

**THE ROLE OF MOTIVATION ON EMPLOYEES PERFORMANCE: A CASE
OF STRATEGIES INSURANCE TANZANIA LIMITED (SITL) DAR ES
SALAAM**

MARY NOEL

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REQUIREMENTS FOR THE DEGREE OF MASTER OF BUSINESS
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2019

CERTIFICATION

The undersigned certifies that I and here by recommends for acceptance by the Open University of Tanzania (OUT). Dissertation entitled the role of motivation on employee's performance in Strategies Insurance Tanzania Limited for Partial fulfillment of the Requirements for the Award of the Degree of Masters of Business Administration in Human Resource Management.

.....

Dr. Raphael Gwahula

(Supervisor)

.....

Date

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DECLARATION

I, Mary Noel, do hereby declare that this dissertation is my own original work and that it has not been presented and will not be presented to any other University for similar or any other degree award.

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Date

ACKNOWLEDGMENT

It is a good thing to give thanks unto the Lord and to give praises to the name of most high. First and foremost, I want to give thanks to almighty God for his faithfulness and for giving me the opportunity to achieve what I have achieved today. I want to say thank you Lord.

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DEDICATION

I would like to dedicate this work to my lovely Mother Janerose Emmanuel Mujuni, for her moral and spiritual support as well as prayers during my entire studies.

ABSTRACT

The study aimed at assessing the role of motivation on employee performance in Strategic Insurance Tanzania Limited. A descriptive research design with a cross-sectional survey strategy was employed. A sample of 115 employees was selected by simple random sampling. Questionnaires were used to collect primary data. Descriptive statistics, correlation and regression analysis techniques were used to analysis data. Results show that motivation has significant positive influence on employee performance. Intrinsic motivation has significant positive influence on employee performance. Extrinsic motivation also was found to have positive influence on employee performance. The study found that there is high performance among employees shown by most employees having morale and desire of increasing efforts.

Moreover, the study findings show that there is high employee motivation in SITL .It was recommended that the insurance companies should undertake regular review of motivational strategies particularly considering opportunities of enhancing motivation among employees in order to effectively increase morale for employees.

TABLE OF CONTENTS

CERTIFICATION	ii
COPYRIGHT	iii
DECLARATION	iv
ACKNOWLEDGMENT	v
DEDICATION	vi
ABSTRACT	vii
TABLE OF CONTENTS	viii
LIST OF TABLES	xiii
LIST OF FIGURES	xiii
LIST OF ABBREVIATIONS AND ACRONYM	xv
CHAPTER ONE	1
INTRODUCTION.....	1
1.1 Overview	1
1.2 Background to the Study	1
1.3 Statement of the Research Problem.....	5
1.4 Research Objectives	6
1.4.1 General Objective	6
1.4.2 Specific Objectives	6
1.5 Research questions	6
1.6 Significance of the Study.....	7

1.7	Scope of the Study	7
1.8	Organization of the Study	7
CHAPTER TWO.....		9
LITERATURE REVIEW		9
2.1	Overview	9
2.2	Conceptual Definitions	9
2.2.1	Motivation.....	9
2.2.2	Performance	10
2.2.3	Intrinsic Motivation	11
2.2.4	Extrinsic Motivation.....	13
2.2.5	Employees' work performance	13
2.3	Theoretical Review.....	14
2.3.1	Maslow's Hierarchy of Need Theory	14
2.3.2	Hygiene Theory	17
2.3.3	Self-Determination Theory	18
2.3.4	Vroom's Expectance Theory	19
2.3.5	Situational Theories	20
2.3.6	Equity Theory	20
2.4	Empirical Literature Review	21
2.4.1	Empirical Literature Review Worldwide.....	21
2.4.2	Empirical Literature Review in Africa	23
2.4.3	Empirical Literature Review in Tanzania	24

2.5	Research Gap.....	26
2.6	Conceptual Framework	26
CHAPTER THREE.....		28
RESEARCH METHODOLOGY		28
3.1	Overview	28
3.2	Research Approach.....	28
3.3	Research Design	28
3.4	Area of the Study.....	29
3.5	Survey Population	29
3.6	Sampling design and procedures	30
3.7	Variables and measurement procedures	30
3.7.1	Dependent variable	30
3.7.2	Independent variable.....	31
3.8	Data collection Methods.....	34
3.8.1	Primary Data collection.....	34
3.8.2	Secondary Data	34
3.9	Data collection tools.....	35
3.9.1	Questionnaire	35
3.9.2	Interview	35
3.10	Validity and reliability.....	36
3.10.1	Validity of instruments.....	36
3.10.2	Reliability of the instruments	36

3.11 Data Processing and Analysis	37
3.11.1 Assumptions of multiple linear regression	39
3.12 Ethical Considerations.....	43
CHAPTER FOUR.....	44
RESULTS AND DISCUSSION	44
4.1 Overview	44
4.2 Demographic characteristics of respondents	44
4.2.1 Age.....	44
4.2.2 Sex.....	44
4.2.3 Marital status.....	45
4.2.4 Education Level	46
4.2.5 Job experience.....	46
4.3 The level of employee performance of employees in (SITL)	46
4.4 Motivation level among employees of SITL.....	47
4.5 The relationship between motivation and employee performance	48
4.5.1 The influence of intrinsic and extrinsic motivation on employee performance	48
4.5.2 The influence of overall motivation on employee performance.....	50
4.6 Hypothesis testing	50
4.6.1 Test of autocorrelation assumption - Durbin–Watson test.	51
4.6.2 Test of Multicollinearity Assumption on independent variables.....	52
4.6.3 Test of Homoscedasticity assumption.....	54

4.6.4	Test of Normality Assumption.....	55
4.7	Discussion of findings.....	58
CHAPTER FIVE.....		60
SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS		60
5.1	Overview	60
5.2	Summary of Findings	60
5.3	Conclusion	60
5.4	Recommendations	61
5.4.1	General recommendations	61
5.4.2	Suggestions of further research.....	61
REFERENCES.....		63
APPENDIX: QUESTIONNAIRE.....		72

LIST OF TABLES

Table 3.2: Employee performance measurement scale.....	31
Table 3.3: Intrinsic motivation scale items	32
Table 3.4: Extrinsic motivation scale items	33
Table 3.5: Demographic characteristics of respondents.....	34
Table 4.1: Distribution of respondents according to demographic characteristics	45
Table 4.3: The level of motivation of SITL employees	48
Table 4.4: Influence of intrinsic and extrinsic motivation on employee performance.....	49
Table 4.5: Influence of overall motivation on employee performance (n=115)	50
Table 4.6: Measure of Autocorrelation assumption – Durbin-Watson	52
Table 4.7: The Results of the Test of Multicollinearity assumption.....	53
Table 4.8: Tests of Normality	56
Table 4.9: Skewness and Kurtosis Tests of Normality statistics.....	58

LIST OF FIGURES

Figure 2.1: Maslow's Hierarchy of Needs	17
Figure 2.1: Conceptual Framework.....	27
Figure 3.1 P-P plot shows normality of regression standardized residual	40
Figure 3.2 P-P plot of shows linearity of regression standardized residual	42
Figure 3.3 Normal distribution of the variance of errors in the regression standardised residual.	43

LIST OF ABBREVIATIONS AND ACRONYM

HR	Human Resource
MBA	Master of Business Management
OUT	Open University of Tanzania
SDT	Self Determined Theory
SITL	Strategies Insurance Tanzania Limited,
TPB	Tanzania Postal Bank

CHAPTER ONE

INTRODUCTION

1.1 Overview

This chapter presents the background information of the study, statement of research problem then outlines objectives of the study, research questions and significance of the study, scope and organization of the study.

1.2 Background to the Study

With the increase in competition, locally and globally, organizations must become more adaptable, resilient, agile, and customer-focused to succeed. In addition, within this change in environment, the Human Resource (HR) professional has to evolve to become a strategic partner, an employee sponsor or advocate, and a change mentor within the organization. In order to succeed, HR must be a business driven function with a thorough understanding of the organization's big picture and be able to influence key decisions and policies (Armstrong, 2014).

In general, the focus of today's HR Manager is on strategic personnel retention and talents development. Motivation is an effective instrument in the hands of managers for inspiring the work force and creating confidence in it. By motivating the work force, management creates "will to work" which is necessary for the achievement of organizational goals (Chhabra, 2010; Cole, 2004).

The issue of employee dissatisfaction and related attitude towards work is assuming alarming rate worldwide. The situation is even more serious in developing countries where working conditions are unattractive (Chintaloo, 2009).

The fast and mounting development of science and technology has brought about significant transformation into human lives. This caused the demand that individuals must improve their performance, within this change the human resource professional has to evolve to become a strategic partner, and a change mentor within the organization, in order to succeed, HR must understand the whole company and be able to influence key decisions and policies, in general motivation is an effective tool in the hands of managers for inspiring the work force and creating confidence in it. By creating work force, management creates 'will to work' which is necessary for the achievement of organizational goals (Chhabra, 2010; Cole, 2004).

Moreover, the management should know that the main motive for a man to work is economic, so as to enable him or her physiological needs and support his or her family in ever increasing comfort. Thus what managers needed to do in order to motivate workers is to control and apply both positive and negative rewards (Armstrong, 2014). The role of motivation on employees work performance has been developed throughout the world during the era of human resource management as a tool which proposed to promote the organization efficiency and effectiveness, motivation play an important factor in employees job performance in any organization (Calder (2006). As a result, employee motivation has drawn more attentions as research topics for many scholars and

practitioners (Calder, 2006). A lot of theories and approaches have developed in order to explain the nature of employees' motivation in organizations such as human resource approach, Maslow's hierarchy of needs theory (1943), Alderfer ERG theory (1969), Victor Vroom (1964) expectancy theory, Stacy Adams (2009) equity theory all these founders tried to explain the nature of employees motivation.

Health insurance is an important sector in any county as it helps protect an individual or family from financial loss for costs incurred because of sickness or injury, health insurance employees are the best source of delivering good services to their customer, quality service provided by employees can create a positive perception in the eyes of their customers. The motivation of health insurance employees plays a major role in achieving high level satisfaction among employees (Chaudhary and Sharma, 2012). The problem is that with the effects of the financial crisis private sector need today, more than ever before practical ways that can help to motivate their employees to be more productive (Robbins, *et al.*, 2013).

The evolution of health care started in The Arusha Declaration in 1967 which was initiated by the president Julius Nyerere, outlining the principles of Ujamaa (Nyerere vision of social and economic policies) to develop the national economy. It marked the start of a series of health sector reforms with the intention of increasing universal access to social services to the poor and those living in marginalized rural areas. Followed by the Government banning private-for-profit medical practice in 1977 and took on the task of providing health services free of charge. Strategies were one of the first registered

(2002) private health insurance firms in Tanzania. Members of Strategies insurance are corporate employees that they become members through their company (Mrisho, *et al* 2009).

However, by the early 1990s, the strain of providing free health care for all became evident in the face of rising health care costs and a struggling economy. Early 1990s the government adopted health sector reforms that changed the financing system from free services to mixed financing mechanisms including cost sharing policies. Cost sharing in the form of user fees was introduced in four phases: Phase I from July 1993 to June 1994 to referral and some services in regional hospital; Phase II from July 1994 to December 1994 to regional hospital; Phase III from January 1995 onwards to district hospital and Phase IV introduced to health centre and Dispensary after completion of introduction to all district hospital. Exemption and waiver were integral part of the cost sharing policy introduced in 1994 (Ibid).

The issue of employee dissatisfaction and related attitude towards work is assuming alarming rate worldwide (Burton, 2009). The situation is worse especially in developing countries where working condition is unattractive. This research will highlight on how motivation can influence employees' job performance.

The aim of this study is to assess the role of motivation on employee's performance in Strategies Insurance (Tanzania) Limited, which deals with medical insurance in Tanzania. The role of motivation in influencing a workers performance has been

recognized ever since the work of Frederick Winslow Taylor on rational analysis and scientific management (Taylor, 1911).

1.3 Statement of the Research Problem

Yu (1999) stipulated that for the reduction of labour turnover and retention of productive workforce, it is important for management to improve working conditions and motivate the employee appropriately. Management is required to comprehend the motivational processes and needs of human resources in various cultures, and they should consider that employees are very crucial and expensive resource to every organization.

In the view of Halepota (2005), motivation is the key component for organizations to function, without motivation employees will not perform well their duty and the company's performance will be less efficient. Moreover motivation of employees can affect the performance of employees which in turn can affect the business, goodwill and reputation of the company (Ross, 2005, 11).

The question remains that, what motivates people to work under private sector especially in health insurance company? And how do they perform? Despite of the fact that, through studies above little is known on assessment of the role of motivation on employee's performance in health insurance fund. Therefore, this study will draw attention on assessing the role of motivation on employee's performance case of Strategies Insurance Tanzania Limited Dar es salaam.

1.4 Research Objectives

1.4.1 General Objective

The general objective of the study is to assess the role of motivation on employee's performance, a case of Strategies Insurance Tanzania Limited (SITL) Dar es salaam.

1.4.2 Specific Objectives

The study is guided by the following specific objectives:

- (i) To examine the effect of intrinsic motivation on employee performance in Strategies Insurance Tanzania Limited (SITL).
- (ii) To examine the effect of extrinsic motivation on employees performance at Strategies Insurance company Ltd.
- (iii) To determine whether there is a relationship between motivation and employee performance.

1.5 Research questions

- (i) What are the effects of intrinsic motivation on employee's performance at Strategies Insurance motivated?
- (ii) What are the effects of extrinsic motivation on employee performance at Strategies Insurance Company?
- (iii) What is the relationship between motivation and employee performance?

1.6 Significance of the Study

The study is beneficial for academic purposes and for practical implications. Academically, the study is among the requirements for the accomplishment of master's degree of business administration. However the study will contribute by adding the knowledge to literature for the researchers who will be interested to deepen on this study. Moreover the findings of the study will assist the management on decision making and strategy developers by taking appropriate actions which will improve styles and modality of motivating their employees, also the study will help the organizations to restructure the motivations criteria, and be able to consider important factors in motivating employees. The study will also benefit policy makers, government and stakeholders and other beneficiaries especially these of insurance companies.

1.7 Scope of the Study

The study covered Strategies Insurance Tanzania Limited, which is located at Masaki. Motivational issues are relevant due high concentration of the staff. The finding of the research will be applicable to the Insurance Companies and various stakeholders. It is in view of this that the study seeks to assess the role that motivation plays in attracting and retaining competent staff. The study focus on only one Insurance Fund which is Strategies Company Limited.

1.8 Organization of the Study

The study was presented on five chapters. Chapter one is introduction which covers the background to the problem, statement of the research problem, objectives of the study,

scope of the study and organization of the study. Chapter two comprised of conceptual definitions, theoretical literature review, empirical literature review, research gap, conceptual framework and theoretical framework. Chapter three is based on research methodology which involves research design, study area, population of the study, sample size and sampling procedures, data collection methods, data collection tools, reliability and validity of the data, data presentation and analysis and expected results of the study. Chapter four covers data analysis, findings and discussions. While chapter five focused on summary, conclusion and recommendation of the study.

CHAPTER TWO

LITERATURE REVIEW

2.1 Overview

The purpose of this chapter is to present the review of the previous researches that related to this study. This is the review from the past researchers which are mainly describe and explain on the concepts, models or theories that are relevant in the field of motivation and necessary to facilitate a comprehensive analysis and understanding of the research question. It also may be useful to conceptualize the term work motivation and what it's the concepts are. A broader definition of work motivation as well as employee performance will be introduced

2.2 Conceptual Definitions

2.2.1 Motivation

From the perspective of psychology, human studies and economy, motivation is referred to one reason or many that make an individual to get engaged in a specific behavior (Bratton & Gold, 2007). From this context, the individual can be influenced with several drives and fundamental needs such as food and desire for a state of being or an object can be included in this reason for motivating an individual to act in a specific manner or to perform certain tasks.

Gupta, (2001), defined motivation as the work a manager perform in order to induce subordinates to act in desired manner by satisfying their needs and desire, thus motivation is concerned with how behavior gets started energized and directed.

Porter and Lawler (1968) defines Intrinsic motivation as involves of people doing an activity because they find it is interesting and derive spontaneous satisfaction of the activity itself. In contrast extrinsic motivation requires an instrumentality between the activity and some separable consequences such as tangible or verbal rewards, so satisfaction comes not only from the activity itself but rather from extrinsic consequences to which activity leads. The study corresponds with the definition stipulated based on intrinsic and extrinsic parties which reflects with motivation-hygiene theory.

According to Latham and Ernest (2006) motivation was in the beginning of the 1900s thought only to be monetary. However, it was discovered during the 20th century that to motivate employees, there are more factors than just money. In their view, employees' satisfaction with their job is an important indicator for a good job performance and happy employees are productive. To them, motivation is a psychological factor and is affected by the workers' mental attitude and health. Therefore, in order to be motivated, a person needs to have certain basic needs fulfilled. If these needs are lacking, a person's self-esteem and self-actualization cannot develop. This could result in lack of interest to progress and develop, both professionally and personally. There are several theories of human needs, which are the foundation of motivation.

2.2.2 Performance

Armstrong (2006) defines performance as the accomplishment, execution, carrying out, working out of anything order or undertaken.

Martin (2005) defines performance as a level of achievement by an individual, measured against what they would be expected to achieve. Under Martin's definition on performance there are some components which are missing such as skills, experiences, abilities, qualities and quantities are the things which he did not mention it, but those are things which should be mentioned by the definition.

According to Ilham (2009), performance can be defined as the act of performing; of doing something successfully using knowledge as distinguished from merely possessing it. However; the study match with the above definitions on performance because the definition itemizes that performance is not only of what people achieve but how they achieve it.

Similarly, (Churchill et al 1987) describes that performance includes personal, organizational, environmental, motivational, skill level, aptitudes and role perceptions. Performance is viewed as implementation of an action of one's ability. Good performance is related with achieving the quality, quantity, cooperation, dependability and creativity. Through mentioned definition of performance Martin definition should be adopted as it covers both level of achievement and expectation of employee.

2.2.3 Intrinsic Motivation

Intrinsic motivation is defined as the doing of an activity for its inherent satisfactions rather than for some separable consequence. When intrinsically motivated a person is moved to act for the fun or challenge entailed rather than because of external prods, pressures, or rewards. The phenomenon of intrinsic motivation was first acknowledged

within experimental studies of animal behavior, where it was discovered that many organisms engage in exploratory, playful, and curiosity-driven behaviors even in the absence of reinforcement or reward (White, 1959). Intrinsic motivation has been operationally defined in various ways, although there have been two measures that have been most often used. Basic experimental research (e.g., Deci, 1998) has rested primarily on a behavioral measure of intrinsic motivation called the “free choice” measure. In experiments using this measure participants are exposed to a task under varying conditions (e.g., getting a reward or not).

Following this period, the experimenter tells participants they will not be asked to work with the target task any further, and they are then left alone in the experimental room with the target task as well as various distractor activities. They thus have a period of “free choice” about whether to return to the activity, and it is assumed that, if there is no extrinsic reason to do the task (e.g., no reward and no approval), then the more time they spend with the target task, the more intrinsically motivated they are for that task. This measure has been the mainstay through which the dynamics of intrinsic motivation have been experimentally studied. The other common approach to the measurement of intrinsic motivation is the use of self-reports of interest and enjoyment of the activity *per se*. Experimental studies typically rely on task-specific measures (e.g. Ryan, 1982; Harackiewicz, 1979).

2.2.4 Extrinsic Motivation

Extrinsic motivation is a construct that pertains whenever an activity is done in order to attain some separable outcome. Extrinsic motivation thus contrasts with intrinsic motivation, which refers to doing an activity simply for the enjoyment of the activity itself, rather than its instrumental value (Ryan, 1998). For example, a student who does his homework only because he fears parental sanctions for not doing it is extrinsically motivated because he is doing the work in order to attain the separable outcome of avoiding sanctions (Sheldon and Kasser, 1995). Similarly, a student who does the work because she personally believes it is valuable for her chosen career is also extrinsically motivated because she too is doing it for its instrumental value rather than because she finds it interesting. Both examples involve instrumentalities, yet the latter case entails personal endorsement and a feeling of choice, whereas the former involves mere compliance with an external control. Both represent intentional behavior, but the two types of extrinsic motivation vary in their relative autonomy (Grolnick *et al.*, 1997).

2.2.5 Employees' work performance

Performance is defined as the attained outcome of actions with the skills of employees who perform in some situation (Statt, 2004; Prasetya & Kato, 2011). According to (Khan *et al.*, 2010) as cited by (Aries *et al.*, 2013), employee's work performance has been defined as work performance in terms of quantity and quality expected from each employee while (Suhartini, 1995) describe employees' work performance as a mutual result of effort, ability, and perception of tasks. Good performance is step towards the achievement of organizational goal. Other scholars for example, Campbell (1990)

defines employee performance as a behavior which consists of directly observable actions of a worker and also mental actions or products such as answers or

2.3 Theoretical Review

Theoretical reviews highlights and explains different theories based on motivation and performance in relation to the study. The aim of those theories is to show the connection between the study and different theories based on motivation and performance.

2.3.1 Maslow's Hierarchy of Need Theory

One of the better known theories of motivation is Maslow's Need Hierarchy Theory. Maslow (1954) proposed that all individuals have a specific set of needs that need to be fulfilled over a course of lifetime. This is the broad theory on the development of human and its application is generally considered to be the adult years, thus the industrial application is that people strive to meet their needs in a work environment. Maslow arranged the needs in a hierarchical order and proposed that individual have five basic set needs; Physiological needs, Safety needs, Love needs, Esteem needs and Self-actualization needs.

The need that is unsatisfied at any given time is the need considered to be the most important. Initially the Maslow's research theory was cross-sectional design; recently longitudinal studies have been used to support the cross-sectional studies. Maslow's theory has the relationship to work motivation; it is in this longitudinal study that examines the changing priorities of the needs as other needs reach an acceptable level of satisfaction (Laundry, 1985). Work motivational factors change over the period of time.

Psychological need

Psychological needs are literal requirements for human survival. Air, food and water are metabolic requirements for survival for all humans. An individual to satisfy these psychological needs is greater than the drive to satisfy any other type of need. These needs are satisfied through the wages and salaries paid by an organization Maslow (1954).

Safety need

With their physical needs relatively satisfied, the individual's safety needs take precedence and dominate behavior. In the absence of physical safety-due to war, natural disaster, family violence, childhood abuse etc-people may re experience post- traumatic stress disorder or trans generational trauma. In the absence of economic safety- due to economic crisis and lack of work opportunity- these safety needs manifest themselves in ways as a preference for job security, grievance procedure for protecting the individual from unilateral authority, insurance policies, reasonable disability accommodations, etc. Safety and security needs include: personal security, financial security, health and well-being, safety net against accidents/illness and their adverse impacts.

Love and belonging

Human need to feel sense of belonging and acceptance, weather it comes from a large social group, such as clubs, office culture, professional organizations, sport teams or

small connections (family members, inmate partners, mentors, confidants). They need to love and be loved by others (Maslow, 1954).

Esteem need

According to Maslow (1954), all humans have a need to be respected and to have self esteem and self respect. Esteem presents the normal humans desire to be accepted and valued by others. People need to engage themselves to gain recognition and have an activity/ activities that give the person a sense of contribution, to feel self valued, to be it in a profession or hobby.

Self-actualization need

Maslow (1954), describe that what a man can done must be, this form the basis of the perceived need for self-actualization. Maslow describes this desire to become more and more what one is, to become everything that one is capable of becoming. One can be achieve this not enough promotions but by mastering his/her environment and setting and achieving goals (Maslow, 1954).



Figure 2.1: Maslow's Hierarchy of Needs

Source: Maslow (1954)

The study adapting Maslow's theory because the five basic set needs are the daily human needs which can motivate a person to work hard or to demoralize the ability of working hard in to his or her employer, no matter what the employer have as pleasing environment / attracting elements to assist employees to work.

2.3.2 Hygiene Theory

The theory is relevant to work redesign, according to Herzberg the theory is based on two factors satisfaction and motivation. (Herzberg et al) they proposes that the primary determinants of employee satisfaction are factors intrinsic to the work that is done (i.e. recognition, achievement, responsibility, advancement, personal growth in competence). These are called "motivators" because they are believed to be effective in motivating

employees to superior effort and performance. Dissatisfaction is seen being caused by “hygiene-factors” that are extrinsic to the work itself examples company policies, supervisory practices, pay plans, working condition etc.

The theory specifies that a job will enhance work motivation and satisfaction only to the degree that “motivators” are designed to the work itself. Changes that deal solely with “hygiene” factors should not lead to increases in employee motivation. According to Herzberg Hygiene factors are more important to employee because he tried to describe factors that can motivate a person to work seriously. Moreover; to have attracted situations at work place make employees to perform. The study will address the mentioned motivational factors.

2.3.3 Self-Determination Theory

Self Determined Theory (SDT) is based on the distinction between autonomous motivation and controlled motivation. According to Workin (1988) autonomy means endorsing one’s action at the highest level of reflection. Intrinsic motivation is an example of autonomous motivation. When people engage an activity because they find it interesting, they are doing the activity the wholly volitionally. In contrast being controlled involves acting with sense of pressure, a sense of having to engage in action.

Deci (1971) postulates that autonomous and controlled motivation differ in terms of underlying regulatory process and their accompanying experiences, and it further suggests that behaviors can be characterized in terms to which the degree to which they are autonomous versus controlled. Autonomous motivation and controlled motivation

are both intentional, and together they stand in contrast a motivation which involves a lack of intention and motivation. Being autonomous intrinsically motivated requires that people identify with the value of behavior for their own self- selected goals. With identified regulation people feel greater freedom and volition because the behavior is more congruent with their own personal goals and identifies.

2.3.4 Vroom's Expectance Theory

This theory was developed in 1964 by the scholar called Vroom. The theory is built on the assumption that individuals have expectations about outcome that may manifest them as a result of what they do. Moreover, Vroom (1964) explained that motivational components are typically based on expectancy theory, which states that production increases when the level of motivation is increased. Motivation is considered as a predictor in job performance. In other words the determinants of job performance were motivation, aptitudes and skill level.

In the light of Vroom (1964), three variables are involved in motivation process.

Expectancy; this is the effort a person makes to obtain a first level outcome. It is influenced by his/her expectancy that outcome will be realized.

Instrumentality; in the light of this theory, reaching a first level outcome may in itself not mean anything to a person. It may however, be instrumental in reaching a second level outcome or reward. Valence; this is the importance that the individual places upon the expected outcome. For the valence to be positive, the person must prefer attaining

the outcome to not attaining it. For example, if someone is mainly motivated by money, he or she might not value offers of additional time off. (Gole, 2004: p43)

The three elements are important behind choosing one element over another because they are clearly defined: effort-performance expectancy (E>P expectancy) and performance-outcome expectancy (P>O expectancy).

Thus, Vroom's expectancy theory of motivation is not about self-interest in rewards but about the associations people make towards expected outcomes and the contribution they feel they can make towards those outcomes.

2.3.5 Situational Theories

The theory was propounded by Paul Hersey in 1970's. Hersey- Blanchard Situational theories proposed that job satisfaction is a product of how well an individual's personal characteristics matches with the organizational characteristics. Situational characteristics are things such as pay, supervision, working conditions, promotional opportunities and company policies that are typically considered by the employee before accepting the job. The situational occurrences are things that occur after taking a job that may be tangible or intangible, positive or negative.

2.3.6 Equity Theory

The theory was propounded by John Staced Adams 1963. Adams asserted that employees seek to maintain equity between the inputs and they bring to a job and outcomes that they receive from it against the perceived inputs and incomes of others.

Adams (1963) there is a belief that, people value fair treatment which causes them to be motivated so as to keep the fairness maintained within the relationship of their co-workers and the organization. The structure of equity in workplace is based on the ratio of inputs to outcomes. According to this theory, individuals are motivated to reduce perceived inequity. According to Adams (1963), inputs typically include time, effort, loyalty, hard work, commitment, ability, adaptability, tolerance, determination and enthusiasm. The typical outcomes include job security, salary, employee benefits, a sense of achievement, praise and thanks. Equity theory is a straight forward it plays a great role on explaining the importance of fairness in terms of equity at work place.

2.4 Empirical Literature Review

This part is aimed at explaining the various past studies in relation to this research.

2.4.1 Empirical Literature Review Worldwide

A motivated person have the awareness of specific goals must be achieved in specific ways; therefore he/she directs its effort to achieve such goals (Nel et al., 2001). It means that motivated person is best fit for the goals that he/she wants to achieve, as he/she is fully aware of its assumptions. Therefore if the roles of managers are assumed to successfully guide employees towards the organizational agenda of achieving its objectives, then it is very important for them to educate and understand those psychological processes and undertakings that root cause the stimulation, direction of destination, determination and persistence of voluntary actions (Roberts, 2005).

Mo (1992) differentiates between the terms “movement and motivation.” Movement carries out the task for compensation, remuneration in humans mind to act, while the term motivation is stapled with total involvement of a person in its tasks to carry out with excitements and happiness. In simple words, movement compels a person to carry out tasks, while motivation is self-realized jubilant and pleasing act of carrying out specific tasks.

The researcher emphasizes on motivation which is basis for the success because the person involved in it is very happy and voluntarily excited not for compensation. Motivation is reason for individuals’ accomplishments to carry out the project (La Motta, 1995). There are many aspects of motivation in an organization; a person motivated by those aspects may not necessarily motivate another person, because there are many different factors that affect motivation for different level employees. On reaching the understanding and believing that people (employees) are naturally motivated, an organization simply provide the environment for their motivation to be enhanced improved (Baron, 1983).

It means that an organization is a better environment and working atmosphere provider, it only needs to believe that the people have the motivational behavior. Lawler (2003) noted that different theories questioning why people prefer certain careers, why they seek particular rewards and why they feel satisfied or dissatisfied with their work and rewards. These are some of the resonating questions that create so many assumptions and hypotheses to be researched.

According to Butkus and Green (1999), motivation is derived from the word “motivate”, means to move, push or persuade to act for satisfying a need. Baron (1983) defined motivation in his own right. He says that “motivation is a set of processes concerned with a kind of force that energizes behaviour and directs it towards achieving some specific goals. Many writers have expressed motivation as goal directed behaviour. This objective nature of motivation is also suggested by kreitner and Kinicki (2001) put forward that motivation represents “those psychological processes that cause the stimulation, persistence of voluntary actions that are goal directed”.

It is widely recognized in management circles, that motivation plays a role in keeping an employee performing his or her best in any task assigned. Assessing La Motta and Baron, views on the concept of motivation makes one wonder why incentives provided to workers did not yield intended purpose.

This is as a result of dynamics of individual needs and humans can never be satisfy in that, when one need is catered for responded, the worker shifts to another need and this then becomes a challenge hence the call for further research on the issue of motivation.

2.4.2 Empirical Literature Review in Africa

A review has been made at Africa level with a study from Ghana, Kenya and Tanzania. From Ghana titled the role of motivation on employee performance in the Public Sector in 2011, the study stipulates that motivation increases the level of performances of employees and also increases their commitment in the workplace. This implies that

motivating workers is very important. Job satisfaction leads to job motivation. Therefore, when workers are satisfied, they tend to be motivated to work.

Gay (2000) tried to analyze the purpose of motivating employees. He found that it is necessary to solve the physiological needs issues and from there the mind of the employees will be free from stress and they can work effectively. The researcher adopted the Herzberg's theory, however he expressed that employer might be able to apply these motivational factors unilaterally entire workforce.

Applying these knowledge and fashioning the employment atmosphere to better accommodate the motivational factors of the employee the employer becomes more desirable employment destination, retaining employees longer, and increasing productivity and service at the same time (Herzberg, 1964). The study stipulates that there are many reasons why people are different and they have a preference for one work motivation over another. Among of those reasons are cultural backgrounds, age, experience, gender and type of a position can all have impact on the convention center employee.

2.4.3 Empirical Literature Review in Tanzania

Mohamed (2013) conducted a study on the impact of employee motivation on job performance in Tanzania banking sector, he stipulated that excellent services provided by employees can create a positive perception and ever lasting image of the customers. However, motivation of employees plays a major role in achieving high level of satisfaction among its customers. His findings showed that motivational packages to

employees of Tanzania Postal Bank (TPB) caused the bank to perform well. Moreover the study insisted that salary increment has an impact on job performance, training, team working and good working conditions are among of the factors that motivate employees to work and facilitate performance.

Jagero et al.(2012) researched on the relationship between on the Job Training and Employee's Performance in Courier Companies in Dar es Salaam, Tanzania the objective of the study was to assess the employee's performance in courier companies in Dar es Salaam. The study stipulates that employees are very crucial and expensive resource to any organization. The study found that training has the direct impacts on employees' performance by generating benefits to both the employees and the organization, employees they work for through development of skills, knowledge, abilities, competencies and behavior. The study proved that training of employees gets new tactics on how to finish their work in time and meet deadlines and acquire more skills that will enable them to do their work better. But according to Armstrong (2001) sets out three specific training objectives to the employees. The first objective is to help competences of employees and improve their performance.

Second objective was to help people grow within the organization in order that, as far as possible, its future needs for human resources can be from within the organization. Third one is to reduce the learning duration for employees starting in new jobs on appointment, transfer or promotion, and ensure that they become fully competent as quickly and economically as possible. The study stipulates that training has been recognized to help

employees in their current jobs and meet current performance requirements by focusing on specific skills required for the current needs.

2.5 Research Gap

Different studies have researched on motivation. For instance: Nchorburo Dominic (2013) on the role of Motivation on Performance of Employees in public sector, Mohamedi (2013) on the study of Impact of employee motivation on job performance in banking sector, Gay (2000) on the study of Work Motivation Factors of the Public Sector and Private Sector, on motivation and job performance among state government employees in Malaysia, Zanzibar, Hassan (2011), titled the impact of training and development on the performance of administrative staff in the public sector organization. Despite of these studies, there is no researcher who directly explores the role of motivation on employee's performance in private sector especially in Medical Insurance companies. Different researchers tried to relate motivation with other variables and majoring with different industries and institutions and not in insurance sector. Moreover the study opens up the wider range of candidates who will be interested on this study to conduct a further research.

2.6 Conceptual Framework

Based on the reviewed literature related to the problem under the study, the following conceptualized research model is drawn as prescribed in Figure 2.1

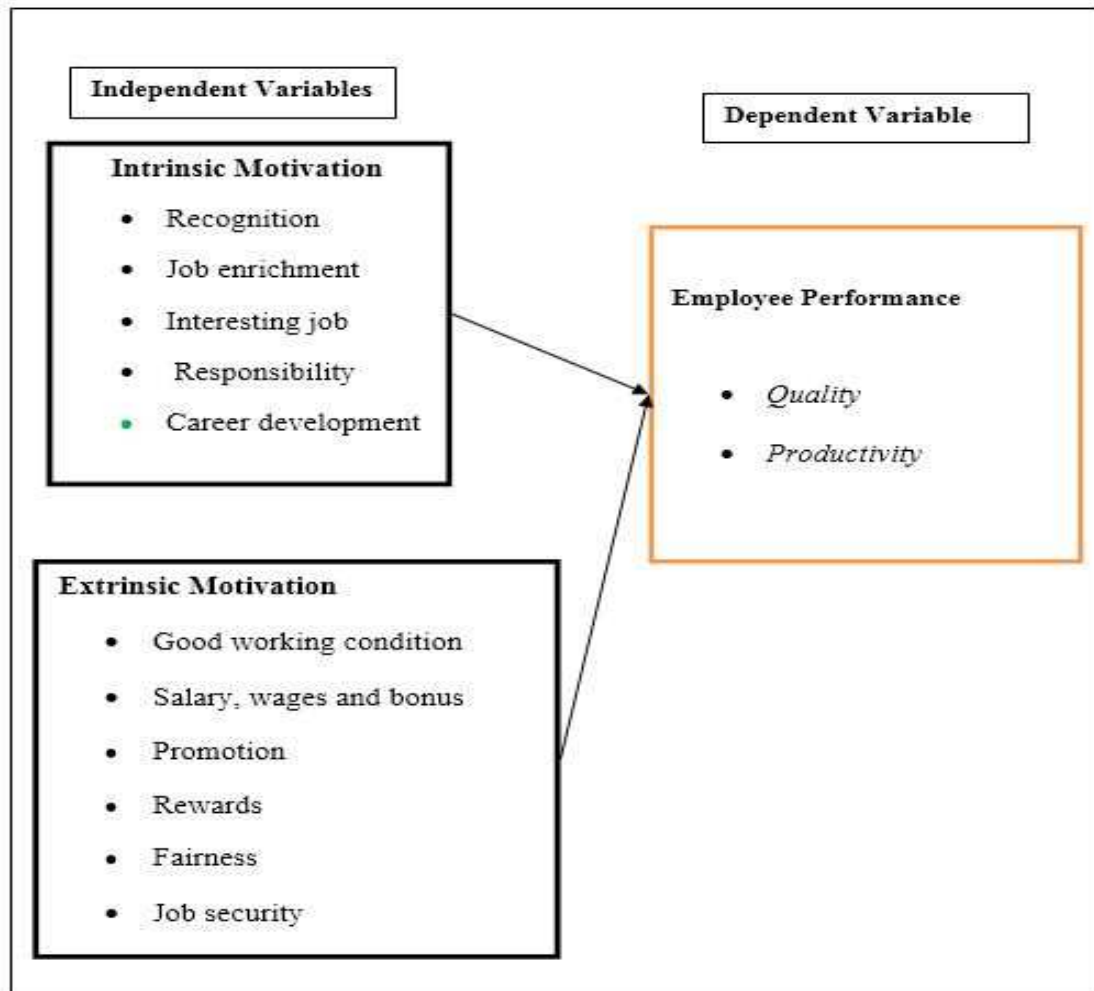


Figure 2.1: Conceptual Framework

Source: Researcher's own construct 2019

CHAPTER THREE

METHODOLOGY

3.1 Overview

Research methodology is the road map that acts as itinerary for researcher to accomplish the goals of the research journey. The chapter is organized with sections e.g. research design: this section shows a particular design of the research to be conducted. Area of the study referred to a place where the study was conducted. Survey population refers to the total population where data collection was conducted, sampling design and sample size, variables and measurement procedures, methods of data collection, data processing and analysis, reliability and validity of data, expected results of the study.

3.2 Research Approach

The study based on quantitative and qualitative research approaches, content analysis was used which encompassed with different themes. Qualitative research design is used to find out how people feel or what they think about a particular subject or institution (Kothari 2004). Quantitative was used to deal with questionnaire survey.

3.3 Research Design

Research design is the specification of methods and procedures for acquiring the information needed to structure or solve the problem (Green, 2000). The researcher used Case Study design. Yin (1984:23) defines the case study research designs “as an empirical inquiry that investigates a contemporary phenomenon within its real-life context; when the boundaries between phenomenon and context are not clearly evident

and in which multiple sources of evidence are used, this means that a case study designs is an in-depth exploration of one particular case situation for the purpose of gaining in depth understanding of issues being investigated. The reasons for adopting case study are comprehensive, descriptive with analysis of situation and flexible in data collection. Furthermore, the study adopted the descriptive design because describing, recording, analyzing and reporting conditions that existed that is what the study did (Kothari,2006). The study used questionnaires and interview.

3.4 Area of the Study

The study was conducted in Dar es Salaam at Strategies Insurance (T) Limited, because the place was convenient to the researcher in terms of getting all required data. And also the company is the first private insurance company to be established in Tanzania hence was perceived to have abundant data regarding motivation.

3.5 Survey Population

Population refers to individuals of more or less common characteristics that are of interest to a researcher (Creswell, 2003).The population targeted for this study included Strategies Insurance Company Limited officials and employees because these are key informant in this study. Researcher selected a sample of 115 employees out of 161 employees in the company, researcher believes to get enough information from the specific group since they are the key information as far as the topic of the study is concerned.

3.6 Sampling design and procedures

The study used a survey population of 161 employees from SITL Dar es salaam headquarter and Zanzibar branch to obtain the sample size. The researcher has used Slovins's formula shown below to calculate an appropriate minimum sample size from survey population.

$$n = \frac{N}{1+Ne^2} = \frac{161}{1+161(0.05)^2} = \frac{161}{1+161 \times 0.0025} = 115$$

Whereby;

n is the minimum sample size, N is survey population and e is error at 95% confidence interval.

Based on the calculation from the formula, a minimum sample size of 115 employees was recommended.

3.7 Variables and measurement procedures

3.7.1 Dependent variables

Dependent variable of the study was employee performance. It was measured by using a 4-item measurement scale adopted from Kuvaas (2006) as shown in Table 3.2. The perception of each item of the measurement scale was examined by having respondents providing a rating on a five-point rating scale. The five-point rating scale ranged from 1 = strongly disagree (SD); 2 = disagree (DA); 3 = neutral (N); 4= agree (A); and 5= strongly agree (SA).

Table 3.2: Employee performance measurement scale

Items on the employee performance measurement scale	Perception indicators
How would you rate your overall work performance compared to your peers' with the same experience doing work similar to yours?	Score from 5 point rating scale
How would you rate your overall work performance compared to your peers' with the same qualifications doing work similar to yours?	Score from 5 point rating scale
How would you rate the quality of your work compared to that of your peers' doing work similar to yours?	Score from 5 point rating scale
How would you evaluate your productivity level compared to that of your peers' doing work similar to yours?	Score from 5 point rating scale

Source: Adapted from Kuvaas (2006)

3.7.2 Independent variable

The independent variables of the study included intrinsic motivation and extrinsic motivation as detailed explained in the following subsections.

These items were grouped into two dimensions of motivation; intrinsic and extrinsic motivation.

(a) Intrinsic motivation

According to Herzberg (1959), motivation can be intrinsic and extrinsic in which the former emanates from the content of job and the latter is related to the organisation. Therefore, Table 3.3 represents a list of items under intrinsic motivation. This sub-dimension contains five items. A five-point rating scale was used to record employees' agreement to each of the statement, where; 1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree.

Table 3.3: Intrinsic motivation scale items

Variable	Item of measurement
Recognition	Management/supervisor loyalty to employees is very high (item 1)
Responsibility	I feel I am involved in my job in this organization (item 2)
Interesting work	My work in this organization is interesting (item 3)
Carrier development	I am provided with opportunities for career development in this organization (item 4)
Job enrichment	Job is enriched every time making it not monotonous(item 5)

Source: Constructed from Kuvach (1995)

(b) Extrinsic motivation

Extrinsic motivation was measured by using seven-items of the motivation scale. Table

3.4 presents the list. Again, a five-point rating scale was used to capture employees' level of agreement with each statement where, 1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree

Table 3.4: Extrinsic motivation scale items

Variable	Item of measurement
Wage	My organization offers me good wages (item 6)
Reward	I am fully appreciated for a job well done here (item 7)
Promotion	I am provided with opportunities for promotion in this organization (item 8)
Fairness	I feel there is tactful disciplining in this organization (item 9)
Supervisory relation	My supervisor helps me with my personal problems (item 10)
Working condition	Working conditions in this organization are generally good (item 11)
Job security	My job is secure with in this organization (item 12)

Source: Constructed from Kavach (1995)

(c) Demographic variables

Demographic characteristics were assessed including age, sex, marital status, education and job experience. These were mainly used for the purpose of understanding the nature of the sample used in the study. The following in Table 3.5 are demographic characteristics and measurements used.

Table 3.5: Demographic characteristics of respondents

Demographic variable	Measurement indicators
Age	Years since the respondent was born
Sex	1=male, 2=female
Marital status	1=single, 2=married, 3=other
Education	1=diploma or lower, 2=bachelor, 3=above bachelor
Job experience	Years spent by the respondent in SITL as employee

Source: Constructed from Kavach (1995)

3.8 Data collection Methods

The researcher used both primary and secondary data collection methods

3.8.1 Primary Data collection

Kothari (2006) defines primary data as *“those data which are collected afresh and for the first time and thus happen to be original in character.”* Primary data was collected from the sample population through survey study employing questionnaire and interview. Structured standardized questionnaires using 5-likert scale and interview guide was used.

3.8.2 Secondary Data

Secondary data are those type or kind of data which have already been collected by someone else and which have already been passed through statistical process (Kothari, 2006).

3.9 Data collection tools

The study employed the following data collection tools

3.9.1 Questionnaire

According to Foddy (1994), Questionnaire is a research instrument consisting of questions to be asked to the respondents. Questionnaire was used because it manages to collect information from a huge number of people in a short period of time and in a relatively cost effective way. This tool gives room and freedom of expression to the respondents that they expecting to get more information to capture important themes of the study on the factors influencing effective employee's performance in organization. Questionnaires were distributed to the SITL employees who were selected as respondents. Each one was given one day of filling and completing the questionnaire. Thereafter, the researcher collected the filled questionnaires from respondents. Compared to mailing questionnaires which has little assurance to be filled by respondents, this approach of distributing questionnaires personally ensures all of them reached the target respondents and followed by the researcher to make sure that most of the questionnaires if not all have been filled and collected back.

3.9.2 Interview

According to Seidman (1998), an interview is a conversation between two or more people where questions are asked by interviewer to elicit facts or statements from the interviewee, This method gives the researcher the freedom to investigate and ask questions the candidate to explain and gives more information or to follow a new line of

inquiry introduced by what the interviewee is saying. These interviews allow the researcher to clarify ambiguous answers and when appropriate, seek follow-up information. It was easily and enables the researcher to capture important themes on the factors motivate them to perform their duty effectively. Moreover, an interview is the most prominent data collection tool in qualitative research. It is a very good way of assessing people's perceptions, meanings, and definitions of the situations of the reality. It is the most powerful ways we have of understanding others (Payne & Payne, 2004).

3.10 Validity and reliability

The aspects of validity and reliability were also checked. In this study, the validity and reliability was considered before running the descriptive and inferential data analysis.

3.10.1 Validity of instruments

Phelan and Wren (2005) posit that validity is a degree to which a test is measuring what it is supposed to measure. To ensure that the data collection tool is valid, items of measurement scales were adopted from related credible studies (Kuvach, 1995 and Kuvaas, 2006).

3.10.2 Reliability of the instruments

According to Phelan and Wren (2005) reliability is an extent to which the assessment produces consistent results. To test the reliability of the measurement scales, a scale test was carried out to generate Crobach alpha (α) using SPSS software. The value of reliability test ranges from 0 to 1 specifying the degree of internal consistency of items using Cronbach's Alpha. The larger the value of Cronbach's Alpha, the higher the degree

of internal consistency of the measurement scales, and vice versa. There acceptable values of alpha are supposed to be at least 0.70 which justifies internal consistency (Nunnally& Bernstein, 1994; Bland & Altman, 1997; DeVellis, 2003).

3.11 Data Processing and Analysis

Questionnaires were inspected and items were coded and data entered into SPSS computer software data sheet before descriptive and inferential data analyses. The continuously measured variables – gender, age, education, marital status and years’ job experience – which was measured in ratio (scale) was re-grouped and re-coded in ordinal level of measurement in form of group intervals (age group and interval of years’ job experience) in order to present them in the table of frequency.

Total and mean scores were computed for each scale item across respondents. Thereafter, descriptive statistical analysis was done through SPSS software to reveal intrinsic motivation and extrinsic motivation of SITL employees and level of employee performance. Also, demographic characteristics of the respondents were presented by descriptive statistics including means, standard deviations, frequencies and percentages. These appeared in form of frequency tables. Through descriptive statistics, the output of employee performance computed from employee performance measurement items was presented using means and standard deviations.

To assess the influence of motivation on employee performance, simple linear regression model (Equation 1) was used. The total scores of individual respondents was computed from motivation measurement items (Table 3.3) and then entered into the regression

model and the independent variable. Also, total scores of individual respondents were computed from five (5) employee performance measurement and thereafter entered into the linear regression model as the dependent variable. The model therefore regressed the total scores of the employee performance scale on the total scores of the motivation scale so as to examine the influence of motivation on employee performance. The following is simple linear regression model presented as equation 1.

$$Y_i = \beta_0 + \beta_1 X_1 + \epsilon_i \dots \dots \dots \text{equation 1}$$

whereby Y_i = employee performance which is possibility of the employee to perform well (total scores from 5 employee performance measurement items); X_1 = total motivation (total scores from 12 motivation measurement items), β_1 = Coefficient of X_1 , β_0 = Constant term and ϵ_i = Error term.

When testing hypothesis of this study by using simple linear regression model presented as equation 1, alternative hypothesis (H1) accepted if β_1 is significant ($\beta_1 \neq 0$) at 5% level, otherwise is rejected. Acceptance of H1 confirms that motivation has significant influence on employee performance.

Moreover, the influence of intrinsic motivation and extrinsic motivation on employee performance was examined by using multiple linear regression models. The total scores of individual respondents computed from 5 intrinsic motivation measurement items (Table 3.4); total scores of individual respondents computed from 7 extrinsic motivation measurement items (Table 3.5); and total scores of individual respondents computed

from 5 employee performance measurement items (Table 3.2) were entered into the regression model. Then, employee performance total scores were regressed on total scores of intrinsic motivation and extrinsic motivation in a multiple linear regression model which is presented as equation 2.

$$Y_i = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \epsilon_i \dots \dots \dots \text{equation 2}$$

Whereby;

Y_i = employee performance which is possibility of the employee to perform well (total scores from 5 employee performance measurement items).

X_1 = total intrinsic motivation (total scores from 4 intrinsic motivation measurement items).

X_2 = total extrinsic motivation (total scores from 7 extrinsic motivation measurement items).

β_1 and β_2 = Coefficient of X_1 and X_2 respectively, β_0 = Constant term and ϵ_i = Error term.

3.11.1 Assumptions of multiple linear regression

The multiple linear regression model assumptions for assessment of the influence of intrinsic motivation and extrinsic motivation on employee among employees (Equation 1) tested to by checking the occurrence of linearity, normality, multicollinearity and homoscedasticity among independent variables as recommended by Gujarat & Porter (2010) and Keith (2006).

(a) Normality

Multiple linear regression models assumes that variables have normal distributions (Darlington, 1968; Osborne & Waters, 2002). This means that errors are normally distributed, and that a plot of the values of the residuals will approximate a normal curve (Keith, 2006). The study checked normality assumption by using P-P plot of regression standardized residual. Figure 3.1 confirmed a normal distribution pattern since residuals are concentrated along the diagonal line.

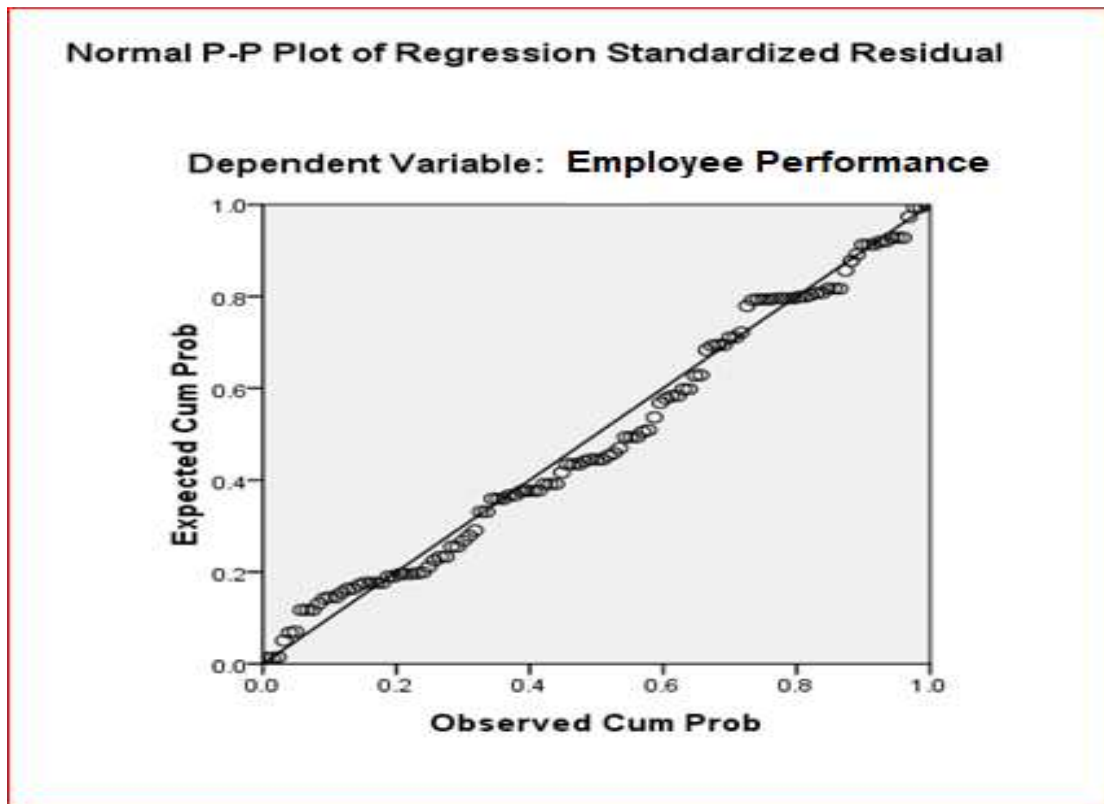


Figure 3.1 P-P plot shows normality of regression standardized residual

(b) Multicollinearity

The study use Variance of Inflation Factors (VIF) and Tolerance values to check multicollinearity in multiple linear regressions. The Variance of Inflation Factor (VIF) is an index of the amount that the variance of each regression coefficient is increased over that with uncorrelated independent variables (Keith, 2006). Multicollinearity effect is large when a predictor variable has a strong linear association with other predictor variables (Shieh, 2010). The rule of thumb for a large VIF value is 10.0 (Keith, 2006; Shieh, 2010).

Tolerance measures the influence of one independent variable on all other independent variables. Tolerance levels for correlations range from zero (no independence) to one (completely independent) (Keith, 2006).

(c) Linearity

The study used normal P-P plot of regression standardized residual to check the normality of assumption. According to Stevens (2009), residual plots showing the standardized residuals against the predicted values and are very useful in detecting violations in linearity. The random scatter concentrated about the line indicates linearity (Keith, 2006). The test results in Figure 3.2 confirm that there is linearity relationship in the multiple linear regression model and therefore the linearity assumption obeyed.

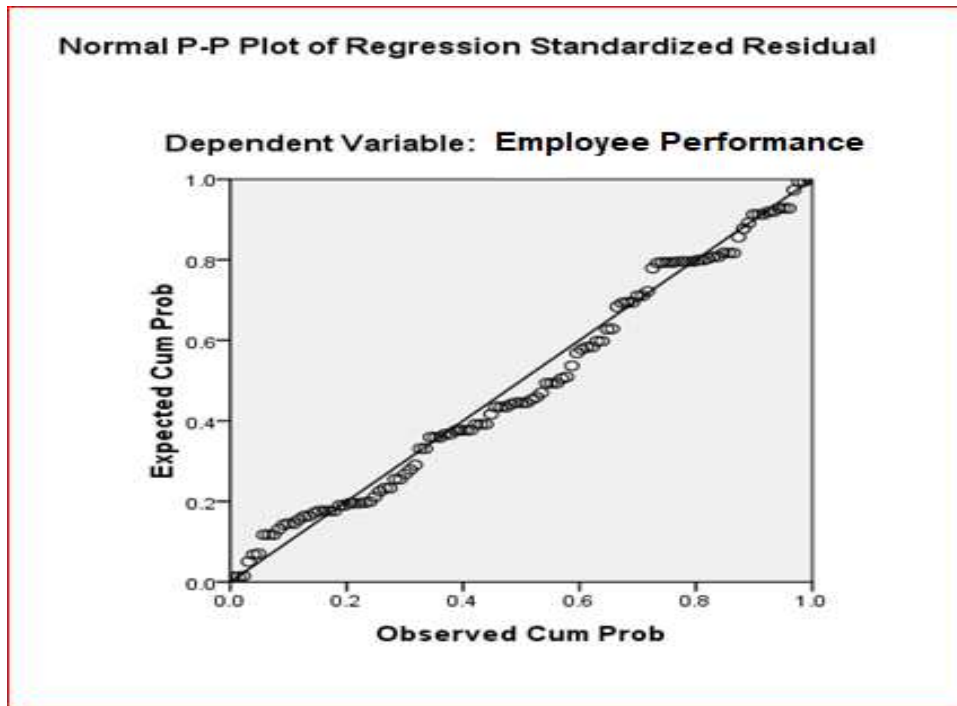


Figure 3.2 P-P plot of shows linearity of regression standardized residual

(d) Homoscedasticity

The assumption of homoscedasticity refers to equal variance of errors across all levels of the independent variables (Osborne & Waters, 2002). The study used histogram of normal distribution of the variance of errors in the regression standardised residual to check heteroscedasticity effect in the multiple linear regression model as recommended by Osborne & Waters (2002). Results in Figure 3.3 indicate that there is very small standard deviation of regression standardised residuals and hence, variance of errors of independent variables are concentrated around zero (horizontal line) on the histogram. This indicates that there is normal distribution of regression standardised residuals. Normality test therefore confirmed that there is less heteroscedasticity effect in the

multiple linear regression model and therefore homoscedasticity assumption is obeyed. Therefore, the model is relevant for the analysis regarding effect of intrinsic motivation and extrinsic motivation on employee performance among SITL employees.

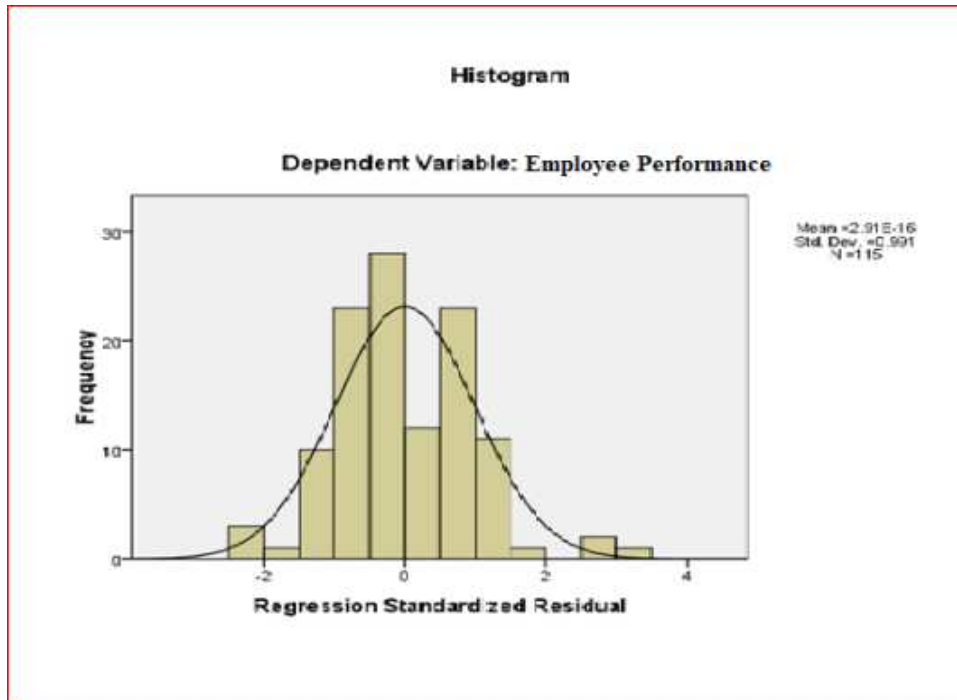


Figure 3.3 Normal distribution of the variance of errors in the regression standardised residual.

3.12 Ethical Considerations

For ethical requirements in the conduct of the study respondents were duly informed of the fact that the study was for academic purpose and that they were under no compulsion to respond to the questionnaire. The respondents were asked to participate voluntarily whilst assuring them of anonymity and confidentiality on the information given. In order to avoid plagiarism, all sources of information were duly acknowledged.

CHAPTER FOUR

RESULTS AND DISCUSSION

4.1 Overview

This chapter presents and discusses results with regard to study objectives. It covers results and descriptions of the demographic characteristics of the respondents, reliability analysis and justification, level of employee performance, levels of intrinsic and extrinsic motivation in Strategies Insurance Tanzania Limited (SITL) as well as results. The influence of motivation as well as that of intrinsic motivation and extrinsic motivation on employee performance was assessed. The chapter ends with discussion of the results.

4.2 Demographic characteristics of respondents

The study assessed the age, sex, marital status, education and job experience. The descriptions of respondents' demographic characteristics appear in the following sections 4.2.1, 4.2.2, 4.2.3, 4.2.4 and 4.2.5

4.2.1 Age

The findings indicate that most (72.1%) of the respondents were belonging in the age group of 31-40 years, followed by those (38.4%) who are in the age group of 41-50 years (Table 4.1). A few of the respondents (4.5%) belongs to the age group of 51-60 years. The minimum and maximum age of respondents was 30 years and 60 years.

4.2.2 Sex

According to the distribution of sex results show that majority of the respondents were

males (66.9%) while 33.1% of the respondents were females.

Table 4.1: Distribution of respondents according to demographic characteristics

Variable	Frequency	Percent
Sex		
Male	77	66.9%
Female	38	33.1%
Age		
31-40 years	83	72.1%
41-50 years	27	38.4%
51-60 years	5	4.5%
Marital status		
Single	25	21.7%
Married	85	73.9%
Other	5	4.4%
Education		
Diploma	31	27%
Bachelor	53	46%
Above bachelor	31	27%
Job experience		
1-10 years	44	38.3%
11-20 years	50	43.5%
21 and above	21	18.2%

Source: Field data, 2019

4.2.3 Marital status

Married respondents constituted the majority of the respondents (73.9%) of survey participants, followed by respondents who are still single (21.7%) (See table 4.1). Other

marital statuses composing widows and divorce constituted only 4.4% of the respondents.

4.2.4 Education Level

There was a variation of level of education among the respondents as shown in Table 4.1. The study revealed that most of the respondents had bachelor degree (46%). Other respondents had level of education below (27%) and above (27%) bachelor degree. However, none of the respondents identified to be possessing non- formal education since all of the survey participants had attended school.

4.2.5 Job experience

The survey of job experience revealed that majority (43.5%) of the respondents worked in (SITL) for 11 to 20years (Table 4.1). On the other hand, 38.3% of employees spent at most 10 years while working at (SITL) and the rest (18.2%) of employees had at least 21 years job experience. The minimum years' job experience was 3years and the maximum years' job experience was 34years. The average years of job experience of employees who participated in the survey was 14years.

4.3 The level of employee performance of employees in (SITL)

The level of employee performance was examined by the mean score calculated from mean employee performance scores across respondents. The study found the mean score of 2.37 having a standard deviation of 1.01 as shown in Table 4.2 This mean score explains an overall level of employee performance in (SITL). The mean score identified is less than the mean score of the 5-point rating scale which is 3.0. A score less than 3.0

indicate low performance. Therefore, the findings imply that there is low employee performance among employees in (SITL).

4.4 Motivation level among employees of SITL

Employee motivation in SITL was assessed by identifying perceptions of employees towards motivations. The study assessed the level of intrinsic motivation, extrinsic motivation and overall motivation among employees. The level of intrinsic motivation was assessed 4 item measurement scales regarding to responsibility, interesting work, carrier development and recognition in response to perceptions of SITL employees participated in the study.

Based on findings in Table 4.3, the mean score for intrinsic motivation obtained was 3.6 having a standard deviation of 0.85. The findings justify that there is high level of intrinsic motivation in SITL.

On the other hand, extrinsic motivation was assessed by using 7 item measurement scales focusing on seven extrinsic motivation variables. Perceptions of employees with regard to seven item measurement scales were examined. The findings in Table 4.3 indicate that there is high level of employees extrinsic motivation (mean score=3.4, SD=0.74).

The overall motivation was assessed by using perceptions of employees with regard to 11 item measurement scale adopted from Kavach (1995) as shown in Table 3.3. The findings in Table 4.3 show that there is high overall motivation among employees in

Strategic Insurance Tanzania Limited (SITL) (mean score=3.5, SD=0.76).

Table 4.3: The level of motivation of SITL employees

Variable	Mean	SD
Intrinsic motivation	3.6	0.85
Extrinsic motivation	3.4	0.74
Overall motivation	3.5	0.76

Source: Field Data, 2019

4.5 The relationship between motivation and employee performance

The study assessed relationship between motivation and employee performance of employees in SITL. The study examined the influence of intrinsic motivation and extrinsic motivation on employee performance as well as influence of overall motivation on employee among SITL employees.

4.5.1 The influence of intrinsic and extrinsic motivation on employee performance

The influence of motivation on employee performance was examined through regression model. In the regression model, intrinsic motivation was examined as total scores of 4 item scales (Table 3.4) measuring individual employees' perceptions pertaining to responsibility, interesting work, carrier development and recognition motivation. The extrinsic motivation was measured by using total scores of individual employees' perceptions regarding 7 item measurement scales of extrinsic motivation (Table 3.5)

regarding to wage, reward, promotion, fairness, supervisory relation, working condition and job security. Also, in linear regression, employee performance was entered as the total scores of 5 item scale measuring employee performance (Kuvaas, 2006) with regard to perceptions of SITL employees. The multiple linear regression analysis was used to examine the influence of intrinsic and extrinsic motivation on employee performance.

The findings showed that intrinsic motivation and extrinsic motivation explained employee performance by 13.1%. Moreover, findings in Table 4.4 indicate that F statistics is significant ($F=8.540$, $p<0.001$) and this implies that the regression model is a significant fit to the data. On the other hand the study found that intrinsic motivation has positive significant influence on employee performance is ($\beta_1= 0.341$, $p=0.022$) as results presented in Table 4.4. However, extrinsic motivation found to have no significant influence on employee performance at SITL.

Table 4.4: Influence of intrinsic and extrinsic motivation on employee performance (n=115)

Variable	B	S.E.	T	p value	VIF
Intrinsic motivation	0.341	0.148	2.313*	0.022	1.937
Extrinsic motivation	0.090	0.105	0.853	0.396	1.937
Constant	18.917	1.924	9.831***	<0.001	

$R^2=13.1\%$, ***F-Statistics = 8.540, ***Significant at $p<0.001$, *Significant at $p<0.05$

Source: Field Data, 2019

4.5.2 The influence of overall motivation on employee performance

The influence of overall motivation on employee performance was assessed by using simple linear regression. involving average of the total scales for motivation adopted from Kavach (1995) (Table 3.3) against total employee performance measured by sum of scores of 5 item measurement scales as adopted from Kuvaas (2006) presented in Table 3.2. Findings in Table 4.5 reveal that F statistics is significant ($F=19.801$, $p<0.001$) which implies that the regression model is a significant fit to the data. On the other side, the study found that overall motivation has positive significant influence on employee performance in Strategic Insurance Tanzania Limited ($\beta_1= 0.201$, $p<0.001$) as shown in Table 4.5. Overall motivation explained the occurrence of performance by 14.9%. Therefore, increase in overall motivation has impact by increasing performance of employees.

Table 4.5: Influence of overall motivation on employee performance (n=115)

Variable	B	Standard error	T	p value
Overall motivation	0.201	0.045	4.45***	<0.001
Constant	19.73	1.798	10.976***	<0.001

$R^2=14.9\%$, ***F-Statistics = 19.801, ***Significant at $p<0.001$

Source: Field Data, 2019

4.6 Hypothesis testing

The study had null and alternative statements of hypothesis as states below:

Null hypothesis (H_0): Motivation has no influence on employee performance.

Alternative hypothesis (H_1): Motivation has positive influence on employee performance

The study used simple linear regression model to test these hypotheses. Based on outputs of simple linear regression analysis, motivation was found to have significant positive influence on employee performance in SITL ($\beta_1 = 0.201$, $p < 0.001$). Therefore, the study rejects the null hypothesis and confirms the alternative hypothesis which stated that motivation has positive influence on employee performance.

4.6.1 Test of autocorrelation assumption - Durbin–Watson test

A Durbin–Watson test of correlation among the residuals usually reveals to us a substantial autocorrelation (Green, 2003). Field (2009) posits that, with the Durbin–Watson tests whether adjacent residuals are correlated. He suggests that the test statistic can vary between 0 and 4 with a value of 2 meaning that the residuals are uncorrelated. A value greater than 2 indicates a negative correlation between adjacent residuals, whereas a value below 2 indicates a positive correlation.

It is therefore reasoned that, the statistic values of Durbin-Watson (d) should not be less than 1 or greater than 3 and definitely not approximately 2, thus, the recommendable values should range between 1.5 and 2.5 (Field, 2005; 2009; Green, 2003; Statistics Solutions, 2013b). With the results in Table 4.13 it was found that the Durbin-Watson value ‘ d ’ was 1.503, which lays between the two acceptable values of $1.5 < d < 2.5$. Therefore, it can be assumed that there were no first order linear auto-correlation errors

in the multiple linear regression data, implying that the regression model was correctly specified with uncorrelated variables and allegedly enhancing its accuracy.

Table 4:6: Measure of Autocorrelation assumption – Durbin-Watson

Model Summary^b

Model	R	R Square	Adjusted Square	R Std. Error of the Estimate	Durbin-Watson
1	.874 ^a	.728	.745	3.13425	1.503

a. Predictors: (Constant), Intrinsic motivation, Extrinsic motivation

b. Dependent Variable: Employee performance

4.6.2 Test of Multicollinearity Assumption on independent variables.

Table 4.7 gives the results of the test of multicollinearity assumption. Multicollinearity is the extent to which a variable can be explained by the other variables in the analysis (Black & Babin, 2010). The presented results below give two values: Tolerance and Variance Inflation Factor (VIF). According to Pallant (2007) tolerance is an indicator of how much of the variability of the specified independent is not explained by the other independent variables in the Model and the other value given is the VIP (Variance inflation factor), which is just the inverse of the Tolerance value (1 divided by Tolerance).

Various recommendations for acceptable levels of tolerance and VIF have been published and presented in the literature with cut-off points for determining the presence

of multicollinearity. Most commonly, a value of more than .10 i.e. 0.1 for tolerance has been reported to suggest the possibility of multicollinearity and the value of not above 10 as the maximum level of VIF.(Kutner, et al 2005; Pallant, 2007, 2013;Field 2000, 2009; Green 2003) More simply put, as a rule of thumb, a tolerance value of less than .10 and the VIP values above 10 would be a concern here or the larger the value of VIFthe more “troublesome the multicollinearity of the variables. (Gujarati, 2004; Hair Jr. et al. 2010;Pallant, 2009) As per the results below, the tolerance value for each independent variable is greater than 0.1; thus, it indicates that there was no violation of the multicollinearity assumption. This is also supported by the VIP threshold which is well below the cut-off of 10 thus indicating no concern with multicollinearity; thus all variables will be retained.

Table 4.7: The Results of the Test of Multicollinearity assumption.

Model		Collinearity Statistics	
		Tolerance	VIF
1	Leadership	.296	2.535
	Employee involvement	.159	5.657
	Employee training	.178	5.159

a. Dependent Variable: Employee performance

4.6.3 Test of Homoscedasticity assumption

Homoscedasticity usually depicts a situation where the error term in the relationship between the independent and dependent variable is the same across all values of the independent variables (Statistics Solutions, 2013a) On the contrary, heteroscedasticity i.e. the violation of homoscedasticity is present if the size of the error term differs across values of an independent variable. Green (2003) highlights that it is useful to be able to test for homoscedasticity and if necessary, modify our estimation procedures accordingly so as to avoid violating the assumption since it may pose potentially severe problems for inferences based on least squares.

Most scholars allegedly, consider the White test as the commonest test for heteroskedasticity (Carter Hill, Griffiths, & Lim, 2011; Green, 2003; Gujarat, 2004; Gujarat & Porter, 2010) Moreover, they infer that to measure heterosdasticity with White Test, the calculated (expected) Chi-square value and observed (critical) chi-square value are compared by this formula: $NR^2 \sim X^2_{df}$; where NR^2 = is the calculated (expected) chi-square value, N = is the sample size (observed number of individuals), R^2 = is R-square (coefficient of determination), X^2 = is the critical chi-square value at chosen level of significance and df = is the degrees of freedom (number of regressors).

As a rule of thumb, whenever calculated chi-square value is greater than the critical chi-square value at a chosen level of significance, the hypothesis of homoscedasticity is then rejected in favour of heteroscedasticity. Conversely, if the calculated chi-square value is less than the critical chi-square value then there is no violation of the assumption of

homoscedasticity. In this light, as from the data analysis (Table 4.13), $R^2 = 0.728$ and $N = 115$, thus the calculated chi-square value is given by $NR^2 = 0.728 \times 115 \rightarrow 83.72$ whereas, the critical chi-square value at a 0.05 level of significance and a $df = 114$ is 83.72. The results show that the critical (observed) chi-square value exceeds the calculated chi-square value at a chosen level of significance (0.05), so the conclusion is that there is no exhibition of heteroscedasticity problem in the model as suggested in Green, (2003), Gujarat, (2004), Gujarat and Porter,(2010) and Carter Hill, et al (2011).

4.6.4 Test of Normality Assumption.

The assumption of normality is of great importance in many aspects of statistical inference, essentially, for constructing confidence intervals or statistics for testing hypothesis as well as in establishing reference intervals for variables. (Binder & Roberts, 2009; Carter Hill et al 2011; Greene, 2003; Royston, 1991) Ghasemi and Zahediasl (2012) highlight that the assumption of normality should be checked for many statistical procedures, i.e. parametric tests, because their validity depends on it. However, Öztuna, Elhan and Tüccar (2006) and Field (2009) argue that, a careful consideration should be given to normality and other requisite assumptions, for when properly applied, these assumptions help in drawing good, accurate and reliable replica of reality. The Kolmogorov-Smirnov and Shapiro- Wilk test were used for testing normality. The Sig. value (p-value) of more than .05 indicates normality i.e. normal distribution (Elliott & Woodward, 2007; Field, 2000; 2009; Greene, 2003; Pallant, 2007; Pallant, 2013; Tabachnick, & Fidell, 2007).

The results of the Shapiro-Wilk statistics show the $p < .001$ (.000) which is lower than the 0.05 level of significance and so inferring that the test was significant. This is quite common in larger samples as Pallant (2013), Field (2000, 2009), Elliott & Woodward (2007) and Hazra and Gogtay (2016) observe. They further deduce that, with large sample sizes (say $n > 100$), the violation of the assumption of normality often does not deviate enough from normality to make a substantive difference in the analysis. This assumption often holds even when the sample is not so large but say is over 30. In other words, with large samples the parametric procedures can be used even though the data are not normally distributed. The results also were in agreement with the views of Tabachnick and Fidell, (2007) and Gujarati (2004) who underscored the fact that, if the sample size is reasonably large, we may be able to relax the normality assumption as it is enough to suggest normality of sampling distributions of means. It is therefore stressed that, there is no reason to expect distortion of results due to failure of multivariate normality. The Kolmogorov-Smirnov and Shapiro- Wilk statistics were tabulated in Table 4.8 below.

Table 4.8: Tests of Normality

Variables	<u>Kolmogorov-Smirnov^a</u>			<u>Shapiro-Wilk</u>		
	Statistic	df	Sig.	Statistic	df	Sig.
Intrinsic motivation	.158	115	.000	.856	115	.000
Extrinsic motivation	.139	115	.000	.862	115	.000
Employee performance	.193	115	.000	.839	115	.000

a. Lilliefors Significance Correction

To further meet the assumption of normality, Skewness and Kurtosis tests were also applied. Tabachnick and Fidell (2007) observed that skewness has to do with the symmetry of the distribution; a skewed variable is a variable whose mean is not in the center of the distribution; but kurtosis has to do with the peakedness of a distribution; a distribution is either too peaked (with short, thick tails) or too flat (with long, thin tails). They posit that, a variable can have significant skewness, kurtosis, or both. A distribution is normal when the values of skewness and kurtosis are zero, however, the values for skewness (asymmetry) and kurtosis ranging between -2 and +2 are considered acceptable for accurate interpretation and as a proof for normal univariate distribution. (George & Mallery, 2010; Gravetter & Wallnau, 2014; Field, 2007; 2009) According to the results above, normality of both four variables was altogether validated as all skewness and kurtosis' values were ranging between -2 and +2 as illustrated in Table 4.9.

Descriptive statistics		Statistic	Std. Error
Intrinsic	Std. Deviation	5.217	
motivation	Skewness	-.564	.187
	Kurtosis	-.845	.373
Extrinsic	Std. Deviation	6.113	
motivation	Skewness	-.719	.187
	Kurtosis	-.421	.373
Employee	Std. Deviation	6.241	
performance	Skewness	-.930	.187
	Kurtosis	.015	.373

Table 4.9: Skewness and Kurtosis Tests of Normality statistics

4.7 Discussion of findings

The objective of the study was to assess influence of motivation on employee performance in Strategic Insurance Tanzania Limited. Specifically, the study examined the level of employee performance, assessed motivation of employees in SITL and examined the influence of motivation on employee performance. The study found that there is high performance among employees shown by most employees having morale and desire of increasing efforts. Moreover, the study findings show that there is high employee motivation in SITL. Employee motivation increases morale and builds loyalty among employees to their organization which at the end of the day contribute to the delivery of quality services to SITL clients.

Motivation demonstrated positive significant influence on employee performance. Similar findings were reported by other studies such as Kosiet *al.* (2005), Samad (1995) and Ming (2005) that motivation have significant influence on employee performance. In specific, intrinsic motivation also found to have positive significant influence on employee performance. This means that increase of overall motivation particularly intrinsic motivation increases employee possibility in making decision towards increasing productivity. The findings of this study regarding influence of intrinsic motivation on employee performance is partly congruent to survey results revealed by Samweli&Chipunza (2009) which found that intrinsic motivation have significant influence on employee performance in public and private sector. On the other hand, findings of this study differ from Samweli&Chipunza (2009) since their study was also found extrinsic motivation as a strong predictor of employee to perform well. The findings of this study are also in contrast with studies by Kinner& Sutherland (2001) and Maertz&Griffeth (2004) which reported extrinsic motivation as a strong determinant of employee performance.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Overview

The study assessed influence of motivation on employee performance in SITL. A descriptive research design with a cross-sectional survey strategy was adopted. A sample of 115 employees of SITL was selected in Dar es Salaam. Questionnaires were used to collect primary data from the sampled respondents. Descriptive statistics, correlation and regression analysis techniques were used to carry out the analysis according to the study's objectives. This chapter presents summary of findings and conclusion. It also provides appropriate recommendations including general recommendations and suggestions for further research.

5.2 Summary of Findings

Summary of findings covers results on employee performance, motivation in SITL and role of motivation on employee performance. The study found that there is high employee performance in SITL. Moreover, there is high motivation in SITL. Overall motivation found to have positive significant influence on employee performance in the SITL. In specific, intrinsic motivation also found to have positive significant influence on employee performance.

5.3 Conclusion

The general objective of the study was to assess the effects of motivation on employee performance for SITL. In order to assess the main objective, three specific objectives were used as below; to examine the effects of intrinsic motivation on employee performance in Strategies Insurance Tanzania Limited (SITL). The findings

indicated that most respondents agreed that intrinsic motivation variables such as recognition, job enrichment, interesting job, responsibility, and career development affects employee performance. To find out the effects of extrinsic motivation on organization performance, the findings revealed that extrinsic motivational variables such as good working condition, salary, wages and bonus, promotion, rewards, fairness and job security positively affects employee performance. To find out the relationship between motivation and organizational performance the findings on this specific objective revealed that the motivated employees lead to organizational performance. A higher percentage of the respondents agreed that both intrinsic motivation and extrinsic motivation can lead to employee performance.

5.4 Recommendations

Based on objectives and findings, the study presents general recommendations and suggestions of further research.

5.4.1 General recommendations

The **SITL** should effectively continue enhancing motivation of employees. If motivated, employees are most likely to have high morale of work and demonstrate loyalty to their organizations. Therefore, motivation may help the organization to curb effectively the effect of reducing work morality.

5.4.2 Suggestions of further research

The study is suggesting another research to assess the role of motivation on organizational performance at **SITL**. Relationship between employee motivation and organizational performance was not covered by the current study. Carrying out this proposed research will add very useful information which can assist the **SITL** to

review its policies regarding how to raise morale of employees hence enhancing them to perform well and increase on organizational performance.

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APPENDIX: QUESTIONNAIRE

Part 1: Introduction

Dear respondent, my name is Ms. Mary Noel, a Master of Business Administration student at the Open University of Tanzania. I am carrying out a research on **The Role of motivation on Employee Performance** as part of the requirement for the award. I have sampled you as a person suitable to provide the information required. I request you to spare part of your valuable time to fill this questionnaire. The information you provide will be treated ethically with the degree of anonymity and confidentiality it deserves.

Part 2: Questionnaires- Personal information

1. Your age (please tick the appropriate answer)

31-40 years () 41-50 years ()

51-60 years ()
2. Gender (please tick the relevant answer)

a. Male () Female ()
3. Marital Status (circle the relevant answer)

a. Single b. Married c. Others
4. Academic qualifications (please tick the relevant answer)

a. Diploma () b. Bachelor () c. Above bachelor ()
5. How long have been working at this organization? (circle the relevant answer)

a. 1-10 years ()

b. 11- 10 years () c. Above 21 years ()

Part 3: Employee motivation

Please read each statement and, then circle one of the five numbers against it. The number you choose to circle should be the number that represents the extent to which you agree with what the statement is saying about you and your job, where:

1 = Strongly Disagree (SD); 2 = Disagree (D); 3 = Neutral (N); 4=Agree (A); and 5=Strongly Agree (SA).

Statements	SD	D	N	A	SA
1. I feel I am involved in my job in this organization	1	2	3	4	5
2. My job is secure with in this organization	1	2	3	4	5
3. My supervisor helps me with my personal problems	1	2	3	4	5
4. My organization offers me good wages	1	2	3	4	5
5. My work in this organization is interesting	1	2	3	4	5
6. I feel there is tactful disciplining in this organization	1	2	3	4	5
7. I am provided with opportunities for promotion in this organization	1	2	3	4	5
8. I am provided with opportunities for career development in this organization	1	2	3	4	5
9. Working conditions in this organization are generally good	1	2	3	4	5
10. Management/supervisor loyalty to employees is very high	1	2	3	4	5
11. I am fully appreciated for a job well done here	1	2	3	4	5

Source: Adopted from Kovach (1995)

Part 4: Working Performance

On the scale from 1 to 5 rate the following statements as they relate to your working performance. (1= very low, 2 = low, 3= moderate, 4= high, 5 = very high)

SN	Issues	(1)	(2)	3)	4)	(5)
12	How would you rate your overall work performance compared to your peers' with the same experience doing work similar to yours?					
13	How would you rate your overall work performance compared to your peers' with the same qualifications doing work similar to yours?					
14	How would you rate the quality of your work compared to that of your peers' doing work similar to yours?					
15	How would you evaluate your productivity level compared to that of your peers' doing work similar to yours?					

Thank you for your time and co-operation. Your opinions are highly valued.

Please be assured that your answers will remain anonymous.