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**Impact of Motivation on Employee Performance at a Bank in
Estonia**

Master's thesis

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I hereby declare that I have compiled the thesis independently and all works, important standpoints and data by other authors have been properly referenced and the same paper has not been previously presented for grading. The document length is 13250 words from the introduction to the end of conclusion.

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List of Abbreviations

C&B	: Compensation and Benefits
HR	: Human Resources
HRM	: Human Resources Management
ICT	: Information and Communications Technology
MOP	: Measurement of Performance
PA	: Performance Assessment
PPP	: Performance Pay and Productivity
PR	: Performance Review
WFH	: Work from Home

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ABSTRACT

This research investigates whether motivation has a significant impact on employee performance based on data gathered at a private financial organization. It also aims to find out about the various motivational factors that influence employee performance. A structured questionnaire was distributed as the instrument to obtain primary data via the employees of an international bank located in Estonia. Simple percentages, distribution tables and statistical tools are used to analyze the data. Chi-Square Test of Independence is used to test the hypothesis of the research. The research also identifies and explains the factors that affect employee motivation along with major theories of motivation. Since not all employees and work settings are the same, managers must know the types of motivations that the employees respond to in order to increase motivation. Since motivation is a sophisticated factor, its correct application is necessary to have a successful impact on performance. The findings of the research based on the responses provided by a sample of 73 responses, reveal that there is a significant relationship between motivation and employee performance. Employees tend to perform better when they receive motivation in form of salary, good relationship with superiors, challenges and office environment. The necessity of this research is situated in its provision of identification of motivational factors for the organizations and their managers. The research recommends the organizations to use motivational factors to increase employee performance and rate of reaching organizational targets.

Keywords: motivation, employee performance, productivity, motivational factors

INTRODUCTION

Employees are the most valuable asset of an organization. Employee motivation and performance is irreplaceable for any organization in order to have smooth operations. High level performance of employees creates a strong image in the eyes of bank's customers. Today's competitive environment requires the organizations to have a good performance, gain competitive advantage over others and cooperate with others. It is vital to use the resources available in order to accomplish these goals. This research investigates whether motivation has an impact on employee performance. Human resources (HR) is an important knowledge that the organizations have. Since employees fill all the gaps between the processes and carry out tasks in daily business, it is very important to have motivated employees in order to fulfill the tasks properly.

The main goal in choosing this topic is to prepare a meaningful and to the point thesis which is closely related to the real business environment, and also complementary and supportive to the author's field of profession. Having worked in the financial sector for around six years, the author was exposed to many motivation and job performance related issues such as hardworking employees having low performance due to lack of communication or healthy relationship with immediate managers, and the positive effects of moving to a modern office environment on employee motivation. Subsequently it seemed more interesting to study the topic from the employees' point of view to find out about the impact of motivation on employee performance because employee opinions have great undiscovered potential that is yet to be fully realized. The primary intention is to create a work from which both the organizations and their employees can benefit from. The motivation behind this thesis is to discover whether there is a significant relationship between motivation and employee performance and to find out about the most effective motivators from employees' point of view.

The main objective of this thesis is to find out whether there is a significant relationship between motivation and employee performance. The focus of the thesis is to find out about the importance levels of different types of employee motivations. Additionally this thesis also aims to shed light on the research question "Does motivation play a role in meeting organization's goals?". Also an answer to the question "Does motivation play a role in productivity from the employees' point of view?" is sought. "What are the most important motivators in each one of intrinsic, extrinsic,

working environment and job enrichment motivations?” is another research question that is seeking suggestions for organizations in financial sector on what kind of incentives and motivators to provide to their employees and make way for further research areas to find ways to optimize these motivators and apply in different sectors.

In order to achieve the objective it was decided to conduct a survey with financial sector professionals who are working at an international bank located in Estonia. The questions in the survey are asked from the personal background information such as age, sex, level of education; nature of motivations and productivity and meeting organizational aspects in order to cover all the relevant factors related to the research questions.

A hypothesis is a statement which can be proved or disproved by applying statistical tests, and is used to predict the relationship between variables. A hypothesis is generally based on a previously stated theory. According to Shanks (2007), employee performance is affected by motivation, capabilities and the work environment. Organizations must motivate their employees for two reasons: to motivate employees in order to meet the organizational goals and to reach personal goals.

This research therefore tests the following hypothesis for a private financial organization:

- H0: There is no significant relationship between motivation and employee performance.
- H1: There is a significant relationship between motivation and employee performance.

Despite various research on motivation and employee performance, there is scant study on examining employees that are working in the finance sector in Estonia. The author believes that the thesis will provide a good understanding on motivation and its impact on employee performance since this authentic research includes an analysis gathered by first-hand data and experience from the employees' point of view.

The scope of this thesis is limited to conducting a survey to find out about the impact of motivation on employee performance. The survey is conducted at an international bank that is located in Estonia and the target population for this research is the employees who work at this bank.

It must be acknowledged that there are certain limitations to the use of the survey as a means of data collection. Surveys generally measure feelings and perceptions which can be subjective and very different in real life. The participants can be under the influence of social desirability bias since the questions are related to a delicate matter such as performance. In addition, the questions asked in the survey were limited to general topics with respect to the agreement made with the bank regarding non-exposure of the internal policies and procedures.

This master's thesis is composed of 3 complementary chapters along with the Introduction and Conclusion parts. The introduction part provides the readers with the motivation behind the research, the objective of the research, the scope of the research, the main research questions along with the hypothesis test of the research and finally the chapter overview.

Chapter 1 provides a theoretical background to the research along with the relevant literature review from previous studies and research questions that are relevant to the topic.

Chapter 2 is dedicated to describing the outline of the methodology used in this thesis, explaining the research method and the request to the case study bank for collaboration. Survey design and preparation, and population of survey are described as well.

Chapter 3 concentrates on the general discussion of the data analysis. Furthermore, the results of data collection process and the outcome of research questions are provided.

Lastly the conclusion part gives a discussion of the implications of the results of the thesis. Light is shed on the impact of motivation on employee performance. There is a summary section where the findings are briefly explained along with the recommendations.

1. THEORETICAL BACKGROUND

Motivational process influences the job performance and work outcomes of an employee along with the job satisfaction of an employee (John *et al* 2012, 3 cited Strain 1995 and Chughtai 208). Motivating the employees is closely related with the HR and Human Resources Management (HRM) practices. Therefore it is vital to use this resource effectively in order to increase employee performance and reach organizational targets in the bigger picture.

Employees are everywhere within the organization. They are not just people sitting around and functioning like robots but rather filling the gaps between the procedures and working the processes. Employee performance is crucial for the organizational success and it can increase or decrease depending on many factors. Motivation is as important to the organization as it is to the employee that “motivation of human resources in the organization will bring extra performance to the manager that hopes to reach the organization's goals” (Robescu, Iancu 2016, 1).

1.1. Motivation

All private financial organizations aim to be successful and profitable. Nevertheless, only some of them realize that the HR is an important asset they can use. Human resource can either lead the firms to profits or to failure if not managed and motivated properly.

Motivation is a commonly used word that is derived from a shorter word “motive” which means several things such as a person’s desires, needs, wants and drives. Its origin is the Latin word “movere” which means to move (Ramlall 2004 *cited* Kretiner 1998). It is also the name of the process of stimulating people to take action to reach goals or targets. “Motivation results from the interaction of both conscious and unconscious factors such as the intensity of desire or need, incentive or reward value of the goal, and expectations of the individual and of his or her peers” (Ganta 2014, 221).

Organizations that maintain and improve ways of motivating employees tend to have increased employee performance. “Motivation of human resources in the organization will bring extra performance to the manager that hopes to reach the organization's goals” (Robescu, Iancu 2016, 1).

The motivation of staff and the everyday tools and physical facilities used by staff can affect the business. Poor working conditions and absence of one or more of the elements stated to work properly may result in low staff motivation thus decreasing the quality of work and performance. “Motivations are the drivers of employees to make an effort and to maintain this effort until they achieve the goals fixed by the employer” (Martin 2015, 3). Highly motivated employees tend to make the effort to reach their goals.

There are more aspects to the employee motivation other than just the extrinsic rewards or working environment. “Motivation results from the interaction of both conscious and unconscious factors such as the intensity of desire or need, incentive or reward value of the goal, and expectations of the individual and of his or her peers.” (Ganta 2014, 221). Managers must keep in mind to cover all aspects when it comes to motivating their team members.

“Motivation is an internal drive to satisfy an unsatisfied need and to achieve a certain goal.” (Dobre 2013, 54). “The motivation of a person covers all the reasons for which he chooses to act in a certain manner” (Viorel *et al.* 2019, 325 cited Adair, 2006). It is also a procedure that begins through a physiological or psychological need that stimulates a performance set by an objective. Employees have this feature to provide their firms with a competitive advantage over the other similar companies. But they can only provide this competitive advantage only under the right conditions which make them prosper.

Financial rewards first come to mind when thinking of increasing employee motivation. Although pay is a good way to keep employees committed to the company and the job, previous studies show that this has little and/or diminishing influence on productivity in the long run and also its effects can vary depending on the culture, society and conditions (Chiang, Birtch 2012). There are other factors which are not related to financial rewards to keep the employees motivated. Employees can also be motivated by showing a good management and leadership, and appraisal and recognition by their managers and leaders.

Another important factor is trust when it comes to employee motivation. Representing the perception of an employee about others and his willingness to act based on a speech or to agree with a decision, trust is a crucial element for an organization which aims to be successful, as it has the ability to enhance employees’ motivation and foster interpersonal communication (Dobre 2013).

“Motivation and performance of the employees are essential tools for the success of any organization in the long run” (*Ibid.*, 53). There is a positive relationship between the employee performance and organizational effectiveness (*Ibid.*). It is also possible to state that employee

dissatisfaction caused by the pressure from the customers and upper management may result in a decrease in motivation and performance.

Reaching high levels of productivity is affected by the level of motivation of the staff. Therefore, developing and implementing employee training programs is a necessary strategy to motivate workers along with a good communication between the managers and the workforce as the degree of ambiguity decreases (*Ibid.*, 53). People are motivated by different needs, such as physiological, safety requirements and self-actualization needs. When employees feel motivated and competent, their enhanced enthusiasm will naturally result in more productivity.

1.1.1. Motivation theories

Researchers have set forth many theories regarding employee motivation, and others who came after them tried to challenge and improve the previous models and build new ones based on them. A review of literature has been performed on main motivation theories (See **Appendix 1**). in order to provide an overview of these theories describing what constitutes and creates motivation in employees in the workplace.

Maslow's Need Hierarchy Theory (1943) is based on the famous needs hierarchy pyramid he had constructed. Maslow thought that there are at least five sets of goals that the employees are motivated by: Physiological, security, affiliation, esteem and self-actualization. According to the theory, one must fulfil the requirements of each level in order to go up in the pyramid. However the last step, self-actualization is never satisfied whatsoever. Alderfer's ERG Model (1969) takes Maslow's five needs and turns them into three separate categories: Existence including all material and psychological desires; relatedness consisting of social desires; and growth regarding self-actualization. According to this model, when needs in a higher category are not met then individuals redouble the efforts invested in a lower category need.

McClelland (1961) described the theory of needs for the individuals on achievement, power and affiliation. He outlines that regardless of the gender, culture, or age, everybody has all three motivating drivers. One of the motivating drivers will be the dominant motivating driver for each person and this dominant motivator is highly dependent on the culture and life experience. Adams' Equity Theory on the other hand states that the employees are not only interested in their rewards and benefits, but also interested in others' rewards and benefits as well. It therefore asks for a balance between input by the employee and the output given in return.

Vroom's Theory on Expectancy (1964) states that motivation is a combined function of the individual's perception that his or her efforts will lead to performance and the outcomes that are

created as a result of the performance. This theory claims that there is a connection between the employees' motivation and their expectations.

According to Herzberg's Job Design Theory (1966), a monotonous job will only decrease the employee's motivation to do well. Variety, autonomy, and decision authority are three ways of adding challenge to a job; whereas job enrichment and job rotation are the two ways of adding variety and challenge (Ramlall 2004, 56). Herzberg (1966) discovered that the motivators for employees are variables such as achievement, recognition, the work, responsibility, advancement and growth. On the other hand dissatisfaction resulted from work context related factors such as company policies, benefit packages and behavior of superiors (Steers 1983). Herzberg's argument is that motivation can only happen as a result of the first set of motivators.

Job Characteristics Model approach stated that jobs should be designed so as to generate experiences for the employee in the sense of meaningfulness, responsibility, and a knowledge (Ramlall 2004, 57). Goal Setting Theory by Latham and Locke (1990) state in their theory the level of motivation and performance is higher when employees have specific objectives established and when these objectives are accepted and offered an appraisal or feedback. "Finally, accomplishing the goal can lead to satisfaction and further motivation, or frustration and lower motivation if the goal is not accomplished" (Lunenburg 2011a, 2).

McGregor's Theory X and Theory Y McGregor (1960) separates the employees into two categories; the X theory representing those who are negligent and has a resistance to change and a desire for security, whereas the Y theory represents those who make the effort and are responsible in their work. The two contrasting theories can also be seen as the explanatory source of the different management types and personalities. Lastly, Adair's Fifty – Fifty Rule states an individual's 50% of motivation comes from within and the other 50% from his or her environment, especially from the leadership encountered (Adair 2002).

1.1.2. Drivers for motivation

There are four drives that underlie the employees' motivation, which are explained as "hardwired into our brains" and thus their degree of satisfaction directly affecting the employees' emotions and behavior (Nohria *et al.* 2008, 2).

First one is the drive to acquire which means that being able to get scarce goods and services. Every employee naturally has this and every human being wants more of what he or she can acquire at a given moment. This is also why employees' care about their colleagues' salaries and benefits.

Second drive according to Nohria *et al.* (2008) is the drive to bond, related to strong feelings such as attachment, love, friendship and caring all of which increase employee motivation in general. Another drive is the drive to comprehend which comprehends accounts for everything at work from the perspective of the employees. People want to make sense of their surroundings and what they are doing in order to feel motivated. This enables us to make things comprehensible and generate reasonable actions. Employees are very much discouraged by tasks that lead them to a dead end. Employees with great talent can even quit their jobs when their drive to comprehend feels threatened by illogical tasks.

Last one is the drive to defend which is the means to create a workplace with clear goals and instructions. It also describes a lot about the employees' resistance to change. It is not realistic just to pay salaries to the employees and expect them to hope that they are motivated by it.

In addition to the above described drives, there are also organizational levers of motivation such as rewarding, company culture, performance management system and job design (*Ibid.*, 4). Job design is closely related to the drive to comprehend. A job design that makes sense to the employees and also encourage them to learn new skills at the same time is one of the best ways to keep the employees motivated. Rewarding on the other hand is related to providing extrinsic motivations to the employees based on performance and effort. Company culture generally refers to the working environment and is a broad term used to describe an organization's personality. And lastly, performance management systems is the set of tools through which managers improve and keep track of the employees' performance.

1.1.3. Types of motivation

Motivation in the workplace is received from both internal and external motivational sources concurrently to satisfy the above mentioned drives. "A motivator is that which impels or compels an individual to act toward meeting a need" (Ganta 2014, 229). Based on their sources of origin, intrinsic and extrinsic types of motivation are the two widely studied types of motivation. Intrinsic motivation reflects the natural human behavior to learn and assimilate whereas extrinsic motivation varies in its relative autonomy and can either reflect external control or true self-regulation (Ryan, Deci 2000, 54).

Intrinsic motivation is between the employee and the tasks performed. "When intrinsically motivated a person is moved to act for the fun or challenge entailed rather than because of external prods, pressures or rewards." (*Idib.*, 56). This type of motivation comes from within and is usually in an intangible form or non-financial. Intrinsic motivation comes from the enjoyment and educational achievement that people derive from doing a specific thing (Ganta 2014, 229).

Although it is difficult to identify and detect since it comes from the inside, it is crucial in today's competitive work environment for the employers to create an atmosphere that drives the intrinsic motivation by providing "a correspondence between implicit (unconscious) and explicit (conscious) motives." (Locke, Schattke 2018, 7). This is usually the workplace where employees enjoy what they find important at both levels thus becoming intrinsically motivated.

Some of the intrinsic motivation factors are curiosity, challenge, control, cooperation, competition and achievement (Mobbs, McFarland 2010). Since all behaviors are motivated by physiological drives and their derivatives, intrinsically motivated activities are said to be the ones providing satisfaction of innate psychological needs (Ryan, Deci 2000, 57 cited Hull 1943).

Extrinsic motivations arise from work environment external to the job itself. It is "a construct that pertains whenever an activity is done in order to attain some separable outcome." (*Idib.*, 560). They are generally applied by not the person being motivated but someone else. The external motivators in this case are usually reward based, financial and / or tangible. Those pay schemes with bonus offerings or commissions which are intended to reward performance are categorized under extrinsic motivations.

Most common examples for extrinsic motivation are salary, salary raises, promotion, ICT, benefits, title, status, pay for performance (PFP), fame and all forms of material achievements (Mobbs, McFarland 2010; Gerhart, Fang 2015). A previous analysis revealed that financial incentives positively related to quantity of performance (Gerhart, Fang 2015 cited Jenkins *et al.* 1998). A disadvantage could be mentioned since the most extrinsic motivations are in tangible form and it would cause a dissatisfaction in case the organization needs to cut back on bonuses or compensations and benefits (C&B) of the employee. This can occur due to the fact that people expect the raises and bonuses that they are used to receive.

Extrinsic motivation does not always have to be in some form of financial reward such as bonuses or extra payments. Instead, it can also be in the form of external recognition of the employee by the top management or a group of friends. "Today, the reward structure of modern organizations are comprised of two major categories of rewards: financial and non-financial." (Chiang, Birtch 2012, 540 cited Armstrong, Murlis 2005; Milkovich, Newman 2008). Extrinsic motivation involves a means-ends relationship meaning that it is performing a task in order to receive a value in future (Locke, Schattke 2018, 14). Financial incentives include fixed incentives such as salaries and benefits, and variable incentives that are contingent on performance whereas non-financial incentives are tangible rewards provided by the organizations (Chiang, Birtch 2012 cited Kanungo, Hartwick 1987). Viewed through the lens of expectancy theory, motivation increases when a

behavior is highly instrumental to achieving valent outcomes (Chiang, Birtch 2012 *cited* Porter, Lawler 1968).

According to Kuvaas et al. (2017) there are important points to consider when balancing both intrinsic and extrinsic motivational sources:

- Intrinsic motivation was uniformly associated with positive employee outcomes.
- Extrinsic motivation, on the other hand, was negatively related or unrelated to positive outcomes.
- The most important practical implication of our findings is that organizations should address intrinsic and extrinsic motivations as separate motives.
- Organizations should proceed with caution when applying coercive controls such as close monitoring, contingent tangible incentives and comparing employees to each other, but have competitive base pay levels.

Intrinsic and extrinsic motivations should not be considered as opposite but instead provided as a combination to the employees to ensure that they are motivated (Locke, Schattke 2018, 24). After all, motivation is influenced by a number of things which differ from person to person.

1.1.4. Workplace environment motivations

There is a positive impact of work practices such as teamwork, defined quality norms, formal appraisal, management recognition, or family-friendly policies on a motivational environment (Martin 2015). “Motivation in the workplace is the willingness to exert high levels of effort toward organizational goals conditioned by the effort’s ability to satisfy some individual needs” (Mobbs, McFarland 2010, 2). In addition, Chandrasekar (2011, 2) claims that “the workplace environment impacts employee morale, productivity and engagement - both positively and negatively.” Job security is also among the key elements that increase the employee commitment to the organization (Hanaysha, Majid 2018 *cited* Zameer *et al.* 2014).

“Since bank employees are the key resource and greatest expense of any bank, the long-term benefits of properly designed and user-friendly workplace environment should be factored into any initial cost considerations.” (Samson *et al* 2015, 77 *cited* Smith 2011). A corporate performance culture should be created to value the employees and promote a sustainable work-life balance (Samson *et al* 2015, 77 *cited* World at Work 2007).

Highly motivated employees improve their organizations’ productivity as well as the competitive advantage over other organizations. “If the treatment of employees is reasonably good but they express few positive attitudes toward their work and are unwilling to extend any extra effort for

the company, then the organization has a motivation problem” (Pardee 1990, 12 cited Herzberg 1976, 94).

Every employee is different and only one method of motivation will not be enough to satisfy and motivate everyone. According to the research by Pardee (1990) Herzberg's theory can be very beneficial for a manager to create a motivated team: If employee dissatisfaction is seen as the major problem, then what needs to be improved are the hygiene problems. “But to improve performance the manager must work on the motivators, and this means changing the nature of the work to make it more challenging and intrinsically rewarding” (Pardee 1990 16, cited Tosi et al 1986, 223). An effective manager is a manager who knows how to motivate his or her employees, having a knowledge of what energizes the human nature and how it is directed.

In addition, the organization’s rewards, pay, benefits and promotion system must have a value in the eyes of the employees so that they can be used and provided as motivators for a better employee performance. “Employers need to get to know their employees very well and use different tactics to motivate each of them based on their personal wants and needs” (Ganta 2014, 223).

Pardee (1990) argues that “when managers incorporate motivational elements in work settings rather than simply eliminating adverse hygiene factors, they can expect to see higher productivity and job satisfaction. This seems to be a paradox in many working environments where a great deal of time, energy and effort is expended on extrinsic factors which do not lead to job satisfaction/motivation, but only serve to reduce job dissatisfaction.”

Seven strategies for increasing motivation in the workplace are: Positive reinforcement / high expectations; effective discipline and punishment; treating people fairly; satisfying employees’ needs; setting work related goals; restructuring jobs and base rewards on job performance (Ganta 2014, 224).

Each working setting and employee is different and requires a different set of strategies to increase motivational levels. A mix of all or some of these main strategies will greatly help managers to get their employees motivated. A recently appointed manager to lead a team that suffered from unfair treatment and a lack of discipline, may consider applying effective discipline and punishment strategy along with treating the team members fairly and satisfying their needs.

“Information and communication technology (ICT) provides potential means for improving knowledge work productivity, for example, through helping knowledge workers performs certain routine tasks faster.” (Palvalin *et al* 2013, 3).

In addition, efficient ICT infrastructure is a good tool to motivate employees since “firms needs to provide the proper incentives and a motivating work environment to favor the optimal diffusion of information and knowledge that should in turn result in productivity gains.” (Martin 2011,

1593). Employees can get stressed out and sometimes question the meaning of their tasks when they are in a position to use outdated and non-efficient technological tools which in turn decreases their productivity levels. Automatization, updated software and high-quality equipment will usually make employees think that they are valued and their tasks are important to the organization. The effective use of ICT in workplace provides several benefits on employee motivation by eliminating non-value-adding tasks and resulting in improving employee welfare through decreasing dissatisfaction (Palvalin *et al.* 2013, 2). In addition, with regards to the practical managerial implications for the organizations, the results underline the positive effects of technologies that facilitate internal information access (workflow) and those that facilitate both internal and external knowledge access (Internet and email) as well as of intranet on autonomous motivations (identified regulation and intrinsic motivations) (Martin 2015, 17).

1.1.5. Job enrichment and relationship with superiors

“Job enrichment is an approach of adding additional motivators to a job to make it further fulfilling.” (Azeez, Abimbola 2016, 91). “The concept of job enrichment has become a fundamental tool for management in improving employees’ motivation and organizational growth.” (Salau *et al.* 2014, 173). It has foundations in the motivation-hygiene theory (Azeez, Abimbola 2016 *cited* Herzberg *et al.* 1975; Herzberg 1968).

Job enrichment is an effort to get the employees inspired by providing them opportunities to use their capabilities to the fullest (Azeez, Abimbola 2016 *cited* Davoudi, Mehdi 2013). An enriched job should include tasks to be performed with an adequate feedback mechanism, communication and encouragement by superiors (Salau *et al.* 2014). Organizations can enrich employees' jobs by involving them in the upper level’s decision-making activities, allocating more responsibilities, giving them more autonomy, in order to receive more opinion which enables employees to assess their own performance (Azeez, Abimbola 2016 *cited* Neyshabor 2013).

Previous research reveals that job enrichment led to higher job satisfaction and motivation (Azeez, Abimbola 2016 *cited* Lunenburg 2011). Job enrichment is a process where management allocates responsibilities that are usually assigned to the superiors, to the employees (Salau *et al.* 2014). And it also increases the performance level of employees along with motivation in the workplace, and their tendency to achieve the goals becomes more possible (Azeez, Abimbola 2016 *cited* Locke 1968). Job enrichment is a managerial activity intended to provide employees with skill development opportunities (Salau *et al.* 2014 *cited* Mione 2004). Job enrichment adds more power, responsibility and knowledge to the job leading to positive motivation and job satisfaction among the employees (Azeez, Abimbola 2016 *cited* Fourman, Jones 1997).

“A level of support obtained from the supervisor and the way of work control by the supervisor create relations with superiors.” (Zuchowski, Brelik 2017, 55). And the quality of relationships between managers and colleagues has a positive impact on commitment to work (Zuchowski, Brelik 2017 cited Kulikowski 2015). Employees usually see their immediate managers and superiors as representatives of the organization. Good relationship with supervisor and supervisor support is a form of organizational support that can reduce stress in the workplace and improve performance (Ariani 2015 cited Rhoades, Eisenberger 2002).

1.2. Employee Performance

Individual performance is important in terms of accomplishing goals with feelings of mastery and pride (Sonnetag 2002, 4). Financial organizations require highly performing individuals to reach their objectives, provide goods and services to their clients and have competitive advantage over others.

Employee performance involves factors such as quality, quantity and effectiveness of an employee's work (Williams 2006 cited Lawler 1995). Behavior shown in the workplace and social interaction are also counted in employee performance definition. “Performance is best if the standard is specific and challenging and there is high commitment, relevant knowledge or skill, and feedback showing progress in relation to standard.” (Locke, Schattke 2018, 11). Measurement of performance (MOP) is usually performed by using HR pre-determined performance metrics. Such metrics are used to evaluate the output and effort by the employee to reach the individual goals and help the organization reach its organizational goals in the meantime.

Banks measure employee performance from a number of perspectives including financial figures (sales), learning and growth activities (trainings and certificates) and customer feedback (Jillo 2016).

According to Shanks, employee performance is affected by motivation, capabilities of the employee and the work environment. Organizations must continuously motivate their employees for two main reasons. First, organizations have to motivate their employees in order to meet the organizational goals. Second, the employees are required to be motivated in order to reach their personal goals (Shanks, 2007).

Organizations set targets for individual employees which are also aligned with the organizational targets in the bigger picture. Previous research reveals that performance is most effective when the goals are clear and challenging, and have a deadline (Lunenburg 2011a, 5). Organizations usually

expect their employees to be efficient, add value and interact with the customers to satisfy their needs. “Organizational goals are unattainable without enduring commitment of the members of the organization.” (Nabi *et al* 2017, 60). When employee performance is not at desired levels, an organization may struggle to satisfy the customers and have hard time maximizing profits.

1.2.1. Employee goal setting

According to the Goal Setting Theory by Locke, goals are immediate regulators of human actions and individuals who set specific, difficult goals performed better than those who set easy and simple goals (Nabi *et al.* 2017, 63 *cited* Locke 1990). “The employees must participate in the process of goal setting in order to obtain their approval when setting higher and higher targets and the human resources people can help them to understand the consequences of these targets over their entire activity” (Viorel *et al.* 2019, 325). In other words, employees set goals with their managers to measure the consequences of these goals at in appraisal meeting at a later date to assess their performance.

“Employees exert effort because of the tasks themselves (intrinsic motivations), because of values and goals sharing with the employer (identified regulation), because of self-worth contingencies (introjected regulation) or because of the rewards (external regulation)” (Martin 2015, 3). Martin further goes on by explaining that the committed employees identify themselves with their work, team and/or firm, internalizing the goals fixed by the employer and therefore changing their norms. The achievement of these goals generates positive feelings such as contentment and pride (*Ibid.*, 4).

“Specific goals can be set for learning as a means of improving task performance, in combination with performance goals, through acquiring new or upgraded skills.” (Locke, Schattke 2018, 11 *cited* Masuda *et al* 2015; Seijts *et al* 2013).

Below are the predictions on the relationship between goal setting and employee performance (Lunenburg 2011a, 5):

- The most effective performance seems to result when goals are specific and challenging, when they are used to evaluate performance and linked to feedback on results, and create commitment and acceptance.
- The motivational impact of goals may be affected by moderators such as ability and self-efficacy.
- Deadlines improve the effectiveness of goals.
- A learning goal orientation leads to higher performance than a performance goal orientation, and group goal-setting is as important as individual goal-setting.

Yudhvir and Sunita (2012, 61) explains that “a goal's efficiency is affected by three features: proximity, difficulty and specificity”. An ideal goal has to present a setting in which the time between the initiation of behavior and the end state is close (*Ibid.*, 61). A goal should be neither too hard nor too simple. It should be set moderately and aligned with the competencies and skills of that particular employee. Employee and manager should decide together in setting objectives. Goals must be specific, clear, to the point and suitable for measurement.

Organizations can encourage higher performance goals from employees who have high levels of self-efficacy and it will lead to higher levels of job performance by the employees, which is critical for many firms in this competitive environment (Lunenburg 2011b, 5). Employee’s performance of reaching these goals is then discussed during the performance review (PR).

1.2.2. Performance appraisal

“Performance appraisal refers to methods and processes used by organizations to assess the level of performance of their employees.” (Van Dijk, Schodl 2015, 716).

Organizations monitor performance metrics such as individual goals, quality of work, trainings attended, individual efficiency, number of output, number of sales, call handling time and team and customer interaction. The appraisal process includes measuring the employee’s performance based on the performance metrics and providing them feedback regarding the level and quality of their performance with the aim of improving the performance (*Ibid.*, 716)

Performance metrics may differ based on the sector. For example a salesperson can be evaluated on the sales he or she has made during the past month whereas a factory production worker can be expected to have performance requirements such for product quality and / or output. Performance metrics are also shown and discussed over during performance appraisals in order to evaluate the performance of employees. Appraising is an important component of evaluating at which leaders need to be good (John... 2008, 2).

Performance appraisals or assessments (PA) are where the employee and manager set goals and participate in the process of evaluating how accurately these goals are met at the end of the period. Performance appraisals are also used by managers for deciding the appropriate rewards for employees. If the employee is aware of the fact that his or her good performance is being appraised by the top management and other superiors and also subordinates, then a better performance may certainly be expected (Nabi *et al.* 2017, 72).

Vroom’s (1964) Valence x Expectancy Theory mentions that “an employee can be motivated to perform better when there is a belief that the better performance will lead to good performance

appraisal and that this shall result into realization of personal goal in form of some reward” (Yudhvir, Sunita 2012, 61).

Appraisals and metrics are also a form of feedback on the performance of the employees. “Feedback is also vital to maintain employees’ motivation, especially when targeting even higher objectives” (Viorel *et al.* 2019, 325). According to a research on private banks, lack of performance evaluation with unfair rewarding leads to demotivation among employees which further causes inefficient performance of employees (Uddin, Wajidi 2014).

1.2.3. Organizational goals

“Organizational goals are in essence benchmarks used to evaluate the effectiveness of organizational behaviors and attained outcomes.” (Tang *et al* 2008 *cited* Tansik 1973). An organization’s overall objectives and mission which have often been formulated by the management and communicated to its employees, customers and other stakeholders are called organizational goals (Holtzhausen, Zerfass 2015 *cited* Bart 1997; Sheth, Sisodia 2012, 11). An organization’s goals are the reason that it exists in the first place. Objectives are critical in determining an organization’s success, effectiveness and performance in general (Tang *et al* 2008). General goals of an organization are usually stated in its vision and mission statements but more detailed explanation of these goals and plans on how to achieve them are defined in the organization’s business plan. Since employees’ performance and attitudes are the most valuable asset in an organization and employees’ activities determine the operational goals of an enterprise, personal goals set during the appraisal with managers must be aligned with the organizational goals.

Every organization has its goals and argues that they can be met through the following (Ganta 2014, 225):

- There is a proper resource management
- The work environment is a cooperative one
- All employees are directed by their objectives
- Goals can be reached if cooperation and coordination are fulfilled at once through motivation

Loyal employees will try hard to achieve their goals and thus enabling the organization to achieve its ultimate goals in the long run. Motivation helps achieve organizational goals by improving proficiency and employee connection (Nabi *et al.* 2017, 3). It is also essential for the managers of an organization to know about the organizational behavior in order to motivate their team members

to achieve organizational goals. Managers need to know how their employees think and feel and the reasons that they feel this way.

1.2.4. Employee productivity

“Productivity is commonly defined as a ratio between the output volume and the volume of inputs.” according to the OECD (2001). Employee productivity is the ratio of capacity of production of an employee in an organization. Employee productivity is the relationship between employee’s input and output and between its results and the effort (Singh, Mohanty 2012). The purpose for motivational rewards is to increase the employees’ productivity levels (Hanaysha, Majid 2018).

“A motivated employee is a valuable asset, who can deliver immense value to the organization in maintaining and strengthening its business and revenue growth.” (Abbah 2014, 7). The effect of motivation on employee productivity is very important for the organization and firms need to adopt motivational techniques in order to increase the employee productivity (Maduka, Okafor 2014).

Motivation is one of the most important factors for every organization to improve the employee productivity. “An employee's ability only partially determines his output or productivity” (Nabi *et al.* 2017, 1). The major determinant of an employee’s productivity is his or her motivation. Motivation levels within the workplace have a direct impact on employee productivity. “Workers who are motivated and excited about their jobs carry out their responsibilities to the best of their ability and production numbers increase as a result” (Ganta 2014, 221). According to Chandrasekar (2011) increasing employee productivity based on salary and pay may not always be the right way.

Some physiological need examples are vending machines and drinking fountains; security examples are wages, salaries, praises and working conditions; affiliation examples are social interaction, team spirit and participation; esteem examples are responsibilities and trainings; and self-actualization examples are challenges and creativity (Champagne, McAfee 1989).

Managers must also ensure a team harmony to have maximum levels of employee productivity. Members of a harmonious team will adopt to changes easily and have greater employee productivity in return. Making sure each employee's goals and values are aligned with the organization's mission and vision usually leads to higher productivity, improved work quality and financial gain within the company (Yudhvir, Sunita 2012, 62). In addition, employees working towards a specific set of goal as a team rather than having only individualistic increases productivity according to (Lunenburg 2011a, 4)

Effective use of ICT in organizations benefits the productivity by eliminating non-value adding tasks and automatization (Palvalin *et al* 2013). Chandrasekar (2011) shows in his research that “the actual physical layout of an office is extremely important when it comes to maximizing productivity.” So the workplace environment motivation is also a factor in productivity levels. Team leaders and upper management that have a solid plan to motivate their employees and increase productivity are usually in a more favorable position than those who do not. Employee productivity increased by 44% following the introduction of a performance pay and productivity (PPP) incentive plan by an organization (Lazear 2000, 1353). Incentives usually increase the speed of work and thus, increase the productivity at the same time. “The combination of successful leadership styles with styles of team leads to higher productivity.” (Robescu, Iancu 2016, 6).

1.3. Summary

As Ganta (2014) put it, motivation results from the interaction of both conscious and unconscious factors and expectations of the individual and of his or her peers. There are many theories explaining the concept of motivation. Maslow’s Hierarchy of Needs Theory, Herzberg’s X & Y Factors Theory and McClelland’s Need for Achievement Theory seem to have a clear relationship showing that the needs that are on the lower scale in the hierarchy must be met before moving up to the higher needs. The higher needs can simply not have a motivational influence on the employees before the lower needs have been met. Correspondingly, Herzberg’s hygiene factors should also be met in order not to cause job dissatisfaction among the employees. “Maslow's higher order needs serve to motivate people and are of an intrinsic nature which corresponds to Herzberg's motivational factors that are also intrinsic in nature” (Pardee 1990, 17).

There are also drivers that underlie the employees’ motivations such as the drive to acquire, drive to bond, drive to comprehend and drive to defend. Motivation in the workplace is received from both internal and external motivational sources to satisfy these drives. Motivations that origin from within are called intrinsic motivations such as curiosity whereas the motivations that are external to the job itself are called extrinsic motivations like salary or promotion.

As pointed out by Shanks, employee performance is affected by motivation, capabilities and the work environment. Organizations must motivate their employees in order to meet the organizational goals and to reach personal goals (Shanks, 2007). Individual performance affects both the individual and the entire organization as a result. When employee performance is not at desired levels, an organization may have a hard time reaching its objectives.

Williams (2006) refers to Lawler (1995) that employee performance involves factors like the quality and quantity of goods and services produced, and the time it takes to produce these. Employee performance is measured via performance metrics based on the goals set during the goal setting meetings with respective managers. Employees' goals must be in accordance with the organizational goals. Appraisals are held to assess the employee performance and find out whether the employee was able to reach the goals within the given period of time.

2. METHODOLOGY

“Methodology is the systematic, theoretical analysis of the methods applied to a field of study.” (Igwenagu 2016, 4). The research design is the blueprint of the procedures that enable the researchers to find answers to the research questions (de Vaus 2001, 9). Correct and relevant planning and procedure constructs an important part of the research. No research can be performed without a well thought plan. The research design must be appropriate to obtain valid and reliable results.

The main objective of this thesis is to find out whether there is a relationship between employee performance and motivation. The focus of the thesis is to find out about the importance levels of different types of employee motivations. Additionally this thesis also aims to shed light on the role of motivation in employee productivity and meeting the organization’s goals. The research conducts hypothesis testing to find out whether there is a relationship between motivation and employee performance.

Quantitative research is “an inquiry into a social or human problem, based on testing a theory composed of variables, measured with numbers, analyzed with statistical procedures, in order to determine whether the predictive generalizations of the theory hold true.” (Creswell 1994, 2). A qualitative research on the other hand “seeks to understand a given research problem or topic from the perspective of the local population it involves” (Mack *et al.* 2005, 1-5).

Common methods for obtaining quantitative data are experiments, questionnaires and observations. Questionnaires that contain questions with a rating scale or closed questions are a typical method that generates quantitative data as a result (Saunders *et al.* 2008).

Quantitative research deals with collection of numerical data analyzed using mathematically based methods (Sukamolson 2005 *cited* Creswell 1994). This research is based on a quantitative research approach since it focuses on gathering numerical data and generalizing it across groups of people or to explain whether there is a significant relationship between motivation and employee performance, and to find out about the effects of different types of employee motivations.

2.1. Research Design and Method

2.1.1. Descriptive research design

Descriptive research design was adapted for this research since descriptive research design describes data and characteristics about the population, situation or phenomenon for the purpose of description or interpretation (Salaria 2012 cited Aggarwal 2008). The rationale behind this selection is that it helped the researcher to find out and describe about the existing status of motivation at the bank the research was conducted. This research also contains hypothesis testing. Hypotheses may also exist in descriptive research design (Burns 2008). A descriptive research design can use a range of quantitative and qualitative methods for conducting a research and also factual and supply with practical information (Salaria 2012). However, the researcher is not in a position to control the variables but rather observe or measure them.

2.1.2. Survey research

A survey research is “the collection of information from a sample of individuals through their responses to questions.” (Ponto 2015 cited Check, Schutt 2012, 160). Since it is used to answer who, what, where, how much and how many questions; this type of research tends to be used for exploratory and descriptive research (Saunders *et al.* 2008). A survey research allows for a variety of research methods to recruit participants, gather data and use either quantitative, qualitative or mixed methods to conduct the research (Ponto 2015). A survey can either be provided in printed paper or sent via e-mail or a link online to an internet based program such as SurveyMonkey (or SurveyHero in this case) (*Ibid.*). An online structured survey was used in this research to gather primary data from respondents.

Survey research is the systematic collection of information from respondents for the purpose of understanding and predicting some aspect of the behavior of the target population on which the research is being conducted (Kervin 2004). Some of the advantages of survey research are that it is a very effective tool to obtain primary data from a wide range of people, it is both time and cost effective for both parties (conductors of the survey and the participants) and it is often the only available tool to gather data from a large population just like the one in this research, via e-mail (*Ibid.*). Questions in the survey can include demographic questions as well as the research questions (Ponto 2015 cited Costanzo, Stawski, *et al.* 2012; DuBenske *et al.* 2014; Ponto *et al.* 2010).

There are also disadvantages to survey research. The most common one of these disadvantages is that the response rate may be low for the online surveys since generally the response rates are poor

compared to off-line traditional methods (Nayak 2019). Participants and sometimes tend to forget or ignore e-mail notifications regarding surveys (*Ibid.*). Questions must be prepared in a way that they are very clear and to-the-point. Barriers of language along with unclear questions can damage the quality of survey.

The survey strategy allows the researchers to collect quantitative data which can be analyzed quantitatively using descriptive statistics (Saunders *et al.* 2008). “In addition, the data collected using a survey strategy can be used to suggest possible reasons for particular relationships between variables” (*Ibid.*, 144)

The random sampling method was used when conducting the survey. In random sampling, each individual in the population has the same chances to take part in the survey. The author thinks that this way the results are more reliable and represent the population entirely.

2.1.3. Data collection and survey tool

The survey was conducted in the week 12 of the year 2020 at a bank located in Estonia for the purpose of primary data collection. It included a total of 16 questions on the types of motivational factors mentioned in the Theoretical Background chapter, in three joint parts. The respondents were asked to answer questions about their professional background and personal information in the first part. Second part includes questions regarding how strong the participant feels towards the provided six statements which were derived from the literature review. These statements also forms the basis for the hypothesis testing in the later section. Lastly the third part includes questions which require the participant to assign importance to the motivation factors provided. The author has developed his own questions after conducting a thorough literature review.

An online structured survey type was used for this research. The survey was created via a website called surveyhero.com. Statistics tools and graphs automatically generated by this website were also used in data analysis. (Survey questionnaire details and questions are provided in **Appendix 5.**)

The participants, all of whom are the employees of the bank, received an e-mail regarding the survey and the research being conducted. They were informed of the title of the research, the purpose and acknowledgment of bank’s procedures for data protection and confidentiality. The e-mail went on kindly asking for their participation by providing a link to the survey on which the participants could click and access the questionnaire.

The survey consists of three pages through which the participants navigate by clicking on the “Next” buttons provided at the lower right hand of each page. The first page of the survey includes general information about the survey and research. Participants are provided information about

their anonymity, and the confidentiality of their responses. The second page has the questions and statements. This is where the participants do all of the answering and ranking activity. Lastly the third page consists of a “thank you” message along with the author’s personal e-mail address to be contacted for questions and concerns regarding the survey or the research itself.

The target population of this research is the employees of a bank located in Estonia. The survey was sent via e-mail to a total population of 479 employees on March 18th 2020. 73 out of 479 participated in the survey, providing a participation rate of 15,2%. The participants are kept anonymous and no details about the internal policies and procedures of the bank have been mentioned.

The response rate may seem relatively low since there are many factors affecting the response rate of a survey. The survey was sent out during the pandemic when employees were switching to home office and some departments at the time were having a greater workload than usual due to upcoming regulatory requirements. Also, individuals may be busy with deadlines, do not like surveys or would like to skip emails unrelated to business. As pointed out by previous research, responding to surveys changed from being a duty to a matter of choice and convenience (Rindfuss *et al.* 2015 cited Dillman *et al.* 2009).

2.2. Data Analysis

Primary data is a type of data that is collected for the first time by the researcher for the very research purposes (Saunders *et al.* 2008). Primary data in addition with experiences and observations of the author’s own are used in the data collection and analysis.

After the collection of primary data, the empirical data was turned into information with the help of statistics. Quantitative research is strong in the sense that it is systematic and objective (Carr 1994). Descriptive statistics were applied on the results provided by the survey platform website, to summarize and interpret data. Statement ranking questions 7-12 were analyzed using Likert Scale. The results were also summarized in graphs and a table.

One of the methods to evaluate the research question is by conducting a test called hypothesis testing. As for the hypothesis testing in this research, the Chi-Square Test of Independence is used in order to conduct the testing of the stated hypothesis. The test was performed on the six statement ranking questions. The Chi-Square Test is one of the most common methods of testing association (Ugoni 1995, 61).

Karl Pearson's Chi-Square distribution and test are great contributions to modern statistics. "Chi-Square test is a nonparametric test used for two specific purpose: (a) To test the hypothesis of no association between two or more groups, population or criteria (i.e. to check independence between two variables); (b) and to test how likely the observed distribution of data fits with the distribution that is expected" (Rana, Singhal 2015, 69).

2.3. Ethical Considerations

"Management research requires that researchers explicitly understand their own values, examine and clarify traditions, perspectives, social processes, values and attitudes of self and others. Hence, a call for ethical conduct in research." (Partington 2002, 21).

Considering the nature of quantitative studies, the interaction between researchers and participants can be ethically challenging for the former, as they are personally involved in different stages of the study. Quantitative research for this research has been carried online, respondents participated either in natural office settings or home office environment. The matter of ethical considerations was taken seriously and the research was performed in a way that would not harm the reputation of no real persons nor organizations.

2.3.1. Gaining access

Data collection process was handled in-line with the bank's internal procedures and approvals were obtained beforehand to avoid any future problems.

The author informed his immediate manager of his intentions to conduct a survey with the employees in the bank. Then the matter was taken up to the Risk Manager of the bank to find out whether there were any obstacles, also informing the department responsible manager regarding the research. All managers were provided a clear account of purpose and type of the research in order to overcome any organizational concerns.

The survey was allowed to be conducted in a way that would not reveal the bank's name, its internal procedures and processes to the outsiders. Approval from the HR partner was obtained afterwards as to how to conduct the survey and communicate it via the company e-mail to the target population.

2.3.2. Points of ethics

Researches must comply with ethical considerations and are required to have ethical integrity as a researcher throughout the research (Saunders *et al.* 2008). The following eleven points of ethical principles (Bell, Bryman 2007, 71) were followed while conducting this research: No harm to participants; dignity; informed consent; privacy; confidentiality; anonymity; deception; affiliation; honesty and transparency; reciprocity and misrepresentation.

Since the participants took part in an online survey, there was no exposure to any kind of harm whatsoever. The participants are kept anonymous and no personal data other than what they have provided on the survey with full consent have been kept. And the data provided for the survey questions is not traced back to the individuals, so there is not a possibility to harm dignity, privacy or confidentiality. The purpose and aims of the research were made clear in the invitation e-mail which was also approved by the researcher's immediate manager before sending out, eliminating any deception, reciprocity or honesty issues.

No misrepresentations were done in the numbers or results of the research since the numbers are taken directly from the website on which the survey was formed. No affiliations or conflicts of interests declared since this is only a research for educational purposes that is conducted in-line with the bank's internal policies and procedures.

3. RESULTS AND ANALYSIS

3.1. Introduction

The survey was sent to the employees of a bank located in Estonia. Total number of people to whom the survey invitation e-mail was sent is 479 (See **Table 1**). 95 potential participants out of 479 clicked on the link to see or start the survey and 73 out of 95 have actually completed the survey until the end:

Table 1. Survey participation statistics

Target Group Population	479
Number of Participants who Started	95
Number of Participants who Completed	73
Response Rate	15,2%

Source: Author's calculations

As seen from the table above, the response/participation rate in the survey is around 15,2%. A total of 73 banking sector professionals filled in the survey with 100% completion and provided the primary data for the research. Average completion time was 3 minutes and 50 seconds.

Although the response rate is not high, this does not necessarily mean that there is a bias or some potential participants were deliberately left out. "A low response rate of online surveys has been a concern for many researchers in the last few years." (Saleh, Bista 2017 *cited* Yan, Fan 2010).

Response rates for undergrad college students' web surveys were found to be around 21% (Saldivar 2012 *cited* Kaplowitz *et al* 2004). Although it is sometimes regarded as causing non-response bias, a low response does not necessarily cause this bias and the expense of increasing the response rate frequently is not justified given the difference in survey accuracy. "Low response rates need not necessarily lead to biased results." (Rindfuss *et al* 2015). Surveys with lower response rates such as 20% actually provided more accurate measurements compared to those with higher response rates near 70% (Visser *et al* 1996).

Only 3% of the chief editors of reputable journals stated that research submissions are rejected primarily because of low response rates and all editors said that there are no written standards for

response rates that need to be met (Carley-Baxter *et al* 2009, 1-5). “There is no agreed-upon standard for a minimum acceptable response rate.” (Saldivar 2012 *cited* Fowler 2002).

In addition, it should be pointed out that the survey was conducted during the COVID-19 pandemic of 2020 and the bank at which the target population work was at the time switching to home office working conditions.

3.2. Background Information on Participants

The first part of the survey collected background information from the participants such as age, gender, education level, number of years in the current position & in the sector. **Table 2** shows that there are no participants who are aged under 20 and 60 or over. Most participants (46%) are in the age range 20-29 years. Then it is followed by 30-39 years by 33% and 40-49 years by 18%. Lastly there are only around 3% of participants who are aged between 50-59 years.

Table 2. Participants’ age

Age Group	Frequency	Percentage
Under 20	0	0%
20-29	34	46,6%
30-39	24	32,9%
40-49	13	17,8%
50-59	2	2,7%
60 and over	0	0%
Total	73	100%

Source: Author’s calculations

It is seen that most participants were women (62%) Men made up 35% of the participants (See **Table 3**). Around 3% of the participants preferred not to mention their gender.

Table 3. Participants’ gender

Gender	Frequency	Percentage
Male	26	36%
Female	45	61,6%
Prefer Not to Say	2	2,7%
Total	73	100%

Source: Author’s calculations

It is seen that most participants (52%) hold a bachelor’s degree whereas around 29% hold a master’s degree (See **Figure 1.1**). The third most selected option is high school or equivalent by 16% and one person stated they he / she holds a higher degree whereas another selected the option “other”.

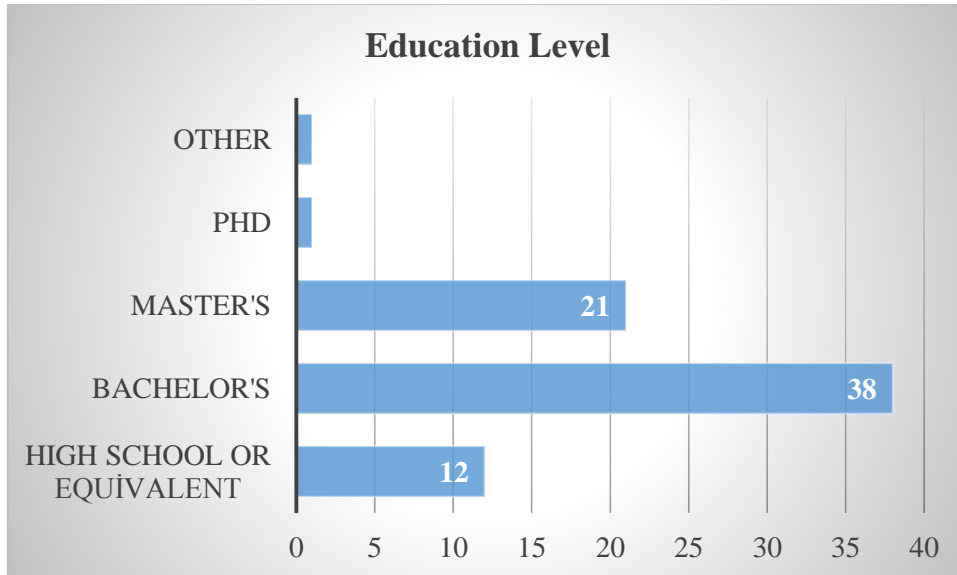


Figure 1.1. Education level of participants
Source: Author’s calculations

Almost half of the participants (48%) have worked at their current organization for less than a year (See **Table 4**). Around 42% stated that they have been working for the same organization for 1-3 years. 7% selected 3-5 years whereas the remaining 2 persons selected more than 5 years.

Table 4. Years worked at current organization

Years	Frequency	Percentage
Less than 1 year	35	48%
1 - 3 years	31	42%
3 - 5 years	5	7%
More than 5 years	2	3%
Total	73	100%

Source: Author’s calculations

There are three participants each for the 5-10 years and 10+ options for the question “how long have you worked in your current sector?” (See **Table 5**).

Table 5. Years worked in current sector

Years	Frequency	Percentage
Less than 1 year	28	38%
1 - 5 years	39	53%
5 - 10 years	3	4%
More than 10 years	3	4%
Total	73	100%

Source: Author's calculations

The majority of respondents (54%) said 1-5 years whereas around 38% selected less than 1 year. Figures presented in Section 3.2 as the background information on participants are in-line with and successful in representing the bank's general gender ratio, and Estonia branch employee count in terms of large numbers of new joiners resulting in most employees having been employed for less than 3 years.

3.3. Analysis

Three factors were considered as incentives: Financial, non-financial and a combination of both (See **Table 6**). A combination of both financial and non-financial incentives motivates the vast majority of participants (82%). Around 17% chose financial incentives whereas one person selected non-financial incentives as the main motivator.

Table 6. Most motivational incentives

Gender	Frequency	Percentage
Financial	12	16%
Non-Financial	1	1,4%
A Combination of Both	60	82,2%
Total	73	100%

Source: Author's calculations

Participants were asked several ranking questions in order to find out their level of agreement with the given statements (See **Table 7 and Table 8**). Below illustrated table represents the data gathered as a result of these questions. Orange colored cells represent the highest percentage of answers whereas the yellow color represents the second highest and green represent the thirds highest percentage of choices. Ranking numbers 0-3 are assessed as "disagree" whereas 7-10 are assessed as "agree". Ranks 4-6 are assessed as "neutral".

- Almost 92% of participants responded that incentives and benefits influence their performance in a positive way. 6 participants were neutral to the statement whereas only 1 participant disagreed. Majority of participants strongly agreed with the statement.
- Vast majority (93%) of participants agreed with the statement that their level of motivation affects their performance. Only 1 participant seemed to disagree with this statement and 4 participants were somewhat neutral. Majority of participants strongly agreed with the statement.
- Vast majority (94%) of participants agreed with the statement that their level of motivation affects their productivity. Only 4 participants were neutral to the statement. Majority of participants strongly agreed with the statement.
- Around 71% of respondents agreed with the statement that their level of motivation affects meeting the organization's goals. 4 participants disagreed with the statement whereas 17 participants remained neutral to the statement. Majority of participants strongly agreed with the statement.
- Almost 84% of participants agreed with the statement that they always perform their best when they know they are accepted at work. 15% of participants responded neutral to the statement whereas one respondent disagreed. Majority of participants strongly agreed with the statement.
- Around 70% of participants agreed with the statement that they often try to meet the objectives which attract bonus payments. 23% of participants were neutral with regards to the statement and 4 respondents disagreed with the statement. This was the first statement in which the majority did not “strongly agree” but rather just agreed.

Table 7. Statement means regarding motivation

Statement	Mean
Incentives and benefits influence my performance in a positive way	8,60
My level of motivation affects my performance	8,77
My level of motivation affects my productivity	8,73
My level of motivation affects meeting the organization's goals	7,60
I always perform my best when I know I am accepted at work	8,40
I often try to meet the objectives which attracts bonus payments	7,29

Source: Author's Calculations

The mean values for all six statements (See **Table 7**) fall between 7-9 thus corresponding to the option “Agree” on **Table 8**.

Table 8. Statement rankings regarding motivation

	Strongly Disagree	Disagree			Neutral			Agree			Strongly Agree
Statement	0	1	2	3	4	5	6	7	8	9	10
Incentives and benefits influence my performance in a positive way	0	0	0	1,4 %	0	1,4%	6,8%	9,6%	24,7 %	17,8 %	38,4%
My level of motivation affects my performance	0	0	1,4 %	0	0	0	5,5%	13,7 %	13,7 %	21,9 %	43,8%
My level of motivation affects my productivity	0	0	0	0	0	1,4%	4,1%	15,1 %	19,2 %	20,6 %	39,7%
My level of motivation affects meeting the organization's goals	1,4%	0	1,4 %	2,7 %	0	6,8%	16,4 %	15,1 %	17,8 %	15,1 %	23,3%
I always perform my best when I know I am accepted at work	0	0	0	1,4 %	1,4 %	8,2%	5,5%	8,2%	15,1 %	24,7 %	35,6%
I often try to meet the objectives which attracts bonus payments	2,7%	0	2,7 %	0	2,7 %	13,7 %	6,8%	11,3 %	26%	20,6 %	12,3%

Source: Author's Calculations

The results for this section showed that incentives and benefits affect the participants' performance in a positive way and the level of motivation of an employee affects his or her performance as well as productivity. The level of an employee's motivation also affects meeting the organizations goals. Employees perform best when they feel and know that they are accepted members at work. Lastly, most employees try to meet their goals that attract bonus payments but this does not necessarily mean that all employees go for this.

3.3.1. Hypothesis testing

H0: There is no significant relationship between motivation and employee performance.

In order to test the relationship between motivation and employee performance, questions from the previous section (See **Table 8**) which were asked for hypothesis testing purposes are taken. Chi-Square Test (X^2) is used to test the hypothesis. Before testing the hypothesis, responses to the above three questions are coded (See **Table 9**):

Table 9. Codes value of responses

	Codes										
	SD	D1	D2	D3	N1	N2	N3	A1	A2	A3	SA
Point	0	1	2	3	4	5	6	7	8	9	10

Source: Author's Calculations

Chi-Square Test is conducted with a 95% confidence level and 0,05% level of significance.

Formulas for Chi-Square Test:

- Total Value = Sum of Total Respondents x Points for each response
- Mean Average Value (MAV) = Total Value / Total Responses
- Degree of Freedom = (Rows-1) * (Columns-1)
- Chi-Square (X^2) = $(X^2) = (F0 - Fe) / Fe$
- F0 = Observed Frequencies
- Fe (Expected Frequencies) = Total Rows * Total Columns / Grand Total

The null hypothesis is rejected in the case where X^2 is greater than X^{2tab} .

The degree of freedom at 0,05 level of significance is:

$$(Rows-1) * (Columns-1) = (6-1) * (11-1) = 50$$

Whereas X^2 is calculated as 256,91. The 50 degrees of freedom at 0,05 significance level yields to 67,5. (Author's calculations based on data from **Appendix 2-4**). The findings indicate that X^2 256,91 is greater than 67,5 therefore the null hypothesis is rejected and the alternate hypothesis is accepted.

- H0: There is no significant relationship between motivation and employee performance (Rejected)
- H1: There is a significant relationship between motivation and employee performance (Accepted)

As a result of the hypothesis testing, there is a significant relationship between motivation and employee performance.

3.3.2. Importance level of extrinsic motivations

Four factors were considered as extrinsic motivations: Salary, financial incentives, benefits package and promotion.

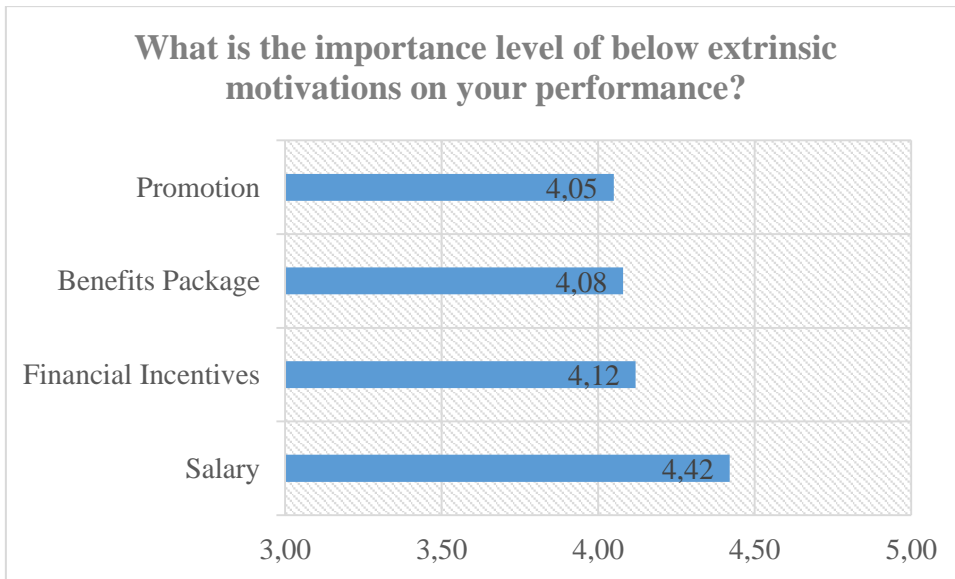


Figure 1.2. Extrinsic motivations
Source: Author's calculations

The author decided to have an independent ranking for each factor for this section since two or more factors could have the same importance for the participant. Participants were asked to rank each factor on scale from 1 to 5 (from not important at all to very important). The graph has been adjusted to show the results clearly. All extrinsic factors were either important or very important for the participants with salary being the most important one (See **Figure 1.2**). Also, some participants perceived the benefits package and promotion factors as neutral motivations.

3.3.3. Importance level of intrinsic motivations

Five factors were considered as extrinsic motivations: Challenge, curiosity, control, cooperation and competition.

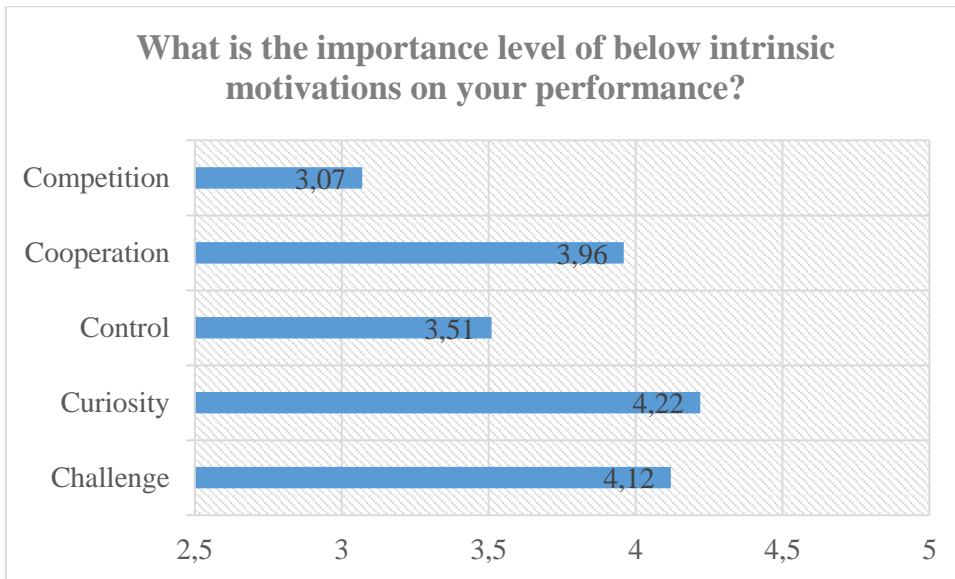


Figure 1.3. Intrinsic motivations
Source: Author's calculations

The author decided to have an independent ranking for each factor for this section since two or more factors could have the same importance for the participant. Participants were asked to rank each factor on scale from 1 to 5 (from not important at all to very important). The graph has been adjusted to show the results clearly. Factors such as challenge, curiosity and cooperation were almost ranked the same by the participants having a mean at “important” (See **Figure 1.3**). The mean point for control factor was between “important” and “neutral” whereas it was “neutral” for competition factor. Competition was selected as the least important motivation. As a conclusion, the participants assessed challenge, curiosity and cooperation as the most important intrinsic motivation factors.

3.3.4. Importance level of environmental motivations

Six factors were considered as environmental motivations: Office environment, responsibility, recognition, job security, defined processes and the use of ICT. Even though individual responsibility and recognition can also be classified under other motivational factors, these two are included in this section as general factors that define the workplace atmosphere for all employees.

The author decided to have an independent ranking for each factor for this section since two or more factors could have the same importance for the participant. Participants were asked to rank each factor on scale from 1 to 5 (from not important at all to very important). The graph has been adjusted to show the results clearly. Almost all factors were ranked as important (See **Figure 1.4**).

Defined processes and the use of ICT were exceptions being closer to “neutral” compared to the other factors.

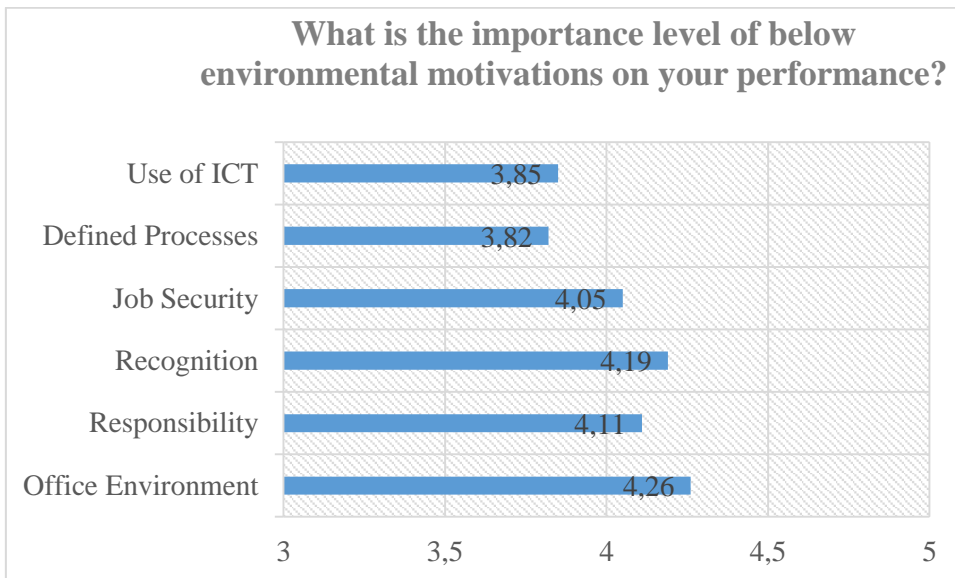


Figure 1.4. Environmental motivations
Source: Author’s calculations

3.3.5. Importance level of job enrichment and relationship with superiors motivations

Six factors were considered as job enrichment and relationship with superiors motivations (See **Figure 1.5**): Growth opportunities, adequate goal setting and appraisal, involvement in decision making, good relationship with superiors, authority to make decisions and management’s interest in motivating the employees.

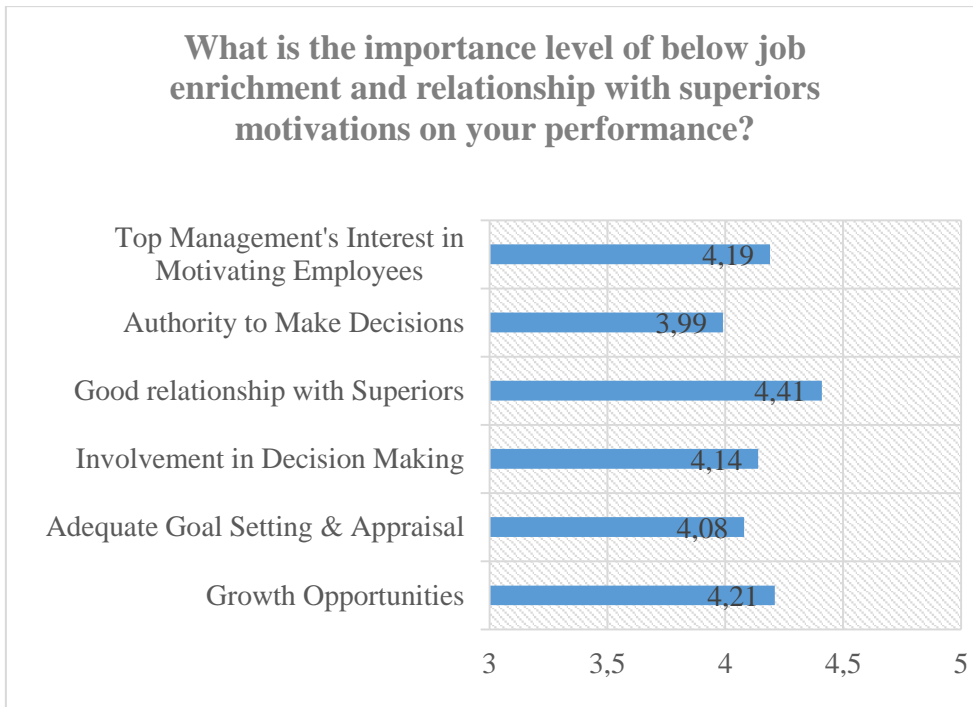


Figure 2.5. Job enrichment and relationship with superiors motivations
 Source: Author's calculations

The author decided to have an independent ranking for each factor for this section since two or more factors could have the same importance for the participant. Participants were asked to rank each factor on scale from 1 to 5 (from not important at all to very important). The graph has been adjusted to show the results clearly.

All factors were ranked as important with the exception of “good relationship with superiors” which was closer to “very important”; followed by “Growth opportunities” and “top management’s interest in motivating employees”. Also, “authority to make decisions” was somewhat closer to “neutral” compared to the other factors.

3.4. Discussion

Most participants by almost 80% are in the age range between 20-39 years. Majority of the participants are women and the women to men ratio is around 2:1 with men making up almost 1/3 of the participants. For the education level, around 4/5 hold either a bachelor’s degree or a master’s degree, followed by high school or equivalent by 15% and one of the participants has a PhD degree. As a result, the main profile of this thesis is a woman between 20-39 years of age with having either a grad or postgrad degree.

Almost half of the participants have worked at their current organization for less than a year. Around 2/5 stated that they have been working for the same organization for 1-3 years. More than half of the participants said 1-5 years whereas around 2/5 of the participants selected less than 1 year of experience in their current sector. So the professional experience level of the participants are relatively not very high in the current sector. In addition, it can be asserted that most employees are new to their current employer.

The vast majority of participants selected a combination of both financial and non-financial incentives as their main motivation. Therefore it can be asserted with certainty that a combination of both financial and non-financial incentives motivates the employees the most. Non-financial incentives were not favored by the employees.

The results for this section showed that incentives and benefits affect employee performance in a significant way and it can be asserted that the level of motivation of an employee affects his or her performance as well as productivity. The level of motivation of an employee also affects meeting the organizations goals.

Employees perform best when they feel and know that they are accepted members at work. Most employees try to meet their goals that attract bonus payments but this does not necessarily mean that all employees go for this type of incentives.

In addition, as a result of the hypothesis test conducted it is concluded that there is a significant relationship between motivation and employee performance. Both variables are naturally not independent of each other and the chi-square test confirms the phenomena.

It can be asserted with certainty that extrinsic factors are strong motivators from the analysis conducted. Respondents think that all extrinsic motivations are either important or very important with salary being the most important of all. Promotion, bonus packages and financial incentives are among the other important extrinsic motivators.

Intrinsic factors on the other hand such as challenge, curiosity and cooperation are the most important ones according to the participants. Competition was left out by the participants as neutral. Therefore a workplace that has a high level of intrinsic motivations such as challenge, curiosity and cooperation offers a lot in terms of employee motivation and performance. Competition on the other hand should be handled more delicately as it is not the most favored motivational factor among employees.

It can be asserted with certainty that environmental factors are strong motivators. The results showed that almost all factors were ranked as important despite defined processes and the use of ICT being closer to “neutral” compared to the other factors.

It can be asserted with certainty that job enrichment and relationship with superiors factors are strong motivators from the analysis conducted. Respondents think that all are either important or very important. The results revealed that “good relationship with superiors” is exceptionally important for the employees as having good relationship with the manager usually means job security, recognition and intimacy.

This research was conducted at an international bank in Estonia. The future scope could be banks in other neighboring countries such as Latvia and Lithuania as well as Finland and other Nordic countries.

Financial institutions other than banks could also be a future scope for a similar study. For example, audit firms or credit institutions located in Estonia could provide the researches with a good resource. With such reports, comparisons could be made between different countries and organizations. Research like this are very helpful in terms of finding out more effective uses of different types of motivational tools.

CONCLUSION

With regards to the data analysis drawn and the participants' repercussion of the survey prepared, the author infers to the conclusion that motivation has a significant impact on employee performance. As a conclusion, the motivational factors considered within the research such as extrinsic, intrinsic, environmental and job enrichment and relationship with supervisors motivations clearly dominates the employees' will to perform, produce and achieve organizational goals. Motivation plays a role both in meeting organization's goals and productivity.

Extrinsic motivations that have the greatest importance on employee motivation are salary, financial incentives, benefits package and promotion; with salary being the most effective factor. Salary should not only be regarded as a basic requirement as in Maslow's Theory but also as an equally strong demotivating factor when it is absent or insufficient. Intrinsic motivations that have the greatest importance on employee motivation are challenge, curiosity and cooperation. Environmental motivations that have the greatest impact on employee motivation are office environment, job security and responsibility.

And lastly Job Enrichment and Relationship with Superiors motivations that have the greatest importance on employee motivation are growth opportunities, good relationship with superiors and top management's interest in motivating employees, with good relationship with superiors being the most effective factor.

The author is able conclude that there is a significant relationship between motivation and employee performance and it is quite natural. Employees tend to perform better when they receive extra motivation in form of above stated motivational factors such as salary, good relationship with superiors, a suitable working environment and / or some challenges and cooperation.

This research is important in the sense that the topic is not commonly researched in Estonia or nearby Baltic countries. The necessity of this research is situated in its provision of identification of motivational factors for the organizations and their managers. It provides insight to the relationship between motivation and employee performance based on the responses by financial sector professionals. It adds value to its relevant field by providing primary data and conclusions in accordance with this data on the topic.

This research was conducted in hopes of finding out about the relationship between motivation and performance and exploring which motivational factors are the most influential on employees. Therefore the results obtained from this research can surely be applied in other banks in Estonia or in financial institutions other than banks in order to increase the motivational levels of employees.

Following points are suggested to the financial organizations and their managers based on the results and findings of the research conducted:

- The results of the research can be used to implement efficient motivational factors at an organization by using the motivations that have the highest importance to the employees as outlined in this study.
- When applying intrinsic motivations, managers are advised to isolate “competition” and focus on the other factors outlined above because this research found out that competition is the least favored motivation among the employees. Although it is a motivation for some, the case may be otherwise for many.
- “Salary” turns out to be the most important extrinsic motivation and therefore must be used in a careful and fair manner.
- Not every factor is either intrinsic or extrinsic. “Good relationship with superiors” is the most important motivational factor in its respective category and thus managers must try to ensure that they have a good relationship with the members of their team.

Readers should keep in mind that this research was conducted during the period of COVID-19 pandemic. The author is not sure to what extent this depressive situation could have affected the decisions and preferences of the participants but it should be kept in mind that although small, there is a possibility that the research could have been affected by the pandemic since the research was finalized during the Emergency Situation in Estonia.

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APPENDICES

Appendix 1. Motivation Theories Literature Review

1- Maslow's Need Hierarchy Theory

Maslow's theory is based on the famous needs hierarchy pyramid he had constructed. Maslow (1943) thought that there are at least five sets of goals that the employees are motivated by. These goals are: Physiological, security, affiliation, esteem and self-actualization (See **Figure 2.1**).

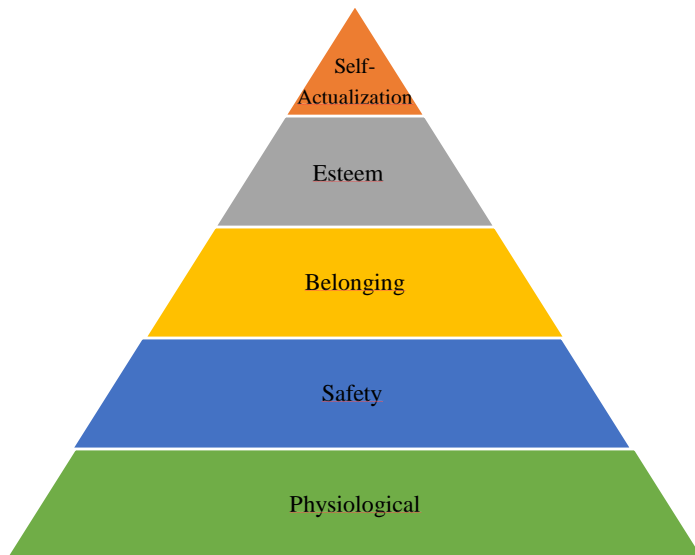


Figure 2.1. Maslow's Hierarchy of Needs
Source: Maslow (1943)

One must fulfil the requirements of each level in order to go up in the pyramid. However the last step, self-actualization is never fully satisfied. "Managers have the responsibility to create a proper climate in which employees can develop to their fullest potential. Failure to provide such a climate would theoretically increase employee frustration and could result in poorer performance, lower job satisfaction, and increased withdrawal from the organization" (Steers, Porter 1983, 32).

2- McClelland's Need Theory

McClelland (1961) described the theory of needs for the individuals on achievement, power and affiliation. Of these three, achievement is done in relation to a set of standards. McClelland outlines

that regardless of the gender, culture, or age, everybody has all three motivating drivers. One of the motivating drivers will be the dominant motivating driver for each person and this dominant motivator is highly dependent on the culture and life experience.

“The need for achievement was defined as the drive to excel, to achieve in relation to a set of standards, to strive to succeed” (Ramlall 2004, 55). The need for power was defined as the need to make others behave in a way that they would not have behaved otherwise. The need for affiliation was defined as the desire for friendly and close interpersonal relationships.

3- Adams' Equity Theory

This theory states that the employees are not only interested in their rewards and benefits, but also interested in others' rewards and benefits as well. When an imbalance occurs, tension arises. Adams' theory therefore asks for a balance between input by the employee and the output given in return. Such inputs are effort, loyalty, hard work, commitment, skill, adaptability, flexibility, determination, acceptance, enthusiasm and trust. Outputs on the other hand consist of recognition, reputation, responsibility, achievement, appraisal, growth and job security.

When tension arises as a result of unfairness, employees start considering other options including getting another employment at another organization. “These options include the employees reducing their input through directly restricting their work output, attempting to increase their output by seeking salary increases or seeking a more enjoyable assignment” (*Ibid.*, 55). Other possibilities are to decrease the outcomes of a comparison other until the ratio of that person's outcomes to inputs is relatively equal or increasing the other's inputs.

4- Vroom's Expectancy Theory

Vroom's Theory on Expectancy states that motivation is a combined function of the individual's perception that his or her efforts will lead to performance and the outcomes that are created as a result of the performance. According to this theory, there is a connection between the employees' motivation and their expectations:

$$\text{Motivation} = \text{Valence} \times \text{Expectancy}$$

Expectancy theory has three components: Expectancy, instrumentality and valence. “Vroom (1964) defined the term valence as the affective orientations people hold with regard to outcomes” (*Ibid.*, 56). He also went on to describe performance as the effort believed to be needed by the employee to accomplish a desired outcome. And lastly, “expectancy is the strength of a person's

belief about whether a particular outcome is possible” (*Ibid.*, 56). As a simple illustration of the Expectancy Model (See **Figure 2.2**):



Figure 2.2. Expectancy model
Source: Vroom (1964)

5- Herzberg’s Job Design

According to Herzberg’s Job Design Theory (1966), a monotonous job will only decrease the employee’s motivation to do well. On the other hand a job with challenges and variety will increase the motivation of employees. Variety, autonomy, and decision authority are three ways of adding challenge to a job; whereas job enrichment and job rotation are the two ways of adding variety and challenge (Ramlall 2004, 56).

6- The Motivator-Hygiene Theory

Herzberg (1966) discovered that the motivators for employees are variables such as achievement, recognition, the work, responsibility, advancement and growth. On the other hand dissatisfaction resulted from work context related factors such as company policies, benefit packages and behavior of superiors (Steers 1983). Herzberg’s argument is that motivation can only happen as a result of the first set of motivators. Herzberg thought that the factors leading for job satisfaction are distinct from those that cause dissatisfaction. Therefore, managers who seek to eliminate factors that create job dissatisfaction can bring about peace, but not necessarily motivation (Ramlall 2004, 57).

7- Job Characteristics Model

This approach stated that jobs should be designed so as to generate experiences for the employee in the sense of meaningfulness, responsibility, and a knowledge (*Ibid.*, 57). Three specific core factors of jobs are especially required for making work feel meaningful: skill variety, task identity

and task significance (Hackman, Oldham 1980). Employees perceive the job as more meaningful when the employees know how their tasks fit in the bigger organization and their efforts are worth something that makes sense to the organization as well as the society.

8- Alderfer's ERG Model

Alderfer (1969) takes Maslow's five needs and turns them into three separate categories: Existence including all material and psychological desires; relatedness consisting of social desires; and growth regarding self-actualization. According to this model, when needs in a higher category are not met then individuals redouble the efforts invested in a lower category need. If for example, self-actualization is not successful then individuals will invest more effort in a lower category in the hoping to achieve the higher needs desired.

9- Goal Setting Theory by Latham and Locke

Latham and Lock (1990) state in their theory the level of motivation and performance is higher when employees have specific objectives established and when these objectives are accepted and offered an appraisal or feedback. Theory says that challenging goals lead to higher effort and increase persistent effort. Goals motivate employees to determine strategies that will set their performance in accordance with the required target levels. "Finally, accomplishing the goal can lead to satisfaction and further motivation, or frustration and lower motivation if the goal is not accomplished" (Lunenburg 2011a, 2).

In order to effectively use the Goal Setting Theory, goals must be defined specifically. Defined goals must be hard in relation to employee's skills and competence but achievable at the same time. Feedback must be provided as a result of goal setting and goal achieving process (See **Figure 2.3**). A learning goal orientation leads to higher performance than a performance goal orientation, and group goal-setting is as important as individual goal-setting (*Ibid.*, 5).

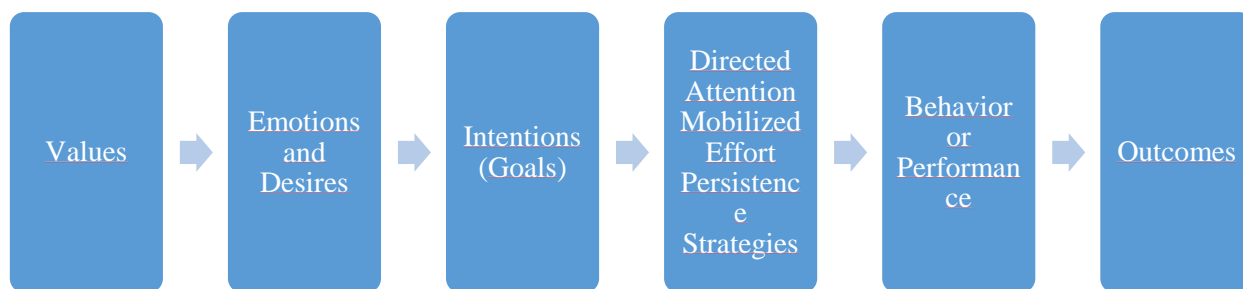


Figure 2.3 General model of goal setting theory
Source: Lunenburg (2011a)

10- McGregor's Theory X and Theory Y

McGregor (1960) separates the employees into two categories; the X theory representing those who are negligent and has a resistance to change and a desire for security, whereas the Y theory represents those who make the effort and are responsible in their work.

Theory X is the traditional view of control requiring close supervision of employees with little trust in them. It is based on the three assumptions that the average human being will do as little work as possible; because of this human dislike of work, most people will not exercise self-motivation so managers have to do this for them, and the average human being prefers to be told exactly what to do rather than having to figure out by himself according to (Kopelman *et al.* 2008).

Theory Y combines the individual goals with those goals of the organization. It is based on the assumptions that most people do not dislike work; punishment is not the only means for getting people to work; the most important rewards such as self-actualization needs, can be results of efforts towards organizational goals; most people learn to take responsibility; most people in the society can possess the capacity to bring forth creative solutions to problems encountered and lastly in modern times people's intellectual potentials are only partly utilized (*Ibid.*).

The two contrasting theories can also be seen as the explanatory source of the different management types and personalities. Organizations have still been trying to align both theories through development, continuous learning and professional development programs.

11- Adair's Fifty – Fifty Rule

The intersection of tasks, individual and team creates motivation (Adair, 2006). For example if there is a lack of good relationship in the team, this will also affect the task and the individual team members as well. An individual's 50% of motivation comes from within and the other 50% from his or her environment, especially from the leadership encountered (Adair 2002). Adair thought that an employee's motivation is influenced by the expectations of outcomes from his or her actions. And the motivational level is also strengthened by factors such as the employee's preferred outcome, working environment and the employee's fears and perceptions (*Ibid.*, 3).

Appendix 2. Chi-square test Mean Average Value (MAV) table

	SD	D1	D2	D3	N1	N2	N3	A1	A2	A3	SD		
	0	1	2	3	4	5	6	7	8	9	10	TV	MAV
	0	0	0	1	0	1	5	7	18	13	28	628	8,6
	0	0	1	0	0	0	4	10	10	16	32	640	8,8
	0	0	0	0	0	1	3	11	14	15	29	637	8,7
	1	0	1	2	0	5	12	11	13	11	17	555	7,6
	0	0	0	1	1	6	4	6	11	18	26	613	8,4
	2	0	2	0	2	10	5	9	19	15	9	532	7,3
Total	3	0	4	4	3	23	33	54	85	88	141		438

TV : Total Value

TV is calculated by sums of number of selections for each response times points assigned to the response on the highlighted row.

MAV : Mean Average Value

MAV = Total Value / Total Population

Appendix 3. Chi-square test calculations table

Fo	Fe	Fo-Fe	(Fo-Fe) ²	(Fo-Fe) ² /Fe
0	1,00	-1,00	1,00	1,00
0	0,00	0,00	0,00	0
0	1,33	-1,33	1,78	1,33
1	1,33	-0,33	0,11	0,08
0	1,00	-1,00	1,00	1,00
1	7,67	-6,67	44,44	5,80
5	11,00	-6,00	36,00	3,27
7	18,00	-11,00	121,00	6,72
18	28,33	-10,33	106,78	3,77
13	29,33	-16,33	266,78	9,09
28	47,00	-19,00	361,00	7,68
0	1,00	-1,00	1,00	1,00
0	0,00	0,00	0,00	0
1	1,33	-0,33	0,11	0,08
0	1,33	-1,33	1,78	1,33
0	1,00	-1,00	1,00	1,00
0	7,67	-7,67	58,78	7,67
4	11,00	-7,00	49,00	4,45
10	18,00	-8,00	64,00	3,56
10	28,33	-18,33	336,11	11,86
16	29,33	-13,33	177,78	6,06
32	47,00	-15,00	225,00	4,79
0	1,00	-1,00	1,00	1,00
0	0,00	0,00	0,00	0
0	0,00	0,00	0,00	0
0	1,33	-1,33	1,78	1,33
0	1,00	-1,00	1,00	1,00
1	7,67	-6,67	44,44	5,80
3	11,00	-8,00	64,00	5,82
11	18,00	-7,00	49,00	2,72
14	28,33	-14,33	205,44	7,25
15	29,33	-14,33	205,44	7,00
29	47,00	-18,00	324,00	6,89
1	1,00	0,00	0,00	0,00
0	0,00	0,00	0,00	0
1	0,00	1,00	1,00	0
2	1,33	0,67	0,44	0,33
0	1,00	-1,00	1,00	1,00
5	7,67	-2,67	7,11	0,93
12	11,00	1,00	1,00	0,09
11	18,00	-7,00	49,00	2,72

13	28,33	-15,33	235,11	8,30
11	29,33	-18,33	336,11	11,46
17	47,00	-30,00	900,00	19,15
0	1,00	-1,00	1,00	1,00
0	0,00	0,00	0,00	0
0	1,33	-1,33	1,78	1,33
1	1,33	-0,33	0,11	0,08
1	1,00	0,00	0,00	0,00
6	7,67	-1,67	2,78	0,36
4	11,00	-7,00	49,00	4,45
6	18,00	-12,00	144,00	8,00
11	28,33	-17,33	300,44	10,60
18	29,33	-11,33	128,44	4,38
26	47,00	-21,00	441,00	9,38
2	1,00	1,00	1,00	1,00
0	0,00	0,00	0,00	0
2	1,33	0,67	0,44	0,33
0	1,33	-1,33	1,78	1,33
2	1,00	1,00	1,00	1,00
10	7,67	2,33	5,44	0,71
5	11,00	-6,00	36,00	3,27
9	18,00	-9,00	81,00	4,50
19	28,33	-9,33	87,11	3,07
15	29,33	-14,33	205,44	7,00
9	47,00	-38,00	1444,00	30,72

Total 256,91

Appendix 4. Chi-square distribution table

v	Probabilities				
	0,90	0,95	0,975	0,99	0,999
1	2,706	3,841	5,024	6,635	10,828
2	4,605	5,991	7,378	9,210	13,816
3	6,251	7,815	9,348	11,345	16,266
4	7,779	9,488	11,143	13,277	18,467
5	9,236	11,070	12,833	15,086	20,515
6	10,645	12,592	14,449	16,812	22,458
7	12,017	14,067	16,013	18,475	24,322
8	13,362	15,507	17,535	20,090	26,125
9	14,684	16,919	19,023	21,666	27,877
10	15,987	18,307	20,483	23,209	29,588
11	17,275	19,675	21,920	24,725	31,264
12	18,549	21,026	23,337	26,217	32,910
13	19,812	22,362	24,736	27,688	34,528
14	21,064	23,685	26,119	29,141	36,123
15	22,307	24,996	27,488	30,578	37,697
16	23,542	26,296	28,845	32,000	39,252
17	24,769	27,587	30,191	33,409	40,790
18	25,989	28,869	31,526	34,805	42,312
19	27,204	30,144	32,852	36,191	43,820
20	28,412	31,410	34,170	37,566	45,315
21	29,615	32,671	35,479	38,932	46,797
22	30,813	33,924	36,781	40,289	48,268
23	32,007	35,172	38,076	41,638	49,728
24	33,196	36,415	39,364	42,980	51,179
25	34,382	37,652	40,646	44,314	52,620
26	35,563	38,885	41,923	45,642	54,052
27	36,741	40,113	43,195	46,963	55,476
28	37,916	41,337	44,461	48,278	56,892
29	39,087	42,557	45,722	49,588	58,301
30	40,256	43,773	46,979	50,892	59,703
31	41,422	44,985	48,232	52,191	61,098
32	42,585	46,194	49,480	53,486	62,487
33	43,745	47,400	50,725	54,776	63,870
34	44,903	48,602	51,966	56,061	65,247
35	46,059	49,802	53,203	57,342	66,619
36	47,212	50,998	54,437	58,619	67,985
37	48,363	52,192	55,668	59,893	69,347
38	49,513	53,384	56,896	61,162	70,703
39	50,660	54,572	58,120	62,428	72,055
40	51,805	55,758	59,342	63,691	73,402
41	52,949	56,942	60,561	64,950	74,745
42	54,090	58,124	61,777	66,206	76,084

43	55,230	59,304	62,990	67,459	77,419
44	56,369	60,481	64,201	68,710	78,750
45	57,505	61,656	65,410	69,957	80,077
46	58,641	62,830	66,617	71,201	81,400
47	59,774	64,001	67,821	72,443	82,720
48	60,907	65,171	69,023	73,683	84,037
49	62,038	66,339	70,222	74,919	85,351
50	63,167	67,505	71,420	76,154	86,661

Appendix 5. Structured questionnaire

No.	Question	Type	Options	Section
1	What is your age?	Mandatory	*Under 20 *20-29 *30-39 *40-49 *50-59 *60 and over	Background Information
2	What is your gender?	Mandatory	*Male *Female *Prefer not to say	Background Information
3	What is your education level?	Mandatory	*High school or equivalent *Bachelor's *Master's *PhD *Other	Background Information
4	How long have you worked for at your organization?	Mandatory	*Less than 1 year *1-3 years *3-5 years *More than 5 years	Background Information
5	How long have you worked in your current sector?	Mandatory	*Less than 1 year *1-5 years *5-10 years *More than 10 years	Background Information
6	What type of incentives motivate you the most?	Mandatory	*Financial incentives *Non-financial incentives *A combination of both	Types of Incentives
7	Incentives and benefits influence my performance in a positive way.	Mandatory	On a scale of 0-10, 0 being "Strongly Disagree" and 10 being "Strongly Agree"	Motivation & performance related statement ranking
8	My level of motivation affects my performance.	Mandatory	On a scale of 0-10, 0 being "Strongly Disagree" and 10 being "Strongly Agree"	Motivation & performance related statement ranking
9	My level of motivation affects my productivity.	Mandatory	On a scale of 0-10, 0 being "Strongly Disagree" and 10 being "Strongly Agree"	Motivation & performance related statement ranking
10	My level of motivation affects meeting the organization's goals.	Mandatory	On a scale of 0-10, 0 being "Strongly Disagree" and 10 being "Strongly Agree"	Motivation & performance related statement ranking
11	I always perform my best when I know that I am accepted at work.	Mandatory	On a scale of 0-10, 0 being "Strongly Disagree" and 10 being "Strongly Agree"	Motivation & performance related statement ranking
12	I often try to meet the objectives which attract bonus payments.	Mandatory	On a scale of 0-10, 0 being "Strongly Disagree" and 10 being "Strongly Agree"	Motivation & performance related statement ranking

13	What is the importance level of below extrinsic motivations on your performance?	Mandatory	*Salary *Financial incentives *Benefits package *Promotion	Types of Incentives
14	What is the importance level of below intrinsic motivations on your performance?	Mandatory	*Challenge *Curiosity *Control *Cooperation *Competition	Types of Incentives
15	What is the importance level of below environmental motivations on your performance?	Mandatory	*Office environment *Responsibility *Recognition *Job security *Defined processes *Use of ICT	Types of Incentives
16	What is the importance level of below job enrichment and relationship with superiors motivations on your performance?	Mandatory	*Growth opportunities *Adequate goals setting & appraisal *Involvement in decision making *Good relationship with superiors *Authority to make decisions *Top Management's interest in motivation employees	Types of Incentives

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