

MOTIVATIONAL FACTORS INFLUENCING JOB PERFORMANCE AT SMALL AND MEDIUM SIZE ENTERPRISES OF ADDIS ABABA

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Purpose: The main objective of the study is to assess those motivational factors influencing job performance in selected small and medium size enterprises (SMEs) that are found in Addis Ababa, Ethiopia.

Design/methodology/approach: A self-administered questionnaire is the instrument used to gather the data from a sample size of 91 respondents where a quantitative research approach together with an explanatory research design are applied. A descriptive analysis, regression and correlation analysis techniques are applied for analysis purpose.

Findings: The study discovered that three motivational factors—remuneration, recognition, and training and development—affect about 61.1 percent of the variation in job performance remuneration taking the first, rank followed by development, training, and recognition.

Research limitations/implications: Inadequate sources of information, reluctance from the side of the respondents with inability to use electronic data collecting techniques are some of the limitations that the researcher faced in the process of the research.

Practical implications: The study's findings can be used by policy makers and local government officials to plan initiatives pertaining to small and medium-sized businesses in Addis Ababa.

Originality/value: The study contributes to enhancing the productivity and profitability of small and medium-sized enterprises by providing insights into project financing challenges.

Keywords: Motivational factors, Job performance, Small and Medium Size Enterprises.

Category of the paper: Research paper.

1. Introduction

Motivation is the main reason why human beings do things or behave in a certain way. Therefore, management of any organization should be able to harness the motivation of its employees in order to create a more motivated workforce to achieve its organizational objectives (Quick, Nelson, 2009) and to get a competitive advantage over its competitors (Wagner, Hollenbeck, 2010). The concept of motivation is one of the more difficult and complex topics in public management. It originates from the Latin word *movere*, which means

“to move” (Quick, Nelson, 2009). There is no one best definition for the word motivation; there are more than 140 in the literature (Kleinginna, Kleinginna, 1981; cited in Wilson, 2010). (Vroom, 1964) defines motivation as a process that governs choices. It is the process of evoking and upholding goal-directed behavior (Quick, Nelson, 2009). Motivation is the will to engage in a particular task or behavior (Kind, Lawley, 2013). It is the energy (Wagner, Hollenbeck, 2010) and force (Bratton, 2007) that a person is willing to devote to a voluntary behavior. Motivation is vital for employee performance. For instance, (Tilahun, 2020) shows motivational factors have a significant positive relationship with employee performance. (Mkwizu, 2020) assesses the role of motivation on employee performance and finds that motivation does influence the performance of employees.

As per the literature review and research gap, specific motivational factors that influence the performance of employees of SMEs are recognition, remuneration and training and development so and so on.

Employee recognition addresses two important spheres of employee’s encouragement, with one being directly recognising the good behaviour of the employee and encouraging the employee to continue with the good behaviour and on the second sphere it serves as the force that leads the observers to perform as good as the person being recognised (Rasheed et al., 2015). The recognition of the employee is the positive sensation that occurs once the employee has received gratification from the work produced successfully with improved quality (Alshmemri et al., 2017).

Mabaso, Dlamini (2017) also allude that for the organisations to motivate the employees for the greater performance, they must understand the relationship between the financial and non-financial rewards. (Mendes et al., 2017) Remuneration systems may have desired influence on the behaviour of the employee and sometimes it may lead to undesired behaviour. It may also influence the development of the organization future capabilities. Reward system can lead to attractive behaviour for a firm as people with skills could be attracted by a good reward system to join and stay with the company (Shields et al., 2015). Remunerations like salaries are not aimed at only at meeting the employee’s basic needs, but they also assist the employees into a better serving of the company with innovative behaviours and attitudes (Wang et al., 2018).

Barringer, Jones, Neubaum (2005) compared rapid-growth and slow growth firms and found that rapid growth firms depend heavily on the abilities and efforts of their employees to maintain their growth-oriented strategies. The fast-growth firms used training programs to achieve their objectives and emphasize employee development to a significantly greater extent than their slow growth counter parts. Therefore, training and employee development practices are more common in rapid growth firms than slow growth ones.

According to (Mathis, Jackson, 2001), the success or failure of an organization in achieving the goal will be largely determined by the success of individuals in carrying out the task that they were adopting, because people are the implementers of activities to achieve the objectives

of the organization. One of the company goals is to increase employee performance that will lead to improvement of company performance. The high performance will increase company productivity, reduce employee turnover rate, as well as confirming the company management style. Conversely, the low employee performance can reduce the quality and productivity of work, increase employee turnover, and decline the corporate earnings.

In Ethiopia SMEs are generally categorized in the industrial sector that includes manufacturing, construction and mining sub sectors, and the service sector includes retail trade, transport, hotel and tourism, information technology and repairs. The lack of appropriate policy, development strategy, and sector oriented support agencies restrain the development and expansion of SMEs. Study by Eshetu and Mammo stated that “Ethiopia has failed to benefit from the phenomenal growth in the SMEs sector,” This emerges from the fact that the sector lacks appropriate policy, development strategy and support services. Particularly, these enterprises are known with the fact that their performance fluctuates from year to year. This might have been attributed to the demotivation of their employees due to various factors.

Therefore, this study tries to examine what motivational factors affect the employee job performance of SMEs in Addis Ababa. Particularly among the many motivational factors that affect job performance, it focuses on only those major factors that are prevalent at SMEs. To do so, an explanatory research design and a quantitative research approach is followed where a sample size of 91 respondents are chosen to gather the data by using self-administered questionnaires which in turn is chosen as best data gathering instrument. This is because of its convenience to the researcher as well as its credibility for such quantitative data analysis. Accordingly, the study employed both a descriptive and inferential (such as correlation, regression, and ANOVA) analysis are employed in order to testify the hypotheses that: Recognition [RC] has no significant effect on Job Performance [JP], Remuneration [RM] has no significant effect on Job Performance [JP], Training and Development [TD] has no significant effect on Job Performance [JP] against their alternative hypothesis.

2. Methods

2.1. Research Design

The quality of any research project is enhanced by employing a sound research design. Therefore, it is found to be important to choose appropriate research design to respond the research questions sufficiently. An explanatory research design coupled with a quantitative research approach helped the researcher to critically assess the practice and perceptions about motivational factors as well as their impact on job performance. In brief, using the quantitative method, the Motivational factors affecting job performance is assessed briefly. In particular,

its practice, perceptions about motivational factors. Where both descriptive techniques of data analysis as well as the inferential analysis technique are applied such as the correlation and the regression analysis.

2.2. Research Approach

The research is conducted up on small and medium size enterprises that are found in Addis Ababa. A sizeable population in a highly economical way which most often used but limited to questionnaire in data collection. That is why questionnaire is used as a major data collection tool and employed in this research. In this study, a quantitative research approaches are dully considered.

2.3. Sampling Design

Target Population

In selecting sample, three factors determine the size of an adequate sample includes: nature of population, types of sampling design and degree of precision desired. Using a sample that is too large is a waste of resources while using a sample that is to small means getting results that are likely to be lacking in validity. In light of this, ninety three small and medium size enterprises are selected.

The researcher assume failure and success value of 0.5, 95 percent confident interval ($Z^2 = 1.96$), and tolerable error is set at 7 percent and determine a sample size as 93.

The researcher used a probabilistic sampling technique which is useful to explain, predict and generalize to the whole population. The technique of sampling used in this study is a stratified sampling with systematic sampling under each stratum. Using this technique the researcher first determines the representative sample. Next to that, the total population stratified as SMEs as per the regulation and proportionate method is applied to facilitate sample size from each stratum. Assuming the population being measured, the sample size for this study is ninety three.

Therefore, in order to collect quantitative data for the study, a total of ninety three questionnaires (that are constructed based on the 5-point Likert Scale) are printed and distributed for the purpose of data analysis. Among the total 93 self-administered questionnaires distributed to the respondents, the majority of them i.e. 91 of them are properly filled and returned to the researcher

2.4. Model Specification

The following multiple regression models are used to identify the major determinant factors of motivational factors that affect job performance at small and medium size enterprises in Addis Ababa and all the required statistical as well as diagnosis test results are conducted and shown in the Result section:

$$JP = \beta_0 + \beta_1 RC + \beta_2 RM + \beta_3 TD + e_i \quad (1)$$

where:

JP = Job Performance (Dependent variable of the study).

β_0 = constant or intercept.

RC = Recognition (an independent Variable).

BM = Remuneration (an independent Variable).

TD = Training and Development (an independent Variable).

where: β_0 , β_1 , β_2 and β_3 are coefficients and e_i is an error factor.

2.5. Hypothesis

The following hypotheses are stated for each of the independent variables against the dependent variable.

Null Hypothesis (Ho): Recognition [RC] has no significant effect on Job Performance [JP].

Alternate Hypothesis (Ha): Recognition [RC] has significant effect on Job Performance [JP].

Null Hypothesis (Ho): Remuneration [RM] has no significant effect on Job Performance [JP].

Alternate Hypothesis (Ha): Remuneration [RM] has significant effect on Job Performance [JP].

Null Hypothesis (Ho): Training and Development [TD] has no significant effect on Job Performance [JP].

Alternate Hypothesis (Ha): Training and Development [TD] has significant effect on Job Performance [JP].

3. Results

In order to get the required research finding, the researcher used the most commonly known software package known as Statistical Package for Social Science (SPSS) Version 21 that has helped the researcher to carry out all the necessary statistical analysis whereby the final the results are displayed by using tables and charts.

3.1. Results of the Descriptive Statistics

Accordingly, out of the total 93 Self-administered questionnaires distributed to the respondents, the majority of them i.e. 91 of them are properly filled and returned to the researcher. With this figure it can be said that the response rate is approximately 97.84%. The gender distribution of the respondents who are involved in this study is shown so that 36 or 39.6% of them are female respondents while the remaining 55 or 60.4% of them are male respondents.

The occupation distribution of the respondents to understand the type of job they are engaged in and thereby know those motivational factors that motivate them in influencing them on their job performance. Accordingly, the majority of the respondents that is 55 or 60.4% of them are employees of the organization, followed by the owner (21 or 23.1%) and shareholders (15 or 16.5%). The educational background of the respondents shows that 31(34.1%), 26(28.6%), 18(19.8%), and 16(17.6%) of them are undergraduate, certificate, diploma, and degree holders respectively. Except the non-shareholders who gave a response to show their answer for their job category (61 of them or 32.97% missing in this case), it is shown that 27 or 29.7% of them belong to the middle management category or group. 21 or 23.1% of them belong to the management group while the remaining 13 or 14.3% of them are in the supervisory staff category. The work experience of the respondents shows that 52.7 % of the respondents have a work experience for 5 years and more, while 15.4% of them have 3 years of work experience. The remaining 17.6% and 14.3% of them have 2 years and 4 years of job experience.

Results on the Survey of the perception of the employees about Motivational Factors

Table 1.

Response for Recognition related factors

S.N	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Q1.	8	8.8	16	17.6	0	0	48	52.7	19	20.9	91	100
Q2.	0	0	6	6.6	2	2.2	50	54.9	33	36.5	91	100
Q3.	2	2.2	2	2.2	0	0	54	59.3	33	36.3	91	100
Q4.	4	4.4	5	5.5	2	2.2	55	60.4	25	27.5	91	100
Q5.	21	23.1	23	25.3	35	38.5	4	4.4	8	8.8	91	100
Q6.	20	22	27	29.7	29	31.9	9	9.9	6	6.6	91	100
Q7.	2	2.2	10	11.0	34	37.4	39	42.9	6	6.6	91	100
Q8.	4	4.4	10	11.0	29	31.9	34	37.4	14	15.4	91	100
Q9.	4	4.4	9	9.9	27	29.7	37	40.7	14	15.4	91	100
Q10.	19	20.9	29	31.9	27	29.7	9	9.9	7	7.7	91	100

Where: Q1. The criteria for the recognition of programs have been clearly explained, Q2. Employees give importance to moral incentives (appreciation, respect, etc) as well as physical incentives, Q3. Success of the employees should be always appreciated, Q4. I feel like my work is always recognized by the company, Q5. I am not aware of the procedures for nominating an employee for an award, Q6. It doesn't take much time and effort to nominate employees for an award, Q7. The recipients of the employee awards are adequately publicized, Q8. I am aware of the gift awards associated with the program, Q9. I can select an award, if recognized, that will have value to me and Q10. Employee(s) of the month awards should be issued.

Source: SPSS Result (2023) (Researcher's Own computation).

According to Candi (et al., 2013), a growing recognition of the opportunities of innovation is through experience staging. Mahazril et al. (2012) concluded that rewards and recognition and communication may motivate them to work. In table 3.1 above, 52.7% and 20.9% of the respondents gave agree and strongly agreed response for the question item which says, "The criteria for the recognition of programs have been clearly explained". Similarly, 54.9% and 36.5% as well as 59.3% and 36.3% of them responded with agreed and strongly

agreed response towards the question items: “Employees give importance to moral incentives (appreciation, respect, etc.) as well as physical incentives” and “Success of the employees should be appreciated at all times” respectively. Regarding the item “I feel like my work is always recognized by the company” and “I am not aware of the procedures for nominating an employee for an award” very large proportion of them i.e. 60.4% and 27.5% and only few of them i.e., 4.4% and 8.1% of agreed and strongly agreed respectively. However, extremely very low number of the respondents (12 or 13.2%) positively responded towards “It doesn’t take much time and effort to nominate employees for an award” while the remaining 88 or 86.8% of the respondents are either neutral or disagree with this statement.

While 37.4% of them are not willing to say agreed or not agreed, 42.9% and 6.6% of them completely agreed that the recipients of the employee awards are adequately publicized by their respective organizations.

Only few of them (4.4% and 11.0%) disagreed with the fact that “I am aware of the gift awards associated with the program”. The rest do agree with it. And 40.7% and 15.4% of them also said that they can select an award, if recognized, that will have value to them. However, 20.9 % and 31.9% of them strongly disagreed and disagreed respectively with the fact that employee(s) of the month awards should be issued and very meagre of them agree with it (9.9% and 7.7%).

According to Mahazril et al. (2012) recognition enhances the level of productivity and performance at job whether it is a first time performance or a repeated action at the job in a progressive way and ultimately reinforces the behavior of employee. Hence, the finding of this study also goes with this finding of Mahazril et al.

Table 2.

Response for Remuneration factors

S. N	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Q11.	55	60.4	12	13.2	4	4.4	13	14.3	7	7.7	91	100
Q12.	16	17.6	44	48.4	4	4.4	27	29.7	0	0	91	100
Q13.	16	17.6	53	58.2	2	2.2	16	17.6	4	4.4	91	100
Q14.	16	17.6	42	46.2	6	6.6	27	29.7	0	0	91	100
Q15.	54	59.3	15	16.5	6	6.6	11	12.1	5	5.5	91	100

Where: Q11. I am satisfied with my salary, Q12. I earn the same as the people doing similar jobs, Q13. I earn the same as the people who have same qualification, Q14. My salary structure is perfect, and Q15. Salary increases are decided on the fair basis.

Source: SPSS Result (2023) (Researcher’s Own computation).

As summarized by Park (2010), monetary incentive acts as a stimulus for greater action and inculcates zeal and enthusiasm toward work, it helps an employee in recognition of achievement. Table 3.2 above portrays question items pertaining to remuneration factors and the response of the respondents. Accordingly, 60.4% and 7.7% of the respondents gave a strongly disagreed and disagreed response for the question item “I am satisfied with my salary” while 17.6% and 48.4% of them gave a strongly disagreed and agreed response for the

question item “I earn the same as the people doing similar jobs”. Regarding the qualification of the respondents again 17.6% and 58.2% of them replied saying they strongly disagree and disagree respectively with the fact that “I earn the same as the people who have same qualification”. More than half of them i.e., 58 or 63.8 % of them disagree with the question item that “My salary structure is perfect”. At last, but not the least, about 54 (59.3%) and 5 (5.5%) of them strongly disagree and disagree with the fact that salary increases are decided on the fair basis.

Likewise, Beretti et al. (2013) discussed that monetary incentives used to build a positive environment and maintain a job interest, which is consistent among the 17 employee and offer a spur or zeal in the employees for better performance. For reason, remuneration motivate employees and enhance commitment in work performance, and psychologically satisfy a person and leads to job satisfaction, and shape the behavior or outlook of subordinate toward work in the organization.

Table 3.
Response for Training and Development factors

S. N	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Q16.	8	8.8	44	48.4	5	5.5	24	26.4	10	11	91	100
Q17.	9	9.9	50	54.9	2	2.2	30	33	0	0	91	100
Q18.	13	14.3	53	58.2	1	1.1	21	23.1	3	3.3	91	100
Q19.	16	17.6	37	40.7	3	3.3	35	38.5	0	0	91	100
Q20.	6	6.6	55	60.4	7	7.7	13	14.3	10	11	91	100

Where: Q16. Your enterprise provides you appropriate training program relating to your job., Q17. As an employee you enjoy training to acquire and improve your performance in your job, Q18. You become more confident and feel motivated because of the organizational training, Q19. As an employee, I undertake courses and programs whenever there is technical change, Q20. You think organizational training is very effective.

Source: SPSS Result (2023) (Researcher’s Own computation).

Training refers to “the systematic accretion of skills, command, concepts or mindset leads to improve performance” (Lazazzara, Bombelli, 2011). Baldwin et al. (1991) indicates that individuals with higher pre-training motivation on the basis of their willingness to attend training have greater learning outcomes as compared to individuals heaving lower pre-training motivation. Responses for training and development, which is one factor that affects job performance, is assessed in Table 3 above. The result depicts that 48.4 % and 8.8% of the respondents disagreed and strongly disagreed with the statement that “Your enterprise provides you appropriate training program relating to your job”. However, 9 (9.9%) and 50 (54.9%) of them gave a strongly disagree and disagree response to the item “As an employee you enjoy training to acquire and improve your performance in your job”. Likewise, only few of them (i.e., 23.3% and 3.3% of them) gave an agreed and strongly agreed response for “You become more confident and feel motivated because of the organizational training” while majority of them (i.e., 14.3% and 58.2%) disagree with it. Of course, many of them (35 or 38.5%) believe that as an employee, they undertake courses and programs whenever there is technical change

and more than half of them (i.e. 53 or 58.3 %) don't. Nevertheless, majority of them (60.4% and 6.6%) of them have a common consensus that organizational training is not very effective in the enterprises.

Commeiras et al. (2013) point out that traineeship continues to improve performance of employee. In business context training basically refers to action of teaching employees and providing proper knowledge and skills to make themselves job fit as well as organization fit. Training teaches employees how to work and enhance their skills, hence motivate them to achieve the common goal of organization as well as of employee. In the today's competitive world, every organization wants to achieve competitive edge over their competitors and be impossible to achieve without employee involvement, which forces management to motivate their employees by different means. This is what is observed and found at Small and Medium Sized enterprises of Addis Ababa.

Table 4.

Response for Job performance

S. N	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Q21.	6	6.6	15	16.5	0	0	51	56	19	20.9	91	100
Q22.	0	0	5	5.5	1	1.1	55	60.4	30	33	91	100
Q23.	3	3.3	2	2.2	0	0	54	59.3	32	35.2	91	100
Q24.	22	24.2	59	64.8	1	1.1	5	5.5	4	4.4	91	100
Q25.	21	23.1	24	26.4	36	39.6	4	4.4	6	6.6	91	100

Where: Q21. You are capable of handling your assignments without much supervision, Q22. You are very passionate about your work, Q23. You could manage change in your job very well whenever the situation demands, Q24. You are very comfortable with job flexibility, Q25. You actively participate in group discussions and work meetings.

Source: SPSS Result (2023) (Researcher's Own computation).

The performance of employees is a concern for any organization because it determines whether the organization meets its targets and goals. "Various resources are necessary for an organization to succeed and meet its targets, and this includes the human resource or employees" (Shanks, 2012). However, skilled and talented employees may not achieve the desired results if they lack motivation and therefore, "motivation is also considered an important value which is vital in the achievement of the organization's goals" (Osei, 2011).

In table 4 above, the respondents are asked questioned related to job performance and their responses are recorded so that to the first question item which says, "You are capable of handling your assignments without much supervision", close to 86.9% of them gave a positive reply while 23.1% of them don't. In a similar fashion, they are asked whether they are very passionate about their work or not and majority of them (i.e., 88 or 93.4%) of them replied yes they do and the rest are either neutral (1 or 1.1%) or don't (5 or 5.5%). By the same virtue, most of them comply with the statement, "You could manage change in your job very well whenever the situation demands" whose proportion is around 86 or 94.5%. And at the end, nearly 24.2% and 64.8 % of the respondents strongly disagree and disagree respectively with

the question item of “You are very comfortable with job flexibility” and only a meagre number of them (i.e. 10 or 11%) gave positive reply to the question item “You actively participate in group discussions and work meetings” while the remaining respondents (i.e. 45 or 49.5%) disagree with this statement and 36 or 39.6% of them are neutral.

3.2. Result on the inferential Analysis

In order to show the individual as well as joint impact of the independent variables (motivational factors) on the dependent variable (job performance) a multiple regression analysis is conducted in which the Ordinary Least Square (OLS) method is used to estimate the coefficients of the model. According to classical multiple linear regression theory, a model is said to give economically intuitive result if it is free of serial correlation, multi linearity & normality problems which are known as Basic OLS Assumptions. Based on this the researcher conducted a test of serial correlation (Autocorrelation) test, Multi linearity test & Normality Test for the Model and the results are discussed hereunder. A Durbin Watson Statistic (D.W) is conducted in order to check for the serial correlation or autocorrelation and found with the D.W value of 1.98 which is close to 2. This indicates that the study model is free from serial correlation problem. Similarly, Multicollinearity test is checked by a system called variance inflation factor (VIF) with an VIF value of 1.039, 3.956, and 3.887 which is less than 10, indicating the absence of multi co linearity problem in the model. Finally the normality of the residuals is well proofed by a bell-shaped symmetric distribution shown by a histogram.

After estimation using OLS Method, the following multiple regression result was obtained:

$$JP = 1.655 + 0.592 RC + 0.753 RM + 0.163 TD \quad (2)$$

Table 5.
OLS Regression Result for all Explanatory Variables

Variables	Coefficients (Beta)	t -value	sig.value
(Constant) beta	1.655	5.923	0.000
RC	0.592	7.628	0.000
RM	0.753	2.937	0.006
TD	0.163	3.864	0.012

Source: (SPSS output).

The beta value of Recognition [RC] is 0.592, for Remuneration [RM] is 0.753 and Training and Development [TD] is 0.658 which show a strongest contribution (in same direction) of all the three independent variables on Job performance [JB]. This is attested by a very low sig.value which is less than 0.05 and t-ratio of greater than 2 in absolute terms.

Table 6.
Model Summary of Linear Regression for all Independent or Explanatory Variables

Model	R	R ²	Adjusted R ²	F	Sig.
1	0.741	0.611	0.601	20.258	0.000

Source: (SPSS output).

The above table shows the results of regression model. An F value of 20.258 with sig. Value of 0.000 confirms that the model is a good model. The model was used to check the effects of independent variables on the dependent variable. The value of R is 0.741, and this shows the association of independent variables with dependent variable. The value shows that independent variables are 74.1 percent correlated to dependent variable. The value of R^2 is 0.611 which shows the effect of independent variables on the dependent variable. The results show that 61.1 percent of variation in Job performance [JB] at the Small and Medium Scale enterprises of Addis Ababa, Ethiopia is due to the three independent variables: Remuneration, Recognition, and training and development.

ANOVA, or Analysis of Variance, is a test used to determine differences between research results from three or more unrelated samples or groups while A chi-square test is a statistical test used to compare observed results with expected results.

One way ANOVA and Chi-square test are used to check whether job performance of the small and medium size enterprises that are found in Addis Ababa are affected by personal profile of the respondents or not. That is, whether job performance varies between the two gender groups or not, among employees with different occupation or not, among employees with different educational background or not, among employees with different job categories or not, and among workers with different years of work experience or not. Accordingly, using the ANOVA test, except the variable occupation (with a sig.value of 0.000) the other variables are insignificant at 5% level of significance.

Similarly, using the Pearson Chi-square test, except occupation (with a sig.value of 0.001) the other variables are insignificant at 5% level of significance.

Correlation analysis, also known as bivariate, is primarily concerned with finding out whether a relationship exists between variables and then determining the magnitude and action of that relationship. A correlation analysis that is used to show how the independent variables (Remuneration, Recognition, and training and development) are related with the dependent variable (job performance) is made. Accordingly the Pearson Correlation coefficient with the corresponding sig.value is presented where all the independent variables are found to have a positive and strong correlation with the dependent variable. The sig.value of each coefficient also confirms that they are statistically significant with sig. (p-value) less than 0.05.

4. Discussions

Motivation is the key in effective business management. One of the secrets of successful business managers is to know the art and science of arousing and sustaining the motivation level of their workers in order to accomplish the business organization's goals and objectives.

Most traditional performance concepts assume that an outside task or goal is given, and that this goal or task is simply taken over. Performance is then measured in terms of how far the employee actually has achieved the goal or the task as expected. Interestingly, passive concepts are also used for describing employees' reactions to work place changes. Currently, organizations are going through a multitude of changes because of rapid technological development, a dynamic environment, different organizational ideas, and a changing job concept (Frese, Fay, 2001).

Therefore, in this study a brief investigation of the impact of motivation on job performance is made in terms of identifying those major motivational factors that affect job performance of the small and medium size Enterprises that are found in Addis Ababa Ethiopia.

According to Candi et al. (2013), a growing recognition of the opportunities of innovation is through experience staging. Mahazril et al. (2012) concluded that rewards and recognition and communication may motivate them to work. In the descriptive statistics result, it is found out that most of the small and medium sizes Enterprises that are found in Addis Ababa Ethiopia have clearly explained criteria for the recognition of their programs, their employees give value to moral incentives (appreciation, respect, etc.) as well as physical incentives, and their success is usually appreciated by their employers. Therefore, most of them feel like their work is always recognized by the company. Except a few of them, most of them aware of the procedures for nominating an employee for an award in their enterprise. However, the employees are unaware of the gift awards associated with the program and don't believe in the issuance of the awards of the employee(s) of the month awards. Recognition enhances the level of productivity and performance at job whether it is a first time performance or a repeated action at the job in a progressive way and ultimately reinforces the behavior of employee. Accordingly, from the study finding it can be seen that recognition of employees can either directly or indirectly affects the job performance of the employees of the small and medium size Enterprises that are found in Addis Ababa Ethiopia. This finding can also be reinforced by the research findings of other scholars. A study by Mahazril et al. (2012) shows that organizations had the duty to appreciate the employee from time to time and offer other form of benefits such as payment, which will help in employee motivation. Likewise, Kingira and Mescib (2010) define appreciation as the abstract of immaterial incentives; "employees giving immaterial incentives (appreciation, respect etc.) as much as materiel incentives with working department" shows employees do not agree with this behavioral statement. With this result, it can be stated that employees being employed in different parts can take their different opinions at different levels. Among the variable of responsibility and being appreciated, it is understood that "success of employers always be appreciated with education". The more effective quality and practicality of education employees had, the more contribution they will have to businesses.

In a study by (Park, 2010), monetary incentive acts as a stimulus for greater action and inculcates zeal and enthusiasm toward work, it helps an employee in recognition of achievement. Likewise Beretti et al. (2013) discussed that monetary incentives used to build

a positive environment and maintain a job interest, which is consistent among the 17 employees and offer a spur or zeal in the employees for better performance. In this study, it is found out that the employees are not satisfied with their current salary and are not earning the same as those who are working a similar job like them. Similarly, they believe that the organization is not paying them the same as that of other people who have the same qualification. Therefore, it can be said that the salary structure of most of the small and medium size enterprises is not perfect and salary increment is not made on a fair basis. According to Park (2010), monetary incentive motivate employees and enhance commitment in work performance, and psychologically satisfy a person and leads to job satisfaction, and shape the behavior or outlook of subordinate toward work in the organization. Therefore, in this study, it is shown that the performance of the employees of the small and medium sized enterprises of Addis Ababa is affected by the low remunerations they receive from their employers.

Training refers to “the systematic accretion of skills, command, concepts or mindset leads to improve performance” (Lazazzara, Bombelli, 2011). Baldwin et al. (1991) indicates that individuals with higher pre-training motivation on the basis of their willingness to attend training have greater learning outcomes as compared to individuals heaving lower pre-training motivation. With regard to the training that is given to employees of the small and medium size enterprises it is found ineffective from different perspectives. In the first place, even if these enterprises plan to provides appropriate training program to the employees, in most cases, the training given to them is found unrelated to their job. This is because they don’t enjoy the training to acquire and improve their performance in their job. Also, the training doesn’t help them to be more confident and feel motivated and the employees couldn’t undertake courses and programs whenever there is technical change. Commeiras et al. (2013) point out that traineeship helps to promote the growth of organizations. In business context, training basically refers to action of teaching employees and providing proper knowledge and skills to make themselves job fit as well as organization fit. Training teaches employees how to work and enhance their skills, hence motivate them to achieve the common goal of organization as well as of employee. As a result, the low level of training provided to the employees of small and medium sized enterprises of Addis Ababa has dwindled their productivity and their overall performance.

No one works for free, nor should they. Employees want to earn reasonable salary and payment, and employees desire their workers to feel that is what they are getting. They need to be recognized on their job. Better education and training are also factors that motivate employees to perform well on their job (Houran. J). The inferential analysis conducted in this study reveals that Job performance [JB] at the Small and Medium Scale enterprises of Addis Ababa, Ethiopia is highly determined by three important motivational factors such as Remuneration, Recognition, and training and development. For instance, the R^2 (Coefficient of determination) value of 0.611 indicates that that 61.1 percent of variation in Job performance

[JB] at the Small and Medium Scale enterprises of Addis Ababa, Ethiopia is due to the three independent variables: Remuneration, Recognition, and training and development.

The ANOVA finding together with the Chi-square test result depicts that there is no difference in job performance between the two gender groups, and among the different job categories of the employees. Hence, it can be inferred that in addition to the three motivation factors such as recognition, remuneration, and training and development, one of the personal backgrounds of the respondents (i.e., Occupation type of the employees) is found as a determinant factor of job performance at the small and medium size enterprises that are found in Addis Ababa.

5. Summary

In conclusion, even though the researcher faces some limitations in getting secondary sources of information in the form of such as annual reports from the Small and Medium sized enterprises of Addis Ababa, the study is conducted with the most reliable primary sources of information that was gathered using self-administered questionnaires for the period 2023. The researcher believes that such a detailed explanatory research design base study has not been conducted in the country even though some have tried to do so using a descriptive design method. Also, the variables considered in the study are critically evaluated and examined whether they are theoretically plausible or not by reviewing the available literature. However, since the researcher has focused only on three major motivational factors that may influence job performance can be cited as the weakness of the study; unless and otherwise the methodology employed is sound enough in addressing the stipulated objectives of the study.

The Small and medium size Enterprises that are found in Addis Ababa Ethiopia have a clearly explained their criteria for the recognition of their programs, and their employees give value to moral incentives (appreciation, respect, etc.) as well as physical incentives. In addition to these, in these enterprises success of the employees is usually appreciated by their employers. As a result, the workers feel like their work is always recognized by their employer. This goes with the finding of Mahazril et al. (2012) who concluded that rewards and recognition and communication may motivate employees to work more. Recognition enhances the level of productivity and performance at job whether it is a first time performance or a repeated action at the job in a progressive way and ultimately reinforces the behavior of employee.

The employees are also aware of the procedures for nominating an employee for an award in these enterprises and believe that the recipients of the employee awards are adequately publicized by their respective organizations. However, the employees are unaware of the gift awards associated with the program and don't believe in the issuance of the awards of the employee(s) of the month awards.

Nevertheless, the employees are not well satisfied with their current salary. Also, they ascertain that they are not earning the same as those who are working a similar job like them, and they believe that the organization is not paying them the same as that of other people who have the same qualification. Therefore, it can be concluded that the salary structure of most of the small and medium size enterprises is not perfect and salary increment is not made on a fair basis. As a result, they get demotivated on their job and this finding goes with the research finding of Park (2010): monetary incentive motivate employees and enhance commitment in work performance, and psychologically satisfy a person and leads to job satisfaction, and shape the behavior or outlook of subordinate toward work in the organization.

From the point of view of providing training to their employees, the small and medium size enterprises that are found in Addis Ababa are not effective from different perspectives. In the first place, even if these enterprises plan to provides appropriate training program to the employees, according to the respondents most of the training given to them is found unrelated to their job. Also, they don't enjoy the training to acquire and improve their performance in their job and the training doesn't help them to be more confident and feel motivated. Therefore, the employees couldn't undertake courses and programs whenever there is technical change. This is a finding that was clearly reflected in its opposite way with the research finding of (Commeiras, 2013) who concluded that Training teaches employees how to work and enhance their skills, hence motivate them to achieve the common goal of organization as well as of employee

In general, from the above findings, it can be concluded that even if most of the employees can handle their assignments without much supervision, very passionate about their work and able to manage change in their job very well whenever the situation demands, still they can't find any job flexibility in their organization and couldn't be comfortable with it. By the same virtue, they couldn't actively participate in group discussions and work meetings. This may be due to the lack of those motivational factors such as lack of recognition, less payment and remuneration and lack of well-organized training and development.

The regression and correlation analysis conducted in this study has confirmed that Job performance [JB] at the Small and Medium Scale enterprises of Addis Ababa, Ethiopia is mainly associated with and affected by the motivational factor known as Remuneration followed by Recognition, and training and development.

Finally, the researcher recommends the following points in order to enhance the job performance of the employees of Small and Medium Scale enterprises of Addis Ababa in general and to increase the productivity and profitability of the enterprises. The enterprises should be able to identify the training needs of the employees first and then provide a well-organized and target full training to the employees, the enterprises should pay a more reasonable payment and offer different incentives to its employees, the remuneration system of the enterprises should be fair and transparent, Employees should get the required recognition from their employees, the salary structure of the enterprises and the salary increment system should

be revisited by incorporating educational qualification as well as work experience of the employees and the management of the enterprises should make the working environment more comfortable and flexible to motivate the employees and thereby enhance the job performance.

At last, but not the least, the researcher believes that the study will help examine the practical experience of motivational modalities implemented by Small and Medium Enterprises, as it will guide the individual owners of SMEs through the practical knowledge of how overall SMEs motivate their employees, and in turn help them equip with the motivating practice from the experiences of other same Enterprises. Secondly, it will be an input for City Government of Addis Ababa, Job Creation and Enterprises Development Bureau to strategize their activities in regards with SMEs of Addis Ababa. Thirdly, this study is significant in helping policy makers in crafting appropriate policy by relating with the outcome of this study. Fourthly, the study will be an input to other researches in understanding how small and Medium Enterprises in Addis Ababa would motivate employees. Lastly, it will be a practical knowledge for the researcher, apart from theoretical knowledge known so far.

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