

Employee Motivation and Commitment in Bole-Lemi and Hawassa Industrial Parks, Ethiopia

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Abstract

Purpose of the current study was to examine an employee motivation and commitment Change of Employment Behavior and its effect on organization performance through testing the mediating role of staff agility/work force agility with reference of Bole-Lemi and Hawassa Industrial Parks, Ethiopia. Organization factor, HRIS User's Competency, Behavioral Intentions and IT Factors were considered as independent variables and organization performance as dependent variables. An integrated conceptual framework was developed from the different Theories of HRIS adoption in HRM. The survey units were the line managers of private College's/Universities in Ethiopia particularly selected from Southern Ethiopia. Explanatory and descriptive research designs were employed in this study. Structural Equation Model was employed to test the complex model of the study and Data were collected through structured-five Likert scale questionnaires with respondents and the response rate was 96%. The findings of the study through Descriptive statistics revealed that the adoption of HRIS in Ethiopian private a higher Education institution is not matured and more is left. Half of respondents reported that their institutions never applied the digitalization of HRM in their institutions. The finding of study through Structural Equation Model show that Behavioral Factor has significant association with the mediating variable of work force agility and for this study and the rest independent variables have no association with work force agility. IT factors have significant association with organization performance and other independent variables have no statistically significant association with organization performance. However, it doesn't mean that the variables are practically not related with both mediating and dependent variable but, it does mean that the current study's statistical value failed to support their association. Therefore, a better understanding of adoption of HRIS behavior and the level of implementing of HRIS applications requires that firms' behavioral and IT factors be viewed as determinants of easy adoption. The current research contributes to the existing body of knowledge by enhancing current understanding of the organizational adoption of HRIS, which is an under-researched area in Ethiopia as a developing country.

Keyword - Role, Life Skill, Training Change, Employment Behavior

1. INTRODUCTION

In today's globalized environment, motivating employees has emerged as a critical factor for enhancing performance and fostering commitment, both of which are essential for the survival and competitiveness of organizations. Indian companies, irrespective of their industry or business model, are increasingly focusing on employee motivation to boost commitment and encourage better contributions to overall organizational performance. Motivation serves as the foundation for organizational change, facilitating shifts in employees' thinking, emotions, and behaviors. A motivated employee is likely to demonstrate diligence and dedication, leading to improved task effectiveness. Additionally, motivated employees typically display higher levels of commitment and performance, significantly contributing to the achievement of organizational goals. Enhancing employee motivation has become imperative for boosting productivity within organizations. It sustains the efforts of employees and is regarded as the cornerstone of organizational effectiveness. By cultivating a motivated workforce, organizations help their employees develop a strong sense of commitment and guide them in the right direction. Organizations of all sizes and across various industries strive to foster positive and robust relationships with their employees. However, each employee possesses unique needs influenced by different motivators. While some are inspired by rewards, others may prioritize achievement or job security. Therefore,

it is crucial for organizations and their managers to gain insight into what truly motivates their workforce in order to optimize organizational performance. Proper motivation cultivates job satisfaction, promoting lasting commitment among employees and creating an environment where organizational objectives take precedence over individual goals. In Ethiopia, the concept of developing industry parks was introduced recently with primary aim to foster the national economic development by shifting the base of national economy from agriculture to industrialization. In the meantime, it was hoped to create job for many job-less at youth age, which, if motivated, can enhance the industry development. Nowadays, 13 industry parks are operational and thus assessing the working environment in these industry parks is essential to improve the production and productivity of the industry parks.

2. REVIEW OF LITERATURE

There are numerous studies that investigated the relation between employee motivation and commitment. To mention few, for instance, Ghafoor (2012), in a cross-sectional study, investigated how demographic factors impact job satisfaction among academic staff at both public and private universities, revealing notable disparities in job satisfaction based on these demographic characteristics. Yücel (2012) explored the connections between job satisfaction, organizational commitment, and employees' intention to leave their jobs, creating a model that illustrates these relationships. Rahman (2012) found significant variations in job satisfaction related to age, gender, rank, years of experience, academic qualifications, and performance, although no significant differences were noted concerning publication records. An investigation by Nanga, Mudhovozi, Chireshe, and Maunganidze (2012) into job satisfaction within higher education institutions revealed that only a small percentage of employees expressed satisfaction with their roles. Mustapha (2013) examined the link between financial rewards and job satisfaction among college lecturers, concluding that financial incentives are positively correlated with job satisfaction. Ita Mariza (2016) analyzed how motivation affects employee performance and found that it significantly influences performance both directly and indirectly, with employee engagement acting as an intermediary factor. An analytical study by Suzila Mat Salleh and Ahmad Suffian Mohd Zahari (2016) highlighted that committed employees tend to concentrate more on their job performance and are less likely to leave their organizations. They found a positive relationship between employee positivity, productivity, work motivation, and organizational commitment. Qëndrim Bytyqi (2020) determined that the relationship between work motivation and organizational commitment is notably strong. Given this context, the present research seeks to address the following research questions.

3. RESEARCH QUESTIONS

- What impacts do the demographic variables have on the motivation and commitment of the employees?
- What are the factors that influence employee motivation and commitment in the industry parks?
- What are the factors that influence employee commitment in the industry parks?

4. RESEARCH METHODOLOGY

The study uses a descriptive research design to provide insights into a phenomenon's current situation. Data was collected from both primary and secondary sources, including a well-structured questionnaire and journals, magazines, and reports. The sample size is 490, and the sampling technique is simple random sampling. The data was analyzed using SPSS, and various statistical tools and techniques were used, including mean, standard deviation, Correlational Analysis, and Weighted Average Method.

5. ANALYSIS AND INTERPRETATION

The data collected from the participants were presented on tables in line to the research questions. Mainly a brief summary was presented below.

5.1. Employee motivation and commitment

The study has investigated whether there are perceptual differences between male and female employees regarding the impact of employee motivation on their commitment and organizational performance.

Table 1: Employee motivation and commitment towards organizational performance based on gender

Gender*	Mean	t	df	Sg. (2-tailed)
M	3.26	-0.857	168	.316
F	3.32			

* M=Male; F=Female

The table above depicted the probability value of .316 is greater than .05 level of significance. Therefore, it is concluded that there is no significant difference between male and female employees in their perception that employee commitment and performance is because of motivation imparted in the organization.

5.2. Employee motivation and commitment

Researches earlier give a clear indication that work experience has a significant impact on the performance of employees which in turn contributes towards organizational productivity to a very great extent (Chandrasekar, 2011; Taiwo, 2009).

Table 2: Employee motivation and commitment towards organizational performance based on work experience

Work experience	Mean	F	df	Sig. (2-tailed)
Below 10 years	4.10	.311	4	.642
11-20 years	4.19			
21-30 years	4.40			
31-40 years	4.11			
More than 41 years	4.22			

The table indicates that the probability value of .642 is greater than the .05 level of significance, indicating that there is no significant difference in the impact of work experience on employee motivation and commitment.

5.3. Working environment and employee motivation

Various studies have emphasized the importance of a creative, challenging, and positive working environment for the employees to work effectively, and to remain motivated in organizations (Setiyani et al., 2019). In this research, employees' perception was assessed based on certain critical factors.

Table 3: Employee opinion towards work environment

S. No.	Opinion	f	%
1.	Comfortable	29	5.92
2.	Friendly	50	10.2
3.	Stressful	290	59.2
4.	Motivating	46	9.4
5.	Challenging	75	15.3
	Total	490	100

The table shows that 5.92% of respondents find the working condition comfortable, while 10.2% find it friendly. 59.2% find it stressful, 9.4% find it motivating, and 15.3% find it challenging. The majority of respondents (59.2%) find the working environment to be stressful.

5.4. Work related factors on employee motivation

Work-related factors can have a significant impact on employee motivation and performance. According to Al-Madi, et al (2017), setting and accomplishing objectives, clear expectations, acknowledgment, feedback, and supportive management contribute to an increase in workplace motivation.

The table below depicts that the probability value of .000 is less than .05 level of significance. Henceforth, it is concluded that there is significant difference between the impacts of the various work related factors on employee

performance. Recognition and reward in the work environment is found to be the most significant factor that influences employee performance which is seen from the mean rank value of 4.77 which is followed by well-defined goals with a mean rank value of 4.55.

Table 4 Influence of work-related factors on employee motivation and performance

Work related factors	Mean rank
Flexibility	3.21
Opportunities for growth and development	3.55
Team work	3.72
Clear communication	4.41
Recognition and reward	4.77
Well-defined goal	4.55
Organizational culture	1.75

N	490
Chi-Square (χ^2)	64.43
df	4
ASP. Sig	.000

Factors contributing towards employee motivation

Table 5: Factors contributing towards employee motivation

Factors	Job security	Rewards	Salary increment	Work condition	Recognition
Female	59	17	100	87	8
Male	46	21	80	53	19
Total	105 (21.4%)	38 (7.7%)	180 (36.7%)	140 (28.6%)	27 (5.5%)
Rank	3rd	4th	1st	2nd	5th

The table shows that salary increment is the most influencing motivating factor, ranked first by 36.7% of respondents. Work conditions are second, followed by job security and rewards. Recognition is the least motivating factor, at 5.5%. The table suggests that salary increment is the most influencing motivating factor.

5.6. Factors influencing employee commitment

There are a variety of organizational factors that shape employees commitment. According to Meyer & Allen (1997) some factors are related to the job itself while others link to the employees. Cohen (2003) adds factors such training and development opportunities, organizational structure and management style do play crucial roles in shaping employee commitment.

Table 6: Factors influencing employee commitment

Factors	Organizational policies	Leadership style	Training and development opportunities	Job characteristics	Personal factors
Total	133 (27.1%)	160 (32.6%)	80 (16.3%)	89 (18.2%)	28 (5.7%)
Rank	2 nd	1 st	4 th	3 rd	5 th

As depicted on the above table, the commitment of employee in the industry parks is found to be highly influenced by leadership style (ranked 1st by 32.6%) of the participants, followed by organizational policies which are ranked 2nd 27.1%). Job characteristics and training and development opportunities are ranked 3rd and 4th respectively. Finally, it is the personal factors which affect the commitment of employees as ranked 5th by the employees participated in this study.

5.5. Employee Commitment and Organizational Performance

Employee commitment is a key factor in organizational performance and success. When employees are committed to their organization, they are more productive and dedicated, which helps the organization achieve its goals.

Table 7: Analysis of commitment and performance factors

X	120	137	75	56	111	490
Y	130	88	132	101	39	490

The correlation coefficient formula is:

$$r = \frac{n \sum XY - \sum X \sum Y}{\sqrt{(n \sum X^2 - (\sum X)^2) \cdot (n \sum Y^2 - (\sum Y)^2)}}$$

Where;

n = the number of data points, i.e., (x, y) pairs, in the data set.

$\sum XY$ = the sum of the product of the x-value and y-value for each point in the data set.

From the above statistical data, one can conclude that the value of $r = 0.82$ implies a high degree of correlation between the variables. This in turn implies employee commitment and its contribution towards organizational performance are highly correlated to each other.

5.6. Employee commitment and financial incentives

The data analysis reveals a significant association between financial and non-financial incentives and employee commitment. The career growth prospectus, a key factor in influencing commitment, has a high association with both financial and non-financial incentives. This indicates a strong correlation between factors influencing employee commitment and incentives provided.

Table 8: Result of chi-square test for employee commitment and financial incentives

	Calculated value	df	Sig. value
Pearson chi-square	6.83	4	.066

6. FINDINGS AND CONCLUSION OF THE STUDY

The study found that employee commitment and performance are primarily influenced by motivation within an organization. Both male and female employees share similar perceptions, with no significant difference found in work experience impact. The study indicated most of the participants of this research find the work environment challenging. The most significant factor affecting employee performance is motivation, with salary increment ranking first. Employee commitment and its contribution to organizational performance are highly correlated, with an r value of .82. There is a significant relationship between factors influencing employee commitment and incentives provided, with career growth prospects having a high association with both financial and non-financial incentives. Overall, the study highlights the importance of motivation in fostering employee commitment and performance.

7. RECOMMENDATIONS

Repetitive tasks can lead to demotivation and boredom in industry parks management. To prevent this, job rotation is recommended to enhance employee involvement and interest. Incorporating adequate training programs and feedback systems can improve the working environment, techniques, and quality. High employee involvement results in higher motivation and satisfaction. Prioritizing recognition, growth opportunities, and promotion opportunities can trigger motivation. Offering opportunities for employees to contribute innovatively and suggest organizational decisions can boost morale. Focusing on intrinsic motivators and fostering a positive organizational culture can enhance workforce productivity and retention. Overall, implementing these strategies can improve employee satisfaction and productivity in

Bole-Lemi and Hawassa Industrial Parks in Ethiopia.

Future research

Future research should explore longitudinal studies to assess the long-term impact of these factors on employee performance in the industry parks in Ethiopia in general and the Bole-Lemi and Hawassa Industrial Parks in Ethiopia.

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