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COLLAGE OF BUSINESS AND ECONOMICS

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**Effect of Reward Management on Employees' Job Performance in
the Case of Getfam Hotel**

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**Effect of Reward Management on Employees' Job Performance in
the Case of Getfam Hotel**

By

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DECLARATION

I, Selamawit Amdework, the under signed, declare that this thesis entitled: “*Effect of Reward Management on Employees’ Job Performance in the Case of Getfam Hotel*” is my original work. I have undertaken the research work independently with the guidance and support of the research advisor. This study has not been submitted for any degree or diploma program in this or any other institutions and that all sources of materials used for the thesis has been duly acknowledged.

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Certificate of Approval

This is to certify that the thesis prepared by Selamawit Amdework Petros, entitled “**Effect of Reward Management on Employees’ Job Performance in the Case of Getfam Hotel**” and submitted in partial fulfillment of the requirements for the Master of Arts Degree in Business Leadership complies with the regulations of the University and meets the accepted standards with respect to originality and quality.

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ABSTRACT

The purpose of this study is to examine the effect of reward management on the performance of employees. The study also attempted to investigate what types of reward system financial or non-financial contribute to the employee better performance. This helps the hotel to identify which one is the most effective and contribute to the success of the hotel in providing exceptional service which is expected from five-star hotel. Quantitative research method was applied. Primary data was collected by using questionnaires targeting employees working in a hotel. In order to select the respondents from the total population of 193 permanent staff of the hotel, random sampling method was applied. The sample size determination comes with 130 samples to be taken in to the study by using a formula adopted Isreal 2012. A survey was done and the study achieved 95.38% response rate. From 130 questionnaires 124 were filled and returned. Descriptive analysis presented numerical data. Inferential statistics was also used to show the interdependence between the dependent and the independent variables using correlation and regression analysis. The descriptive statistical tool, Statistical Package for Social Sciences (SPSS 20) was used to help the researcher describe the data. According to the study's findings, there is a link between reward management and employee performance in general, as well as financial and non-financial rewards in particular. The research also revealed that employees' working performance was influenced more positively and significantly by the non-monetary reward component than by the financial reward component. The study concluded that the hotel needs to strengthen its present reward systems in order to attract and retain their personnel. Furthermore, the hotel must consider rewards as a performance motivator and part of its overall company plan.

Key Words: *Reward, Reward Management, Financial Rewards, Non-Financial Rewards, Reward Management Practices*

CHAPTER ONE

INTRODUCTION

Background of the Study

In terms of human resource management, nearly every company has a performance management framework that is supposed to meet a range of important goals. The goals usually include performance motivation, helping people improve their talents, creating a culture of performance, determining who should be promoted, transfer people with incompetency's, and helping to execute business strategies (Beardwell, J., & Claydon, T., 2010). There is little doubt that a system of performance management that can meet these goals can make a very positive contribution to the productivity of the company, but there is less certainty on what practices make a system of performance management efficient.

Globalization is a term that includes change and competition. Organizations that want to thrive and establish themselves in intense competition are expected to produce various kinds of solutions. There are several external factors that have forced organizations to work harder. Particularly in global crises, companies should pay attention to change and growth within their processes in terms of profitability and permanency.

Unquestionably, human beings are the most significant factor in organizations. One of the organizations' key management techniques is to invest in workers. In a number of human resources applications, companies aim to create, inspire and improve their employees' performance. Hence, the reward management system has been the most important practices of the human resources management system (Armstrong, 2012).

There are a wide number of design features that can theoretically affect a performance management system's efficacy, and many of these have been tested empirically to assess their effects. For instance, significant research indicates that the efficacy of performance management improves as there is continuous feedback, behavior-based interventions are used and targets are set and qualified raters are employed. However, there is one possible determinant of the success of the performance management system that has gained relatively little attention: how closely the performance management system's outcomes are related to substantial rewards. The lack of

Commitment to this effect is particularly noted when it comes to the problem of using a performance management system to consistently expel lower-performing workers from the company.

There are a variety of reasons to conclude that consistently linking incentive

s to the result of a performance management system would make the performance management system more motivationally efficient, but there are also those that will make it less effective in connection to development.

Rewards and their effects is becoming a subject of concern for all. Efficient reward management is concerned with setting procedures, policies and strategies. Such activities are required to ensure that those responsible for the operation of the company understand the contribution of employees to the enterprise. Rewarding workers equally, equitably and regularly in correlation with the contribution of these people to the company is the main theme in reward management (Armstrong, 2012). Reward system exists in order to encourage employees work towards achieving corporate objectives by improving their efficiency and performance levels. It is important to recognize that reward management is not only associated with financial benefits. It is equally concerned with non-financial rewards such as recognition, training, development and increased job responsibility (Shields, 2007).

The management of reward strategy that ensures organizational well-being has usually been addressed in organizational debate. This is because the most fundamental concerns of reward management is how it can help inspire workers to reach a high standard of success, guarantee their retention, and improve production in the company (Armstrong and Stephen, 2005).

In organizational literature, the word 'reward' is often described as something that a company provides to employees in response to their efforts and performance, as well as something that is desired by the employees. Armstrong (2012) said that reward is something that acknowledges the contribution of a person. He argued that individuals are financially compensated for the job they are in (basic salary) and also for their success, skill or capacity levels (contingent or mutable pay), or for their employment services (service-related pay). Krietner and Kinicki (2007) agree with these views that reward is return for the job well assigned to an employee, which may come in the form of both financial and non-financial benefits.

Armstrong and Stephens (2005) view reward strategy as a statement of intent by management that communicates what the company wants to do in the longer term in order to establish and execute reward strategies, procedures and processes that will maximize the achievement of business objectives and meet the needs of stakeholders. They stated that the reward strategy offers a sense of purpose and direction and a structure for the implementation of reward strategies, procedures and policies focused on an understanding of the organization's and its employees' needs and how they can best be addressed.

The aim of the reward strategy is to establish policies and practices that attract retain and inspire high-quality individuals in the company (Armstrong, 2005), and encourage the achievement of business goals and provide workers in the organization with equal and equitable pay (Armstrong, 2012).

1.2 Statement of the Problem

Human resources are critical to the achievement of corporate goals and strategies. Any organization's emphasis should be on effective human resource management. Any company's success will be aided by establishing a reward system. Employees have become the most important determinant factors of organizational success in a highly qualified and knowledge-based economy (Jerris, A. L., 1999). In today's world, where people are becoming more demanding about their lives and environments, the reward system could be used to inspire workers by meeting these demands. However, there is a lack of awareness about how to empower all of those high-demanding people, resulting in most encouragement programs being under-utilized. Companies must better consider what motivates people and what does not in order to design an optimal reward scheme. According to Hafiza et al. (2011), when companies perform optimally and compete efficiently, they can leverage their resources, one of which is human capital, which is the most valuable asset a company can have.

Desired performance can only be accomplished efficiently and effectively if the employee perceives mutual benefit for both the company and himself in achieving the specified objective or goal. An organization's rewards system must be strategically set up to assess employees' performance at all levels and then reward them, whether by overt pay for performance or hidden satisfaction. The philosophy of performance management has resulted in a reward structure that

includes coordination of needs and priorities between the company and the workers, as well as rewarding workers financially and non-financially (Armstrong, 2012). The system also recommends areas where the employee can receive training and development in order to meet the specified objectives. This training or development need assessment of worker gives them an intrinsic motivation. According to Frey (1997), as pay rises above a subsistence standard, intrinsic factors become more important motivators, and staff motivation necessitates non-financial rewards such as work satisfaction and a sense of doing anything worthwhile.

There are conflicting findings in the literature when it comes to determining which type of reward is most successful in improving employee performance. Financial benefits are not the most motivating factor, according to Perry et al (2006), and financial results have a demotivating impact on workers. Money was not the most powerful motivator for workers in some studies, and in several cases, managers discovered that money had a demotivating or detrimental impact on employees (Srivastava, 2001). Non-financial rewards, on the other hand, according to Yavuz, N., (2004), can be highly motivating for workers and can help them boost their performance. He believes that using customized non-monetary reward in an innovative way reinforces healthy habits and increases employee performance and productivity. These types of recognition can be inexpensive to offer but extremely valuable to receive.

Also, in my informal conversation with hotel management and staff, I discovered that there is disconnect between the two bodies' perceptions about which type of rewards motivates employees the most. This triggered me to do this research.

As indicated above, several studies have found a positive link between rewards management and desired levels of efficiency, while others have found that the use of specific forms of rewards predicts anticipated increases in employee performance, resulting in the organization's goals and objectives not being met. Dispute among professionals, academics, and researchers, as well as the existence of significant gaps in the evidence that clearly distinguishes the logical relationship between independent variables and performance, has generated a need for more evidence on the rewards and performance relationship in diverse fields and contexts. Based on this background and my informal observation, this study will be conducted in order to assess the impact of rewards on employee performance at the Getfam hotel.

The performance of the employees differ from individual to individual and from department to department but overall it is average. As a five star hotel an average employees performance is not expected. Currently this hotel is competing with other five star hotels that are in the city like Sheraton Hotel and Hayyat Regency. If the hotel is not going to focus on employees it cannot improve the service level, meet customer expectation and reach on the level of service excellence which is expected from five star hotel.

The specific gap is the lack of clarity on which type of rewards (financial vs. non-financial) are the most effective in motivating employee’s performance in the hotel. Understanding effective reward system can help the hotel to improve employee’s job performance and service quality.

Financial Reward	Non- Financial Reward
Yearly salary increment	Training
Employee of the month reward with ETB5000	Promotion
Bonus based on performance (from one month until three months)	Schedule arrangement for those they are learning (students).
Commission	The hotel has an agreement to get 20% discount benefit for the employee of the hotel with governmental and non government colleagues
Medical Insurance	Gift to all employees in every holiday (20 eggs and 2liter of oil)

Table 1 Reward structure of the organization

1.3 Research Questions

The main emphasis of the research is to investigate the effects of reward system (independent Variable) on employees' performance (dependent variable) as per the questions listed below

1. How do strategies, policies and procedures in reward management influence employees' performance in Getfam Hotel?
2. What is the effect of financial rewards on employees' performance in Getfam Hotel?
3. What is the effect of non-financial rewards on employees' performance in Getfam Hotel?
4. What is the effect of reward management practices on employees' performance in GetfamHotel?

1.4 Objectives of the Study

The general objective of this study was to investigate the effect of reward management on employees' job performance in Getfam Hotel.

The specific objectives of the study are:

- ❖ To assess the impact of strategies, policies and procedures of reward management on employee performance
- ❖ To examine the effect of financial rewards on employee performance.
- ❖ To assess the impact of non-financial rewards on employee performance.
- ❖ To examine the effect of reward management practices on employee performance.

1.5 Significance of the Study

This study is significant to the following stakeholders:

1.5.1 Getfam Hotel

Getfam Hotel will benefit from the results of this study because both management and employees will have a better understanding of how rewards influence employee performance. The study's findings would provide managers with qualifying measures for any negative consequences that may be due to the existence or absence of employee benefits.

1.5.2 Tourism Promotion Services (Trading as Getfam Hotels)

The results of this research will help Tourism Promotion Services by guiding management on how to match rewards with employee performance based on the recommendations given at the end of the report.

1.5.3 The Hospitality Industry

The hospitality industry in Ethiopia will benefit from this research because it will include ideas about how to deal with the impact of rewards on employee performance. This study can also be used by human resources professionals in the hospitality industry to make decisions about encouragement choices and reward programs that they can consider for their organizations.

5.4 The Government

This study will benefit the Ethiopian government because it will include data that will assist policymakers in designing sector rewards policies that are consistent not only with sector goals, but also with the current state of the sector.

1.5.5 Other Researchers and Scholars

This study will support researchers and academicians by contributing to their expertise and value. These results can be used by researchers to test hypotheses or perform additional research, while academicians can use them for literature reviews, additional studies, or verifying findings by study hypotheses on the same.

1.6 Scope of the Study

The study is limited only at Getfam Hotel in Addis Ababa. It uses strategies, policies and procedures in reward management, practice of reward management, financial rewards and non-financial rewards as independent variables. The research approach used in the study is quantitative.

1.7 Limitation of the Study

The study was limited in scope and methodology employed for the study purpose. The study was only focused on the impacts of strategies, policies and procedures in reward management, practices of reward management, financial rewards, non-financial rewards and reward management practices on performance of employees in Getfam Hotel. Due to time and budget constraints, this study was limited to some affecting factors and thus it may not be possible to fully generalize the findings with confidence to performance of employees of other organizations. The study would have been

better if it had included more affecting factors and most of the hotels in the country. The scope of the study was also limited to one of management knowledge areas, which was reward management.

1.8 Organization of the Study

The research paper contains five chapters. Chapter one provides an overview to readers to understand what the research is all about. Hence, it is the introductory chapter which highlights the background of the study, statement of the problem, objectives of the study, significance of the research, scope of the study and definitions of key terms. The second chapter is dedicated to review of related literature on the topic: theoretical and empirical. Chapter three discusses the methodology applied to conduct the research included here are research approach and design, sampling technique, sample size determination, methods of data collection, source and types of data, and data analysis. The fourth chapter discusses the analysis interpretation of data, presentation and finding of the study. The discussion includes some statements by other researchers to support the results. The last chapter presents the summary of findings, conclusion and recommendations plus suggestions for future research.

1.9 Definition of Key Terms

- A **Reward** is something that captures an employee's interest and motivates him to work (Armstrong, 2012).
- A **Financial Reward** is a monetary benefit including pay, bonuses, fringe benefits, transportation facility and medical facility that an employee receives as a result of good results (Yavuz, 2004).
- **Non-Financial Reward** is a non-monetary award given in recognition of a high level of accomplishments or performance such as customer care or support to colleague, which is not dependent on achievement of a pre-determined target (Rose, 1998).
- **Reward Management** is the process of formulating and implementation of strategies and policies that aim to reward people fairly, equitably and constantly in accordance with their value to the organization. It also deals with the design, implementation and maintain of reward processes and practices that are geared towards the improvement of organizational, team and individual performance (Armstrong and Murlis, 2004).

CHAPTER TWO

REVIEW OF LITERATURE

The literature review for the research project is discussed in this chapter, followed by an explanation of the study's validity and rationale. The study's main concepts are also mentioned, accompanied by a detailed discussion of the reward system dimension and employee performance.

2.1 Theoretical Literature Review

2.1.1 Reward

A reward is an important component in encouraging workers to put forward their best effort in producing new ideas that lead to improved company functionality and improved financial and non-financial results. A reward is something that captures an employee's interest and motivates him to work (Armstrong, 2012). It is the reward that employees earn as a result of completing a job and taking on a responsibility. There are other ways to compensate workers besides financial rewards (Dewhurst et al. 2010). Employees may receive recognition from their employers, have the ability to take on important assignments or duties, and even receive leadership attention, to name a few.

Organizational rewards are constructive reinforcements. They are important motivators that make people work more effectively and productively. According to Mirkander (2010), a reward is provided by a person or an agency to a worker or employees for the work they do. The profit gained from completing a task, delivering a service, or fulfilling a duty is referred to as reward. Reward has long been considered to be an effective tool in motivating workers. Employees who are well compensated believe that they are respected by the organization for which they work (Sajuyigbe, Bosede, & Adeyemi, 2010).

When workers believe or trust that their contributions will be appreciated by management, they will give their best. Employee performance is affected by a number of factors, including working conditions, employee-employer relationships, advancement and growth opportunities, job security, and the company's overall policies and procedures for rewarding workers, among others. According to Aktar, Sachu, and Ali (2012), managers use rewards to show workers that their actions are respected. In general, a reward is granted in exchange for good work or in appreciation of meritorious service performance.

2.1.2 Types of Rewards

Understanding how different rewards are viewed and appreciated by different workers is an integral aspect of management. Managers must be able to distinguish among the different kinds of rewards.

2.1.2.1 Financial Rewards

A monetary benefit that an employee receives as a result of good results is known as a financial reward. These motivations are in line with the objectives of the company. If an individual supports a company in achieving its objectives, they are often rewarded. All financial rewards are extrinsic. Extrinsic motivation is dependent on monetary rewards such as pay raises, bonuses, and paid vacation time (Oroh, Lopian, and Pandowo, 2014). The following are some examples of monetary rewards:

Pay and Allowances, Salary is the most basic payments for any employee to work efficiently for a corporation. Simple pay, dearness allowance, house rent allowance, and other related allowances are included in the salary. Employees receive annual raises in basic wages as well as periodic increases in their allowances under the salary scheme. These raises are often dependent on an employee's success during the year.

Retirement benefits are financial securities provided to employees post their retirement. They include gratuity, pension, provident fund, leave encasement etc. As a result, they work properly when they are in service.

Reward is other form of bonuses, in addition to base pay, that is offered to inspire workers to perform well. Employees are rewarded based on their performance in a variable-pay system. If the employee reaches this amount of pay, he or she must receive it again each pay cycle. Short-term encouragement pay provides additional motivations for performance gains that last less than a year. Short-term incentive pay provides additional motivations for performance gains that last less than a year. Long-term motivation provides equity options and cash rewards in exchange for sustained efficiency and success over a period of more than a year. These options appeal to top workers because they realize they will consistently outperform expectations.

Benefits are rewards that go beyond the legally required minimums of social security, unemployment insurance, worker's reimbursement insurance, and state disability insurance. Vacation packages, as

well as leaves of absence, sick leave, and bereavement leave, will help organizations recruit top talent.

2.1.2.2 Non-Financial Rewards

In addition to the monetary and future security needs, a person has psychological, social, and emotional needs. Non-monetary rewards are primarily focused on meeting these needs and thus cannot be quantified in terms of money. However, there is a possibility that such non-monetary rewards will also contain monetary rewards. When an individual is promoted, for example, his psychological needs are met because he gains more power and his prestige rises, but he still benefits financially because his salary rises (Yavuz, N., 2004). The following are the most common non-monetary rewards:

Recognition can be described as acknowledgment and appreciation of work done by employees. Their self-esteem is boosted and they are inspired as a result of their recognition in the company. Employee appreciation programs include things like naming the best performer of the week or month, putting their names on the bulletin board, and rewarding them.

Work/life balance: Keeping workers comfortable requires the opportunity to assist them in creating a manageable workflow and striking a healthy balance between work demands and other personal obligations. Try to be as accommodating as possible to staff who may have erratic schedules due to family obligations. You may also offer retirement planning assistance to workers, as well as detailed overviews of investment options.

Employee empowerment: Giving subordinates more control and power makes them feel more valuable to the organization, and they serve the organization better as a result.

Status: In the context of an organization, status refers to one's position in the organizational chart's hierarchy. The status of an employee in the company is determined by his or her level of authority, obligation, and benefits, among other factors. An individual in top management has more power, accountability, recognition, and salary than anyone in lower management, and vice versa. Status satisfies an individual's self-esteem and psychological needs, motivating him to work hard.

Career advancement opportunities: It is important for a company to have an effective skill development program and a sound promotion strategy in place for its workers, as this acts as a

motivator for them to perform well and progress in their careers. Every employee wishes to advance in their company, and when he receives a promotion as a result of his efforts, he is encouraged to work harder.

Employee participation: Including workers in decision-making on matters that affect them, such as canteen committees and job committees, also helps to motivate them and instill a sense of belonging.

2.1.3 Reward Management

Reward management is described by Armstrong and Murlis (2004) as:

“The process of formulating and implementation of strategies and policies that aim to reward people fairly, equitably and constantly in accordance with their value to the organization. It also deals with the design, implementation and maintain of reward processes and practices that are geared towards the improvement of organizational, team and individual performance”.

According to the definitions given above, reward management is a motivational method used to recognize workers for their contributions to the organization. That is to say, reward may be interchanged with compensation, pay and benefits, or an overt labor price. Employees and the value they bring to the company are more important to reward management (Schneider, 1987). Organizations must create a reward plan to ensure that the contributions people make to achieving corporate or team goals are appreciated, respected, and rewarded if they are to achieve a highly dedicated business atmosphere and achieve their ultimate business objective (Armstrong, 2012).

Reward management is a motivational practice that organizations employ to reward workers for their successes and performances. The company sets targets and creates procedures for its staff to follow in order to achieve those objectives. It ensures that workers are well-informed about the priorities, laws, and benefits available for high performance (Schneider, 1987). The same reward scheme is used by all workers, and it is well-organized and equitable. Employee growth can be tracked using a system, which allows both the employee and the employer to keep track of progress and easily recognize when goals are met and rewards are obtained.

2.1.3.1 Objectives of Reward Management

Employee rewards are primarily aimed at helping in the achievement of organizational, strategic, and short-term goals. The achievement of these goals contributes to the availability of skilled, competent, committed, and self-motivated individuals. Employee reward systems that are objectively designed focus on individual employee improved performance. It also helps in the development of a team (Shields, 2007).

Organizational efficiency increases as a result of the process, and companies are better positioned to create value, thus giving them a competitive edge. The difference between sales revenues (organizational output) and the amount expended on materials and other inputs is referred to as added value. Only human capital, out of all the resources that use other resources, may ensure long-term value additions due to their unique nature (Njanja, L. W., et. Al., 2013).

Visions and values are created by people at various levels of the hierarchy, which are then translated into missions, goals and objectives are set, strategies are developed, and action plans are planned. All of these actions add value to businesses.

Efforts to improve added value through an efficient employee reward system support the company through fostering a culture of mutual confidence, transparency, collaborative efforts, and collaboration, which leads to high results.

Shields (2007) states that it is well known that the three pillars and essential prerequisites of employee added value are creativity, efficiency, and cost effectiveness. People can build the foundations and ensure added value by their actions as organizational citizens. People expect anything in exchange for their efforts. Organizational reward strategies are related to performance outcomes and aligned with overall priorities and objectives through efficient performance management processes,

Effective employee rewards inspire employees and keep them happy, which leads to improved results. While several companies believe rewards are the best way to reinforce performance enhancement, this is not always the case. Despite the higher degree of employee rewards, there are several cases of organizational failures. When deciding on a reward, the market average is usually taken into account (Agwu, M. O., 2013).

2.1.3.2 Purpose of Employee Reward Management

Organizations use reward schemes for a variety of reasons. Effective reward programs help a company's competitiveness, employee retention, and turnover reduction. Reward programs may also boost employee morale and strengthen an organization's reputation among key stakeholders or future workers. The purpose of developing the reward system is to improve performance effectively. The reward system is focused on performance, which is the result of both efforts and external factors (Shields, 2007).

People are the most valuable assets for a company's competitiveness, and having them on the job is a top priority for any leader. It's a fierce fight to recruit and retain the best workers. That's fantastic news for people looking for a job, but it's a challenge for managers who need to retain the best and brightest.

According to Armstrong (2012), it can be even more difficult in the nonprofit and public sectors, where financial rewards are more restricted than in the commercial sector. Retaining workers saves money on retraining, increases service quality, and allows for the development of client-organization relationships.

Furthermore, effective reward mechanisms can help to minimize absenteeism. Managers face a slew of problems as a result of absences. Instructors that fail to show up, a lack of a cleaning team, and too few staff members during peak periods may all contribute to workplace stress. Absences impact not just the manager, but also fellow workers who must fill in for him or her, as well as customers who bear the brunt of having too few employees on site (Agwu, M. O., 2013).

Employee performance can be improved by knowing who, what, and when to reward. However, if rewards are used incorrectly, they may have a negative impact on employee success. Managers must first comprehend their workers' views of the reward's value and fairness, and then clearly explain what must be achieved in order to obtain the reward (Armstrong, 2012).

Employees will be inspired to learn new skills that can help them and the business grow if they are appropriately rewarded. This could also arouse their interest in staying with the company. Employees who wish to take specialized courses in a field that is important to the company, for example, may be paid and given time off (Allscheid, S. P. and Cellar, D. F., 1996). Some companies can also give workers time off or support to help them achieve their own personal goals or develop new skills.

Ideally, a company wants employees who are not only willing to turn up for work but who are also pleased to be there. This enthusiasm for work is termed as affective commitment. Although the research is preliminary, there is some evidence that rewards that increase employee perceptions of being valued and in charge of their job situation can improve affective commitment.

Finally, reward mechanisms may assist in the recruitment process. Happy customers are often the best advertising for a product, and happy workers are often a great tool for hiring new employees and making the company a desirable place to work. Consider the kind of job you want (Yazıcı, N. K., 2008).

Usually, you will be able to quickly recognize a company that stands out as a great place to work. As a result, the company will attract the best and brightest, creating a virtuous cycle in which it becomes an even more appealing place to work. Hopefully, you can see how important it is for a company to create the right reward systems (Bishop, J., 1987).

Similarly, the aim of a reward is to provide positive reinforcement and encourage employees to achieve exceptional results. People work to fulfill a variety of needs. Not only do they want money, but they also want appreciation, return, and self-satisfaction. The aim of a reward is to inspire people. The motivation varies depending on the situation, interests, and preferences (Armstrong, 2012).

Attempting to inspire job performance by selective delivery is what reward is all about. If valued workers are adequately compensated, they will stay with the company. The company continues to expand as a result of the motivation generated by rewards.

2.1.4 Reward System

The reward system is made up of an organization's processes and procedures for integrally rewarding its workers based on their contribution, abilities, and expertise, as well as their market value. It is created within the context of the organization's philosophy, strategies, and policies, and includes processes, activities, mechanisms, and procedures for providing and maintaining adequate compensation, benefits, and other forms of reward (Armstrong, 2012).

Similarly, according to Obisi (2003), a reward scheme is a prize offered to workers as an reward to improve their performance. According to Robert (2005), a reward system is the process of creating and implementing strategies, policies, and programs that assist an organization in achieving its goals

by attracting and retaining the people it requires, as well as enhancing their motivation and dedication.

Moreover, Johnson et al. (2010) summarizes the goals of the reward scheme, which include attracting, retaining, and motivating employees; supporting short-term objectives by ensuring that the company has the skilled, knowledgeable, dedicated, and well-motivated workforce it requires; and meeting employee standards of being handled equitably, equally, and reliably in relation to the work they do and their contributions. There are three components to a successful reward program: immediate, short-term, and long-term. This ensures that good behavior is immediately recognized, short-term motivations for performance can be provided monthly or quarterly, and long-term rewards are provided for demonstrating loyalty over time (Schoeffler, 2005).

Employees receive immediate rewards on a regular basis so that they are mindful of their excellent performance. Being rewarded by an immediate boss or receiving a tangible reward are examples of immediate rewards. Depending on results, short-term rewards are provided monthly or quarterly. Cash bonuses or special gifts for outstanding performance are examples of such rewards.

2.1.5 Employee Performance

Employee performance is usually measured in terms of results. It can, however, also be viewed in terms of behavior (Armstrong 2012). Employee performance is measured against the organization's performance standards, according to Kenney et al. (1992). When evaluating performance, a variety of factors can be considered, including productivity, efficiency, effectiveness, quality, and profitability (Ahuja 1992), which will be briefly discussed hereafter. Profitability can be described as the ability to make consistent profits over a long period of time. It's represented as a ratio of gross profit divided by revenue, or as a return on invested capital (Wood & Stangster 2002). Efficiency is defined as the ability to achieve the desired results with the least amount of resources available, while effectiveness is defined as the ability of employees to achieve the desired objectives or aim (Stoner 1996). Productivity is defined as the ratio of output to input (Stoner, Freeman and Gilbert Jr 1995). It is a measurement for determining how a person, business, or industry transforms input resources into goods and services. The amount of production generated per unit of resources used is measured by this metric (Lipsey 1989). Quality is a feature of products or services that demonstrates their ability to meet stated or implied needs (Kotler & Armstrong 2002). It is achieving increasingly better products and services at increasingly lower prices (Stoner 1996).

It is the duty of company managers, according to Draft (1988), to ensure that companies aim for and reach high performance standards. As a result, managers must determine the optimal output levels for any given time span. They can do so by establishing targets and benchmarks against which individual performance can be assessed, for example. Employee performance management helps companies ensure that their workers are contributing to the production of high-quality goods and/or services. Employees are encouraged to engage in organizational planning by having a role in the whole process, which creates inspiration for high performance levels. It's worth noting that performance management encompasses practices that ensure that organizational objectives are regularly met in a timely and successful manner. Employee performance, department performance, product or service development processes, and so on are all examples of performance management. Employees who are pleased with their work have higher job performance and therefore superior job retention than those who are dissatisfied with their jobs, according to previous studies on staff productivity (Landy 1985). Furthermore, according to Kinicki & Kreitner (2007), happy and satisfied employees perform better, and management finds it easy to inspire high performers to meet organization goals.

Employee performance has been linked to a variety of factors in previous studies. Non-financial rewards, which include a career development plan, feedback to employees, employee assessment, good supervisory relations and learning programs, and a comfortable and open work environment, have a positive impact on employee performance and attitude in the workplace. According to a recent study by Ajila and Abiola (2004), there was a link between employee performance and extrinsic rewards, but no such link existed between employee performance and intrinsic rewards. Financial incentives or rewards, on the other hand, are insufficient to motivate workers. According to Mahmood et al. (2016), a mix of financial and non-financial rewards can be used to increase employee commitment. To reach the desired level of performance, Mahmood et al. (2016) recommends a mix and balance of financial and non-financial rewards. They went on to explain the difference between financial and non-financial rewards, stating that financial rewards include cash compensation, bonuses, salary increases, and so on, while non-monetary rewards include praise, acknowledgment, and benefits. Paid holiday, training programs, acclaim, and promotion are all also included.

Various previous scholars have established that a good package for employee reward is an important factor in the organization that improves employees' performance and thus increases productivity

(Mahmood et al., 2016). Most employers have now recognized that the current global economic trend has given their companies a competitive advantage, and that the performance of their employees is a critical factor in determining the organization's success. Employee performance benefits not only the company, but it also benefits the employees when it comes to their own personal development.

A meaningful relationship exists between employee performance and rewards, between organizational justice (one of which is fairness) and employee performance at work, between organizational justice and job satisfaction, between performance, dedication to work, and organizational justice, and between employee behavior and organizational justice, according to a variety of previous types of literature (Agwu, M. O., 2013). Lower levels of organizational justice, on the other hand, lead to employee discontent, resentment, and even cynicism toward the company (Cropanzano, R., et. al., 2007). This can lead to social hate and enmity, which can lead to deterioration and a loss of trust in the organization, which can lead to workplace deviance.

2.1.6 Employee Performance and Reward

Employee performance can be influenced by a reward plan, according to Ajila and Abiola (2004). Based on their observations, they came to the conclusion that a reward scheme would help improve employee performance by improving employee skills, expertise, and abilities in order to achieve organizational goals. Reward practices, according to Allen and Kilmann (2001), are critical for enhancing employee performance and achieving organizational objectives. As previously mentioned, several studies have found that employee benefits are linked to employee performance. According to the available literature (Eisenberger, 2011; Heng, 2012), if a company fails to reward workers, it can have a direct impact on employee efficiency, and while an effective reward scheme can be a good motivator, an ineffective reward system will demotivate employees in terms of low productivity, internal disputes, absenteeism, high turnover, a lack of commitment and loyalty, lateness, and grievances. As a result, in order to maintain competent workers and gain a sustainable competitive advantage, the company must create a strategic encouragement scheme for them.

Employees who are able to experience and gain praise for their work, according to Shore & Shore (1995), have a stronger understanding of their work, their workplace, and the people they work for. Buchanan (1974) builds on this notion, arguing that acknowledging an employee's contributions to the company has a positive relationship with the employee's dedication to the organization's goals.

When it comes to influencing the attitudes of workers, Skinner (1969) emphasizes that the importance of providing rewards in return for hard work, especially in service industries such as hotels and other establishments.

Financial rewards offered to workers individually, according to Kessler & Purcell (1992), have a potential to change a culture that focuses on improving performance quality. Non-financial rewards, such as increased vacation time and family benefits, lead to the employee's perception of his or her workplace as a "supporting and loving" organization (Chiang & Birtch, 2009).

According to Johnson et al. (1986), supplying workers with as many benefits as possible (in proportion to their job efforts) allows them to perform more effectively. Eccles (1991) elaborates on this theory, stating that if workers can see that their employer values and rewards those service activities, they will want to accept or welcome these values, and they will be able to exhibit desirable behaviors based on such expectations and the promise of rewards. According to Hinkin & Schriesheim (2004), there is a positive relationship between the rewards offered by a company's management, employee job satisfaction, and the effectiveness of the work generated.

According to Bartol & Srivastava (2002), managers use rewards to show workers that their actions are being observed by the company they work for, and that if the results are positive, those actions will be rewarded. Rewarding workers (for a good reason) helps businesses to "guide, maintain, and inspire positive "values and behaviors." Information sharing, increased employee creativity, improved quality efficiency, and increased customer satisfaction are only a few examples (Eisenberger et al., 1998). As a result, according to Chiang & Birtch (2010), managers must consider what role rewards play in employees' service quality orientation, which is critical to promoting service excellence.

Researchers studying the correlation between reward and performance are debating whether the reward approach used has a positive or negative influence on the performance of organizations (Lee and Wong, 2006; Paul, 1981). Performance assessment is a strategic management aspect that evaluates the outcomes of resource use as well as organizational performance enhancement. According to San and Theen (2012), indirect leading indicators of financial performance include non-financial measures of key business processes such as product quality, customer relationship management, and employee-oriented measures.

Reward management is crucial for organizations aiming to enhance employee job performance through strategic allocation of rewards such as compensation, benefits, recognition, and career development opportunities. Effective strategies in reward management not only attract and retain talent but also motivate employees to achieve organizational goals.

Strategies in reward management encompass both financial and non-financial rewards. Financial rewards include competitive salaries, bonuses, and profit-sharing schemes, which are directly linked to performance metrics and goals. Non-financial rewards, such as recognition programs, career advancement opportunities, and work-life balance initiatives, play a significant role in fostering employee engagement and satisfaction (Tzeng, 2021).

Policies and procedures in reward management serve as frameworks that ensure fairness, consistency, and transparency in reward distribution. Fairness is crucial in maintaining employee motivation and trust in the organization, as perceived fairness influences job satisfaction and commitment (Jiang & Lawler, 2020). Clear procedures for performance evaluation, reward allocation, and feedback mechanisms enable employees to understand the criteria for rewards and align their efforts with organizational objectives.

The impact of effective reward management strategies on employee job performance is well-documented. Research indicates that organizations with robust reward systems experience higher levels of employee productivity, job satisfaction, and retention (Choi & Moon, 2022). By aligning rewards with individual and organizational performance goals, companies can foster a performance-driven culture where employees are motivated to excel.

In conclusion, effective strategies, policies, and procedures in reward management are essential for optimizing employee job performance. Organizations that invest in well-designed reward systems not only attract top talent but also cultivate a motivated workforce committed to achieving organizational success.

2.2 Empirical Literature Review

The impact of reward management on employee performance in Bangladeshi commercial banks was investigated by Aktar, Kamruzzaman, and Ali (2012). The study's specific goal is to determine the relationship between rewards and employee performance. The study suggested that extrinsic and

intrinsic rewards have a direct relationship with employee performance. Furthermore, there is an indirect relationship between employee performance and extrinsic and intrinsic rewards. The study's primary findings included a substantial correlation between the dependent and independent variables, implying that 70.2 percent of employees' performance is influenced by intrinsic and extrinsic rewards. There was also a considerable link between extrinsic and intrinsic rewards, as shown above.

The relationship between reward management system applications and employee performance of bank employees on worldwide banks in Istanbul is the subject of a study by PnarGüngör (2011). He concludes that the efficacy of employee performance is determined by reward systems. Furthermore, according to Madhuri K. (2014), the perceived level of rewards and motivation has a significant relationship among private sector employees, with monetary awards having a stronger impact on employee motivation than non-monetary prizes.

Gabriela et al.(2013) investigated the impact of non-financial motivational factors on employee performance in industrial organizations, with the exploratory issues leading to conclusions about the interconnectedness of various elements and how they affect total company performance. The study's major goal was to determine how well employees performed in relation to non-financial rewards. The study revealed the level of motivation of employees in industrial businesses, as well as the most common types of motivation (intrinsic and extrinsic) that organizes their activities and effects their work performance.

The influence of awards on employee performance was explored by Waruni, Ayesha, and Edirisooriya (2014) at Electrico, a public-sector service-oriented corporation founded. According to the findings of the study, there is a substantial link between reward system and employee performance. It demonstrates that, regardless of their rank, the majority of Electrico employees choose monetary reward. Money is a metric for evaluating an employee's accomplishments. The issues involved in public procurement in Ghana are examined, as well as the potential influence of this reform on the performance of public procurement organizations. When compared to other intrinsic characteristics, the study also demonstrates that recognition has the strongest relationship with employee performance. Recognition is a potent motivator because it allows employees to see how effectively they have met their goals and whether their efforts have been recognized.

Pay benefit, benefits, promotion, recognition, working environment, training and development, responsibility and meaningful work has a direct effect on employees. The study found that the more the organization provides rewards the more employees stay at the organization. Increasing the rate of pay, benefits, recognition, responsibility, promotion, quality of working environment, training and development increases employees loyalty to the organization. Martha (2017).

The employees' of Jupiter International Hotel are more motivated by intrinsic rewards such as growth as opposed to extrinsic reward. This means the employees are more motivated for nonfinancial rewards as opposed to financial rewards (Amanuel, 2017).

Payam, Ali, Seyed, and Mahmood (2013) attempted to examine several variables in terms of correlations between rewards, work satisfaction, and employee performance in a study published in 2013. There were two sorts of rewards discovered in the study: financial and non-financial rewards. The findings revealed that reward had an impact on job satisfaction and, as a result, employee performance. Finally, based on the mediating role of job satisfaction, the study suggests a new framework.

Strategic alignment of rewards with organizational goals is crucial. Research by Lawler (2020) underscores the importance of linking rewards to performance metrics and individual contributions, which increases employee motivation and commitment to achieving desired outcomes. Organizations that effectively communicate how rewards are tied to performance criteria tend to see higher levels of employee engagement and job satisfaction (Jiang & Lawler, 2021).

2.3 Conceptual Framework

The conceptual framework aids the reader in comprehending the relationship between the variables under investigation. It aims to investigate and assess the effect of reward management on employees' job performance. The conceptual structure for this study is depicted in the figure below. It is conceptualized that the performance of employees, which is the dependent variable, is influenced directly by the independent variables: strategies, policies and procedures in reward management, financial rewards, non-financial rewards, and practices of reward management. The study will assess the effects of the independent variables on the dependent variable that is performance of employees in Getfam Hotel.

Theoretical Model:-

- **Expectancy Theory:** Employees are motivated to perform better when they believe that their efforts will lead to desirable rewards.

- **Social Exchange Theory:** Employees reciprocate favorable treatment (e.g., rewards) with increased job performance.
- **Goal-setting Theory:** Clear performance goals linked to rewards can enhance employee motivation and performance.

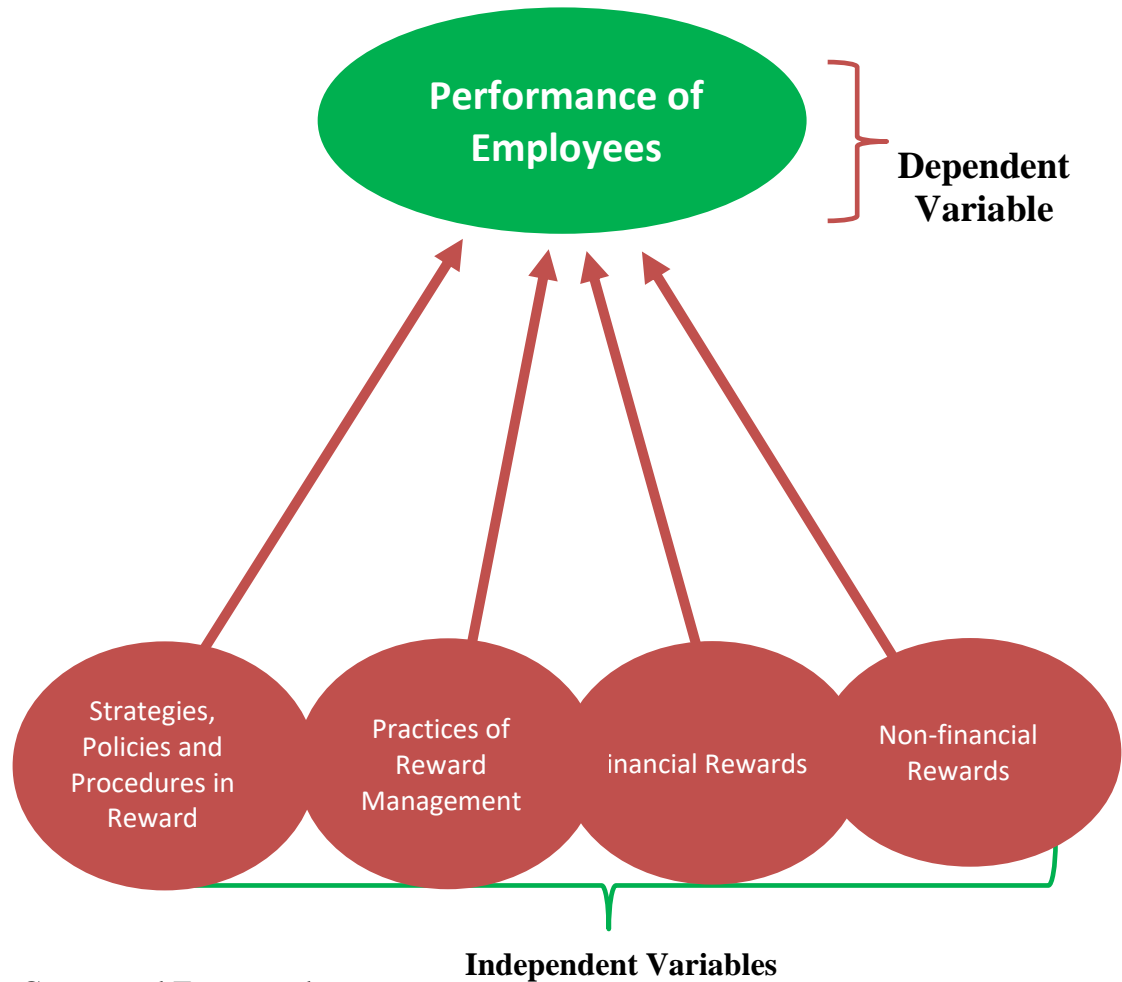


Figure 2.1: Conceptual Framework

The Relationship between Employees' Performance and the Four Independent Variables (Source: Own conceptualization)

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter focuses on the research methods used in the study. The research design, study population, sampling design, and data collection methods make up the methodology. This chapter also outlines the research procedures and the data analysis methods used in the study.

3.2 Research Design

The researcher used an explanatory research design to investigate the impact of reward management on employee performance. The collected data was analyzed using regression analysis. The design has the advantage of generating a large number of responses from all respondents. At the same time, it was clarified that descriptive statistics is useful for investigating a variety of analytical problems, such as determining the dependence of one variable on another; data is typically collected via questionnaire.

3.3 Population of the Study

According to Uma Sekaran and Roger Bougie (2016), the word "population" refers to the whole group of individuals, events, or things of interest that the researcher wants to look into. It's the community of individuals, events, or things from which the researcher wants to draw conclusions (based on sample statistics).

The target population for this study was Getfam Hotel employees: Managers, supervisors, and general employees. The study took 130 samples by using a formula adopted Isreal 2012 from 193 total populations which are permanent employees of the hotel. The researcher found it appropriate to employ sample method due to lack of time, energy and money.

3.4 Sample and Sampling Technique

3.4.1 Sample Size

A sample is a subgroup of the population. It is made up of members who have been chosen from the population. In other words, the sample is made up of some, but not all, elements of the population (Uma Sekaran and Roger Bougie, 2016).

The sample calculated in a number of different ways. These methods include using a census for a small population, a sample size from a similar study, published tables that are given based on the population size without any calculations, and using a formula to calculate sample size (Israel 2012). This study adopted Israel (2012) sample size formula to determine the sample size. The formula is given below:

$$n = \frac{N}{1 + N(e)^2}$$

Where:

n = the sample size

N = the study population

e = the level of precision (= 0.05, level of confidence 95%)

l = designates the probability of the event occurring

Hence;
$$n = \frac{193}{1 + 193(0.05)^2} = 130$$

3.4.2 Sampling Technique

A sampling technique is a method for selecting a sample from a given population. It refers to the technique or method the researcher will follow in selecting items for a sample. Prior to beginning the analysis, the researcher must determine the number of samples or sample size that will be used (Naval Bajpai, 2016).

Simple random sampling ensures that every member of the sample population has an equal chance of being chosen by random selection. As a result, basic random sampling techniques were chosen for the analysis in order to collect samples from various positions. To select the respondents lottery method was applied.

3.5 Data Collection Method

In the study primary data was gathered. The researcher used standardized questionnaire to collect primary data, and the questionnaire was distributed to Getfam Hotel employees. The respondents were assessed on a five-point Likert scale, with 1 denoting strong disagreement, 2 denoting disagreement,

3 denoting uncertainty, 4 denoting agreement, and 5 denoting strong agreement. The Likert scale tests how much people agree or disagree. The Likert scale includes scales that help translate qualitative responses into numerical values.

The researcher chose this method because it was easier to analyze and the data was available right away. They were also cost-effective and time-saving to use.

3.6 Method of Data Analysis

Data analysis involved both descriptive and inferential methods using Statistical Package for Social Sciences (SPSS) version-20. Descriptive analysis presented numerical data, while inferential analysis explored relationships between variables, employing correlation and regression analyses to quantify and assess these relationships

The data collected by questionnaire was first carefully edited and reviewed for completeness and comprehensibility before being summarized, coded for easy classification, and tabulated. The tabulated quantitative data was then analyzed using SPSS (version 20) Software, which made it simpler for the researcher to understand and interpret the study's implications by facilitating the establishment of patterns, trends, and relationships using frequencies, mean, and standard deviation, respectively.

Pearson correlation and regression analysis were used to interpret the collected data. The Pearson product-moment correlation coefficient, r , is a metric for determining the intensity and direction of a relationship between dependent and independent variables (Wagner, Halley, and Zaino, 2011).

3.7 Model Specification

As the main objective of this study was to investigate the factors affecting the performance of employees in Getfam Hotel, the researcher will use standard multi-linear regression model. The standard multi-linear relationship can be specified as:

$$EP_i = \alpha + \beta_1 SPPRM_i + \beta_2 FR_i + \beta_3 NFR + \beta_4 RMP_i + \varepsilon_i$$

Where

α is constant term

β is coefficient of independent variables

ε is the error term

$i = 1, 2, \dots, 91$

EP	Employees performance is the dependent variable, which is measured by likert scale as 1 strongly disagree, 2 disagree, 3 uncertain, 4 agree and 5 strongly agree
=	
SPPRM =	Strategies, policies and procedures in reward management is an independent variable, which is measured by likert scale as 1 strongly disagree, 2 disagree, 3 uncertain, 4 agree and 5 strongly agree
FR	Financial rewards is an independent variable, which is measured by likert scale as 1 strongly disagree, 2 disagree, 3 uncertain, 4 agree and 5 strongly agree
=	
NFR	Non-financial rewards is an independent variable, which is measured by likert scale as 1 strongly disagree, 2 disagree, 3 uncertain, 4 agree and 5 strongly agree
=	
RMP	Reward management practices is an independent variable, which is measured by likert scale as 1 strongly disagree, 2 disagree, 3 uncertain, 4 agree and 5 strongly agree
=	

3.8 Ethical Considerations

Respondents were expressed why the data was being collected during the data collection process. They included information on the study's goals and methods. The respondent's privacy was protected. Furthermore, respondents were expected to respond voluntarily. Finally, any scholar's work was acknowledged in the bibliography section.

3.9 Validity and Reliability

3.9.1 Validity

Hair et al (2010) identify validity as the extent to which a measure accurately represents what it's supposed to. Ensuring validity requires a thorough understanding of what is to be measured and making it as accurate and right as possible. Validity defined as the extent to which data collection methods accurately measure what they were intended to measure. The data collected from the reliable sources, from respondent who are employees of Getfam Hotel.

3.9.2 Reliability

On the variables of strategies, policies and procedures in reward management; financial reward; non-financial reward; reward management practices, a reliability test will be conducted by using Cronbach Alpha. Cronbach's alpha is a test that determines the consistency or reliability of a set of trial items. The cronbach alpha value should be greater than 0.7 ($\alpha > 0.7$).

Reliability Statistics

Cronbach's Alpha	N of Items
.893	5

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND DISCUSSION

The main objectives of the study was to assess the effect of reward management practices on employee's performance. Under this chapter presented a discussion of the final results and the process through which the results were obtained. In addition to this the background information of the respondents has been presented. Finally, the statistic methods of analysis are discussed which include a descriptive analysis, a correlation analysis, and a multiple regression analysis through SPSS version 20.

4.1 Response Rate

The number of completed surveys divided by the number of eligible sample members is formally described as the response rate. Response rates are typically regarded as the most extensively compared statistic for assessing survey quality. There is no precise response rate that guarantees a representative sample of the population. Most researches aim for a response rate of at least 70% as a general rule (Rubinfeld, 2004). As shown in Table 4.1, a total of 130 questionnaires were distributed. 124 of them were filled properly and returned to the researcher which represented a response rate of 95.38%. This percentage was considered acceptable for the study as it was higher than the general response rate rule of thumb (i.e., response rate $\geq 70\%$).

Table 4.1: Response Rate

Variable	Frequency	Percentage
Filled and returned	124	95.38
Non-response	6	4.62
Total	130	100

Source: Own Survey, 2024

4.2 Descriptive Analysis

4.2.1 Respondents' Background Information

The study considered respondents' general characteristics and information, in this study the researcher considered respondents in terms of gender, Age, year of service (experience), educational level and salary to draw understanding of the effect of reward management practice (including salary, benefits, promotion, working conditions, responsibility and recognition) on the employee performance of catering and tourism training institute.

4.2.1.1 Gender of the Respondents

The investigation established and found gender details of respondents as shown in Figure4.1.

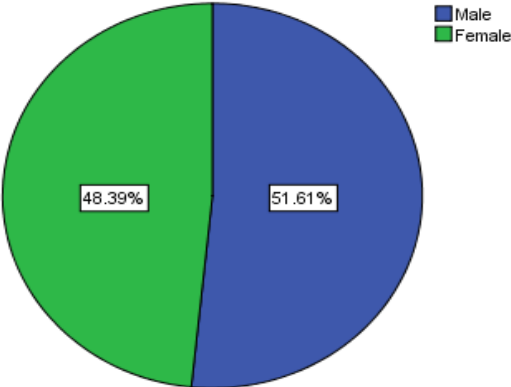


Figure 4.1: Gender of the Respondents

Source: Own Survey, 2024

According to Figure 4.1, males account for 51.6% of respondents, while females account for 48.4%. These findings point to a sample that is fairly representative. To put it another way, 64 of the 124 respondents are men, while the remaining 60 are women. When we compare male and female genders, the evidence shows that there were nearly equal number of male and female participants.

4.2.1.2 Respondents' Age

The study also determined the age distribution of respondents, which was classified into a range. According to Table 4.2, 81.5% of respondents are under the age of 36. This shows that the staff of Getfam Hotel are young and active. Following that, 29% of respondents were between the ages of 18 and 25, 12% were between the ages of 37 and 47, and only 3% were older than 48.

Table 4.2: Age Range in Years

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Less than 20	1	.8	.8	.8
21-25	35	28.2	28.2	29.0
26-30	43	34.7	34.7	63.7
31-35	22	17.7	17.7	81.5
36-40	8	6.5	6.5	87.9
41-45	14	11.3	11.3	99.2
46 and above	1	.8	.8	100.0
Total	124	100.0	100.0	

Source: Own Survey, 2024

4.2.1.3 Work Experience of Respondents

Figure 4.2 indicates that respondents with less than 3 years of work experience (47.6 percent or 59 respondents) have the largest proportion of respondents, followed by those with 3-6 years of work experience (44.4 percent or 55 respondents), and those with 7 years and above work experience (8.1 percent or 10 respondents).

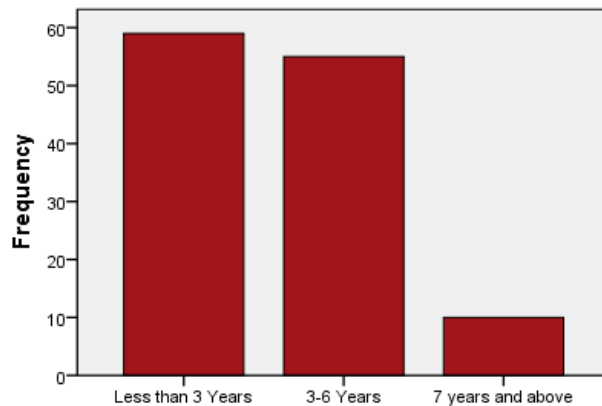


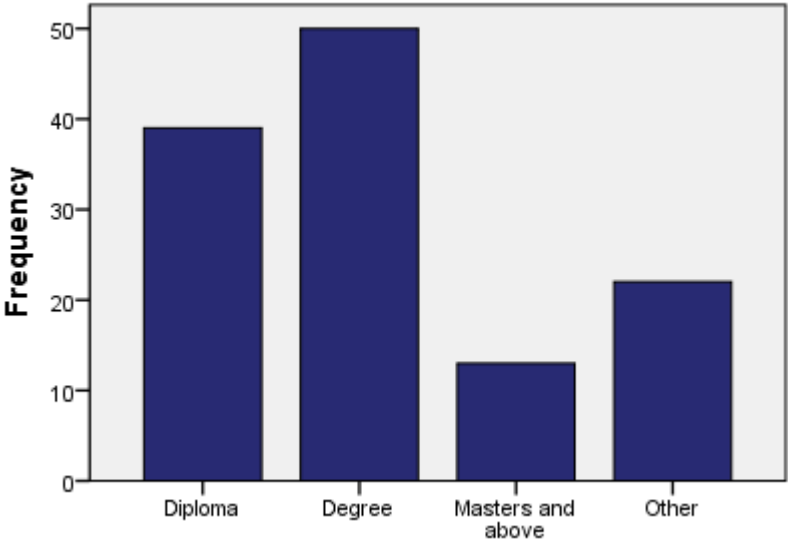
Figure 4.2: Work Experience of Respondents

Figure 4.2: work Experience of Respondents

Source: Own Survey, 2024

4.2.1.4 Respondents’ Level of Education

The researcher wanted to find out the education level of the respondents. The responses were analyzed, and the results were presented in Figure 4.3 below:



Source: Own Survey, 2024

Figure 4.3: Level Of Education

It was important to establish the education level held by the study respondents in order to discover if they were equipped with relevant knowledge and skills. From the findings table 4.4 majorities, 50.7% of the respondents indicated that they had BA degree, 48% of the respondents attained college diploma while 1.3% MA Degree but there is no more PHD holder in the institute.

4.2.2 Perception on Strategies, Policies and Procedures in Reward Management

The degree to which respondents agreed with the provided statement about the current strategies, policies and procedures in reward management in the Getfam Hotel was investigated. The data in Table 4.3 was analyzed using a Likert scale, with 1 indicating strong disagreement, 2 indicating disagreement, 3 indicating uncertainty, 4 indicating agreement, and 5 indicating strong agreement. The information was provided in the following formats: frequency, percentage, mean, and standard deviation.

Table 4.3: Perception on Strategies, Policies and Procedures in Reward Management

Variables	Frequency and Percentage					Mean	Standard deviation
	1	2	3	4	5		
The Hotel's reward policies favor all workers.	5 (4.0%)	18 (14.5%)	33 (26.6%)	64 (51.6%)	4 (3.2%)	3.35	0.912
The Hotel's reward policies ensure that all workers are fairly rewarded.	8 (6.5%)	18 (14.5%)	23 (18.5%)	72 (58.1%)	3 (2.4%)	3.35	0.981
Rewards are appropriate at each employee's level in this organization.	0 (0.0%)	20 (16.1%)	36 (29.0%)	62 (50.0%)	6 (4.9%)	3.44	0.819
The goal of the Hotel's reward processes and practices is to enhance organizational, team, and individual performance.	3 (2.4%)	4 (3.2%)	26 (21.0%)	80 (64.5%)	11 (8.9%)	3.74	0.764
Employees are appreciated on efforts contributed to the organization.	6 (4.8%)	13 (10.5%)	19 (15.3%)	74 (59.7%)	12 (9.7%)	3.59	0.971
There is a reward strategy in place to ensure that people's contributions to the achievement of organizational or team goals are valued, recognized, and rewarded.	4 (3.2%)	13 (10.5%)	19 (15.3%)	70 (56.5%)	18 (14.5)	3.69	0.957
The Hotel has well-constructed employee recognition programs.	8 (6.5%)	22 (17.7%)	57 (46.0%)	26 (21.0%)	11 (8.9%)	3.08	1.001
The Hotel conducts job evaluation from time to time.	5 (4.0%)	7 (5.6%)	32 (25.8%)	69 (55.6%)	11 (8.9%)	3.60	0.883
The Hotel has a grading and pay system in place.	5 (4.0%)	10 (8.1%)	28 (22.6%)	72 (58.1%)	9 (7.3%)	3.56	0.895
The organization conducts market analysis or salary surveys to be able to identify rates of pay in the labor market.	8 (6.5%)	14 (11.3%)	23 (18.5%)	71 (57.3%)	8 (6.5%)	3.46	0.999

Source: OwnSurvey2024

According to Table 4.3, the survey respondents were asked if their hotel's reward policies favor all workers or not. Over half of the respondents agreed that the reward policies of the organization address all employees. The mean score of 3.35 implies that the institute had reward policies that favor all workers of the hotel. At the same time the population of the research were asked whether the hotel's reward policies ensure that all workers are fairly rewarded or not. Almost sixty percent (58.1%) of the respondents agreed that the reward policies of the organization guarantee that all workers are fairly rewarded. This was supported by the mean value of 3.35. In another point half of the survey respondents agreed that rewards were appropriate at each employee's level in the organization. Moreover, 4.9% of the respondents strongly agreed to this item. The survey respondents were also questioned if the hotel's reward processes and practices were designed to improve organizational, team, and individual performance. Almost two-third (64.5%) of the participants agreed and 8.9% of them strongly agreed to this item. The mean value of 3.74 supports that the goal of the hotel's reward processes and practices was to enhance organizational, team, and individual performance. Based on the results of Table 4.5, almost sixty percent of the survey respondents said that employees were appreciated on efforts contributed to the organization. On the other hand, forty-six percent of the participants neither agreed nor disagreed that the hotel had well-constructed employee recognition programs. In another point over half (55.6%) of the respondents agreed that the institute conducted job evaluation from time to time, and 58.1% of them said the hotel had a grading and pay system in place. Finally, 57.3 percent of those polled agreed that the company did market research or salary surveys in order to determine wage rates in the labor market. This issue was also validated by mean score of 3.46.

4.2.3 Perception on Financial Rewards

The degree to which respondents agreed with the provided statement about the current financial rewards in the Getfam Hotel was investigated. The data in Table 4.4 was analyzed using a Likert scale, with 1 indicating strong disagreement, 2 indicating disagreement, 3 indicating uncertainty, 4 indicating agreement, and 5 indicating strong agreement. The information was provided in the following formats: frequency, percentage, mean, and standard deviation.

Table 4.4: Perception on Financial Rewards

Variables	Frequency and Percentage					Mean	Standard deviation
	1	2	3	4	5		
Employees working in the Hotel are given enough and appropriate salary.	9 (7.3%)	10 (8.1%)	42 (33.9%)	58 (46.8%)	4 (4.0%)	3.32	0.950
The Hotel offers annual financial bonuses to employees based on their individual performances.	8 (6.5%)	18 (14.5%)	23 (18.5%)	72 (58.1%)	3 (2.4%)	3.35	0.981
The Hotel gives top up allowances to its staff members on a regular basis.	11 (8.9%)	24 (19.4%)	13 (10.5%)	69 (55.6%)	7 (5.6%)	3.30	1.119
The Hotel usually gives competence/skill based pay.	9 (7.3%)	14 (11.3%)	21 (16.9%)	70 (56.5%)	10 (8.1%)	3.47	1.039
The Hotel gives group bonus based on team performance of staff.	30 (24.2%)	67 (54.8%)	10 (8.1%)	16 (12.9%)	1 (0.8%)	2.12	0.951
Employees working in the Hotel are given cash gifts regularly.	32 (25.8%)	65 (52.4%)	12 (9.7%)	14 (11.3%)	1 (0.8%)	2.09	0.937
Employees working in the Hotel are given overtime pay for extra hours worked.	6 (4.8%)	5 (4.0%)	15 (12.1%)	85 (68.5%)	13 (10.5%)	3.76	0.878
Employees working in the Hotel are given shift working pay (for those who stand in for others).	9 (7.3%)	10 (8.1%)	22 (17.7%)	68 (54.8%)	15 (12.1%)	3.56	1.046
Employees working in the Hotel are assured of their pension pay.	6 (4.8%)	3 (2.4%)	9 (7.3%)	87 (70.2%)	19 (15.3%)	3.89	0.867
Employees working in the Hotel are given sick pay allowances.	5 (4.0%)	6 (4.8%)	13 (10.5%)	82 (66.1%)	18 (14.5%)	3.82	0.884
Employees working in the Hotel are privileged to access loans through the company arrangements.	42 (33.9%)	48 (38.7%)	12 (9.7%)	19 (15.3%)	3 (2.4%)	2.14	1.121

Source: Own Survey, 2024

According to Table 4.4, the participants of the research were asked if employees working in the hotel were given enough and appropriate salary. Forty-six percent of the respondents agreed and four percent of them strongly agreed that the hotel gave them given enough and appropriate salary. On the other hand, almost equal percent (51%) of the survey population were uncertain, disagreed or strongly disagreed regarding this item. The majority of respondents (58.1%) agreed that the institute provided annual financial bonuses to employees based on their individual performances when asked if the hotel offered annual financial bonuses to employees based on their individual performances. On another two items, nearly equal percentages of respondents (55.6 % and 56.5 %) agreed that the hotel provided top-up allowances and competency/skill-based pay to its employees on a regular basis. These were validated by mean values of 3.30 and 3.47. On the other hand, approximately similar percentages of respondents (54.8 percent and 52.4 percent) disagreed with the statements that the hotel paid group bonuses based on team performance and that hotel employees were often given cash gifts regularly. Even surprisingly, almost similar percentages of respondents (24.2 percent and 25.8 percent) strongly disagreed with those statements. For the question asked if employees working in the hotel were given overtime pay for extra hours worked, 13 (10.5%) of the respondents strongly agreed that the hotel gave overtime pay for employees who worked extra hours, 85 (68.5%) of the respondents supported this idea, 15 (12.1%) of them have no idea while 5 (4.0%) of the respondents disagree on the question raised and 6 (4.8%) of respondents strongly disagreed. According to the data collected in Table 4.3, 70.2 percent of the survey population supported the idea that employees working in the hotel were assured of their pension pay, and 66.1 percent of them said that employees working in the hotel were given sick pay allowances. Finally, the majority of research participants either disagreed (38.7%) or strongly disagreed (33.9%) with the statement that employees working in the hotel were privileged to access loans through the company arrangements.

4.2.4 Perception on Non-Financial Rewards

The degree to which respondents agreed with the provided statement about the current non-financial rewards in the Getfam Hotel was investigated. The data in Table 4.5 was analyzed using a Likert scale, with 1 indicating strong disagreement, 2 indicating disagreement, 3 indicating uncertainty, 4 indicating agreement, and 5 indicating strong agreement. The information was provided in the following formats: frequency, percentage, mean, and standard deviation.

Table 4.5: Perception on Non-Financial Rewards

Variables	Frequency and Percentage					Mean	Standard deviation
	1	2	3	4	5		
The Hotel offers training programs to its employees.	10 (8.1%)	4 (3.2%)	10 (8.1%)	81 (65.3%)	19 (15.3%)	3.77	1.021
The Hotel gives its staff opportunities for career advancement (staff development).	7 (5.6%)	10 (8.1%)	14 (11.3%)	81 (65.3%)	12 (9.7%)	3.65	0.963
The Hotel recognizes high achievers and excellent performers of the company.	9 (7.3%)	10 (8.1%)	20 (16.1%)	73 (58.9%)	12 (9.7%)	3.56	1.023
The Hotel usually organizes small non-cash awards (e.g., dinners, short trips) to its staff.	27 (21.8%)	23 (18.5%)	56 (45.2%)	12 (9.7%)	6 (4.8%)	2.57	1.083
The Hotel allows its staff to participate in decision making process in the company.	26 (21.0%)	50 (40.3%)	27 (21.8%)	15 (12.1%)	6 (4.8%)	2.40	1.096
Staff members are always given promotion on merit.	14 (25.8%)	65 (52.4%)	12 (9.7%)	14 (11.3%)	1 (0.8%)	3.18	1.134
Employees are given more rewarding responsibility in case of distinct performance.	15 (12.1%)	38 (30.6%)	47 (37.9%)	21 (16.9%)	3 (2.4%)	2.67	0.977
Employees are given a good working environment.	5 (4.0%)	10 (8.1%)	9 (7.3%)	91 (73.4%)	9 (7.3%)	3.72	0.870
Some employees are sponsored for further studies like masters.	35 (28.2%)	36 (29.0%)	36 (29.0%)	14 (11.3%)	3 (2.4%)	2.31	1.076
Staff members are given better office facilities to motivate them.	19 (15.3%)	30 (24.2%)	45 (36.3%)	24 (19.4%)	6 (4.8%)	2.74	1.089

Source: Own Survey, 2024

As shown in Item 1 of Table 4.5, the majority of the survey population either strongly agreed (65.3%) or agreed (15.3%) that the hotel provided training programs to its staff. The mean result of 3.77 backed up this claim. Similarly, in Item 2 the respondents asked if the hotel gave its staff opportunities for career advancement (staff development). Seventy-five percent of the research participants showed their agreement with the idea of this item. For Item 3 almost sixty percent of the respondents said that the hotel recognized high achievers and excellent performers of the company. On the other hand, more than eighty five percent of the research participants disagreed or were unsure about the idea that the firm frequently gave small non-cash awards (e.g., dinners, short trips) to its staff. Similarly, the majority of the survey participants (83.1%) showed their disagreement or uncertainty to the idea that the hotel allowed its staff to participate in decision making process in the company. While 55.6% of the survey population agreed that staff members of the institute were always given promotion on merit, 68.5 of them either disagreed or uncertain to the idea that employees were given more rewarding responsibility in case of distinct performance. When the respondents asked if employees were given a good working environment, 91 (73.4%) of them agreed that they worked in a good working environment, and 9 (7.3%) of them strongly supported the idea. Finally, in Items 9 and 10 of Table 4.5, the majority of research respondents reported they disagreed or were not sure that some employees were sponsored for further studies like masters, and the staff members were given better office facilities to motivate them. These ideas were validated by the mean values of 2.31 and 2.74.

4.2.5 Perception on Reward Management Practices

The degree to which respondents agreed with the provided statement about the current reward management practices in the Getfam Hotel was investigated. The data in Table 4.6 was analyzed using a Likert scale, with 1 indicating strong disagreement, 2 indicating disagreement, 3 indicating uncertainty, 4 indicating agreement, and 5 indicating strong agreement. The information was provided in the following formats: frequency, percentage, mean, and standard deviation.

Table 4.6: Perception on Reward Management Practices

Variables	Frequency and Percentage					Mean	Standard deviation
	1	2	3	4	5		
The reward practice at the hotel focuses on the real needs of employees	27 (22.7%)	27 (22.7%)	36 (34.7%)	21 (16.0%)	13 (4.0%)	2.56	1.23
Employees are rewarded in the hotel immediately when they perform best	29 (25.3%)	30 (26.7%)	27 (24.0%)	19 (12.0%)	19 (12.0%)	2.59	1.32
The rewards distributed at the institute have a positive effect on the work atmosphere or environment	23 (17.3%)	26 (21.3%)	23 (17.3%)	28 (24.0%)	14 (20.0%)	3.08	1.40
The rewards at the institute are distributed fairly	34 (32.0%)	32 (29.3%)	25 (21.3%)	20 (13.3%)	13 (4.0%)	2.28	1.17
The rewards distributed matches my work effort	20 (13.3%)	32 (29.3%)	34 (32.0%)	22 (16.0%)	16 (9.3%)	2.79	1.15
Immediate rewarding of employees for achieving best performance will help to repeat that performance in the future	13 (4.0%)	13 (4.0%)	16 (8.0%)	27 (22.7%)	55 (61.3%)	4.33	1.06
I am satisfied with the quality (appropriateness, distributive and procedural justice) of the rewards	26 (21.3%)	21 (14.7%)	37 (36.0%)	28 (25.3%)	12 (2.7%)	2.73	1.14

Source: Own Survey, 2024

Majority of the respondents as according to the study neither disagreed nor agreed that their institute apply reward practice which focuses on the real needs of employees by 34.7 %. The mean score of 2.56 implies that the institute applies apply reward practice which focuses on thereal needs of employees executing their performance. At the same time respondents are asked the employees are

rewarded in the institute immediately when they perform best. Surprisingly the same numbers of respondents (52%) have strongly disagreed or disagreed that employees are rewarded in the institute immediately when they perform best and it's important as shown by the mean of 2.59. To easily identify where the institute is performing well and where there is a need for reward distribution improvement; working atmosphere has a vital role. To this effect, respondents were asked the rewards distributed at the institute have a positive effect on the work atmosphere or environment. In this regard, 44 % of respondents (the mean value of 3.08) under the study agreed and emphasized its importance. Furthermore, the respondents view also sought to disclose whether their rewards are distributed fairly in their hotel. The researcher highlighted that 32.0 % and 29.3 % of the respondents strongly disagreed and disagreed by the statement that there the rewards are distributed fairly in their institute respectively. This is issue is also validated by mean score of 2.28 as well as the variable rewards distributed matches my work effort is not supported by most the respondents that is, 42.6 % have strongly disagreed or disagreed that the employees are not rewarded by considering their work effort with mean score 2.79. To know whether immediate rewarding for employees achieving best performance in the institute will help to repeat performance in the future or not, respondents were asked immediate rewarding of employees for achieving best performance will help to repeat that performance in the future. With this regard, surprisingly the majority all most all of the respondents (84%) under the study strongly agreed and agreed and emphasized its importance as shown by the mean of 4.33. Finally, respondents were also asked whether they are satisfied with the quality (appropriateness, distributive and procedural justice) of the rewards or not in their institute and its effect on employee performance. 36% of respondents are disagreed by the statement of satisfaction with the quality of the rewards in the institute. This is issue is also validated by mean score of 2.73.

Further, there was a higher dispersion on the responses the rewards distributed at the institute have a positive effect on the work atmosphere or environment, employees are rewarded in the institute immediately when they perform best, the reward practice at the institute focuses on the real needs of employees, the rewards at the institute are distributed fairly, the rewards distributed matches my work effort, I am satisfied with the quality (appropriateness, distributive and procedural justice) of the rewards, and immediate rewarding of employees for achieving best performance will help to repeat that performance in the future as shown by standard deviation value 1.40, 1.32, 1.23, 1.17, 1.15, 1.14 and 1.06 respectively. The study interpreted this dispersion to mean there is greater

variation on the rewards distributed at the institute have a positive effect on the work atmosphere or environment, and there is smaller variation on and immediate rewarding of employees for achieving best performance will help to repeat that performance in the future.

4.2.6 Perception of Employees' Performance

The degree to which respondents agreed with the provided statement about the current employees' performance in the Getfam Hotel was investigated. The data in Table 4.7 was analyzed using a Likert scale, with 1 indicating strong disagreement, 2 indicating disagreement, 3 indicating uncertainty, 4 indicating agreement, and 5 indicating strong agreement. The information was provided in the following formats: frequency, percentage, mean, and standard deviation.

Table 4.7: Perception on Employees' Performance

Variables	Frequency and Percentage					Mean	Standard deviation
	1	2	3	4	5		
The existing benefit packages like medical cost coverage, fuel (transport) allowance, and house allowance are helping to motivate employees in the Hotel for higher level of performance.	10 (8.1%)	8 (6.5%)	14 (11.3%)	82 (66.1%)	10 (8.1%)	3.60	1.011
Because of the good reward management practices of the organization, the performance of employees is improved.	8 (6.5%)	9 (7.3%)	9 (7.3%)	89 (71.8%)	9 (7.3%)	3.66	0.953
I feel that the reward management practices of the Hotel enable me to perform my work with greater accuracy and precision.	6 (4.8%)	2 (1.6%)	4 (3.2%)	98 (79.0%)	14 (11.3%)	3.90	0.801
The employees in the Hotel are willing to accept more challenging assignments after they have been rewarded.	7 (5.6%)	4 (3.2%)	8 (6.5%)	89 (71.8%)	16 (12.9%)	3.83	0.899
After effective rewards, employees in the Hotel are working their regular activities well and become more responsible.	10 (8.1%)	3 (2.4%)	16 (12.9%)	84 (67.7%)	11 (8.9%)	3.67	0.969
My dedication and engagement towards my job in the Hotel has improved because of the effective rewards I received.	10 (8.1%)	4 (3.2%)	11 (8.9%)	88 (71.0%)	11 (8.9%)	3.69	0.973
The reward management practices of the Hotel are good for employees in enabling them to utilize their skills, knowledge and potential.	14 (11.3%)	5 (4.0%)	23 (18.5%)	69 (55.6%)	13 (10.5%)	3.50	1.108

Source: Own Survey, 2024

As Table 4.7 indicates more than two-thirds of the respondents (66.1%) agreed that the existing benefit packages like medical cost coverage, fuel (transport) allowance, and house allowance were helping to motivate employees in the hotel for higher level of performance. The mean value of 3.60 backed up this claim. In Item 2 of Table 4.7, nearly ninety percent of the research participants agreed or strongly agreed to the idea that the performance of employees were improved because of the good reward management practices of the organization. Likewise, more than ninety percent of the respondents felt that the reward management practices of the hotel enabled them to perform their work with greater accuracy and precision. This claim is supported by the mean value of 3.90. The majority of the survey population also agreed that the employees in the organization were willing to accept more challenging assignments after they had been rewarded. In Item 5 of Table 4.7 the respondents asked if after effective rewards, employees in the hotel were working their regular activities well and became more responsible. More than two-third of the participants to this idea. Nearly eighty percent of them also agreed or strongly agreed that their dedication and engagement towards their job in the organization had improved because of the effective rewards they received. Finally, more than two-third of the survey participants (66.1%) said that the reward management practices of the hotel were good for employees in enabling them to utilize their skills, knowledge and potential.

4.3 Correlation Analysis

Pearson's correlation coefficient is a method of measuring the direction, strength and significant of the bivariate linear relationship among all the variables that were measured at an interval or ratio level [i.e. strategies, policies and procedures in reward management; financial reward; non-financial reward; reward management practices; and employee performance]. Below the correlation coefficients were presented in the following table.

Table 4.8: Correlation Analysis

		Employee Performance	SPPRM	FR	NFR	RMP
Employee Performance	Pearson Correlation	1	.777**	.805**	.832**	.870**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	124	124	124	124	124
SPPRM	Pearson Correlation	.777**	1	.494**	.368**	.459**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	124	124	124	124	124
FR	Pearson Correlation	.805**	.494**	1	.287**	.392**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	124	124	124	124	124
NFR	Pearson Correlation	.832**	.368**	.287**	1	.394**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	124	124	124	124	124
RMP	Pearson Correlation	.870**	.459**	.392**	.394**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	124	124	124	124	124

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Own Survey, 2024

According to this study, there exist significant positive correlation between the independent variables (i.e. strategies, policies and procedures in reward management; financial reward; non-financial reward; reward management practices) and employee performance, i.e. as the value of one variable increases or decreases the other variable will also increases or decreases at the same direction since the value of the Pearson’s correlation coefficient is clearly laying between 0 and 1. From the two rewards non-financial rewards have high positive correlation with the dependent variable employee performance as well as it is possible to say that both the reward predictors have positive correlation with employee performance. Again, it is clear that the relationship between both variables (financial and non-financial) with employee performance is significant because their p-value 0.000 is less than alpha value 0.01. Similarly, strategies, policies and procedures in reward management, and reward management practices have high positive correlation with the dependent variable employee performance.

Even if both financial reward and non-financial reward has an impact on employee’s job performance, as per the above figure the non-financial rewards is more correlated with employee performance.

4.4. REGRESSION MODEL ASSUMPTION TEST

Numerous linear regressions require testing of a number of principal presumptions. The five principal assumptions of a classical linear regression model are homoscedasticity, autocorrelation, multicollinearity, Normality and linearity. These assumptions are confirmed utilizing linearity and Normality test earlier to doing the regression analysis.

4.4.1. TEST FOR LINEARITY:

When linearity is shown, it implies that there's a straight relationship between the free and subordinate factors. A line is utilized to represent this relationship. Linearity is the property that permits one or more free factors to anticipate the subordinate variable. The presumption is checked by seeing in case the two factors on a diffuse plot generally shape a straight line.

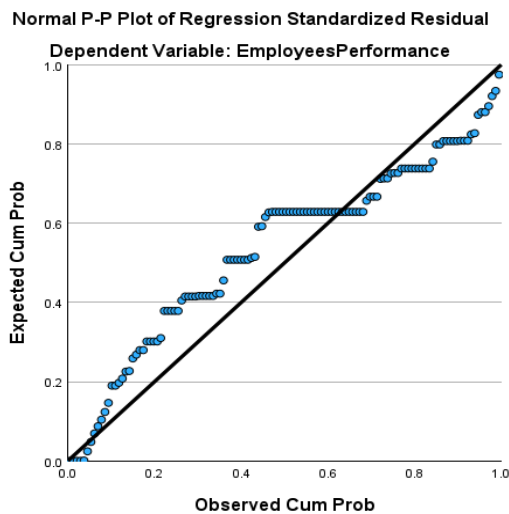


Figure.4.4. Linearity Test (P-P plot)

Source. Own source,2024

4.4.2. NORMALITY TEST

The reason of the typicality test is to discover whether the populace as a entirety or the test information start from a regularly disseminated populace.

Expecting ordinariness, information dissemination is accepted to be ordinary. The information has conveyed equally to speak to the populace when it comes to the bell-shaped realistic representation of the ordinary dispersion. The standardized leftover of organizational execution is checked for rightness employing a histogram of its recurrence dissemination. This shows that the information

conveyance is generally symmetric and ordinary, as the Histogram chart outlines.

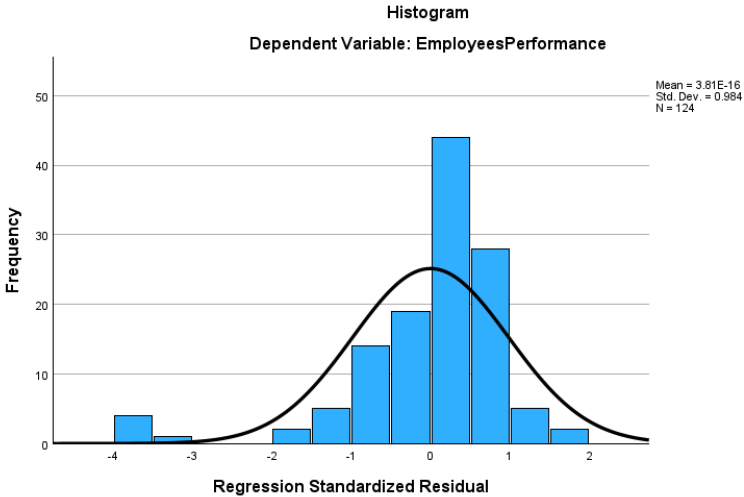


Figure 4.5. Normality Test

Source: Own Source 2024

4.5. Regression Analysis

In this section, multiple regression analysis has been applied to determine how the dependent variable (employee performance) correlated with the independent variables (strategies, policies and procedures in reward management; financial reward; non-financial reward; and reward management practices). As shown in Table 4.9, the R² value was 0.721, implying that 72.1 percent of the variation in employee performance could be explained by changes in strategies, policies and procedures in reward management; financial reward; non-financial reward; and reward management practices.

Table 4.9: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.849 ^a	.721	.712	.512	.721	76.932	4	119	.000

a. Predictors: (Constant), , SPPRM, FR, NFR, RMP

b. Dependent Variable: Employee Performance

Source: Own Survey, 2024

The ANOVA analysis result of the regression between the dependent variable, i.e. employee performance and the independent variables: strategies, policies and procedures in reward management; financial reward; non-financial reward; reward management practices at a 95% confidence level, had an F critical of 76.932 and a P-value of (0.000), indicating that it was significant. This indicated that there was a statistically significant relationship that could be used to examine the relationship between the dependent variable and the independent variables as shown in Table 4.10.

Table 4.10: Analysis of Variance (ANOVA^a)

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	80.604	4	20.151	76.932	.000 ^b
Residual	31.170	119	.262		
Total	111.774	123			

a. Dependent Variable: Employee Performance

b. Predictors: (Constant), SPPRM, FR, NFR, RMP

Source: Own Survey, 2023

As stated in chapter three, the study used the following multiple regression model to establish the statistical significance of the independent variables on the dependent variable.

$$EP_i = \alpha + \beta_1 SPPRM_i + \beta_2 FR_i + \beta_3 NFR + \beta_4 RMP_i + \varepsilon_i$$

Where

α is constant term

β is coefficient of independent variables

ε is the error term

$i = 1, 2, \dots, 91$

EP = Employees Performance

SPPRM	=	Strategies, Policies and Procedures in Reward Management
FR	=	Financial Rewards
NFR	=	Non-Financial Rewards
PRM	=	Practices of Reward Management

The Unstandardized coefficients β of the independent variables were substituted in the model. It could be formulated the model as shown below:

$$EP_i = 1.313 + 0.530 + 0.622 + 0.688 + 0.732 + \varepsilon_i$$

From the above model formula the constant value ($\alpha = 1.313$) implies that employees' performance of the hotel would be 1.313 if other variables of the model were zero. Similarly, when strategies, policies and procedures in reward management; financial reward; non-financial reward; and reward management practices were taken into consideration and other factors were constant, a unit change in strategies, policies and procedures in reward management led to a 0.530 unit positive change in employees' performance. Also, a unit change in financial reward resulted in a 0.622 unit positive change in employees' performance, while a unit change in non-financial reward resulted in a 0.688 unit positive change in employees' performance. The study also revealed that a 0.732 unit increase in employees' performance was caused by a unit change in reward management practices.

Table 4.11: Coefficients of Employee Performance and Cofactors

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.313	.097		4.305	.000
1 SPPRM	.530	.058	.556	7.386	.000
FR	.622	.082	.439	6.348	.000
NFR	.688	.070	.541	5.974	.000
RMP	.732	.077	.604	8.419	.000

a. Dependent Variable: Employee Performance

Source: Own Survey, 2024

4.6. Discussion of Results

This section aims to provide detailed discussion on the empirical results reported in Section 4.4.

The first objective was to assess the impact of strategies, policies and procedures in reward management and employees performance in Getfam hotel, Addis Ababa. This relationship was analyzed with the help of multiple regression analysis. According to the results, a positive significant impact of strategies, policies and procedures in reward management ($\beta = .530$, $p = .000$) was found on the employees performance in Getfam Hotel. Furthermore, Pearson correlation analysis also endorsed these findings and showed a positive association between strategies, policies and procedures in reward management and employees performance. Therefore, an inference could be drawn that employees' performance in the hospitality industry were significantly influenced by strategies, policies and procedures in reward management.

These results were in line with the findings of certain prominent studies in the international context (Aktar, Kamruzzaman, and Ali, 2012; Güngör, 2011; Madhuri K., 2014; Gabriela et al., 2013; Waruni, Ayesha, and Edirisooriya, 2014; and Payam, Ali, Seyed, and Mahmood, 2013).

To examine the effect of financial reward on employees' performance of Getfam hotel, Addis Ababa was the second objective of the study. It was analyzed using multiple regression analysis. The results of multiple regression analysis confirmed that financial reward has a positive impact on the employees' performance ($\beta = .622$, $p = .000$). Correlation analysis also supported these findings and showed a positive association between financial reward and employees' performance. These results revealed that financial reward was an important aspect of reward management. These findings were also consistent with the results of relevant studies (Aktar, Kamruzzaman, and Ali, 2012; Güngör, 2011; Madhuri K., 2014; Gabriela et al., 2013; Waruni, Ayesha, and Edirisooriya, 2014; and Payam, Ali, Seyed, and Mahmood, 2013).

The next objective was to assess the impact of non-financial reward on employees' performance of Getfam hotel, Addis Ababa. Based upon regression analysis results, a positive significant influence of non-financial reward was reported on the employees' performance ($\beta = .688$, $p = .000$). The analysis results of Pearson correlation also showed a positive association between these variables and endorsed the findings highlighting that employees' performance in the hospitality industry were significantly related to non-financial reward. Therefore, these results confirmed non-financial reward

as an influential aspect of employees' performance of hotels in Addis Abeba. These findings were also compliable with the results of (Aktar, Kamruzzaman, and Ali, 2012; Güngör, 2011; Madhuri K., 2014; Gabriela et al., 2013; Waruni, Ayesha, and Edirisooriya, 2014; and Payam, Ali, Seyed, and Mahmood, 2013) indicating a significant relationship between non-financial reward and employees' performance of hotels.

The fourth objective was to assess the effect of reward management practices on employees' performance of Getfam hotel, Addis Ababa. Considering the results of regression analysis, a significant direct impact of reward management practices on employees' performance was reported. These findings also supported by the Pearson correlation in which a positive association between reward management practices on employees' performance was reported. Based upon these empirical facts, these results indicated that reward management practices was an important aspect of employees' performance of hotels in Addis Abeba. Besides, the results were in line with findings of (Aktar, Kamruzzaman, and Ali, 2012; Güngör, 2011; Madhuri K., 2014; Gabriela et al., 2013; Waruni, Ayesha, and Edirisooriya, 2014; and Payam, Ali, Seyed, and Mahmood, 2013).

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

This chapter gives the summary of the study findings from chapter four and it also gives conclusions that were drawn from the findings of the study and the recommendations for improvement arising from the study. Finally, limitations and future research directions also recommended.

5.1 Summary of Major Findings

A total of 130 questionnaires were distributed. 124 of them were filled properly and returned to the researcher which represented a response rate of 95.38%. This percentage was considered acceptable for the study as it was higher than the general response rate rule of thumb (i.e., response rate $\geq 70\%$).

Pay/salary scheme and recognition provided to the employees are found to be attractive. More than half of the respondents also indicated that the promotion and benefit packages were good. This shows that the hotel provide the benefit packages in an effective way so as employees would get motivated to improve their performance level.

Descriptive statistics used to indicate the mean for pay/salary, benefit, promotion, working conditions, responsibility and recognition. These are pay/salary (3.32), benefit (3.82) promotion (3.18), working condition (3.72), recognition(3.56) and responsibility (3.15) the results have shown that employees of respective organization were more motivated or initiated by recognition and intrinsic rewards available in their work place. The lowest mean was observed for group bonuses and cash gifts which implies the organization have a poor practice of encouraging good group performances providing and employees don't get cash gifts for a job well done.

There is a positive and statistically significant relationship between the variables mentioned above. For strategies, policies and procedures in reward management ($r=.777$, $p=.000$), financial reward ($r=.805$, $p=.000$), non-financial reward ($r=.832$, $p=.000$), and reward management practices ($r=.870$, $p=.000$) all variables show positive and significant relationship with employee performance at $p<0.01$.

The value of R^2 was 0.721, implying that 72.1 percent of the variation in employees' performance could be explained by changes in strategies, policies and procedures in reward management; financial reward; non-financial reward; and reward management practices. It supported the hypothesis that the reward practices have a significant influence on employee performance.

5.2 Conclusion

This study aimed to assess effect of reward management on employees' job performance in the case of Getfam Hotel

Based on the comprehensive analysis conducted, this study underscores the significant role played by strategies, policies, and procedures in reward management, financial rewards, non-financial rewards, and overall reward management practices. The findings highlight a clear and positive correlation between these factors and employee performance across various dimensions.

The study's outcomes strongly suggest that increasing the rewards offered to employees within at Getfam Hotel, can lead to heightened job motivation and enhanced overall performance levels. To capitalize on these insights, it is recommended that Getfam Hotel strengthen its existing reward systems by integrating them more with human resource strategy. By viewing rewards not only as motivators but also as critical components of the organization's strategic framework, Getfam Hotel can attract, retain, and maximize the potential of its workforce more effectively.

In conclusion, the study advocates for the development and implementation of a modified reward strategy at Getfam Hotel. Such a strategy should be designed not only to elevate employee performance but also to establish a sustainable competitive advantage in the dynamic hospitality industry.

5.3 Recommendations

Based on the finding and analysis of the study, the following recommendations are proposed:

- In order to improve employee performance, Getfam Hotel should provide employees more responsibility and autonomy. As per the finding on table 4.5 employees are not participating in decision making process while they are the one who knows the detail operation and what customer needs.

If they are empowered and given more responsibility and autonomy they will contribute much more.

- It is recommended that, in order to recruit and retain competent people, the hotel should keep its pay/salary scale at the highest level possible, update its salary scale in response to internal and external conditions, and make salary increments/adjustments within a reasonable time frame. Because as we have seen financial reward has a positive impact on employee's job performance, to keep this always a company has to consider the cost of living and other competitors salary scale.
- In the hotel employees have a positive attitude towards the working condition; this doesn't mean the institute must keep the current practice as it is, instead the hotel must still work on the creation of conducive working environment, since it will encourage high performers to improve their performance more.
- Regarding promotion opportunity, the findings indicated that there is poor practice. Therefore, it is recommended that the organization should continuously recognize good performance and administer the promotional opportunities in a fair and transparent way which considers all employees.

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QUESTIONNAIRE

SECTION I: GENERAL INFORMATION

1. What is your Gender? Male Female

2. What is your highest level of education?

Diploma Degree Master Other

3. What is your age range in years?

Less than 20 21–25

36–40 41–45

31–35 46 & over

4. Number of years worked in the organization?

Less than 3 years 3 – 6 years 7 and above

SECTION II: STRATEGIES, POLICIES AND PROCEDURES IN REWARD MANAGEMENT

What is your level of agreement to the following statements in relation to strategies, policies and procedures in reward management in your organization? (1-Strongly Disagree, 2-Disagree, 3-Uncertain, 4-Agree, 5-Strongly Agree)

No	Statement	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree
1	The Hotel's reward policies favor all workers.					
2	The Hotel's reward policies ensure that all workers are fairly rewarded.					
3	Rewards are appropriate at each employee's level in this organization.					

4	The goal of the Hotel's reward processes and practices is to enhance organizational, team, and individual performance.					
5	Employees are appreciated on efforts contributed to the organization					
6	There is a reward strategy in place to ensure that people's contributions to the achievement of organizational or team goals are valued, recognized, and rewarded.					
7	The Hotel has well-constructed employee recognition programs.					
8	The Hotel conducts job evaluation from time to time.					
9	The Hotel has a grading and pay system in place.					
10	The organization conducts market analysis or salary surveys to be able to identify rates of pay in the industry.					

SECTION III: FINANCIAL REWARDS

What is your level of agreement to the following statements in relation to financial rewards in your organization? (1-Strongly Disagree, 2-Disagree, 3-Uncertain, 4-Agree, 5-Strongly Agree)

No	Statement	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree
1	Employees working in the Hotel are given enough and appropriate salary.					
2	The Hotel offers annual financial bonuses to employees based on their individual performances.					
3	The Hotel gives top up allowances to its staff members on a regular basis.					
4	The Hotel usually gives competence/skill based pay.					
5	The Hotel gives group bonus based on team performance of staff.					
6	Employees working in the Hotel are given cash gifts regularly.					
7	Employees working in the Hotel are given overtime pay for extra hours worked.					
8	Employees working in the Hotel are given shift working pay (for those who works at night).					

9	Employees working in the Hotel are assured of their Pension pay.					
10	Employees working in the Hotel are given sick leave pay allowances.					
11	Employees working in the Hotel are privileged to access loans through the company arrangements.					

SECTION IV: NON-FINANCIAL REWARDS

What is your level of agreement to the following statements in relation to non-financial rewards in your organization? (1-Strongly Disagree, 2-Disagree, 3- Uncertain, 4-Agree, 5-Strongly Agree)

No	Statement	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree
1	The Hotel offers training programs to its employees.					
2	The Hotel gives its staff opportunities for career advancement (staff development).					
3	The Hotel recognizes high achievers and excellent performers of the company.					
4	The Hotel usually organizes small non-cash awards (e.g., dinners, short trips) to its staff.					
5	The Hotel allows its staff to participate in decision making process in the company.					
6	Staff members are always given promotion on merit.					
7	Employees are given more rewarding responsibility in case of distinct performance.					
8	Employees are given a good working environment.					
9	Some employees are sponsored for further studies like masters.					
10	Staff members are given better office facilities to motivate them.					

SECTION V: EMPLOYEE PERFORMANCE

What is your level of agreement to the following statements in relation to employee performance in your organization? (1-Strongly Disagree, 2-Disagree, 3- Uncertain, 4-Agree, 5-Strongly Agree)

No	Statement	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree
1	The reward practice at the hotel focuses on the real needs of employees					
2	Employees are rewarded in the hotel immediately when they perform best					
3	The rewards distributed at the institute have a positive effect on the work atmosphere or environment					
4	The rewards at the institute are distributed fairly					
5	The rewards distributed matches my work effort					
6	Immediate rewarding of employees for achieving best performance will help to repeat that performance in the future					
7	I am satisfied with the quality (appropriateness, distributive and procedural justice) of the rewards					

No	Statement	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree
1	The existing benefit packages like medical cost coverage, fuel (transport) allowance, and house allowance are helping to motivate employees in the Hotel for higher level of performance.					
2	Because of the good reward management practices of the organization, the performance of employees is improved.					
3	I feel that the reward management practices of the Hotel enable me to perform my work with greater accuracy and precision.					
4	The employees in the Hotel are willing to accept more challenging assignments after they have been rewarded.					
5	After effective rewards, employees in the Hotel are working their regular activities well and become more responsible.					
6	My dedication and engagement towards my job in the Hotel has improved because of the effective rewards I received.					
7	The reward management practices of the Hotel are good for employees in enabling them to utilize their skills, knowledge and potential.					