent (%)
Disagree	6	17.1
Neutral	8	22.9
Agree	16	45.7
Strongly agree	5	14.3
Total	35	100.0

Primary data 2014

When there are so many new opportunities in the bank and they are given to the employees, this always help them to develop and get committed to the bank's cause and development. That's

why 45.7% agree that these new opportunities that arise in the bank always motivate them while 14.3% strongly agree with it. When opportunities are available, they help the employees also advance their knowledge and this hence helps them to grow and also advance themselves personally. The respondents equally agreed that it is the responsibility of the managers to motivate their employees at work. To the general manager this motivation can be attend via bonuses whenever the employees meet their targets. As for the human resource manager, managers can motivate the employees by talking to the employee and giving specific role for them to play within the company.

4.3.3 Feedback information motivates me

Feedback information is a very important intrinsic motivating factor and hence it has to be handled with care by all organizations. The results in the table 4.14 show how feedback information motivates employees at Diamond Trust Bank.

Table 4.14: Feedback information motivates me

Valid	Frequency (no)	Percent (%)
Disagree	3	8.6
Neutral	9	25.7
Agree	14	40.0
Strongly agree	9	25.7
Total	35	100.0

Primary data 2014

From the findings in the table above, it can be seen that everyone needs to be told about how they are doing their work that's why 40.0% of the employees agree that it is important for them to be told how they are performing to see how to correct their mistakes and move the organization forward. While 25.7% of the respondents strongly agree that feedback information is important for them to improve on what they are doing and accomplish well both their personal and organizational objectives. Employees want to know how well they perform on their jobs. A simple statement, almost axiomatic in any organization, yet it has probably caused more controversy, applied research and practical advice than any other assertion in the history of management writing and thinking (Kavanagh, 1997). Employees want to know how well they are performing and interested in getting feedback to ensure that they work towards goals of the business.

4.3.4 Recognition motivates me

Table 4.15 below shows a tabulation of how recognition motivates the employees at work and this is evidenced by 48.6% of the respondents agreeing and 51.4% of the respondents strongly agreeing.

Table 4.15: Recognition motivates me

Valid	Frequency (no)	Percent (%)
Agree	17	48.6
strongly agree	18	51.4
Total	35	100.0

Primary data 2014

From the table above, it is seen that all employees need to be recognized at work as this always motivates them. That is why 48.6% and 51.4% of the employees agree and strongly agree respectively. This is good news for the organization as this always keeps employees committed to their jobs which lead to the development of the organization. According to Smit et al (2007: 341), managers can include employees in groups or teams to satisfy their social needs, and they can create working environments where the higher-order needs of their employees can be satisfied. The manager can assist with satisfying esteem needs by rewarding high achievements with recognition and appreciation and linking pay to performance achievements.

Borkowski (2009:111) states that managers must recognize that an employee might have multiple needs to satisfy simultaneously; focusing exclusively on one need at a time will not

effectively motivate an employee. Managers need to realize that the frustration-regression impacts workplace motivation. If managers are able to recognize those employee needs that are frustrated, steps can be taken to satisfy the employee's frustrated needs until the employee is able to pursue growth again.

4.5 Conclusion

In conclusion therefore, all that has been discussed in this chapter is true about the effect of motivation on employees' performance at Diamond Trust Bank as per the research carried out using the various methods of data collection like questionnaires, interview guide and observation.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter contains summary of findings, conclusions and recommendations drawn from the analysis. It is a highlight of issues that were revealed during the research. It also involves recommendations that can help management of the bank to overcome the challenges faced by workers and policy makers to improve upon operations and efficient working atmosphere and as well as overcome challenges faced by employee and employer on motivational issues highlighted in the research.

5.1 Summary of findings

Below are the summarized findings of the study according to the study objectives. These show the key findings that the researcher found out.

The study was investigating the effect of motivation on employee performance with an aim of establishing the relationship between the two at the work place. The study was conducted with the workers of Diamond Trust Bank through the descriptive statistics which were examined in Chapter four. The results of the study were examined along with literature reviewed on the study of motivation

The methodology approach involved both qualitative and quantitative approaches so as to ensure a better understanding of the study; the data collection technique was the use of questionnaires where the data collected and analyzed showed that when employees are motivated very well, they are able to adjust on their performance hence productivity.

According to the research findings, there was a slight difference between the genders as males had 57.1% and females were 42.9%. This hence implies that there is an increase in many men getting involved in the banking sector. However with the increase in women emancipation there is anticipation that this will be reduced. It was also revealed that the core duties of employees of the bank are dependent on employees' designation. Nevertheless, 12 (34.3%) of the employees perform teller duties, while 7 (20.0%) of the employees perform duties of being a cashier, and the bank has got 8 loans officers totaling to 22.9% while the researcher managed to get hold of one manager who is the branch manager. From the findings, the educational level of the respondents and these overwhelmingly show that 88.6% (31 out of the 35 respondents) had all completed their university education in different courses. This hence implies that there is a lot of experience in that lot and these understand when the conditions change and they can easily learn and adapt to new changes which hence helps in the development of this financial institution.

The research objective aimed at ascertaining the conditions for intrinsic motivation at this given institution which were good but this has to be increased to reach 100%. From the findings, the researcher saw that employee recognition and the utilization of the employees' abilities are fully put to use as the percentages of those who strongly agree are 42.9% and 51.2% respectively. This is good for the organization as intrinsic motivation is an important element in the life of an employee since it affects their emotions and feelings strongly.

The research objective aimed at ascertaining on extrinsic motivation, it was found out that this type of motivation is still lacking especially when it comes to the salary part and hence this has to be improved by the organization. Also another important part to be improved on is the working conditions of the employees

5.2 Conclusions

From the research findings, it was concluded that **extrinsic motivation** is an important aspect for the motivation of employees especially the salary and the working conditions as these are the most important in the life of the employees. However these have to be improved according to the research findings.

About **intrinsic motivation** and employee performance, it was found out that this issue is being handled well by the bank especially with the use of the abilities of the employees as this helps them to grow their opportunities hence improving on their knowledge skills and work performance.

Performance Appraisal: This helps to a large extent to measure the performance of employees, based on setting of SMART objectives and to ensure that developmental needs are taken care of appropriately. However, a number of challenges have been identified and must be dealt with if the whole process is to be objective, fair and beneficial to all parties. It was discovered that Performance Appraisal or Performance review ratings are directly linked to rewards such as selection for interview, leading to promotion and bonus payments and also to salary levels. Also, once a poor performer (C or D rated employee), one does not get recognitions available. Most employees are of the view that the process needs to be reviewed so as to benefit everyone, especially when it comes to linking it to promotion and bonus. Clear, measurable and realistic targets need to be set for employees as basis for appraisals. This is affecting team work, morale and overall performance in such a competitive banking industry in Uganda.

5.3 Recommendations

The study came up with the following recommendations:-

Locus of control

It is the recommendation of the researcher that the organization should stimulate an internal locus of control. Research has indicated that employees with an internal locus of control are generally more satisfied and more productive. Evidence from research also suggest that individuals' loci of control can be altered through programmes which involves explaining the implications of internal and external orientations to individuals, the locus of control is measured, insight regarding this is created, and feedback and change mechanisms are provided. An internal locus of control can be enhanced by creating an environment where employees can experience success e.g. setting goals that are challenging, yet achievable, by encouraging and supporting employees to reach their goals and linking rewards and recognition directly to performance.

The researcher recommends that a score card system of appraisal is implemented in the bank to know how the employees are performing. The score-card should be developed in conjunction with employees and should relate back to what both parties have identified as key performance areas (KPA's) and should be aimed at achieving the overall goals of the organization. It is important that these performance areas can be measured statically and not subjectively e.g. number of claims processed per day or month, number of claims rejected by the CF, total rand value collected per month, average debtors' days of each SP account etc. These areas can all be accurately measured by the organization's in-house software program. The employees must be measured to the extent that they are satisfied that their effort and resulting performance will be fairly measured. The score-card can also be implemented as a tool to monitor the employees'

progress towards achieving their goals, which will, according to literature, enhance employee motivation. If the appraisal system accurately measures employees' performance levels, with the absolute minimum subjective input, the appraisal system can then also be used as a tool that is integrated with the organization's reward system.

The researcher also recommends that opportunities for growth should also be provided to the employees to help them in their career. Opportunity for advancement and growth is critical to employment development. The organization's commitment toward equal opportunity is important to create a sense of fairness among employees. Promotion through the ranks, rather than external appointments should be the preferred method of recruitment. Employees should be prepared for the next level through ongoing training and development and mentorship programs.

Salary is a very important example of a hygiene factor according to the ERG theory. Creating pay grades for each job title, which employees are familiar with, will prevent employees from making inaccurate assumptions regarding their salaries. Annual salary increases should be inflation related. It is recommended that exceptional performance is not rewarded through salary increases, but rather by bonus or incentive schemes. Rewards should be transparent and the basis of distributing rewards should be communicated to the entire organization.

Management need to ensure that staff salaries are reviewed annually to ensure that staff wages are market related. These statistics should also be made available to the entire organization.

5.4 Implication of the study

When the management adjusts on the ways of motivating employees in Diamond Trust Bank as indicated to improve on the employee performance, there will be timely attendance to the customers thus the effectiveness and efficiency of the employees.

For the management of the Bank to trigger the performance of employees, it should focus mainly on the intrinsic factors of motivating individuals like increase in salaries, personal growth, team work, recognition and participation in decision making especially during meetings thus increasing on the performance of the employees.

5.5 Suggestions for further research

The researcher recommends the need for further study into the following areas:

- a) The relationship between the level of employee commitment and the performance of banks as the commitment of employees' impacts high on performance of Banks.
- b) The effects of employee turnover and as well as motivational practices in Banks that affect employee retention.

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APPENDICES

Appendix I: Questionnaire

Dear respondent, this is a research being carried out by Ssaka Sandra the undergraduate student in Business Administration and Management of Uganda Martyrs University. The research is being carried out to establish the effect of motivation on employee performance with the case study of diamond trust bank. The research is purely for academic purposes.

Be assured that the information you give will be treated with at most confidentiality.

SECTION A

Gender: male female

Age: 0 – 18 19 – 29 30 – 40 41 – 51 52 +

Highest level of education attained

a) UCE UACE c) Tertiary d) University

Marital status:

a) Single b) Married c) Widow(er) d) Divorced

Position held in the bank

Teller cashier loans officer manager other

SECTION B

WORK MOTIVATION

6. What motivates you most at work?

7. What do you think about taking risk?

8. How does your job enable you to fulfill your basic needs?

9. How does your employer encourage you to work?

10. Do you think bonuses are more important than your salary why?

11. Are company achievement celebrations important to you why?

12. What other reward aspect beside wages do you think it is important for you? Why?

13. Do you perceive tangible and intangible rewards equally? Why?

SECTION C

EXTRINSIC MOTIVATION AND EMPLOYEE PERFORMANCE

Strongly agree (5), agree (4), neutral (3), disagree (2), strongly disagree (1)

statements					
My company provide fair promotion opportunities	1	2	3	4	5
Promotion are based on performance	1	2	3	4	5
My job is beneficial to my career	1	2	3	4	5
My salary is enough to meet my demands	1	2	3	4	5
It is enjoyable to go to work	1	2	3	4	5
I have the possibility to be promoted in my work	1	2	3	4	5
I like more challenging tasks at work	1	2	3	4	5
Bonuses at work always motivate me to work hard	1	2	3	4	5
I am satisfy with the working conditions	1	2	3	4	5
My boss is good in communicating information	1	2	3	4	5
It is essential for managers to empower employees	1	2	3	4	5
The company value my service	1	2	3	4	5
I am happy with my salary	1	2	3	4	5

SECTION D

INTRINSIC MOTIVATION AND EMPLOYEE PERFORMANCE

Qns	Statements	1	2	3	4	5
	My abilities are used to their full potential					
	Goals set are challenging which helps me achieve my potential					
	Opportunities in the organization intrinsically motivate me					
	The job is interesting and well challenging for me to achieve my potential					
	Am intrinsically responsible for my actions and responsibilities					
	Feedback information motivates me more.					
	Recognition motivates me					

What intrinsically motivates you most at work?

.....

.....

How can intrinsic motivation be improved at this bank?

.....

.....

Appendix II: Work Plan

ACTIVITIES	DATE	PERSON	PLACE
Writing proposal	24 th Nov 2012	Researcher	UMU
Instruments development and piloting of instruments	January 2014	Researcher	UMU
Pre – testing of instruments	January 2014	Researcher	UMU
Data collection	February 2014	Researcher	Diamond trust bank
Data organization and analysis	March 2014	Researcher	UMU
Consultation of supervisor	March 2013	Researcher/Supervisor	UMU
Typing and editing of report	March-April 2014	Researcher/Supervisor	UMU
Submission of the dissertation	April 2014	Researcher/Supervisor	UMU

Appendix III: Proposed Budget

S/N	ITEMS	AMOUNT
1	Stationery	80000
2	Data Processing	90000
3	Printing and binding	75000
4	Food and Transport	25000
5	Communication	15000
	Grant total	285000