

INNOVATIONS

Employee Motivation and Performance: The case of Ethiopia Health Insurance Agency

¹Geletaw Temeselew Lake

¹Ethiopia Health Insurance Agency, Addis Ababa, Ethiopia

²Endashaw Sisay Sirah

³Wondimhunegn Atilaw Woldetensay

^{2,3}Department of Economics, Mizan Tepi University, Mizan Aman, Ethiopia

Abstract

Training and development are very important in achieving new technical skills and knowledge in the various aspects of an organization. No one works for free, nor should they. Employers want their employees to feel they are earning reasonable salaries and payments, which is why this study explored employees' motivational performance at Ethiopian health insurance agencies. The study used both primary and secondary data, and a sample of 133 employees from the total population was selected using a simple random sampling method. Data from the questionnaire were analyzed using the statistical package for social science data analysis tool. The management of the organization and the human resources department were interviewed. The purpose of this study was to determine why professional employees leave organizations and why they do not stay with them. Consequently, the study reveals that employees leave the organization due to poor promotions, insufficient salary payments, and unfair internal transfers and redeployments. Motivation is linked to all of these factors. Therefore, it is recommended that the Ethiopian health insurance agency improve employee motivation by, rewards, job security, empowerment, training and development, feedback, leadership, recognition, promotion opportunity, objective setting appraisal, increased responsibilities, the loyalty of management to workers, medical care services, and sympathetic understanding of their problems.

Keywords- Employees, Ethiopia, Motivation, Performance

1. Introduction

Over the course of human resource management, motivation has developed throughout the world as a tool that is proposed to improve performance and efficiency of organizations. Consequently, motivation is a psychological factor that directs employees' behavior toward the desired goal of an organization and encourages them to positively contribute to improving performance (Jones & George, 2008). Rudhumbu (2014) states further that motivation is a proponent state that energizes and guides actions, and motivation is rarely measured directly, but can be deduced from changes in behavior or attitudes; Furthermore, motivation is a combination of factors that operate within each person and can be referred to as the combination of motive and action. Additionally, an encyclopedia of management defines motivation as the degree of readiness of an organization to achieve its

objectives and implies determining the nature and focus of its forces, including their level of readiness.

Moreover, organizations across the globe that view human resources as the core of their business and continuously increase the motivation and performance of their employees tend to be more effective (Rothberg et al., 2005). Ezioni (1964) defines effective organization as the ability of a company to achieve its goals. An organization's effectiveness is heavily influenced by employee motivation. Alternatively, the performance of employees in any organization is critical, not only for the growth of the organization but also for the growth of the individual employees (Meyer et al., 2017). In the same way, if employees are not motivated and satisfied, an organization cannot succeed.

So, for organizations to remain relevant and competitive, they must be able to entice and retain efficient and effective employees to enhance productivity (Sonia, 2014). In their article, Shadare et al. (2009) state that motivating employees should be one of the managers' policies to increase effective job management in organizations since motivated employees are responsive to the definite goals and objectives they must attain and target their efforts accordingly. Researchers therefore urge to find out what level of motivation employees and organizational performance significantly of an Ethiopian health insurance agency have. In their study, Abubakari and Adam (2018) identified both monetary and non-monetary motivation strategies. Joseph (2015) found that teamwork, work based on a contract, leadership by example, and the provision of equipment had a great impact on motivation and productivity. The critical factors were primarily communication, love, and belongingness, opportunity to undertake the challenging task, and identification with a goal. Since no study is currently conducted on this organization, the main objective of this study is to identify mechanisms of motivating employees in Ethiopian health insurance agencies. To examine the effects of employee motivation on the performance of Ethiopian health insurance agencies as well as evaluate the effects of motivation on performance in the study organization.

2. Review of Related Literatures

As identified by Maslow (1943), man has eight inherent needs, including the desire for knowledge, aesthetic needs, and transcendence. In order to improve productivity, managers need to recognize where their employees fall on the hierarchy in order to motivate them accordingly, bearing in mind that motivational tools should be tailored to meet their needs (Robbins, 2001). Herzberg et al. (1959) argued that employee job satisfaction was linked to job contents or aspects of the job as a whole, while factors that caused employees dissatisfaction were related to the context of the job; and he referred to them as hygiene factors. If a workforce lacks faith in their ability to perform at a particular level, inspiration to do their job effectively will be low or lost (George & Jones, 2012). McGregor (1967) posited a philosophy of management based on two different sets of managerial assumptions about people referred to as theory X and theory Y, which represent two extreme ends of a continuum of belief. The primary responsibility of management is to create an environment that allows people to attain their higher-order individual goals and achieve the organizational objective. McGregor saw theory Y as a way of aligning workers' interests with the organization's (Bloisi et al., 2003; Lawter et al., 2015).

According to McClelland's (1988) achievement theory, hunger needs are related to the extent to which visual imagery of food dominates thought processes and identified four main arousal-based, and socially developed motives, including the achievement motive, the power motive, and the taste motive and the avoidance motive. Guest (1992) argues that process theory offers a more comprehensive view of motivation than Maslow and Herzberg. They contribute to our understanding

of the complexities of work motivation (Mullins, 2005). The process theory, on the other hand, is sometimes referred to as a cognitive theory, as it is concerned with people's perceptions of their work environment, how they interpret, and how they understand it (Guest, 2017). Individuals with specific and difficult objectives perform better than those with vague ones and easier goals. As a result, Gratton's (2000) stretch goals are highly targeted and ambitious opportunities to improve performance. Locke and Latham (1979) found that motivation and performance are higher when there is a specific goal, when accepted goals are difficult, and when feedback is provided. Erez and Zidon (1984) emphasized the need for acceptance of and commitment to the goal. Individuals are given goals to direct and evaluate their actions, while performance feedback allows them to track how well the individual has been doing with respect to the goal (Armstrong, 2006). According to Armstrong (2006), equitably treated people will be more motivated to work, while inequitably treated people will be demotivated to work. Adams (1963) considered this theory from perceived equitable rewards, which are variations in satisfactions from Porter and Lawler's (1968) expectancy model.

3. Research Methodology

3.1. Type and Sources of Data

In order to complete the study, data was collected from two sources, namely primary and secondary sources. Ethiopian health insurance employees were the major sources of data, with secondary data gathered from documents such as yearly and monthly organizational performance reports, criteria's and guidelines forming the basis for this study, along with other important documents which are relevant to the study.

3.2. Sampling Techniques

This research considers staff who are graded and career health professionalized as professional employees, which provides the sample frame. The kind of sampling that should be used depends on three factors, the type of investigation, the population and the degree of precision desired at minimum cost. In order to make the sample size manageable, 124 questions were prepared and distributed in order to select the desired sample population pursuant to purposive and random sampling techniques. Moreover, the researchers' interviews 20 case team leaders, employees, and office directors. By using the sampling formula of Yamane (1967), the sample size was calculated as follows:-

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

Where; N = total no of employees, n = the required sample size, error term (e) = 0.05

$$n = \frac{N}{1 + Ne^2}, n = \frac{180}{1 + 180 \times 0.05^2}$$

$$n = \frac{180}{1 + 180 \times 0.0025}, n = \frac{180}{1.45}, n = 124$$

At 95% confidence level, degree of variability = 0.5 and level of precision/sampling error = 5%, and we add nine additional respondents (i.e., 133).

3.3. Methods of Data Collection

Since research tools are means to an end, questionnaires and interviews are used to gather relevant information for this study.

3.4. Methods of Data Analyses

The collected data is analyzed using descriptive statistics including frequencies and percentages for easy interpretation. Additionally, the interview results also incorporate qualitative data such as the respondent's perspective. The Cronbach's alpha result of the questionnaires is 0.803. This suggested that the internal reliability in this study was acceptable and signified to be good. Before starting to conduct the study, permission was assured from the selected study area organization. The concern, integrity, consent, and other human elements of participants, discussants, and interviewees were seriously considered.

4. Data Analysis and Interpretation

4.1. Mechanisms of Motivating Employees in EHIA

Motivating employees is the primary goal of a motivation mechanism. By motivating employees, organizations are able to improve their work efficiency, performance, and effectiveness.

Table 1 Mechanisms of motivating employees

No.	What are employees' motivation mechanisms in Ethiopian Health Insurance Agency?	Rating scale					Total	
			SD	D	N	A		SA
1	Working environment in the organization is suitable for employees.	Frequency	3	11	14	84	18	133
		Percent	2.26	8.27	11	64.	13.5	100
2	The training and development plans are aligned with the result of training need assessment.	Frequency	9	34	38	36	15	133
		Percent	6.77	25.6	28.2	27.	11.3	100
3	There is no a mechanism of employees recognition and reward.	Frequency	30	30	10	43	18	133
		Percent	22.6	22.6	7.5	32.3	13.5	100
4	Employees are not satisfied with their current salary.	Frequency	33	23	11	31	32	133
		Percent	25.4	17.7	8.5	23.9	24.6	100
5	There are inappropriate recruitments or competent employees in the organization.	Frequency	27	12	22	31	41	133
		Percent	20.3	9.02	17	23.3	30.8	100
6	Poor view conditions and communication between leaders and employees in work place.	Frequency	36	28	28	21	20	133
		Percent	27	21.1	21.	15.8	15.	100
7	employees can be rotated from one position to another withany biases	Frequency	21	15	12	38	47	133
		Percent	15.8	11.3	9.02	28.6	35.3	100

8	Feedback is given to employees.	Frequency	15	25	16	20	55	133
		Percent	11.3	18.8	12	15.0	41.4	100
9	In EHIA employees have a well-functioning good security system includes job security, medical care, and retirement pension.	Frequency	23	25	28	42	15	133
		Percent	17.3	18.8	21.05	31.58	11.3	100
10	Employees are leaving or there is frequent employees' resignation in EHIA.	Frequency	29	12	34	34	24	133
		Percent	21.8	9.02	25.56	25.56	18.1	100
11	The staff promotion systems are appropriately applied.	Frequency	22	48	18	27	18	133
		Percent	16.5	36.1	13.53	20.3	13.5	100
12	Reward systems in the organization are strictly linked to employee performance.	Frequency	37	36	12	15	33	133
		Percent	27.8	27.1	9.02	11.3	24.8	100

Source: Survey results, 2021

Out of 133 respondents, 3 (2.26%) strongly disagreed while 11 (8.27%) disagreed that the working environment in the organization is suitable for employees. 14 (11.1%) of the respondents were neutral, 84 (64.4%) were in agreement, and 18 (13.7%) were firmly in agreement. The majority of respondents viewed the working environment as suitable for employees. 9 respondents (6.77%) strongly disagreed and 34 respondents (25%) disagreed that the training and development plans were in line with the results of the training needs assessment. Among the respondents, 38(28.2%) were neutral, 36(27%) agreed, and 15(11.3%) strongly agreed. These results suggest that most employees are unaware of or did not clearly define the training and development plan aligned with the training need assessment.

There is no mechanism for employee recognition and reward, according to table 1. The remaining 30(22.6%) respondents strongly disapproved and disagreed with this statement; 10(7.5%) respondents were neutral; 43(32.3%) respondents were in agreement with this statement; 18(13.5%) respondents firmly approved of this statement. This implies that most of the respondents said that they agreed, so EHIA did not use recognition and reward. As illustrated in table 1, 33 respondents (25.4%), 23 (17.7%), and 11 (8.5%) strongly disagreed, disagreed, or neutrally agreed with the statement. Thirty-one (23.9%) and thirty-two (24.6%) of the respondents agreed with this statement.

In the above table 1, 63 (48.5 %) of the respondents agree and strongly agree that their current salaries do not meet their expectations. The total percent of strongly agreeing and agreeing is 48.5% of all respondents, which implies that employees are dissatisfied with their current salary. However, this does not imply that pay has an effect on employee turnover intentions.

Table 1 shows that, in response to the fifth question, 27(20.3%) of the respondents strongly disagreed and 12(9.02%) of the respondents disagreed that there was insufficient competency in recruitment. Of the respondents, 22 (17%) were neutral, while 31 (23.3%) agreed and 41 (30.08%) firmly approved. This indicates that the majority of respondents firmly agreed there were inappropriate recruitments or competent employees in the organization. As illustrated in the above table, in item six 36(27%) of the respondents strongly disagreed and 28(21.1%) of the respondents disagreed with the poor view conditions and communication between leaders and employees in the workplace. Of the

respondents, 28(21%) were neutral, 21(15.8%) were in agreement, and 20(15%) were firmly in agreement. This indicates that the majority of the respondents strongly disagreed there was Poor communication between leaders and employees in the workplace.

Item seven was strongly disagreed by 21 respondents (15.8%) and agreed by 47 respondents (35.3%) that employees can be rotated from one position to another with bias. 15(11.3%) of the respondents were undecided, while 38(28.6%) of the respondents were in agreement, and 12(9.02%) of the respondents were in agreement firmly. This indicates that the majority of the respondents agreed, there were employees who could be rotated from one position to another without any biases. In response to question eight, 15(11.3%) of respondents strongly disagreed and 25(18.8%) said the feedback is given to the employees. Among the respondents, 16(12%) were neutral, while 20(15%) were in agreement and 55(41.4%) were highly approved. This indicates the majority of respondents are neutral, which means the employees are aware of or understand the feedback given to them by their directors. Question number nine 23(17.3%) of the respondents strongly disagreed and 25(18.8%) of the respondents said they disagreed with employees having a well-functioning good security system including job security, medical care, retirement pension. Of the respondents, 28 (21.05%) were undecided, 42 (31.58%) agreed and 15 (11.3%) strongly approved. The majority of respondents believe employees have well-functioning workplace security.

Among the respondents to question number ten, 29 (21.8%) strongly disagreed and 12 (9.02%) disagreed that employees are quitting or resigning at EHIA frequently. 34 (25.56 %) of the respondents were neutral while the rest 34 (25.56 %) of the respondents were in agreement and 24 (18.1%) of the respondents fully concurred. From this question, we understand that 58 (43.66%) respondents in total concur and firmly affirm that employees are leaving or resignations are frequent in EHIA. Thus, the total percent of strongly agreed and agreed was 43.66 % of the respondents, which indicates that employees are leaving or there are frequent resignations in EHIA. On question eleven, 22(16.5%) of respondents strongly disagreed and 48(36.09%) strongly disagreed that the staff promotion system is applied appropriately. 18(13.53 %) of the respondents were neutral while the rest 27(20.3 %) of the respondents agreed and 18(13.5%) of the respondents firmly agreed. This indicates the majority of respondents disagree the promotion systems are not appropriately applied.

Question number twelve 37(27.8%) of the respondents strongly disagreed and 36(27.1%) of the respondents said that the reward systems in the organization are strictly linked to employee performance. 12(9.02 %) of the respondents were neutral while the rest 15(11.3%) of the respondents agreed and 33 (24.8 %) of the respondents firmly agreed. The majority of respondents strongly disagree, the reward systems in the organization are not connected to employee performance.

4.2. Employees' Motivation Related with Performance in EHIA

Relationship between the performance of the organization and employees: - directors set organization, division, and department goals, top managers and employees set objectives and discuss the organizational expectations, directorates and employees hold on-going performance discussions, employees provide input on their perceptions of performance, knowledgeable rating sources provide input on employee performance, managers and employees hold formal review sessions, give promotions and training.

Table 2 ☉: Employee's motivation with organizational performance

No	What are employees' motivations related with performance in Ethiopian Health Insurance Agency?	Rating Scales					Total	
			SD	D	N	A		SA
1	Employees are highly committed to their work in the organization.	Frequency	7	10	33	54	29	133
		Percent	5.26	7.52	24.8	40.6	21.8	
2	Employee's motivation addresses diversity.	Frequency	7	28	62	23	12	133
		Percent	5.26	21.1	46.6	17.3	9.0	
3	Incentives motivate employees to perform well.	Frequency	7	10	15	46	55	133
		Percent	5.26	7.52	11.3	34.4	41.4	
4	The top management of the organization encourages employees' effort.	Frequency	54	12	57	10	-	133
		Percent	40.6	9.02	42.9	7.52	-	
5	Lack enforcement and accountability.	Frequency	51	28	12	30	12	133
		Percent	38.4	21.1	9.02	22.6	9.0	
6	The organization assesses the effectiveness of applied techniques on employees' motivation and applies some motivational tools for the betterment of employee performance.	Frequency	40	25	37	19	11	133
		Percent	30.1	18.8	27.8	14.3	8.3	
7	Different departments in the organization could be benefited by allowing workers to participate in decision making processes.	Frequency	30	56	23	17	7	133
		Percent	22.6	42.1	17.3	12.8	5.3	
8	The organization achieves its stated goals.	Frequency	19	48	11	49	6	133
		Percent	14.3	36.1	8.27	36.8	4.5	
9	The organization has enough human resources to accomplish its goals	Frequency	10	22	-	48	52	133
		Percent	7.52	16.5	-	36.1	39.1	
10	Employees are motivated to stay in the organization.	Frequency	27	68	6	18	13	133
		Percent	20.3	51.1	4.51	13.5	9.8	
11	Each directorate understands the role plays in achieving organizational goals.	Frequency	19	32	-	58	24	133
		Percent	14.3	24.1	-	43.6	18.1	
12	Directors, managers and employees internalized the organizational objectives.	Frequency	10	29	24	51	19	133
		Percent	7.52	21.8	18.1	38.4	14.3	
13	The actual performances of individuals are aligned with the desired organizational goal.	Frequency	68	16	7	23	19	133
		Percent	51.1	12.0	5.26	17.3	14.3	

Source: Survey results, 2021

As shown in table 2, the first question out of the total 133 respondents 7(5.26%) of the respondents strongly disagreed and 10(7.52%) of the respondents disagreed that employees are highly committed to their work in the organization. 33(24.8%) of the respondents were neutral while the rest

54(40.6%) of the respondents agreed and 29(21.8%) of the respondents strongly agreed. This indicates that the majority of respondents agreed that employees are highly committed to their work in the organization. In the second item of the above table, 7(5.26%) of the respondents strongly disagreed and 28(21.1%) of the respondents disagreed with employees' motivation to address diversity. 63(47.4%) of the respondents were neutral while the rest 23(17.3%) of the respondents agreed and 12(9.02%) of the respondents strongly agreed. The majority of respondents said that neutral. This indicates that most of the employees are not aware of or didn't clearly define the employee's motivation to address diversity.

In the third item of table 2, the incentives motivate employees to perform well 7(5.26%) respondents strongly disagreed and 10(7.52%) disagreed with this premises, 15(11.3%) of the respondents were neutral while the rest 46(34.4%) of the respondents agree and 55(41.4%) strongly agreed. This implies that most of the respondents said that they strongly agreed to use incentives to motivate employees to perform well. As illustrated in the above fourth question table 3 shows that the respondents 54 (40.6 %), 12(9.02%), and 57(42.9%) of the respondents strongly disagreed, disagreed and neutral respectively, while 10(7.52%) agreed with this statement. From this question, the majority 66(49.62%) of the respondents in total disagree and strongly disagree that the top management of the organization recognizes employees' effort. This implies that the total percent of strongly disagree and disagree is 49.62% of the respondents, which means that top management did not recognize employees.

As shown in table 2, the fifth question 51(38.4%) of the respondents strongly disagreed and 28(21.1%) of the respondents disagreed said that lack of enforcement and accountability. 12 (9.02%) of the respondents were neutral while the rest 30(22.6%) of the respondents agreed and 12(9.02%) of the respondents strongly agreed. This indicates that the majority of respondents strongly disagreed. This indicates that there is accountability. As illustrated in the above table in item six 40(30.1%) of the respondents strongly disagreed and 25(18.8%) of the respondents disagreed that the organization assesses the effectiveness of applied techniques on employees' motivation and applies some motivational tools for the betterment of employee performance. 37(27.8%) of the respondents were neutral while the rest 19(14.3%) of the respondents agreed and 11(8.3%) of the respondents strongly agreed. This indicates that the majority of the respondents strongly disagreed there were no motivational tools. In item seven 30(22.6%) of the respondents strongly disagreed and 56(42.1%) of the respondents said they disagreed that different departments in the organization could be benefited by allowing workers to participate in decision-making processes. 23(17.3%) of the respondents were neutral while the rest 17(12.8%) of the respondents agreed and 7(5.3%) of the respondents strongly agreed. This indicates that the majority of respondents disagree. This indicates that most of the workers didn't participate in the decision-making process.

Question number eight 19(14.3%) of the respondents strongly disagreed and 48 (36.1%) of the respondents disagreed the organization achieves its stated goals. 11(8.27%) of the respondents were neutral while the rest 49 (36.8%) of the respondents agreed and 6(4.5%) of the respondents strongly agreed. This indicates that the majority of this question 67(50.4%) of the respondents in total strongly disagree and disagree the organization achieves its stated goal. This implies that the total percent of strongly disagree and agree is 50.4 percent of the respondents, which means that the organization was not achieving stated goals. Question number nine 10(7.52%) of the respondents strongly disagreed and 22(16.5%) of the respondents said disagreed the organization has enough human resources to accomplish its goals. While the rest of 52 (39.1%) of the respondents agreed and 48

(36.1%) of the respondents strongly agreed. This implies that the majority of the respondents agree the organization has enough human resources to accomplish its goals.

Question number ten 27(20.3%) of the respondents strongly disagreed and 68(51.1%) of the respondents disagree employees are motivated to stay in the EHIA. 6(4.51 %) of the respondents were neutral while the rest 18(13.5%) of the respondents agreed and 13(9.8%) of the respondents strongly agreed. From this question, we understand 96 (72.2%) respondents disagree and strongly disagree that employees are not motivated to stay in the EHIA. This implies that the total percent of strongly disagree and disagree was 72.2% of the respondents, which means that employees are leaving or resigning from the organization. Question number eleven 19(14.3 %) of the respondents strongly disagreed and 32(24.1%) of the respondents said disagreed that each directorate understands the role it plays in achieving organizational goals. While the rest 58(43.6%) of the respondents agreed and 24(18.1%) of the respondents strongly agreed. This indicates the majority of respondents agree as each directorate understands the role in achieving organizational goals.

Question number twelve 10(7.52%) of the respondents strongly disagreed and 29(21.8%) of the respondents said disagreed directors, managers, and employees internalized the organizational objectives. 24(18.1%) of the respondents were neutral while the rest 51(38.4 %) of the respondents agreed and 19(14.3%) of the respondents strongly agreed. This indicates the majority of respondents agree the directors, managers, and employees internalized the organizational objectives. Question number thirty, 68 (51.1%) of the respondents strongly disagreed and 16 (12.0%) of the respondents said they disagreed with the actual performances of individuals being aligned with the desired organizational goal. 7(5.52%) of the respondents were neutral while the rest 23(7.3%) of the respondents agreed and 19(14.3%) of the respondents strongly agreed. This indicates the majority of respondents are strongly disagreed, which means actual performances of individuals are not aligned with the desired organizational goal.

4.3. Effects of Motivational Tools on Employee’s Performance

The monetary, financial incentives include remuneration, bonuses (statutory and discretionary), and rewards. Employees can also be motivated by material but non-cash incentives which include the following: equipment (car, laptop, or even mobile phone positively affect the employee's approach to work), medical care additional insurance (using healthcare services), guaranteed child care, extra holidays, trips (social events), education subsidies (Employers may fund education in training, courses, studies or subsidize in part the cost of their participation). Tools of persuasion consist of staff-management meetings, negotiations, consultations with employee representatives, the creation of partnerships, and broadly understood employee participation in management.

Table 3 ☉ the effects of motivational tools on employee’s performance

No	What are the effects of	Rating Scale	Tot
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	motivational tools on employee's performance in the Ethiopian health insurance agency?						al	
			SD	D	N	A		SA
1	Employee's contributions/achievements are recognized by directors/managers.	Frequency	18	51	26	31	7	133
		Percent	13.5	38.4	19.6	23.3	5.3	100
2	The financial compensation practice that the organization is applied fairly to employees.	Frequency	4	7	17	36	39	133
		Percent	25.6	5.3	12.8	27.1	29.3	100
3	The organization has motivational practices.	Frequency	34	44	34	21	-	133
		Percent	25.6	33.1	25.6	15.8	-	100
4	Directors/managers always recognize workers for achievement of assigned tasks.	Frequency	13	46	39	28	7	133
		Percent	9.8	34.6	29.3	21.1	5.3	100
5	Compensation has an effect on organizational performance.	Frequency	14	31	-	65	23	133
		Percent	10.5	23.3	-	48.9	17.3	100
6	A good performance appraisal system leads to rewards.	Frequency	23	18	14	34	44	133
		Percent	17.3	13.5	10.5	25.6	33.1	100
7	The organization has adopted a mechanism to keep its employees motivated.	Frequency	19	46	24	13	30	133
		Percent	14.3	34.6	12.5	9.8	27.8	100
8	The organization's motivational packages are adequate to motivate employees.	Frequency	23	45	7	28	30	133
		Percent	17.3	33.8	5.3	21.1	22.6	100
9	Employees' motivation affects the organization's performance.	Frequency	23	21	22	60	7	133
		Percent	17.3	15.8	16.5	45.1	5.3	100
10	Decreased organizational performance.	Frequency	7	8	28	67	23	133
		Percent	5.3	6	21.1	50.4	17.3	100
11	Decreased employee motivation.	Frequency	28	37	31	7	30	133
		Percent	21.1	27.8	23.3	5.3	22.6	100
12	Employees' motivational mechanism lacks trust among the staff colleagues.	Frequency	23	14	22	67	7	133
		Percent	17.3	10.5	16.5	50.4	5.3	100
13	The organization has implemented motivational tools for its employees.	Frequency	14	62	14	43	-	133
		Percent	10.5	46.6	10.5	32.3	-	100

Source: Survey results, 2021

As shown in table 3, the first question out of the total 133 respondents 18 (13.5 %) of the respondents strongly disagreed and 51 (38.4 %) of the respondents disagreed with the employee's contributions being recognized by directors. 26(19.6%) of the respondents were neutral while the rest 31(23.3%) of

the respondents agreed and 7(5.3 %) of the respondents strongly agreed. This indicates that the majority of respondents disagreed, the employee's contributions are not recognized by directors. In the second item of the above table, 34 (25.6 %) of the respondents strongly disagreed and 7(5, 26%) of the respondents disagreed with the financial compensation practice that the organization is applied fairly to employees. 17(12.8%) of the respondents were neutral while the rest 36(27.1%) of the respondents agreed and 39(29.3%) of the respondents strongly agreed. The majority of respondents strongly agree this indicates the compensation is applied fairly in the organization include paid salaries time away from work, health protection, and retirement income.

In the third item of table 3, the organization has motivational practices 34(25.6%) respondents strongly disagreed and 44(33.1%) disagreed with this premises, 34(25.6%) of the respondents were neutral while the rest 21(15.8 %) of the respondents strongly agreed. This implies that most of the respondents said disagreed, so EHIA has no motivational practices. As illustrated in the above fourth question, directors/managers always recognize workers for the achievement of assigned tasks. 13(9.8%) respondents strongly disagreed and 46(34.6%) disagreed with this premises; 39(29.3%) of the respondents were neutral while the rest 28(21.1%) of the respondents agreed and 7(5.3%) strongly agreed. This implies that most of the respondents disagreed that directors do not recognize workers for the achievement of assigned tasks.

As shown in table 3, the fifth question 14(10.5%) of the respondents strongly disagreed and 31(23.3%) of the respondents disagreed said that compensation affects organizational performance. while the rest 65(48.9%) of the respondents agreed and 23(17%) of the respondents strongly agreed. This indicates that the majority of the respondents said agreed on this show that compensation affects organization performance. As illustrated in the above table, in item six 23(17.3%) of the respondents strongly disagreed and 18(13.5%) of the respondents disagreed that a good performance appraisal system leads to rewards. 14(10.5%) of the respondents were neutral while the rest 34 (25.6%) of the respondents agreed and 44(33.13%) of the respondents strongly agreed. The majority of respondents strongly agreed this implies an appraisal system as a way to encourage and motivate staff to be effective with the knowledge that there will be incentives for good performance.

In item seven 19(14.3%) of the respondents strongly disagreed and 46(34.6%) of the respondents disagreed the organization has adopted a mechanism to keep its employees motivated 25 (13.3%) of the respondents were neutral while the rest 13(9.8%) of the respondents agreed and 30(27.8%) of the respondents strongly agreed. This indicates that the majority of the respondents disagreed, the organization has not adopted a mechanism to keep its employees motivated. Question number eight 23(17.3%) of the respondents strongly disagreed and 45(33.8%) of the respondents disagreed the organization's motivational packages are adequate to motivate employees. 7 (5.3%) of the respondents were neutral while the rest 28 (21.1%) of the respondents agreed and 30 (22.5%) of the respondents strongly agreed. This indicates that the majority of respondents disagree as the organization's motivational packages are not adequate to motivate employees.

Question number nine 23(17.3%) of the respondents strongly disagreed and 21(15.8%) of the respondents said disagreed the employees' motivation affects the organization's performance 22 (16.5%) of the respondents were neutral while the rest of 60(45.1%) of the respondents agreed and 7(5.3%) of the respondents strongly agreed. This implies that the majority of respondents agree that employees' motivation affects the organization's performance. Question number ten 7(5.3%) of the respondents strongly disagreed and 8(6%) of the respondents disagree employees are motivated to stay in the EHIA. 28 (22.1 %) of the respondents were neutral while the rest 67(50.4%) of the

respondents agreed and 7(5.3%) of the respondents strongly agreed. From this question, we understand 67 (50.4 percent) of the respondents agreed that employee motivation affects performance. Question number eleven 28(22.1%) of the respondents strongly disagreed and 37(27.8%) of the respondents disagree with decreased organizational performance. 31(23.5%) of the respondents were neutral while the rest 7(5.3%) of the respondents agreed and 30(22.6%) of the respondents strongly agreed. This indicates the majority of respondents disagree that organizational performance is decreased.

Question number twelve 23(17.3%) of the respondents strongly disagreed and 14(10.5%) of the respondents said disagreed the motivational mechanism lacks trust among the staff colleagues. 22(16.5%) of the respondents were neutral while the rest 67(50.4%) of the respondents agreed and 7(5.3 %) of the respondents strongly agreed. This indicates the majority of the respondents agree about the employee's motivational mechanism lacks trust among the staff colleagues. Question number thirty 14(10.5%) of the respondents strongly disagreed and 62(46.6%) of the respondents said disagreed the organization has implemented motivational tools for its employees. 14(10.5%) of the respondents were neutral while the rest 43(32.3%) of the respondents agreed. This indicates the majority of the respondents disagree, so the organization has no implemented motivational tools for its employees.

4.4. Open Ended Questions

The following are responses acquired from the open-ended question where respondents have shown their different opinions from their experiences. Therefore, the researchers have presented the response of employees underneath.

1. Do the recruitment and selection processes follow the federal civil service proclamation regarding recruitment, selection, promotions, and careers, and what are the recommendations?
 - The majority of respondents believed that: -The federal civil service proclamation No.1064/2017 is on paper but not in practice. Directorates and group leaders do not have formal criteria for promotion, there is no clear HR strategy for recruitment and selection, and employees do not understand how the agency's recruitment and selection process works.
2. How do motivational mechanisms and tools affect employee performance at the Ethiopian Health Insurance Agency?
 - No recognition and reward mechanisms are in place, medical services are limited, inappropriate selection for promotion is occurring, motivational practices are not in place, salary payments are not satisfying the employees, and internal transfer and redeployment procedures are unfair, employee's performance evaluations do not compare with the planned cost, time, volume and quality. Motivation works if the right employee with appropriate skills is made responsible for the job or otherwise it will lead to job dissatisfaction and the wastage of time and resources.

Employee empowerment enables them to feel valued by the organization, as well as ready to provide valuable feedback. Directorates are another motivator, since they are tasked with getting things done the right way. The most significant factor in employee motivation is training and development programs. The problems of employees performance evaluation mechanisms, employee's promotion, employees internal transfer and deployment procedures problems correct by directors and team leaders giving attention by considering federal civil service proclamation No.1064/2017 article 31 (1) which talks about the purpose of performance evaluation shall be based on work plans, be used. So the directorate evaluates the employees by considering the expected volume, quality, time, cost, and

based on facts, article 24 the promotion of the objectives shall be given to execute works by competent employees, enhancing the performance of government institutions and motivating employees, article 26(1) says a government institution may whenever necessary, based on a transparent procedure, transfer a civil servant to another similar position of an equal grade and salary or to another place of work within the government institution, article 30 (1) any government institution shall redeploy its employees based on the competition when it implements a new organizational structure respectively.

3. How does the Ethiopian health insurance agency link its learning and development strategy with its overall goals and objectives?
 - Respondents cited shortcomings in directorates in terms of creating a productive working environment; lack of consolidated information on various resources used in achieving each strategic objective; and a return of the yearly budget, there is a shortage of manpower and skill gap, employees are leaving or resigning from EHIA, the organization can't conduct consider employees training and development needs assessment.

Learning and development practices allow organizations to adapt, compete, excel, innovate, produce, be safe, improve service, and reach goals. To be effective, it is advisable to adopt a systematic approach that benefits both firms and employees (Armstrong, 2006).

4.5. Interview Analysis

This analysis shows that the organization doesn't pay much attention to its employees' motivation, and many insufficient socializations lead to employees' incompetence, as a result, they don't feel satisfied with their working conditions, and feel that the organization doesn't care about them. Besides, the relationships with other employees and with coworkers are good, even concerning the directorates leadership quality, motivating capability and follow-up activates still some employees have good relationships with their directorates and they are receiving admire and criticisms and feedback regularly.

However, the EHIA does not organize any social utilities to build socialization among the staff members and to develop friendship amongst employees. Moreover, most employees are not involved in decision-making processes as they stated. Though, their relationships with their directorates as well as coworkers and with their colleagues are firmly professional. Regarding the work environment of the organization, most respondents agree that the working conditions are good and motivate them to work. Likewise, respondents show that they are not satisfied or motivated by their salary given by the organization and there are no organized strategies to give recognition and appreciation to provide job security to organize promotion and growth as well as kind and cash rewards strategies within the organization. As regards training and development, most respondents disagree that the organization has training and development strategies.

The directorates are not that much capable of leading and they are not in a good position to admire and criticize and feedback regularly on the good or bad deeds of their employees. But the directorates stated insufficient socialization, weak job design, and work organization, lack of training and development, non-participatory management approach, employee's incompetence as the major challenges of the directorates in motivating employees. Besides, about workers' efficiency, the organization lack adequate planning and exercise weak job design; however, their workload is somewhat good but the work site incompetent supervision and improper promotion, internal transfer, and redeployments are among factors affecting employees. Motivational strategies are vital to improving the motivational levels of the workers because they could help the organization to increase

its overall performance. Also, it is obvious and motivation can be relevant for employers could influence their work to perform. In other words, the relevance of motivational factors depends not only on meeting the needs of the employees but also on the organization's performance as well. But not only the rewards that could motivate employees and cause an improvement in their work performance; instead understanding the needs of the employees and motivational needs of the entire staff should be identified before any measures are taken.

When positive motivation was efficiently and effectively applied, the level of employee performance increased and vice versa. Besides different scholars emphasize the need for directorates to pay attention to workers' perceptions because workers are more likely to accept and support organizational change when they believe it is implemented fairly. Regarding employees' motivation and work performance, the respondents and the major significant indication that has been made by the researcher is that the financial factors are the main factor that could be influencing the overall motivational levels of the employees in the organization and as the interviewee believes this is because either the salary is unsatisfactory or there is a better salary in another similar organization with the same acquired profession and work experience, therefore employees complain and demotivated or working with unsatisfactory performance.

5. Conclusion

Using the data presented and analyzed above, the researchers came to the following conclusions. The compensation system and benefits packages of the organization are unattractive. Thus, most of the employees left the organization, and they will leave the organization when they get a better offer from a competitor. The organization does not provide recognition for well-done work and employees are not appreciated at work. There are inequities in how employees are promoted within the organization. Management knows that experienced qualified employees are leaving the organization, but only attributes the problem to salary and benefit packages. HR lacks clarity about recruitment and selection procedures. This would negatively affect promotion procedures, internal transfers, and redeployments as well as the recruitment and selection process for potential candidates.

6. Recommendation

EHIA has revised and improved the way promotions and study leave with/without pay are handled as compared to the current one that encourages employees who have consistently performed well or served in the organization. The study also revealed that motivation levels are low in the area of wages and salaries. As a result of the study, management at EHIA is encouraged to make upward adjustments in salaries in an effort to reduce the high rate of employee turnover. The study finds that motivation is very low in areas such as allowances, promotions, recognitions, accommodation, and retirement benefits, among others. Rewards and incentives should be included in the reward package of the organization. Performance determinants such as one's qualifications, experience, working environment, compensation package, job security.

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