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The Effect of Reward Management on Employee Job Satisfaction: A Case Study of Mercy Corps Ethiopia

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Statement of Declaration

I declare that the research thesis entitled **"The Effect of Reward Management on Employee Job Satisfaction: A Case Study of Mercy Corps Ethiopia**" is my original work and it hasn't been published or submitted for any kind of qualification elsewhere. All sources of material used for the work have been duly acknowledged.

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STATEMENT OF CERTIFICATION

This is to certify that, this project work "**The Effect of Reward Management on Employee Job Satisfaction: A Case Study of Mercy Corps Ethiopia"**, undertaken by Bayush Solomon Tilahun in partial fulfilment of the requirements for Master of Arts in Human Resource Management at Addis Ababa University School of Commerce, is an original work and not submitted earlier for any Degree either at this university or any other university.

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HUMAN RESOURCE MANAGEMENT PROGRAM

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Abstract

This study examined the effect of rewards management practice on employee job satisfaction at Mercy Corps Ethiopia. Using a quantitative cross-sectional survey, data were collected from 164 employees through a structured questionary and analyzed using SPSS version28.mainly focused on the function of financial and non-financial rewards in affecting employee feeling towards their job. The results showed strong positive links between reward practices and job satisfaction. Financial rewards strongly related to satisfaction (r=.771, p<.001); non-financial rewards were also found to relate strongly to employee satisfaction (r=.755, p<.001) together explain the employee satisfaction variation of 67.6%. Financials had a slightly stronger predictive power (β = .476), while non-financial rewards particularly meaning work, recognition, and autonomy also contribute significant (β = .416). employees valued the sense of purpose in their humanitarian roles but expressed concerns about promotion-linked salary increase, career development, and consistent recognition. The study concludes that a balanced total reward approach combining fair compensation with strong intrinsic motivators is essential for improving satisfaction commitment and retention in humanitarian organizations.

Keywords: Reward management, financial rewards, non-financial rewards, job satisfaction, total rewards, humanitarian organizations, Mercy Corps Ethiopia

CHAPTER ONE: INTRODUCTION

1.1 Background of Study

Employees are widely recognized as the most valuable asset of any organization. Their motivation, commitment, and performance play a critical role in determining organizational success. Consequently, employee job satisfaction has received increasing attention from researchers and practitioners because of its significant influence on productivity, employee retention, and overall organizational effectiveness. Togia et al. (2004) defined job satisfaction as the extent to which employees hold positive attitudes toward their jobs, while Asghar and Oino (2018) emphasized that job satisfaction is influenced by factors such as compensation, recognition, working conditions, and opportunities for career growth.

Reward management has emerged as one of the most important mechanisms for enhancing employee job satisfaction. According to Armstrong and Taylor (2023), reward management encompasses the policies, strategies, and practices that organizations use to recognize and reward employees for their contributions through both financial rewards, such as salaries, bonuses, and benefits, and non-financial rewards, including recognition, autonomy, meaningful work, and career development opportunities.

This study is underpinned by Herzberg's Two Factor Theory, Expectancy Theory, and Self Determination Theory (SDT). Herzberg's Two Factor Theory explains that employee job satisfaction is influenced by both hygiene factors, such as salary and working conditions, and motivators, such as recognition, achievement, and opportunities for growth. Expectancy Theory suggests that employees are motivated when they believe their efforts will lead to desirable performance outcomes and valued rewards.

Deci and Ryan (2000) proposed Self Determination Theory (SDT), which argues that employee motivation and satisfaction are enhanced when three fundamental psychological needs are fulfilled: autonomy, competence, and relatedness. SDT is particularly relevant to humanitarian organizations, where employees often place greater value on intrinsic rewards than on financial compensation. Accordingly, the theory provides the foundation for selecting the non financial reward dimensions examined in this study, including meaningful work, which reflects competence, autonomy, and recognition, which supports relatedness.

Empirical evidence consistently demonstrates that well designed reward systems enhance employee job satisfaction. For instance, Jehanzeb et al. (2012) found a significant positive relationship between reward systems and job satisfaction among banking employees in Saudi Arabia. Similarly, Mahlet (2012) reported that fair compensation, promotion opportunities, recognition, and employee benefits significantly improved job satisfaction among hospital employees in Ethiopia. More recent studies by Antoni et al. (2017) and Hua et al. (2020) further confirmed that financial and non-financial rewards complement one another in enhancing employee motivation, commitment, and job satisfaction.

The importance of reward management becomes even more pronounced in humanitarian organizations operating in challenging environments. International NGOs like Mercy Corps Ethiopia often face high staff workloads, security risks, resource constraints, and emotional demands while delivering aid and development programs. In such contexts, turnover and retention challenges are common. Humanitarian workers frequently report burnouts and dissatisfaction when financial rewards lag behind expectations or when non-financial support (such as recognition and career growth) is inconsistent. These issues can undermine program continuity and organizational effectiveness.

Mercy Corps Ethiopia provides an appropriate context for examining the relationship between reward management and employee job satisfaction. The organization employs approximately 277 staff across its head office and field offices in multiple regions and implements programs in livelihoods, climate resilience, humanitarian response, and social cohesion. These programs are delivered in an environment characterized by conflict, climate related shocks, and economic instability, making effective reward management essential for maintaining employee motivation and job satisfaction. Understanding how financial and non-financial reward practices influence employee job satisfaction is therefore important from both practical and theoretical perspectives.

Previous studies have primarily examined reward management in private sector organizations, financial institutions, and public sector organizations in Ethiopia. For example, Gebayaw (2019) investigated reward management in the private sector. However, limited empirical research has explored this relationship within humanitarian non-governmental organizations (NGOs). This study seeks to address this gap by examining the influence of financial and non-financial rewards on employee job satisfaction in the context of Mercy Corps Ethiopia.

1.2 Statement of the problem

Despite the growing recognition of reward management as a key determinant of employee motivation and job satisfaction, many organizations continue to face challenges related to low employee satisfaction, high turnover, and reduced organizational performance. Armstrong and Taylor (2023) argue that effective reward management is essential for attracting, motivating, and retaining employees. Similarly, Hua et al. (2020) found that inadequate financial and non financial reward systems negatively affect employee satisfaction, commitment, and performance. These challenges are particularly evident in humanitarian and development organizations, where demanding working conditions, resource constraints, and high job demands often exacerbate employee dissatisfaction and turnover.

Empirical studies have consistently demonstrated a positive relationship between effective reward systems and employee job satisfaction. For example, Jehanzeb et al. (2012) found a strong positive relationship between rewards and job satisfaction among banking employees in Saudi Arabia. Similarly, Mahlet (2012) reported that fair compensation, promotion opportunities, recognition, and employee benefits significantly improved job satisfaction among employees in Ethiopian public hospitals. However, research findings have not always been consistent. Agwu (2013) argued that financial rewards have a stronger influence on employee satisfaction in resource constrained settings. In contrast, Antoni et al. (2017) and Rigby and Ryan (2018) emphasized the increasing importance of non-financial rewards, such as recognition and meaningful work, particularly in mission driven organizations.

In the Ethiopian context, research on reward management has primarily focused on public institutions and private sector organizations. For example, Mahlet (2012) examined the relationship between reward practices and employee job satisfaction in public hospitals, while Gebayaw (2019) investigated reward management in the private sector. However, limited empirical evidence exists on reward management within humanitarian non-governmental organizations (NGOs).

Mercy Corps Ethiopia, which operates humanitarian and development programs across multiple regions, provides an appropriate setting for this study. Employees work in demanding

environments characterized by heavy workloads, security risks, resource constraints, and emotionally challenging conditions. Although the organization has implemented various initiatives to enhance employee performance, there is limited empirical evidence on how its current financial and non-financial reward practices influence employee job satisfaction. Consequently, management lacks organization specific, evidence-based information to support decisions related to employee retention, motivation, and overall program effectiveness.

Furthermore, total reward frameworks proposed by Manus and Graham (2003) and Armstrong and Taylor (2023) emphasize that financial and non-financial rewards work together to enhance employee motivation and satisfaction. However, the relative influence of these reward components within humanitarian NGOs operating in Ethiopia has received little scholarly attention. This represents an important knowledge gap in existing literature.

Accordingly, this study addresses three major gaps. First, it addresses the practical gap by providing organization specific evidence for Mercy Corps Ethiopia. Second, it addresses the empirical gap by examining reward management within the under researched context of humanitarian NGOs in Ethiopia. Third, it addresses the knowledge gap by investigating the relative influence of financial and non-financial rewards on employee job satisfaction in a mission driven

1.3 Research Questions

1. How do employees perceive the reward management practices at Mercy Corps Ethiopia?
2. What is the current level of employee job satisfaction at Mercy corps Ethiopia?
3. What is the effect of reward management practice on employee job satisfaction at Mercy Corps Ethiopia?

1.4 Objectives

1.4.1 General Objective

The general objective of this study was to examine the effect of reward management practices on employee job satisfaction at Mercy Corps Ethiopia.

1.4.2 Specific Objectives

1. Assess employees' perceptions of the financial and non-financial reward management practices at Mercy Corps Ethiopia.

2. Determine the current level of employee job satisfaction at Mercy Corps Ethiopia.
3. To determine the contribution of financial and non-financial rewards toward employee job satisfaction.

1.5 Significance of the research

1.5.1 Practical Significance

For Mercy Corps Ethiopia, this study provides an opportunity to clearly understand through empirical data what works and what does not in their HR practices. The findings can help management strengthen key elements of its reward system, including competitive salary, benefits, recognition, or opportunities for career development. by addressing these gaps and improving communication around policies in which people perceive inequity, so that leaders can revise existing HR policies or refine the communication of policies. To increase retention & performance by understanding the drivers behind people's contentment, individuals will want to stay longer within the organization. This reduced turnover is both beneficial to organizations (saving them recruitment and training costs) and teams (building consistent performance over time). Ultimately, this leads to successful implementation of programs (Wright & Bonett, 2007). Further, it fosters an improved organizational climate by allowing Mercy Corps Ethiopia to foster a more open, supportive, and motivating environment. The daily working relationships align more closely with the organization's values.

1.5.2 Theoretical Significance

This study contributes to the existing literature by addressing an important gap in research on reward management within international non-governmental organizations (INGOs), particularly in Sub Saharan Africa and Ethiopia, where empirical evidence remains limited. It extends the literature on human resource management by examining how financial and non-financial reward practices influence employee job satisfaction in a humanitarian organizational context.

In addition, the study contributes to theory by examining the applicability of established reward management theories in a complex organizational environment characterized by donor funded compensation structures, mission driven objectives, and resource constraints rather than profit maximization. Furthermore, it provides an in-depth case study of Mercy Corps Ethiopia, which

can serve as a valuable reference for future researchers investigating the factors that influence employee attitudes and job satisfaction in humanitarian and development organizations..

1.6 Scope and limitation

1.6.1 Scope of the Study

This study focused on examining the effect of reward management practices on employee job satisfaction at Mercy Corps Ethiopia. The content scope was limited to two main dimensions of reward management: financial rewards and non-financial rewards. These dimensions were selected because they represent the most commonly cited aspects of total reward systems in the literature and are particularly relevant to humanitarian organizations, where both material compensation and intrinsic motivation play critical roles in staff retention and performance.

Geographically and organizationally, the study was confined to employees of Mercy Corps Ethiopia, with data collected from both the Addis Ababa head office and various field offices. The temporal scope was cross-sectional, covering employee perceptions and experiences at a single point in time during the data collection period in 2026. No longitudinal tracking of changes was undertaken.

Methodologically, the study adopted a quantitative survey approach using a structured questionnaire and employed descriptive statistics, correlation analysis, and multiple linear regression to examine relationships. The focus remained on individual-level perceptions rather than organizational-level outcomes or comparisons with other institutions.

1.6.2 Limitation of the Study

One of the most significant limitations of the study is its cross-sectional design. Data was collected at only one time within a particular timeframe. Thus, the study only captures how employees perceive and experience reward management practices at that particular time. Due to this, the research failed to show how employees' perception and job satisfaction can be developed over time as the reward management practices change along with changing organizational policies, economic conditions, or compensation packages. Furthermore, the design hinders the capability of developing a definite causal relationship between reward management practices and job satisfaction. Another significant limitation is that the research was confined to only one organization; Mercy Corps Ethiopia. Because the study is conducted at just one humanitarian aid

organization, the study may not truly represent employees in other types of organizations such as other NGO's, government institutions or private sectors, as each may have differing reward systems and operating environments.

Furthermore, the research used primarily quantitative data from a survey. While questionnaires were helpful for obtaining data from numerous employees, they may not have been adequate in capturing the employees' richer experiences, feelings, and personal opinions towards reward practices. It might have also led to some respondents providing conservative and/or socially acceptable responses. Lastly, the current research did not explore the role of potential moderating and/or mediating variables such as organizational commitment, perceptions of fairness, leadership behaviors.

1.7 Definition of Key Terms

- **Job Satisfaction**: According to Asad Khan et al. (2019), job satisfaction is a positive emotional state that results from an individual's evaluation of work experience and reflects employees' overall feelings toward their jobs.
- **Reward Management:** The strategies, policies, and processes used by an organization to provide both financial (base pay, bonuses, benefits) and non-financial (recognition, development opportunities, meaningful work) rewards to employees in return for their contribution (Armstrong & Taylor, 2020).
- **Turnover**: is as when an employee leaves his or her organization and is replaced by another new employee (N.C. Jian and Saakshi, 2008)
- **Motivators**: are linked to employee motivation and arise from intrinsic, or dependent, conditions of the job itself. Factors for satisfaction include responsibility, job satisfaction, recognition, achievement, opportunities for growth, and advancement.
- **Mercy Corps Ethiopia:** The Ethiopian country office of Mercy Corps, an international humanitarian and development NGO implementing various programs across the country.

CHAPTER TWO: LITERATURE REVIEW

This chapter reviews existing literature on employee job satisfaction and reward management. It starts by exploring the meaning and importance of job satisfaction, followed by key motivation theories that help explain how rewards influence employee attitudes. The second part examines the concept of reward management, including financial and non-financial rewards and how they work together. Lastly the chapter examines empirical studies that have already been conducted relating rewards to job satisfaction and proposes the theoretical model that this study employs.

2.1 The Concept of Employee Job Satisfaction

Different authors have different approaches towards defining job satisfaction. Some of the most commonly cited definitions of job satisfaction are analyzed in the text that follows. Hoppock defined job satisfaction as any combination of physiological and environmental circumstances that cause a person to truthfully say, "I am satisfied with my job" (Hoppock, 1935). According to this approach, although job satisfaction is under the influence of many external factors, it remains something internal that has to do with the way the employee feels. That is, job satisfaction presents a set of factors that cause a feeling of satisfaction.

Vroom's definition of job satisfaction focuses on the role of the employee in the workplace. Thus, he defines job satisfaction as affective orientations on the part of individuals toward work roles that they are presently occupying (Vroom, 1964). One of the most often cited definitions of job satisfaction is the one given by Spector, according to whom job satisfaction has to do with the way people feel about their job and its various aspects. It has to do with management research and practice, the extent to which people like or dislike their job. That's why job satisfaction and job dissatisfaction can appear in any given work situation.

Job satisfaction represents a combination of positive or negative feelings that workers have towards their work. Meanwhile, when a worker is employed in a business organization, it brings with it the needs, desires, and experiences that determine expectations that he has dismissed. Job satisfaction represents the extent to which expectations are met and match the real rewards. Job satisfaction is closely linked to that individual's behavior in the workplace (Davis et al., 1985).

Job satisfaction is a worker’s sense of achievement and success on the job. It is generally perceived to be directly linked to productivity as well as to personal well-being. Job satisfaction involves

doing a job one enjoys, doing it well, and being rewarded for one's efforts. Job satisfaction further implies enthusiasm and happiness with one's work. Job satisfaction is the key ingredient that leads to recognition, income, promotion, and the achievement of other goals that lead to a feeling of fulfillment (Kaliski, 2007).

Although scholars define job satisfaction from different perspectives, there is substantial agreement that it represents employees' overall evaluation of their work experiences. Hoppock (1935) emphasized the role of psychological and environmental conditions, whereas Vroom (1964) focused on employees' affective orientation toward their work roles. Spector (1997) extended this view by highlighting satisfaction with specific job facets such as supervision, pay, promotion, and work conditions. More recent scholars argue that job satisfaction encompasses both emotional reactions and cognitive assessments of the workplace (Robbins & Judge, 2022). The evolution of these definitions demonstrates a shift from viewing job satisfaction as a simple emotional response to understanding it as a multidimensional construct shaped by organizational practices, rewards, work environments, and personal expectations. This broader perspective is particularly relevant to the present study because employee satisfaction at Mercy Corps Ethiopia may be influenced simultaneously by financial rewards, recognition, career development opportunities, and perceptions of organizational support.

2.1.1 Theories of Job Satisfaction and Motivation

This study reviews different well-established motivation theories to understand how reward systems shape employee attitudes and behavior. The main theories used are Maslow's Hierarchy of Needs, Herzberg's Two-Factor Theory, Expectancy Theory, Equity Theory, and Self-Determination Theory.

2.1.1.1 Maslow's Hierarchy of Needs

Abraham Maslow (1943) proposed that human needs are arranged in a hierarchy, starting with basic physiological needs at the bottom and moving upward to self-actualization at the top. According to this theory, lower-level needs must be reasonably satisfied before people become motivated by higher-level ones (Robbins et al., 2007).

In the workplace, financial rewards primarily help meet lower-level needs such as security and financial stability. Higher-level needs, esteem, and self-actualization are more likely to be

addressed through recognition, career growth, and meaningful work. For employees at Mercy Corps Ethiopia working in difficult field conditions, both financial security and a sense of purpose are important for achieving job satisfaction (Klonoski, 2013).



Figure 2. Abreham Maslow hierarchy needs

Maslow's theory of motivation states that when a lower need is satisfied, the next highest becomes dormant and the individual's attention is turned to satisfying this higher need. The lower need still exists, even if temporarily dormant as motivators, and individuals constantly return to previously satisfied needs. One of the implications of Maslow's theory is that the higher-order needs for esteem and self-fulfillment provide the greatest impetus to motivation – they grow in strength when they are satisfied, while the lower needs decline in strength on satisfaction. But the jobs people do will not necessarily satisfy their needs, especially when they are routine or de-skilled. The basis of this theory is the belief that an unsatisfied need creates tension and a state of disequilibrium. To restore the balance, a goal that will satisfy the need is identified and a behavior is therefore motivated by unsatisfied needs.

Despite its widespread popularity, Maslow's theory has been subject to several criticisms. First, empirical studies have provided limited evidence supporting the existence of a strict hierarchical order of needs. Employees may pursue multiple needs simultaneously rather than sequentially. Second, the theory assumes that all individuals have similar needs and priorities, whereas cultural, social, and individual differences may influence motivational factors. Third, the model does not

adequately explain why some individuals continue to pursue higher-level goals despite having unmet lower-level needs. Consequently, while Maslow's theory offers a useful framework for understanding employee needs, it should be applied cautiously when explaining workplace motivation and job satisfaction.

Nevertheless, the theory remains relevant to the present study because it highlights how different forms of rewards satisfy different employee needs and contribute to overall job satisfaction.

2.1.1.2 Herzberg's Two-Factor Theory

The two-factor model of satisfiers and dissatisfiers was developed by Herzberg et al. (1957) following an investigation into the sources of job satisfaction and dissatisfaction of accountants and engineers. The main implications of this research, according to Herzberg, are that the wants of employees are divided into two groups. One group revolves around the need to develop in one's occupation as a source of personal growth. The second group operates as an essential base to the first and is associated with fair treatment in compensation, supervision, working conditions, and administrative practices. The fulfillment of the needs of the second group does not motivate the individual to high levels of job satisfaction and to extra performance on the job.

Conversely, Herzberg's two-factor model has been criticized because no attempt was made to measure the relationship between satisfaction and performance. However, Herzberg had immense influence on the job enrichment movement, which sought to design jobs in a way that would maximize the opportunities to obtain intrinsic satisfaction from work and thus improve the quality of working life. His emphasis on the distinction between intrinsic and extrinsic motivation is also important.

In the context of this study, financial rewards such as salary, allowances, and benefits represent hygiene factors that prevent dissatisfaction, whereas non-financial rewards such as recognition, training opportunities, and career development represent motivator factors that enhance job satisfaction. Herzberg's theory therefore provides a useful framework for explaining how different reward dimensions influence employee job satisfaction at Mercy Corps Ethiopia.

2.1.1.3 Expectancy Theory

The concept of expectancy was originally contained in the Valency-Instrumentality-Expectancy (VIE) theory, which was formulated by Vroom (1994). Valency stands for value; instrumentality is the belief that if we do one thing, it will lead to another, and expectancy is the probability that action or effort will lead to an outcome. Motivation is only likely when a clearly perceived and usable relationship exists between performance and outcome and the outcome is seen as a means of satisfying needs.

Vroom suggested that the importance of clear and fair reward systems is more motivating when they see a direct connection between their effort, performance, and the rewards they receive.

In the context of Mercy Corps Ethiopia, Expectancy Theory is particularly relevant. Employees need to believe that their efforts will be accurately assessed through transparent performance appraisals (expectancy). They must trust that strong performance will genuinely lead to outcomes such as promotions, salary increments, or meaningful recognition (instrumentality). Finally, these rewards must be valued whether financial (competitive salary increases) or non-financial (recognition for humanitarian impact and greater autonomy) (valence).

At Mercy Corps, where staff work across head office and demanding field locations, clear links between performance and rewards are essential. When employees see consistent, fair connections between their contributions and both financial and non-financial outcomes, they are more likely to remain motivated and satisfied. Weak instrumentality such as unclear promotion criteria or inconsistent recognition can quickly undermine motivation in this high-pressure humanitarian environment.

2.1.1.4 Equity Theory

Equity theory is concerned with the perception people have about how they are being treated as compared with others. Equity involves feelings and perceptions and is always a comparative process. It is not synonymous with equality, which means treating everyone the same. As suggested by Adams (1965), there are two forms of equity. Distributive equity, which is concerned with the fairness with which people feel they are rewarded in accordance with their contribution and in comparison, with others. Procedural equity, or procedural justice, is concerned with the

perceptions employees have about the fairness with which company procedures in such areas as performance appraisal, promotion, and discipline are being operated. Interpersonal factors are closely linked to feelings about procedural fairness.

In Mercy Corps Ethiopia, employees may compare rewards between head office and field staff, different departments, or even staff in similar NGOs. Clear, transparent, and consistently applied reward practices are therefore essential for maintaining trust and satisfaction.

2.1.1.5 Self-Determination Theory

Self-Determination Theory (SDT), developed by Edward Deci and Richard Ryan, takes a different angle on what truly motivates people. Rather than focusing mainly on external rewards like pay or bonuses, SDT suggested that human motivation requires fulfillment of three intrinsic rewards or psychological needs, like autonomy, competence, and relatedness.

Autonomy is the requirement or need to feel in control of one's own life and choices. Like Mercy Corps Ethiopia or other stressful working environment employees, they are required to feel that they are acting out of their own free will rather than external pressures. Also, employees need to feel a sense of progress and capability in their work (competence) and need to feel a sense of belonging and connection in their workplace (relatedness).

This theory seems particularly relevant for humanitarian organizations like Mercy Corps Ethiopia, where staff often work in difficult conditions. When people feel their work has real meaning and they are trusted to make decisions, they are more likely to stay committed even when financial rewards are not exceptional. Practices that support these needs such as greater decision-making freedom, training opportunities, and team recognition can help sustain motivation in challenging environments.

While each theory offers a different explanation of employee motivation and satisfaction, together they provide a comprehensive framework for understanding how reward management influences job satisfaction. Maslow's Hierarchy of Needs emphasizes the role of rewards in satisfying different levels of employee needs, whereas Herzberg distinguishes between hygiene factors that prevent dissatisfaction and motivators that create satisfaction. Expectancy Theory focuses on

employees' perceptions regarding the relationship between effort, performance, and rewards, while Equity Theory highlights the importance of fairness in reward allocation.

Self-Determination Theory further argues that employees are motivated when rewards support autonomy, competence, and relatedness. Collectively, these theories suggest that employee job satisfaction cannot be explained by financial rewards alone; rather, satisfaction emerges when reward systems are perceived as adequate, fair, meaningful, and supportive of employees' personal and professional growth. Therefore, the theories jointly justify the inclusion of both financial and non-financial rewards as independent variables in the present study.

2.1.2 Dimensions of Employee Job Satisfaction

Job satisfaction is widely recognized as a multidimensional construct rather than a single overall feeling. Researchers generally identify three main dimensions that shape how employees evaluate their work (Bakker & Demerouti, 2018; Spector, 1997):

- **Affective dimension**: This refers to the emotional reactions employees have toward their job feelings of happiness, fulfillment, frustration, or stress. For example, employees at Mercy Corps Ethiopia often derive strong positive emotions from the meaningful nature of humanitarian work, even when facing difficult field conditions.
- **Cognitive dimension**: This involves rational judgments about whether the job meets expectations, such as fairness of pay, clarity of roles, opportunities for growth, and equity compared to others. Employees assess whether their rewards (both financial and non-financial) are reasonable given their contributions and the efforts they put in.
- **Behavioral dimension**: This reflects how satisfaction (or dissatisfaction) influences actions, such as commitment to the organization, willingness to go beyond formal duties, intention to stay, or, conversely, thoughts of leaving. High satisfaction typically leads to stronger engagement and lower turnover intentions.

In the context of this study, these dimensions are particularly relevant. Financial rewards (salary, benefits, promotion increments) tend to influence the cognitive dimension by shaping perceptions of fairness and equity. Non-financial rewards (recognition, autonomy, meaningful work, and supportive relationships) strongly affect the affective and behavioral dimensions by fulfilling psychological needs and encouraging long-term commitment.

Understanding these dimensions helps explain why employees at Mercy Corps Ethiopia reported relatively high overall satisfaction despite moderate ratings on financial aspects. The sense of purpose and impact in their humanitarian roles appears to compensate for some shortcomings in compensation, highlighting the interplay between extrinsic and intrinsic factors in mission-driven organizations.

2.2 The Concept of Reward Management

According to Michael Armstrong (2010), reward management is concerned with the strategies, policies, and processes required to ensure that the value of people and the contribution they make to achieving organizational, departmental, and team goals is recognized and rewarded. It is about the design, implementation, and maintenance of reward systems (interrelated reward processes, practices, and procedures) that aim to satisfy the needs of both the organization and its stakeholders and to operate fairly, equitably, and consistently. Reward management is concerned with people, especially the employees who are rewarded for their efforts, skills, and contributions but also the directors, managers, and reward specialists who plan, manage, and administrate rewards.

According to Schneider (1987), organizations are the people in them; people make the place. His point was that attraction to an organization, selection by it, and attrition from it yield kinds of people in an organization. These people determine organizational behavior. Positive job attitudes for workers in an organization can be expected when the natural inclinations of the people there can be reflected in their behaviors by the kinds of processes and structures that have evolved there.

In the words of Ghoshal & Bartlett (1995), the overall aim of reward management should be to ‘add value to people.' It is not just about attaching value to them. More specifically, the aims are to: Support the achievement of business goals through high performance. Develop and support the organization’s culture; Define what is important in terms of behaviors and outcomes. Reward people according to the value they create. Reward people according to what the organization values. Align reward practices with employee needs, help to attract and retain the high-quality people the organization needs, Win the engagement of people, and overall and specific approaches to achieving these aims are described below.

According to Armstrong & Murlis (1988), to fulfill its overall aim of helping the organization to attain its goals, the reward management system should be geared to the value of the contributions

individuals make to reaching these objectives. It must be tailored to meet the impact of reward management's satisfaction and the organizations on employees' satisfaction, the organization's special needs and it should be capable of being easily modified in response to the change that will enviably take place in a dynamic enterprise.

In particular, the system should aim to ensure that the organization can recruit the quantity and quality of staff it requires, encourage suitable staff to remain with the organization, provide rewards for good performance and incentives for further improvements in performance, and, moreover, achieve sufficient equity in the pay for similar jobs. Create appropriate differentials between different levels of jobs in accordance with their relative value; operate flexibly enough to accommodate organizational changes and alterations in the relative market rates for different skills; be simple to explain, understand, operate, and control; and be cost-effective in the sense that the benefits of the system are obtained without undue expense.

According to Armstrong (2010), reward management supports the achievement of business goals by helping to ensure that the organization has the talented and engaged people it needs. It contributes to the achievement of high performance by ensuring that the reward system recognizes and encourages it. Reward management can define expectations through performance management and contingent pay schemes.

While Armstrong (2010) views reward management as a strategic process for recognizing employee contributions, Ghoshal and Bartlett (1995) emphasize its role in creating value for employees. Both perspectives suggest that effective reward systems serve not only as compensation mechanisms but also as strategic tools for enhancing employee motivation and organizational performance.

2.2.1 Total Reward Strategy

Armstrong and Murlin, 5th edition (2004), the total reward concept emphasizes the importance of considering all aspects of reward as an integrated and coherent whole. Each of the elements of total reward, namely base pay; pay contingent on performance, competence, or contribution; employee benefits; and non-financial rewards, which include intrinsic rewards from the employment environment and the work itself, are linked together.

The conceptual basis of total rewards is that of grouping or 'bundling' so that different reward processes are interrelated, complementary, and mutually reinforcing. This is the basis of the Hay Group Model of Engaged Performance. Total reward strategies are vertically integrated with business strategies, but they are also horizontally integrated with other HR strategies to achieve internal consistency (Armstrong and Murlin, 5th edition, 2004).

The concept of total reward encompasses both financial and non-financial rewards. Hence, its significance to both the organizations and employees emanates from its comprehensiveness. According to Armstrong & Stephens (2005), total reward can be used as a means of influencing behavior, enhancing employment relationships, flexibility to meet individual needs and winning the war for talent. Companies that want to foster a high-performance work system will reward the effect of rewards on employee satisfaction based on their performance. Hence, the reward is utilized as a means of influencing behavior.

2.2.2 Financial Reward Systems

Financial rewards comprise all rewards that have a monetary value and add up to total remuneration Base pay, pay contingent on performance, contribution, competency or skill, pay Related to service, financial recognition schemes, and benefits such as pensions, sick pay, and health insurance. The management of a reward system requires decisions on levels of pay, how jobs should be valued, the design and operation of grade and pay structures and the choice of benefits. Such decisions can be complex and difficult, but the problems pale by comparison with the issues surrounding the use of financial rewards contingent on performance, contribution, competence, or skill.

The fundamental issue is the extent to which financial rewards provide an incentive effect. The sorting effect is important but creates less controversy, perhaps because it is more difficult to pin down. A vociferous chorus of disapproval has been heard on the incentive effect. One of the best known and most influential voices is that of Kohn (1993), who stated in the Harvard Business Review that ‘bribes in the workplace simply can’t work.’ He asserted that rewards, like punishment, may actually undermine the intrinsic motivation that results in optimal performance.

The more a manager stresses what an employee can earn for good work, the less interested that employee will be in the work itself.’ Kohn (1993) also claimed that 'at least two dozen studies over the last three decades have conclusively shown that people who expect to receive a reward for

completing a task or for doing that task simply do not perform as well as those who expect no reward at all.' He did not identify these studies. He returned to the fray in 1998 when he wrote that 'offering workers the equivalent of a doggie biscuit for whatever we demand is never going to be successful in any meaningful sense. Pfeffer (1998) concluded in his equally influential Harvard Business Review article 'Six Dangerous Myths About Pay" that most merit-pay systems share two attributes: they absorb vast amounts of management time and make everybody unhappy. "More recently, Furnham (2006) asserted that 'the idea that better-paid people are more productive and happier is naïve and essentially evidence-free.'" And Caulkin (2009) wrote in his Observer column that 'Evidence to show monetary incentives improve performance is simply non-existent.'

On the other hand, there is the less audible chorus of those who have collected evidence that financial incentives do improve performance (seemingly unknown to commentators such as those mentioned above) and have questioned some of the findings and theories of the researchers who have cast doubts on the effectiveness of financial incentives. Gerhart and Rynes (2003), in their comprehensive review of compensation research noted that managers may well be confused by the fact that 'researchers often disagree on many of the most central questions surrounding pay, depending on their disciplinary training, ideological beliefs, and other factors.' Among the disagreements they instanced was whether pay is a strong motivator of performance. The contrasting findings suggest that the effectiveness of financial rewards may depend on contextual factors such as organizational culture, employee expectations, and the perceived fairness of reward allocation.

The contrasting views regarding financial rewards indicate that their effectiveness remains context-dependent rather than universally applicable. Critics such as Kohn (1993) argue that monetary incentives may undermine intrinsic motivation, particularly when employees become focused solely on external rewards. Conversely, Gerhart and Rynes (2003) found substantial evidence that appropriately designed financial incentives can improve performance and satisfaction. These contradictory findings suggest that financial rewards are most effective when employees perceive them as fair, transparent, and linked to performance. Consequently, the debate is not whether financial rewards matter, but under what organizational conditions they contribute to employee satisfaction. This issue is particularly relevant in humanitarian organizations such as

Mercy Corps Ethiopia, where employees may simultaneously value financial security and intrinsic motivations associated with meaningful work.

2.2.3 Non-Financial Reward Systems

According to Armstrong (2010), non-As are those that focus on the needs people must have to vary to degree for recognition, achievement, responsibility, autonomy, influence, and personal growth. They incorporate the notion of relational rewards, which are the intangible rewards concerned with the work environment (quality of working life, the work itself, work-life balance), recognition, performance management, and learning and development.

Non-financial rewards can be extrinsic or intrinsic, arising from the work itself associated with job challenges and interest and feelings that the work is worthwhile.

The types of rewards as originally identified by Herzberg (1957) include the following:

Intrinsic rewards are the self-generated factors that influence people to behave in a way or to move in a direction. These factors include responsibility (feeling that work is important and having control over one's own resources), autonomy (freedom to act), scope to use and develop skills and abilities, interesting and challenging work and opportunities for advancement

Extrinsically, answer the question: What is done to or for people to motivate them? This includes rewards, such as increased pay, verbal appreciation, or promotion, and punishment, such as disciplinary action, withholding pay, or criticism. Extrinsic motivators can have an immediate and powerful effect, but it may not necessarily last long. Extrinsic rewards are usually financial or tangible rewards. Ajils (1997) delineated that intrinsic rewards are inherent in the job itself and that the individual enjoys them because of successfully completing the task of attaining his or her goal.

In the present study, recognition, career development opportunities, training, and supportive work environments are considered key forms of non-financial rewards that are expected to influence employee job satisfaction.

He further explained that extrinsic rewards are those external to the task of the job, such as pay, work condition, fringe benefits, security, promotion, contract of service, and the work environment.

2.2.4 Relationship Between Financial and Non-Financial Rewards

Financial and non-financial rewards are interdependent and complementary components of an effective reward management system. Financial rewards help employees meet their economic needs and enhance perceptions of fairness and equity, while non-financial rewards contribute to employee loyalty, organizational commitment, and long-term engagement. According to Hodor (2016), a total reward strategy recognizes that financial rewards play an important role in attracting employees, whereas non-financial rewards are critical for sustaining motivation, commitment, and retention.

Therefore, organizations such as Mercy Corps Ethiopia should adopt a comprehensive reward management framework that integrates both financial and non-financial rewards. Such an approach should be supported by effective human resource management policies and practices that promote employee motivation, satisfaction, and retention while aligning reward systems with organizational objectives.

2.3 Reward Management and Job Satisfaction

Reward management refers to the systematic development and implementation of policies, practices, and processes through which organizations provide financial and non financial rewards to attract, motivate, and retain employees while achieving organizational objectives. According to Armstrong and Taylor (2023), effective reward management aligns employee contributions with organizational goals by incorporating compensation, recognition, career development opportunities, and supportive workplace practices.

Job satisfaction is generally defined as an employee's overall positive emotional and cognitive evaluation of their job and work environment. It reflects the extent to which employees experience fulfillment from their work, compensation, career opportunities, and organizational support. Robbins and Judge (2022) noted that high levels of job satisfaction are associated with increased organizational commitment, employee engagement, productivity, and retention, whereas low job satisfaction may contribute to absenteeism, turnover intentions, and reduced work performance.

Contemporary research consistently indicates a positive relationship between reward management and employee job satisfaction. Financial rewards, including salaries, bonuses, and incentives, provide employees with economic security and recognition for their contributions. However, non

financial rewards, such as recognition, career advancement opportunities, training and development, flexible working arrangements, and work life balance initiatives, have become increasingly important factors influencing employee satisfaction in modern organizations (Armstrong & Brown, 2024).

Recent empirical evidence from South Sudan further supports the relationship between reward management and employee job satisfaction. Kuot (2025), in a study conducted among employees of Nile Petroleum Corporation, found that reward management systems significantly influence job satisfaction through both financial and non financial reward mechanisms. The study revealed that while financial rewards remain important sources of motivation, employees reported higher levels of satisfaction when reward systems included effective communication, recognition practices, career development opportunities, and support for work life balance. Furthermore, employees who perceived reward practices as fair and transparent demonstrated stronger organizational commitment, motivation, and job satisfaction.

The study by Kuot (2025) also emphasized that several organizational factors enhance the effectiveness of reward systems, including clear communication of reward policies, structured recognition programs, professional development opportunities, equitable distribution of rewards, and supportive work life balance practices. Organizations that integrate these elements into their reward strategies are more likely to develop a motivated workforce and achieve sustainable organizational performance.

Therefore, reward management extends beyond financial compensation and encompasses a comprehensive set of practices designed to address employees' economic, psychological, and developmental needs. When effectively implemented, a balanced reward management system can significantly enhance employee job satisfaction, strengthen organizational commitment, and improve overall organizational effectiveness.

2.4 Empirical Review

Numerous empirical studies have examined the relationship between reward management systems and employee satisfaction across different organizational settings. The findings generally indicate that both financial and non-financial rewards play significant roles in influencing employees' attitudes, motivation, and workplace satisfaction.

In Ethiopia, Mahlet (2012) investigated the determinants of employee job satisfaction among health professionals in public hospitals. The study revealed that reward-related factors, including salary, promotion opportunities, recognition, and working conditions, significantly influenced employees' levels of job satisfaction. Employees who perceived rewards as fair and adequate reported higher levels of satisfaction than those who viewed compensation and recognition practices as insufficient. The study concluded that organizations should strengthen both monetary and non-monetary reward mechanisms to enhance employee motivation and retention.

Similarly, Gebayaw (2019) examined the effect of reward management practices on employee satisfaction and organizational commitment in Ethiopian organizations. The findings indicated that financial rewards, such as salaries and benefits, were significant predictors of employee satisfaction. However, non-financial rewards, including recognition, career advancement opportunities, training, and supportive supervision, exerted a stronger influence on long-term employee commitment and satisfaction. The study recommended that organizations adopt balanced reward systems that integrate both financial and non-financial reward components.

Outside Ethiopia, Khawaja Jehanzeb et al. (2012) investigated the impact of rewards and motivation on job satisfaction in the banking sector. The study found a significant positive relationship between reward systems and employee satisfaction. Employees who received competitive compensation packages, recognition, and career development opportunities reported higher levels of motivation and job satisfaction. The authors concluded that effective reward management enhances employee performance and organizational productivity.

More recently, Kuot (2025) examined the effect of reward management systems on job satisfaction among employees of Nile Petroleum Corporation in South Sudan. Using a mixed-methods approach, the study found that although financial rewards, such as salaries, bonuses, and benefits, were important motivators, non-financial rewards were equally critical in sustaining employee satisfaction. Specifically, recognition programs, career development opportunities, effective communication of reward policies, and work-life balance initiatives significantly contributed to employee morale and job satisfaction. The study also established a positive relationship between reward management systems and employee performance. Kuot (2025) concluded that organizations operating in resource-constrained environments should adopt comprehensive reward

strategies that combine financial incentives with recognition, professional development opportunities, and supportive work environments.

Likewise, Nnubia (2020) found that reward systems positively influenced employee satisfaction and performance, particularly when compensation practices were perceived as fair and equitable. The study emphasized the importance of merit-based rewards and transparent performance evaluation systems in enhancing employee motivation and satisfaction.

Although the positive relationship between reward management and job satisfaction is widely supported in the literature, scholars differ regarding the relative importance of financial and non-financial rewards. Traditional motivation theories, particularly Maslow's Hierarchy of Needs and Expectancy Theory, emphasize the role of financial rewards in satisfying employees' economic needs and reinforcing performance. Consequently, salaries, bonuses, and benefits have often been regarded as primary determinants of job satisfaction.

However, more recent studies suggest that financial rewards alone may not sustain long-term employee satisfaction. Armstrong and Brown (2024) argue that recognition, career development opportunities, autonomy, and work-life balance increasingly influence employee attitudes, particularly among knowledge workers and employees in mission-driven organizations. Similarly, Kuot (2025) found that while financial rewards remained important at Nile Petroleum Corporation, employees reported greater satisfaction when reward systems incorporated recognition programs, transparent communication, career advancement opportunities, and work-life balance initiatives.

These findings suggest that reward management should be viewed as a multidimensional construct rather than a purely compensation-based practice. While financial rewards may address employees' basic economic expectations, non-financial rewards appear to satisfy higher-order psychological and developmental needs. Nevertheless, the relative importance of these reward dimensions may vary across organizational contexts, sectors, and employee groups. For example, employees in humanitarian organizations may place greater value on meaningful work, recognition, and professional growth than employees in profit-oriented sectors.

The empirical evidence consistently demonstrates a positive association between reward management and employee job satisfaction; however, studies differ regarding the relative influence of financial and non-financial rewards. For example, Mahlet (2012) and Gebayaw (2019)

found that salary, benefits, and promotion opportunities significantly influenced employee satisfaction in Ethiopian organizations. Similarly, Jehanzeb et al. (2012) reported that competitive compensation packages positively affected employee motivation and satisfaction within the banking sector.

In contrast, more recent studies suggest that non-financial rewards may exert stronger and more sustainable effects on employee satisfaction. Ndede (2022) found that professional development opportunities and recognition significantly enhanced employee retention among NGO employees in Kenya. Likewise, Okoth and Mwangi (2023) reported that meaningful work, autonomy, and recognition were stronger predictors of job satisfaction than salary among employees of international NGOs. Similar findings were reported among Ethiopian organizations where recognition, training opportunities, and supportive work environments significantly improved employee satisfaction and organizational commitment (Toma, F., & Kant, S. 2024).

Recent Ethiopian studies further highlight the importance of fairness and organizational support in shaping employee attitudes. Research conducted among Ethiopian public institutions found that promotion opportunities, recognition, reward systems, and organizational justice significantly predicted employee job satisfaction (Tekie, B. M., 2024). Moreover, evidence from Ethiopia's health sector indicates that supportive supervision, training opportunities, and adequate compensation jointly contribute to employee motivation and satisfaction (Ejigu, Y., Abera, N., & Haileselassie, W. 2023).

Taken together, the empirical literature suggests that neither financial nor non-financial rewards alone adequately explain employee job satisfaction. Rather, employee satisfaction appears to be influenced by a combination of economic, psychological, and organizational factors. However, despite extensive evidence from banking, public-sector, and healthcare settings, limited empirical research has examined how both financial and non-financial rewards jointly affect employee job satisfaction within humanitarian organizations operating in Ethiopia. This limitation provides the basis for the present study.

2.4.1 Research Gap

Although numerous studies have investigated the relationship between reward management and employee job satisfaction, several gaps remain evident. First, most Ethiopian studies have focused on public institutions, commercial banks, healthcare organizations, and telecommunication

companies, with limited attention given to humanitarian and non-governmental organizations (Hiwot Shifa. ,2024). Second, many previous studies examined either financial rewards or selected non-financial rewards independently, rather than assessing their combined effect within a total reward framework. Third, recent evidence suggests that organizational fairness, recognition, and developmental opportunities may influence satisfaction alongside compensation; however, the relative importance of these reward dimensions remains inconclusive across different organizational contexts (Ayalew, B. M., & Walia, N. 2024).

Furthermore, few studies have specifically examined reward management practices among employees working in humanitarian environments characterized by resource constraints, challenging field conditions, and mission-driven work. Consequently, empirical evidence regarding the effect of financial and non-financial rewards on employee job satisfaction within Mercy Corps Ethiopia remains limited. The present study seeks to address this gap by examining how both financial and non-financial reward practices influence employee job satisfaction among Mercy Corps Ethiopia employees.

2.4 Conceptual Framework

Conceptual framework for the study explains the relationship between variables into diagram to illustrate the interconnections between the independent and dependent variables of the study and it is as below (Nebro, 1997).

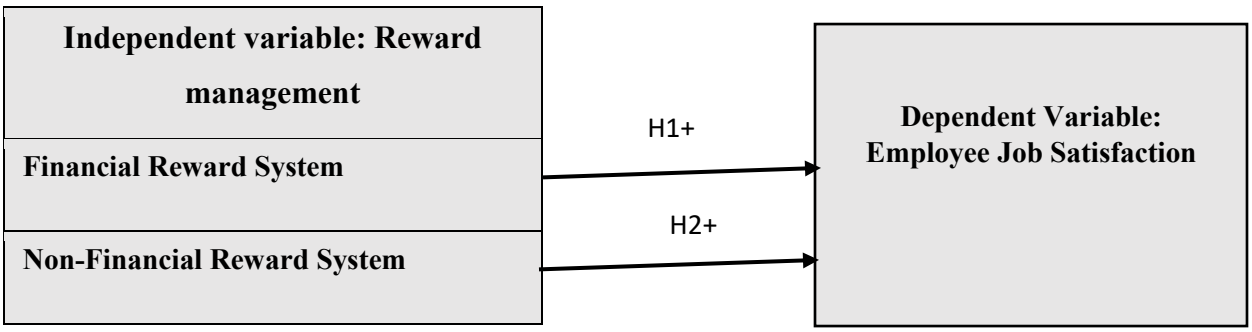


Figure 2.2: conceptual framework

The proposed conceptual framework assumes that employee job satisfaction is influenced by two major dimensions of reward management: financial rewards and non-financial rewards. Financial rewards include salary, incentives, benefits, and promotion-related compensation, whereas non-

financial rewards include recognition, training opportunities, career development, and supportive work environments. Drawing on Herzberg's Two-Factor Theory, Expectancy Theory, and Equity Theory, the framework proposes that effective reward practices positively influence employee job satisfaction. This framework serves as the basis for the study of hypotheses and regression models.

Hypothesis Development

H1: Financial rewards (salary, benefits, and promotions) have a significant positive relationship with the job satisfaction of the employee at Mercy Corps Ethiopia.

H2: Non-financial rewards (recognition, autonomy and learning and development opportunities) have a significant positive relationship with the job satisfaction of the employee at Mercy Corps Ethiopia.

CHAPTER THREE: RESEARCH METHODOLOGY

This chapter explains the method in which the study was carried out. It highlights the research design, data sources, the population of study, sample size and method of sampling, instrument and data collection procedures, data analysis, and the ethics involved. A survey method in quantitative research design was employed to evaluate reward management and job satisfaction at Mercy Corps Ethiopia all over the study.

1.1 Research Area

Mercy Corps is a global humanitarian and development organization. The agency was established in 1979, and its headquarters is in Portland, Oregon, USA. Over the past few years, Mercy Corps has been growing into a global entity which responds to complex humanitarian crisis, supports communities who are struggling to survive poverty, conflict, climate change and economic instability. The agency is working in over 35 countries in developing integrated, market-driven and resilience-focused programs to ensure that people can meet their urgent needs while building more secure, productive and just futures for themselves and their communities, and to alleviate suffering, poverty and oppression by helping people build secure, productive and just communities. The global mission of the organization is to alleviate suffering, poverty and oppression by helping people build secure, productive and just communities. Mercy Corps approach in delivering these program interventions through humanitarian response, market systems development, climate resilience, social cohesion, government, NGO, and the private sector partnerships are integrated, market-driven and resilience-focused.

Mercy Corps started operational in Ethiopia in 2004; response to humanitarian challenges, and long-term development needs. The Ethiopia country program works through about 300 staffs, in country office and multiple field offices. It uses multi-sectoral program intervention in Somali, Afar, Amhara, Tigray and Oromia regions where climate shocks, displacement driven by conflicts and limited livelihood opportunities are prevalent. Over the years, Mercy Corps interventions in Ethiopia have served millions of Ethiopians; emergency, resilience, and market strengthening, more than 3.9 million were reached in Ethiopia in 2024 alone as a testament to the operational footprint and technical expertise of the organization in country. In Ethiopia, Mercy Corps' portfolio in both humanitarian and development are presented below;

Livelihoods and Economic opportunities; support for vulnerable household (Women, youth, IDPs, Refugees, pastoralist community etc.) with skills training, financial services and market linkages to improve their livelihoods and economy.

Climate Resilience and Natural Resource Management; support to farmers and pastoralists to adapt with the climate shock through climate smart agriculture, rangeland rehabilitation, sustainable utilization of natural resources and risk reduction measures that enhance household and community resilience.

Humanitarian Assistance; providing lifesaving assistance through life-saving emergency cash, food, and nutritional support to displaced, and conflict affected people to address the urgent needs of survival and support recovery and stabilization.

Integrated Systems and Social Cohesion; strengthening local market systems, government structures, and community institutions to build sustainable and local ownership-driven impact and promote social cohesion. Mercy Corps reached over 3.9 million people in Ethiopia through a wide variety of programs in 2024 alone; Country program intervenes through humanitarian and development interventions across four strategic sectors of livelihood and economic opportunity, climate resilience and natural resources management, humanitarian assistance, integrated systems and social cohesion, and support for social cohesion and peace building in country offices including among the main sectors: livelihood and economic opportunity, climate resilience and natural resources and humanitarian assistance. All these integrated and local-driven programs support the most vulnerable in Ethiopia to withstand shocks, rebuild their livelihoods and to develop sustainable pathways to economic development and peace.

3.2 Research Design

A research design can be considered as a blueprint for collecting, measuring, and analyzing the data in order to answer the research questions (Kothari, 2004). The right design will enable research to stay on track, in order to give a trustworthy answer.

This study employed a quantitative research approach using both descriptive and explanatory research designs. According to Creswell (2003), descriptive research is appropriate for describing the characteristics of a population and examining relationships among variables. In the present

study, the descriptive design was used to assess employees' perceptions of financial and non-financial reward practices and their level of job satisfaction.

The explanatory research design was employed to examine the relationship between reward management and employee job satisfaction. To achieve this objective, correlation and multiple linear regression analyses were conducted. Kothari (2004) explained that correlation analysis is used to determine the strength and direction of the relationship between variables, whereas regression analysis assesses the extent to which one or more independent variables explain variations in a dependent variable. Accordingly, correlation analysis was used to examine the relationship between financial and non-financial rewards and employee job satisfaction, while multiple linear regression analysis was employed to determine the extent to which financial and non-financial rewards predict employees' job satisfaction.

A cross-section design was chosen in which data was collected at one time. Unlike in longitudinal designs which follow subjects over months and years, the cross-section design provides a snapshot of the situation when data was collected. This made it efficient considering the time of the study and allowed statistical analysis to be made.

3. 3 Data Type and Sources

This study primarily relied on primary data collected directly from employees of Mercy Corps Ethiopia using a structured questionnaire. According to Kothari (2004), primary data are original data collected firsthand by the researcher for a specific research purpose. In addition, secondary data were obtained from books, peer reviewed journal articles, organizational documents, and previous research studies. These secondary sources were used to develop the literature review, establish the theoretical foundation, and provide background information for the study.

3.4 Target Population and Sample Design

3.4.1 Target Population

All employees at Mercy Corps Ethiopia comprised the target population. In February HR indicated Mercy Corps had a staff size of about 277 members, consisting of program and field workers,

administrative staff, and managers. This population is a good fit because all employees are subjected to the organization's reward practices and have knowledge of job satisfaction.

3.4.2 Sample Size Determination

I used Yamane's (1973) formula to determine the sample size for a finite population:

$n = N / [1 + N(e)^2]$

Where: n = sample size N = population size (277) e = margin of error (0.05)

$$n = 277/ 1 + 277(0.05^2)$$
$$n= 277 / 1+300(0.0025)$$
$$n = 277/1+ 0.75 = 277 / 1.75$$
$$n = 277/1.75 \approx \mathbf{\underline{164}}$$

The calculation gave a sample size of approximately 164 employees. In the anticipation of non-responses, I issued 175 questionnaires (a slight over-sample by ~6.7%). It is standard survey practice to do so (Bartlett et al., 2001).

3.4.3 Sampling Technique

Simple random sampling was used. Simple random sampling is a statistical technique where every individual in a population has an exactly equal and independent chance of being selected. It is the most straightforward probability sampling method, designed to eliminate bias and ensure the resulting group represents the broader population (Thomas, L., 2020).

3.5 Data Collection Instrument

3.5.1 Structured Questionnaire

A structured, self-administered questionnaire was the primary instrument for data collection. Questionnaires are a feasible method for collecting quantitative data from a large number of individuals and they minimize researcher bias (Creswell, 2003). The questionnaire was in English the official language in use at Mercy Corps Ethiopia and consisted of easily divided sections:

- **Section A**: Demographic information (gender, age, education, job role, years of service, work location).
- **Section B**: Reward management perceptions (financial and non-financial rewards) adapted from previous studies (Narsee, 2012; Singh, 2007; Kuvaas et al., 2020).
- **Section C:** Employees' Job satisfaction adapted from standard scales (Asghar & Oino, 2018; Karatepe & Karadas, 2016).

All items used a 5-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree).

3.5.2 Questionnaire Development and Pilot Testing

To begin designing the questionnaire, relevant literature was read through. To ascertain clarity and reliability, a pilot test was undertaken involving twenty employees in another humanitarian organization. From the feedback gained a few of the items were re-worded, questions that combined two issues were removed, and the format of the questionnaire was altered, rendering the final format much more accessible (Hair et al, 2019).

3.6 Data Collection Procedure

Data was collected for a period of 3 weeks through the use of google forms. The questionnaire began with an information page on the aim of research, voluntary involvement and confidentiality.

The questionnaire was distributed via email through official channels, Microsoft teams and through help from the HR department. One reminder was sent after ten days. 168 out of 175 administered questions were returned (96% return rate). Following the cleaning of the data the remaining 164 were found to be completely usable.

3.7 Data Analysis Methods

Data was analyzed using IBM SPSS Statistics (Version 28). The analysis was conducted in 3 stages: descriptive statistics, reliability analysis and inferential analysis.

3.7.1 Descriptive Analysis

We computed descriptive statistics to report the sample's characteristics and the variables' central tendencies. These statistics were:

- Frequencies and percentages for categorical variables
- Means and standard deviations for composite scale scores
- Minimum and maximum values to assess response dispersion

This stage provided a foundational understanding of employees' perceptions of reward management and their overall job satisfaction levels.

3.7.2 Reliability Analysis

Reliability refers to the consistency of a measurement instrument in producing stable and consistent results over time. Golafshani (2003) described reliability as the degree to which a measurement instrument yields consistent results under similar conditions. To assess the internal consistency of the research instrument, Cronbach's alpha coefficient was calculated for each scale and subscale. According to Sekaran (2005) and Nawi et al. (2020), a Cronbach's alpha coefficient of 0.70 or higher is generally considered the minimum acceptable threshold for establishing the reliability of a measurement scale.

Table 3.1: Reliability Analysis

Variable	No item	Cronbach Alpha
Financial Reward	6	.898
Non-financial reward	8	.881
Employee job satisfaction	8	.950

All the coefficients were above 0.70, which shows a high internal consistency. The scale overall reward management attained good reliability (.924) which shows high level of consistency in measurement.

3.7.3 Inferential Analysis

Several inferential statistics were employed to test the research hypotheses:

Correlation between financial rewards and job satisfaction, and non-financial rewards and job satisfaction. Pearson's correlation coefficients were interpreted as moderately significant if their values exceeded 0.30, and strongly significant if they exceeded 0.50 (Cohen, 1988). The Multiple Linear Regression was performed to examine the predicative influence of dimensions of reward management on job satisfaction.

$$Y = \beta 0 + \beta 1(FIN) + \beta 2(NFIN) + \varepsilon$$

Where:

Y = Employee Job Satisfaction

FIN = Financial Rewards

NFIN = Non-Financial Rewards

Prior to regression the assumptions of regression were explored (linearity, normality, homoscedasticity and multicollinearity) in previous sections of this thesis. The predictor variables were found not to have multicollinearity; the VIFs were all below 5.

Independent samples t-tests and one-way ANOVAs were run to compare job satisfaction between demographic groups. Where significant results ($p < .05$) were found Tukey HSD post hoc tests were used. All statistics were analyzed with alpha = .05 and 95% confidence intervals.

3.8 Ethical Considerations

Ethical considerations were maintained at every point in the study. All participants were given a brief description of the study and the opportunity to withdraw from the study at any time. No identifying data were collected, and all data is reported as aggregated values. Participants were not forced or given incentives to complete the study. All data are kept on a password protected and encrypted server and will be destroyed after 5 years. University review board approval was obtained as was written permission from Mercy Corps Ethiopia. The survey did not include overly intrusive questions and involved a low psychological risk.

CHAPTER FOUR: RESULT, ANALYSIS AND DISCUSSION

This chapter explains the results and interpretation of the study. The purpose of the research was to analyze the effects of Reward management towards the employees' satisfaction. Questionnaires were used to collect primary data and the questionnaires distributed to 171 respondents while only 164 (95.9%) questionnaires collected were valid and used to further analyze. The data were presented, analyzed and interpreted using a convergent parallel mixed methods design with IBM SPSS statistics Version 28 for quantitative part.

4.1 Demographic Background of Respondents

Descriptive statistics in the form of frequencies were used to characterize the profile of the respondents; the findings of the analysis are as below:

Table 4.1: Demographic Characteristics of Respondents (N=164)

Data	Category	frequency	Percent%
Gender	Male	86	52.4
	Female	77	47.0
	Prefer no to say	1	0.6
	Total	**164**	
Age Group	18-25	0	0.0
	26-35	37	22.6
	36-45	84	51.2
	46-55	40	24.4
	56 year and above	3	1.8
	Total	**164**	
Education level	High school certificate	0	0.0
	Diploma	1	0.6
	Bachelor degree	30	18.3
	Master’s degree	113	68.9
	PHD /Doctorate	20	12.2
	Other	0	
	Total	**164**	

Job Category	Senior management	29	17.7
	Middle management	41	25
	Program officer/specialist	41	25
	Field coordinator/staff	35	21.3
	Administrative/support staff	13	7.9
	Total	**164**	
Length of Service with mercy Corps Ethiopia	Less than 1 year	35	21.3
	1-3 years	59	36
	4-6 years	39	23.8
	7-10 years	27	16.5
	More than 10 years	4	2.4
	Total	**164**	
Work location	Addis Ababa (Head Office)	86	52.4
	Field Office	78	47.76
	Total	**164**	

Source: Survey Result (2026)

With reference to Table 4.1, majority (52.4%, n=86) were male respondents, followed by females (47.0%, n=77), and 0.6% (n=1) respondents refused to state their gender. This suggests that there is a somewhat balanced number of males and females in the organization.

Majority (51.2%, n=84) of the respondents were between the ages of 36-45 years, followed by 46-55 years (24.4%, n=40), and 26-35 years (22.6%, n=37). Only 1.8% (n=3) of respondents were aged 56 years and above. None of the respondents were within the 18-25 age brackets. The implication is that Mercy Corps Ethiopia has a more matured employee, who are mostly mid-career.

Majority (68.9%, n=113) of the respondents had a master's degree followed by a Bachelor's degree (18.3%, n=30) and Doctorate/PhD (12.2%, n=20). A mere 0.6% (n=1) of the respondents had a diploma, and none of the respondents indicated high school as their highest degree. The implication is that Mercy Corps Ethiopia has highly qualified human resource personnel, typical for an international NGO with a complex working environment.

The largest job categories were Middle management (25.0%, n=41) and Program officer/specialist (25.0%, n=41), followed by Field coordinator/staff (21.3%, n=35), Senior management (17.7%, n=29), and Administrative/support staff (7.9%, n=13). This distribution indicates that management levels and the roles in each program are balanced.

The highest number of respondents were employees who have been at Mercy Corps Ethiopia for 1-3 years (36.0%, n=59), followed by employees with 4-6 years of experience (23.8%, n=39), less than a year experience (21.3%, n=35), 7-10 years of experience (16.5%, n=27) and over 10 years of experience (2.4%, n=4).

This result suggests that employees at Mercy Corps Ethiopia have a young workforce in terms of years of employment, with over half of them (57.3%) having worked for less than 3 years at the organization. This contradicts the employee's age distribution (majority between 36-45 years), which suggest that a majority of employees at Mercy Corps Ethiopia join mid-career rather than growing with the organization over years of service. The relatively low proportion of employees with over 10 years of service (2.4%) may suggest some level of turn over at the organization, or that Mercy Corps Ethiopia in Ethiopia is a relatively new organization or has expanded at a much later stage. More than half of the respondents (52.4%, n=86) worked at the headquarters office in Addis Ababa, whereas 47.6% (n=78) worked at regional/field offices. This near equal proportion is valuable in understanding how reward management views differ between headquarters and field-based employees. The field-based employees in particular tend to face diverse and unique challenges that could affect the level of their satisfaction with rewards (security threats, hardship allowance, limited training opportunities).

4.2 Descriptive Statistics of Individual Reward and Job Satisfaction Items

This section presents the descriptive statistics for the key variables examined in the study, namely financial rewards, non-financial rewards, total reward management, and employee job satisfaction. Descriptive statistics were used to summarize and present the data through measures of central tendency and dispersion, including the mean, standard deviation, minimum, and maximum values. In addition, measures of distribution, specifically skewness and kurtosis, were computed to assess the normality of the data. Kothari (2004) stated that descriptive statistics transform large volumes of quantitative data into a simpler and more meaningful form, thereby facilitating interpretation and analysis.

Table 4.2: Descriptive Statistics for Reward Management and Job Satisfaction

Descriptive Statistics

	N	Mean	Std. Deviation
Financial Rewards	164	3.3323	.87795
Non-Financial Rewards	164	3.4261	.85822
Job satisfaction	164	3.5592	.84398
Valid N(listwise)	164		

Source: SPSS Output (2026)

The descriptive statistics indicate that financial rewards had a mean score of 3.33, reflecting a moderate level of employee satisfaction. In contrast, non-financial rewards recorded a higher mean score of 3.43, indicating that employees place considerable value on intrinsic rewards such as meaningful work, recognition, autonomy, and opportunities for professional development. This finding is consistent with the total reward perspective proposed by Armstrong (2012), who argued that employee satisfaction is influenced not only by financial compensation but also by psychological and developmental rewards. Similarly, Kuvaas et al. (2020) found that non-financial rewards make a significant contribution to employee motivation and job satisfaction, particularly in mission driven organizations. Furthermore, employee job satisfaction recorded the highest mean score (M = 3.56), suggesting that, overall, employees at Mercy Corps Ethiopia reported a relatively high level of job satisfaction.

4.2.1 Descriptive Statistics of Financial Reward Items

The descriptive results for financial reward items show that employees perceived financial rewards in Mercy Corps Ethiopia at the medium level.

Table 4.3: Descriptive Statistics of Financial Reward Items

Descriptive Statistics

	N	Mean	Std. Deviation
My basic salary is fair compared to the work I do.	164	3.38	1.064

The salary I receive allows me to meet my basic needs (food, housing, transport).	164	3.40	1.128
I am satisfied with the benefits provided by Mercy Corps Ethiopia (e.g., health insurance, allowances, pension).	164	3.39	1.088
Bonuses or performance-based pay are awarded fairly at this organization.	164	3.30	1.098
Promotions at Mercy Corps Ethiopia come with satisfactory salary increases.	164	3.17	.918
My financial rewards are competitive compared to similar roles in other NGOs in Ethiopia	164	3.35	1.166
Valid N (listwise)	164		

Source: SPSS Output (2026)

Among the six financial reward items, the statement, "The salary I am paid is sufficient for my basic living needs," recorded the highest mean score (M = 3.40, SD = 1.13). This finding suggests that employees generally perceive their salaries as sufficient to meet their basic living expenses, including food, housing, and transportation. Singh (2007) argued that adequate financial compensation satisfies employees' basic economic needs and reduces dissatisfaction. This finding is also consistent with Maslow's Hierarchy of Needs Theory, which proposes that financial resources play a fundamental role in fulfilling employees' physiological and safety needs. In addition, the item measuring compensation through benefits, such as insurance, allowances, and pension schemes, received a relatively favorable rating (M = 3.39, SD = 1.09), indicating moderate satisfaction with these benefits.

In contrast, the statement, "Salary increases are provided following promotion," recorded the lowest mean score (M = 3.17, SD = 0.92), suggesting that employees were comparatively less satisfied with salary increments associated with promotions. This finding indicates that employees may perceive the financial rewards accompanying promotion as inadequate. Mahlet (2012) reported similar findings in the Ethiopian public sector, where employees expressed concerns regarding the fairness and adequacy of promotion related financial rewards. This finding can also be explained by Adams' Equity Theory, which suggests that employees evaluate fairness by

comparing their contributions with the rewards they receive. Consequently, insufficient salary increases following promotion may lead to perceptions of inequity and reduced job satisfaction.

The standard deviation values, ranging from 0.92 to 1.17, indicate a moderate level of variation in employees' responses. Furthermore, the skewness and kurtosis values were within acceptable ranges, indicating that the data were approximately normally distributed. Overall, these findings are consistent with the views of Armstrong and Murlis (2007) and Singh (2007), who argued that while adequate financial rewards are essential for reducing employee dissatisfaction and enhancing motivation, financial compensation alone is insufficient to sustain high levels of job satisfaction over the long term.

4.2.2 Descriptive Statistics of Non-Financial Reward Items

Results of the descriptive analysis of non-financial reward items yielded relatively high average scores compared to financial rewards; that employees are inclined to value an employee's intrinsic and developmental outcomes.

Table 4.4: Descriptive Statistics of Non-Financial Reward Items

Descriptive Statistics

	N	Mean	St. Deviation
My contributions at work are recognized and appreciated by management.	164	3.20	1.109
I receive regular verbal or written appreciation for good work.	164	3.34	1.071
The job I am doing seems relevant and crucial to Mercy Corps Ethiopia's mission.	164	3.86	1.038
I have enough freedom to make decisions on my job.	164	3.46	1.110
Mercy Corps Ethiopia offers opportunities to develop new skills and expertise.	164	3.64	1.187
I know that I have a career path to follow in this organization.	164	3.09	1.118

The workplace atmosphere is conductive for support and teamwork.	164	3.16	1.320
I feel proud to work for Mercy Corps Ethiopia because of its reputation and values.	164	3.66	1.317
Valid N (listwise)	164		

Source: SPSS version28 Output (2026)

Among the non-financial reward items, the statement, "The work I do makes me feel that my contribution is significant to Mercy Corps Ethiopia's mission," recorded the highest mean score (M = 3.86, SD = 1.04), indicating a high level of agreement among employees regarding the meaningfulness of their work and its contribution to the organization's humanitarian mission. This finding is consistent with Deci and Ryan (2000), who, through Self Determination Theory, argued that meaningful work enhances intrinsic motivation and employee satisfaction. Similarly, Manus and Graham (2003) suggested that employees increasingly value purpose, recognition, and personal fulfillment in addition to financial compensation.

Employees also reported relatively high levels of agreement with the statements that they were proud to work for Mercy Corps Ethiopia because of its reputation and values (M = 3.66, SD = 1.32) and that they were satisfied with the opportunities for learning and professional development provided by the organization (M = 3.64, SD = 1.19). These findings suggest that employees place considerable value on intrinsic rewards, including meaningful work, organizational recognition, learning opportunities, and professional growth.

In contrast, the statement related to having a clear career development path within the organization recorded the lowest mean score (M = 3.09, SD = 1.12), indicating that employees were less satisfied with career advancement opportunities. This finding suggests that employees may be uncertain about their long-term career prospects within the organization. Narsee (2012) similarly reported that limited career development opportunities reduce employee job satisfaction and organizational commitment.

The relatively high standard deviation for the teamwork and work environment item (SD = 1.32) indicates variation in employees' perceptions, which may reflect differences across departments or field locations. Overall, these findings are consistent with the views of Thompson (2002), Manus and Graham (2003), and Armstrong (2012), who emphasized that organizations should adopt a

total reward approach that integrates both financial and non financial rewards to strengthen employee commitment, motivation, and job satisfaction.

4.2.3 Employee Job Satisfaction Items: Descriptive Statistics

From the descriptive results about employee job satisfaction, it appears that overall, employees of Mercy Corps Ethiopia were satisfied with their job, and especially so with their working conditions-the office, its security, and resources available (Mean=3.76, SD=0.901). Employees also reported feeling valued by the organization (Mean = 3.72, SD = 0.933) and expressed willingness to recommend Mercy Corps Ethiopia as a good place to work (Mean = 3.63, SD = 1.004). This finding aligns with the study of Karatepe and Karadas (2016), which found that supportive working environments significantly enhance employee satisfaction. Humanitarian organizations often invest heavily in employee welfare and workplace safety, which may explain the positive perceptions observed in this study.

Table 4.5 Descriptive Statistics of Employee Job Satisfaction Items

Descriptive Statistics

	N	Mean	Std. Deviation
Overall, I am satisfied with my job at Mercy Corps Ethiopia	164	3.48	1.024
I feel satisfied with the financial rewards (salary, benefits, bonuses) I receive.	164	3.45	1.047
I feel satisfied with the non-financial rewards (recognition, growth opportunities, meaningful work) I receive.	164	3.53	1.082

I would recommend Mercy Corps Ethiopia as a good place to work	164	3.63	1.004
I rarely think about leaving this organization.	164	3.34	0.831
My work gives me a sense of personal accomplishment.	164	3.59	.996
I am satisfied with the working conditions (office environment, safety, resources) at my job.	164	3.76	.901
I feel valued as an employee by Mercy Corps Ethiopia.	164	3.72	.933.
Valid N (listwise)	164		

Source: SPSS version28 Output (2026)

Employees also reported that their work provides a sense of personal accomplishment (M = 3.59, SD = 1.00), indicating that meaningful and purpose driven work contributes positively to their job satisfaction. This finding further supports the importance of intrinsic rewards in humanitarian organizations, where employees are often motivated by the opportunity to make a meaningful contribution.

In contrast, the statement, "I seldom think of leaving this organization," recorded the lowest mean score (M = 3.34, SD = 0.83), suggesting that although employees generally expressed positive attitudes toward Mercy Corps Ethiopia, some still exhibited moderate intentions to leave the organization. This finding indicates that there is room for improvement in employee retention despite the overall positive level of job satisfaction.

Furthermore, the skewness and kurtosis values for all job satisfaction items were within the acceptable ranges, indicating that the data were approximately normally distributed and suitable for subsequent statistical analyses.

Overall, these findings are consistent with the studies conducted by Jehanzeb et al. (2012), Mahlet (2012), and Malik et al. (2010), which demonstrated that effective reward systems enhance employee job satisfaction, organizational commitment, and retention. The results also suggest that while financial rewards are important in promoting employee satisfaction, non-financial rewards, such as meaningful work, recognition, and opportunities for personal growth, play a critical role in shaping employees' attitudes and strengthening their commitment to Mercy Corps Ethiopia.

4.3 Correlation Analysis

Pearson correlation analysis was conducted to examine the strength and direction of the relationships among the study variables, including financial rewards, non financial rewards, total reward management, and employee job satisfaction. According to Kothari (2004), correlation analysis is used to determine the degree and direction of association between variables. In this study, Pearson's correlation coefficient was applied to assess whether significant relationships exist among the variables and to provide preliminary evidence before conducting multiple linear regression analysis. Furthermore, the correlation matrix was examined to assess potential multicollinearity among the independent variables prior to regression analysis.

Table 4.6: Correlation Matrix

Correlation

Variable		Financial Rewards	Non-financial rewards	Total Reward Mean	Job satisfaction
Financial rewards	Pearson Correlation	1			
	Sig. (2-tailed)				
Non-financial rewards	Pearson Correlation	.697**	1		

	Sig. (2-tailed)	p < .001			
Job_satisfaction	Pearson Correlation	.771**	.755**	.826**	1
	Sig. (2-tailed)	p < .001	p < .001	p < .001	
Correlation is significant at the 0.01 level (2-tailed). N = 164					

Source: SPSS version28 Output (2026)

The results indicate that all reward management dimensions have positive and statistically significant relationships with employee job satisfaction at the 0.01 significance level (two tailed). Specifically, financial rewards demonstrate a strong positive correlation with employee job satisfaction ($r = .771$, $p < .001$). This indicates that employees who have more favorable perceptions of their salaries, allowances, bonuses, and benefits tend to report higher levels of job satisfaction.

Similarly, non-financial rewards show a strong positive relationship with employee job satisfaction ($r = .755$, $p < .001$). This finding suggests that employees who experience greater recognition, meaningful work, career development opportunities, autonomy, and supportive workplace relationships are more likely to demonstrate higher levels of job satisfaction.

Among the reward dimensions, total rewards show the strongest positive relationship with employee job satisfaction ($r = .826$, $p < .001$). This finding suggests that an integrated reward system combining both financial and non-financial rewards has a stronger association with employee job satisfaction than either dimension considered separately.

The correlation matrix also indicates a positive relationship between financial rewards and non-financial rewards ($r = .697$, $p < .001$). This suggests that employees who evaluate one aspect of the reward system positively are also likely to perceive other reward components favorably. However, the correlation coefficient remains below the commonly accepted threshold of 0.80, indicating that multicollinearity is unlikely to be a serious concern in the multiple linear regression analysis.

Overall, the correlation results provide initial evidence that financial rewards, non-financial rewards, and total rewards are positively and significantly associated with employee job satisfaction. Therefore, these variables were considered appropriate for inclusion in the regression model to further examine their individual predictive effects on employee job satisfaction.

The findings are consistent with previous research. Singh (2007) found that adequate financial rewards positively influence employee attitudes and job satisfaction. Similarly, Armstrong (2012) and Thompson (2002) emphasized that non-financial rewards, including recognition, meaningful work, autonomy, and development opportunities, strengthen employees' psychological attachment and long-term motivation. Furthermore, Armstrong and Murlis (2007) highlighted that integrated reward systems addressing employees' financial, social, and psychological needs generate stronger employee outcomes than financial rewards alone. Evidence from Ethiopia also supports these findings, as Mahlet (2012) and Andualem (2013) reported that effective reward management practices positively influence employee satisfaction. Likewise, Jehanzeb et al. (2012) concluded that effective reward systems significantly enhance employee motivation and job satisfaction. Therefore, the correlation findings provide preliminary support for the study hypothesis that reward management is positively associated with employee job satisfaction at Mercy Corps Ethiopia.

4.4 Regression Analysis

A multiple linear regression was run to investigate the impact of financial and non-financial rewards on job satisfaction of employees at Mercy Corps Ethiopia. Regression analysis is used in order to see how much of the variance in the dependent variable can be predicted by the independent variables (Kothari, 2004). In this study, job satisfaction of employees was the dependent variable while the independent variables were financial rewards and non-financial rewards. The dependent variable was transformed by taking the square root (JobSat_Sqrt) in order to achieve normality.

4.4.1 Residual Statistics and Diagnostic Checks

Residual statistics and diagnostic tests were performed to ascertain the validity and reliability of the regression model employed in this study. Diagnostic tests in regression analysis are emphasized by Kothari (2004) as an important technique to identify influential points, outliers and possible regression assumption violations. The residual statistics of regression analysis for

examining the impact of financial and non-financial rewards on job satisfaction in Mercy Corps Ethiopia are shown in Table 4.7.

Table 4.7 Residual Statistics for Regression Model

Residual Statistics

Statistic	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	1.4177	2.2598	1.8723	0.19106	164
Std. Predicted Value	-2.379	2.028	0.000	1.000	164
Standard Error of Predicted Value	0.010	0.039	0.017	0.005	164
Adjusted Predicted Value	1.3940	2.2606	1.8719	0.19132	164
Residual	-0.38206	0.45309	0.00000	0.13214	164
Std. Residual	-2.873	3.408	0.000	0.994	164
Deleted Residual	-0.38729	0.47684	0.00040	0.13523	164
Stud. Deleted Residual	-2.962	3.625	0.004	1.015	164
Mahalanobis Distance	0.007	12.954	1.988	1.967	164
Cook's Distance	0.000	0.214	0.008	0.020	164
Centered Leverage Value	0.000	0.079	0.012	0.012	164
a. Dependent Variable: JobSat_Sqrt					

Source: SPSS version28 Output (2026)

Residual Statistics show that the regression model was adequate in relation to significance and no severe diagnostic problems. The predicted values were 1.4177-2.2598, and a mean value of 1.8723. This proves that the employee job satisfaction was predicted across the range of responses. Additionally, the residuals averaged very close to zero, which is what would be expected if the regression model was correctly specified. The standard deviation of the standardized residuals was .994, extremely close to one. This supports that the residuals were normal, with no great deal of distortion. Marczyk, DeMatteo and Festinger (2005) propose that standardized residuals of 3 or greater may indicate an outlier. Only one mild outlier, at 3.408, was present, and with a sample size of 164 this did not present any major concerns for the regression results.

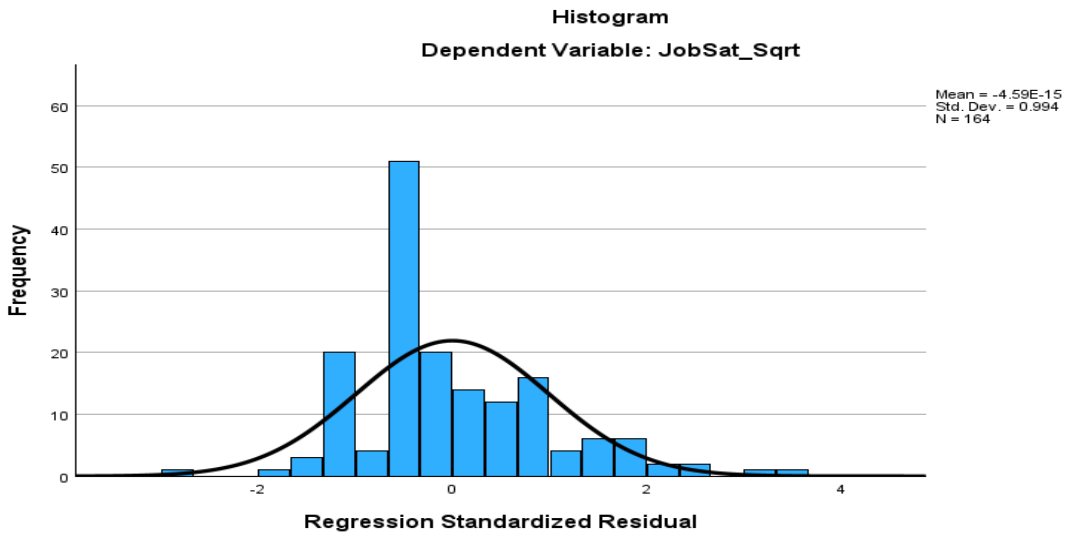
The studentized deleted residuals did not fall much outside of 3. The high for these was 3.625 and the low for these was -2.962. Cook's Distance, a measure to assess individual points, all had relatively low values (the high for Cook's distance was .214).

These should be less than 1 and thus one observation does not greatly influence the regression line. Additionally, none of the values for Mahalanobis distance suggested an issue with outliers in terms of multivariate, and centered leverage values were low for all points.

Normality test

The assumption that the regression model was normally distributed was tested using a histogram and a Normal Probability-Probability (P-P) plot of the standardized residuals. Kothari (2004) states that the distribution of errors (residuals) should be tested as regression analysis relies on normally distributed residuals to generate more reliable and valid estimates and hypothesis test conclusions.

Figure 4.1: Histogram of Regression Standardized Residuals

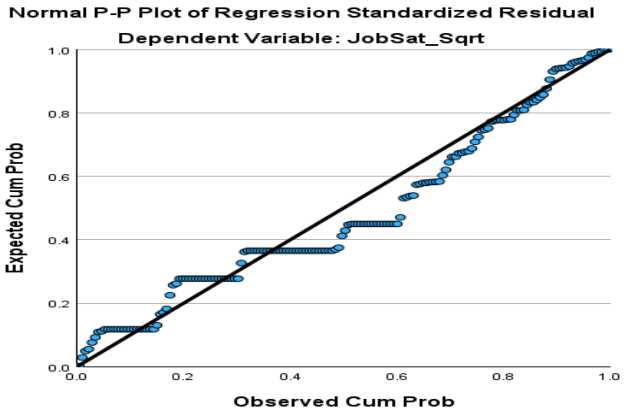


Source: SPSS version28 Output (2026)

The regression standardized residuals had approximately normal distribution. The mean of residuals was near zero(-4.59E-15), with standard deviation of residuals being 0.994. the distribution looked reasonably symmetric in the sense that the largest frequency seemed to occur near the center and decreasing toward both sides. This implies the distribution of residuals is not severely skewed.

Linearity test

Figure 4.2: Normal P-P Plot of Regression Standardized Residuals

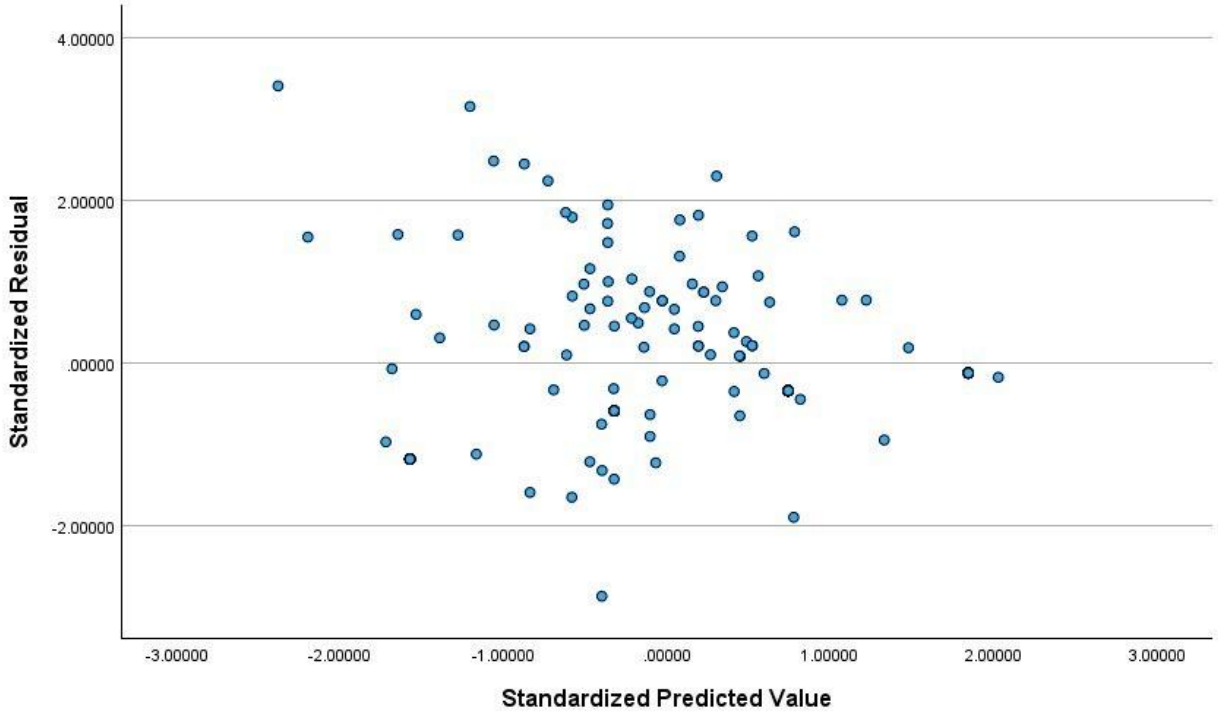


Source: SPSS version28 Output (2026)

Also, the Normal P-P plot confirms that residuals are normally distributed, since it shows that points of residual plot are quite close to the diagonal reference line and there are few points slightly away from it. According to Marczyk, DeMatteo, and Festinger (2005), minor deviations from the diagonal line are acceptable in social science research, particularly when the sample size is sufficiently large. Since the study used 164 valid responses, the regression model can be considered robust against small normality deviations. Overall, both the histogram and the P-P plot confirm that the residuals were approximately normally distributed, indicating that the regression analysis results are statistically reliable and appropriate for interpretation.

Homoscedasticity

Figure 4.3: homoscedasticity



Source: SPSS version28 Output (2026)

The homoscedasticity was examined using the correlation between predicted values and absolute residuals, residual scatterplot, and variance tests. The correlation analysis showed a significant negative relationship between the unstandardized predicted values and absolute residuals (r = -

0.545, $p < 0.001$), indicating that the variation of residuals changes as the predicted values increase. The scatterplot of standardized residuals against standardized predicted values showed that residuals were generally distributed around zero.

Multi collinearity test

Table 4.8: Collinearity Diagnostics

Variable	Tolerance	VIF
Financial Rewards	.514	1.945
Financial Rewards	.514	1.945

Source: SPSS version28 Output (2026)

The collinearity statistics indicate that there is no serious multicollinearity problem between the independent variables. The Variance Inflation Factor (VIF) values for both financial and non-financial rewards are 1.945, which is well below the recommended threshold of 5. Likewise, the tolerance values (.514) are above the acceptable minimum level of 0.20. This confirms that the two predictor variables are sufficiently independent and can reliably be included in the regression model simultaneously. According to Kothari (2004), acceptable VIF and tolerance values indicate that predictor variables do not excessively overlap in measuring the same concept. Therefore, the regression model used in this study is statistically reliable and appropriate for explaining employee job satisfaction.

Checking the assumption Model Summary for Regression Analysis

Table 4.9 Model Summary

Model Summary					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.822a	.676	.672	.13296	1.272

Source: SPSS version28 Output (2026)

The model summary shows that the combined effect of financial and non-financial rewards explains 67.6% of the variation in employee job satisfaction ($R^2 = .676$). The adjusted R^2 value of .672 further confirms that the model has strong explanatory power. This points out that

management reward policies have a very significant effect on employee satisfaction at Mercy Corps Ethiopia. The research of Armstrong and Brown (2006) reveals that reward systems are a great determinant of the employees' motivation, commitment and workplace attitudes. Also, Armstrong and Murlis (2007) state that organizations that include financial and non-financial rewards achieve better levels of employee satisfaction and turnover.

The Durbin-Watson value of 1.272 revealed that there is no serious autocorrelation within the model and hence the assumptions were fairly met. The high value of R signifies that reward policies contribute a lot in determining employee job satisfaction within the organization. This is supported by Mahlet (2012) and Andualem (2013) who show reward systems as a critical determinant of employee job satisfaction within organizations in Ethiopia.

ANOVA Summary interpretation

Table 4.10 ANOVA

ANOVA

Mode	Sum of Squares	df	Mean Square	F	Sig.
Regression	5.950	2	2.975	168.295	<.001b
Residua	2.846	161	.018		
Total	8.797	163			
a. Dependent Variable: JobSat_Sqrt					
b. Predictors: (Constant), Non-financial rewards, financial rewards					

Source: SPSS version28 Output (2026)

The results of the ANOVA demonstrate that the regression model is statistically significant ($F = 168.295$, $p < .001$). This means that the combined variables, financial reward and non-financial reward have significant influence on the job satisfaction of employees. To illustrate, the predictor variables used in this analysis make good prediction of employee's job satisfaction. This argument is supported by Thompson (2002) that organizations that plan to set out integrated rewards systems are most likely to generate satisfied and motivated employees.

Similarly, Manus and Graham (2003) wrote that total reward system enhances the commitment of employee by attending to both economic and psychological reward issues. Hence, it is plausible to conclude that the reward management practices have significant impact on the employee's job satisfaction in Mercy Corps Ethiopia.

4.4.2 Result of Multiple Regression

Once the required assumptions (normality, multicollinearity, homoscedasticity and residuals independence) were checked, multiple regression analysis was run to determine the impact of financial and non-financial rewards on employee job satisfaction in Mercy Corps Ethiopia. The results are below together with their interpretation.

The Effect of Financial Rewards on Employee Job Satisfaction

Financial rewards had a positive and significant relationship with employee job satisfaction. From regression findings, standardized beta weight was r= 0.476 ($p < .001$), 95% confidence interval did not contain zero. Therefore, when employees perceive salary, benefit, bonuses and increase due to promotion to be fair and competitive, then they have higher job satisfaction.

Table 4.11: Regression Result – Effect of Financial Rewards

Coefficients

Model	Unstandardized B	Std.Error	Standardized Beta	t	Sig.	95% CI for B	Collinearity Statistics
						Lower	Upper
(Constan)	1.066	0.45		23.537	<.001	.977	1.156
Financial rewards	.126	.017	.476	7.616	<.001	.093	.159
a. Dependent Variable: JobSat_Sqrt							

Source: SPSS version28 Output (2026)

This outcome is in line with **hypothesis 1** (A positive relationship exists between financial rewards and job satisfaction of the employees), and it agrees with studies like Khawaja Jehanzeb et al.

(2012) on banks and Mahlet (2012) on Ethiopian Hospitals who have also said that fair financial compensation is an important base in building up employee satisfaction. Competitive remuneration is important in even organizations like the humanitarian ones like Mercy Corps Ethiopia.

The Effect of Non-Financial Rewards on Employee Job Satisfaction

In addition to financial benefits, non-financial benefits were also positively related to job satisfaction (β= 0.416, p < .001). Employees who perceived recognition, experienced meaningfulness, possessed autonomy and perceived development opportunity reported job satisfaction.

Table 4.12: Regression Result – Effect of Non-Financial Rewards

Model	Unstandardized B	Std.Error	Standardized Beta	t	Sig.	95% CI for B	Collinearity Statistics
						Lower	Upper
(Constan)	1.066	0.45		23.537	<.001	.977	1.156
Non-financial rewards	.113	.017	.416	6.658	<.001	.079	.146
a. Dependent Variable: JobSat_Sqrt							

Source: SPSS version28 Output (2026)

This finding supports **hypothesis 2** (non-financial rewards correlate positively with job satisfaction). Furthermore, this also relates to Self-Determination Theory (Deci & Ryan, 2000) implying autonomy, competence, and relatedness. Within a humanitarian setting where meaningful work scored the highest (M=3.86), non-financial rewards will presumably be highly desired.

The Combined Effect of Financial and Non-Financial Rewards

Combined financial and non-financial rewards both proved significant together. The model explained 67.6% variance in job satisfaction (R^2= .676, Adj R^2= .672). This model was also

significant (F=168.295, p<.001). Both predictors remained significant and financial rewards was slightly more influential (β=.476) than non-financial rewards (β=.416). There was no multicollinearity (VIF=1.945).

Table 4.13: Multiple Regression Results (Combined Model)

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
		B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
1	(Constant)	1.066	.045		23.537	<.001	.977	1.156		
	Mean score of financial rewards (B1-B6)	.126	.017	.476	7.616	<.001	.093	.159	.514	1.945
	Mean score of non-financial rewards (C1-C8)	.113	.017	.416	6.658	<.001	.079	.146	.514	1.945

a. Dependent Variable: JobSat_Sqrt

Source: SPSS version28 Output (2026)

The regression analyses indicated that both monetary and non-monetary reward sources significantly influenced employees' job satisfaction. Those who experienced greater level of perception of equity on compensation & recognition and support & opportunities for advancement were more satisfied. This result agrees with previous studies that an organization's provision of a fair reward mix encompassing pay for performance, and career development opportunities are key motivators and contributors of commitment in an organization (Armstrong & Taylor, 2023; Antoni et al., 2017).

The finding implies that employees are more likely to establish favorable attitudes toward their organization if they perceived that the organization reward system appreciates both their performance and personal contribution.

Summary of Hypothesis Testing

Table 4.14: Summary of Hypothesis Testing

Hypothesis	**Statement**	**β / R^2**	**t / F**	**Sig.**	**Decision**
H1	There is a positive relationship between financial rewards and employee job satisfaction	.476	7.616	<.001	Accepted
H2	There is a positive relationship between non-financial rewards and employee job satisfaction	.416	6.658	<.001	Accepted

Source: Data Output (2026)

Discussion of Regression Findings

There are four helpful insights from the study. Firstly, the study validates the total rewards concept (Manus & Graham, 2003) by confirming that both financial and non-financial rewards are relevant in humanitarian contexts. Secondly, while the non-financial rewards were rated slightly higher on average, the financial rewards had slightly higher predictive values. This would indicate that regardless of mission-based motivation, fair pay continues to be critically important.

The findings are in line with previous research in Ethiopia (e.g., Mahlet, 2012) as well as international research. The study validates the Self Determination Theory through the relevance of meaningful work and autonomy, as well as validating the Equity Theory.

Regression Equation

The final equation for prediction of job satisfaction (transformed with the square root) is:

JobSat_Sqrt = 1.066 + 0.126(FinReward_Mean) + 0.113(NonFinReward_Mean)

In other words, when financial rewards (where higher number means higher reward on a 1-5 scale) are increased by one unit, job satisfaction rises by 0.126 and when non-financial rewards are increased by one unit, job satisfaction rises by 0.113, holding the other reward constant.

4.6 Discussion

4.6.1 Reward Management at Mercy Corps Ethiopia

From the finding of this study Mercy Corps Ethiopia employees seem to hold a favorable view on the reward practices within the organization, especially non-financial rewards. Among non-financial reward practices recognition, interesting and meaningful work, job autonomy, professional development and supportive workplace relations got a score much higher than financial reward practices with their means being 3.43 and 3.33 respectively. The above statistics show that employees consider feeling valued, their work to have a Meaningful impact, being given autonomy to make choices as very important in their respective jobs.

It is perhaps not so strange in an NGO to consider non-financial rewards as very important. Employees in an NGO seem to be motivated as much by the desire to make a Meaningful

difference to the lives of others as they are by cash remuneration. Mercy Corps Ethiopia seems to be in the process of creating, to a certain extent, an environment whereby employees feel that they belong and that they have a stake in the overall organization. Workplaces that can find ways of combining the use of both financial and non-financial reward practices can increase employee commitment and satisfaction (Thompson, 2002; Manus and Graham, 2003; Armstrong and Murlis, 2007). Financial reward practices are, however, still critical. Though the satisfaction of respondents with regards to salary, benefits and pay rise due to promotion seem to be somewhat acceptable, a large section of them perceived these to have room for improvement.

A section of respondents mentioned that establishing a closer link between pay rises and promotion would enhance their sense of fairness and would be more motivating. This matches with Armstrong's (2012) assertion that when an employee's perceives reward practices to be equitable, they will tend to perform better and be more loyal. Similarly, Singh (2007) emphasized that a competitive and transparent compensation system builds trust and positive workplace attitudes.

In general, whereas Mercy Corps Ethiopia seems to have put a relatively stronger footing on non-financial rewards and having a meaningful job, more attention has to be paid on how to enhance the financial aspect, mainly competitive salary and pay rises.

4.6.2 Relationship Between Reward Management and Employee Job Satisfaction

The finding reveals that Reward Management Practices have a positive significant relation with employee's job satisfaction at Mercy Corps Ethiopia. From the correlation analysis conducted, it has been depicted those financial rewards ($r=0.771$, $p<0.001$), non-financial rewards ($r=0.755$, $p<0.001$) and total rewards ($r=0.826$, $p<0.001$) were all positively related with the level of job satisfaction of employees. This implies that employees who are more positive about the rewards practices applied in their organizations would be more satisfied with their jobs.

The findings indicate that by addressing reward practices in some way or another, regardless of whether it is financial or not, makes a tangible difference in how satisfied employees feel about their work. The findings, above all, demonstrate the importance of having both. When an organization not only provides fair pay for employees but also allows for recognition, development opportunities, and autonomy employees will be more motivated and dedicated. This corresponds to the argument presented by Armstrong & Brown (2006) that rewards are more effective when

they also take the psychological side of the work into account as a result the combination would yield an important and enduring change in employee attitudes.

The findings from this research correspond with the findings from the results of past studies conducted in different environments. As reported by Khawaja Jehanzeb, Sarfraz Khan, Kausar Parvez and Noman Afzal (2012), rewards were among the crucial elements that determine job satisfaction in Saudi Arabian banking sector employees. Similarly, a finding was reported in Ethiopia, Mahlet (2012) stated that factors such as fair compensation, opportunities of advancement, recognition, appropriate working conditions were among those contributing positively to improve job satisfaction among public hospital employees.

Additionally, Gebayaw (2019) identified that job satisfaction was related with reward systems applied in a just, fair, equitable and transparent manner in administrative units of university colleges.

Taken together, these studies plus this one appear to suggest something of the same sort i.e. Reward practices applied by organizations have a considerable influence on job satisfaction of employees in different organizations and different environments. However, the study at Mercy Corps Ethiopia highlights something specific: Employees' attitude appears to be influenced by both financial rewards and non-financial benefits that work in conjunction to one another rather than independently; as a result, that would bring positive outcomes in employee satisfaction level when both were given attention.

4.6.3 Predictive Effect of Reward Management on Job Satisfaction

This study investigated the impact of reward management on employee job satisfaction among the employees at Mercy Corps Ethiopia. The results indicate that rewards have a substantial impact on employee job satisfaction. When financial and non-financial rewards were both considered, they explained approximately 67.6% of the variance in employee job satisfaction.

Both financial and non-financial rewards significantly contributed to employee job satisfaction. Financial rewards were found to have slightly more impact ($\beta = .476$, $p < .001$) compared to non-financial rewards ($\beta = .416$, $p < .001$). This implies that although employees consider a fair compensation system important, only financial rewards cannot completely influence job satisfaction. Thus, employees consider other things besides pay as being important too such as:

acknowledgement and career growth and a sense of accomplishment. Again, it is not unexpected that financial reward would have a slightly stronger effect on employee job satisfaction since people logically expect to be paid in accordance with their efforts and responsibilities.

The findings are consistent with the work of previous studies such as: According to Armstrong and Murlis (1998), fair financial pay is the basic requirement for motivation, then recognition, career progression contributes to sustaining motivation in organizations. Similar work also found that job satisfaction and commitment increase when employees feel that they receive equitable and open reward systems (White cited in previous rewards studies).

Implications for Mercy Corps Ethiopia. Based on the results of this study Mercy Corps Ethiopia should strive to have both fair compensations, and also non-financial rewards such as acknowledgement, growth opportunities and also more autonomy among the job roles of employees. If reward system is handled reasonably, employees will be satisfied and committed to remain in the organization and help it to achieve its goals.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Conclusions

This study examined the relationship between reward management and employee job satisfaction at Mercy Corps Ethiopia. The findings indicate that reward management is a significant determinant of employees' attitudes toward their work. The regression analysis revealed that financial and non-financial rewards jointly explain 67.6% of the variation in employee job satisfaction, demonstrating the substantial role of reward practices in influencing employee satisfaction.

The findings further revealed a positive and significant relationship between financial rewards and employee job satisfaction. The results of the correlation and regression analyses showed that salary, benefits, and promotion related rewards contribute positively to employees' satisfaction levels. This suggests that employees who perceive their financial rewards as fair and adequate are more likely to experience higher levels of job satisfaction.

Similarly, the study found that non-financial rewards significantly influence employee job satisfaction. Recognition, career advancement opportunities, learning and development opportunities, meaningful work, and supportive working conditions were identified as important factors that shape employees' positive perceptions of their jobs. These findings demonstrate that employees value not only monetary compensation but also opportunities for professional growth, appreciation, and personal fulfillment.

Overall, the study confirms that reward management practices have a significant positive effect on employee job satisfaction at Mercy Corps Ethiopia. An effective reward management system that integrates both financial and non-financial rewards is therefore essential for enhancing employee motivation, satisfaction, and retention. Financial rewards contribute to employees' economic security, while non-financial rewards address psychological, social, and professional needs.

5.2 Recommendations

5.2.1 Recommendations for Mercy Corps Ethiopia

Based on the findings of this study, Mercy Corps Ethiopia should adopt a balanced reward management approach that integrates both financial and non-financial rewards. Although employees demonstrate strong motivation derived from the organization's humanitarian mission, certain areas of reward management require further improvement to strengthen employee satisfaction, motivation, and retention.

Regarding financial rewards, the organization should conduct periodic benchmarking of salaries and benefits against comparable international non-governmental organizations (INGOs) operating in Ethiopia to ensure competitiveness and internal equity. In addition, the findings suggest that employees expect more substantial and clearly defined salary adjustments following promotion. Therefore, reviewing the link between career advancement and financial rewards may enhance employees' perceptions of fairness, recognition, and organizational commitment.

5.2.2 Recommendations for Human Resource Practitioners

HR managers within humanitarian and development organizations must adapt from placing a primary emphasis on financial rewards to a more balanced perspective. It is undeniable that pay is a motivating factor for workers; however, it is not the only factor. People are also concerned about recognition, personal and professional development and feeling their job contributes to something meaningful. It is important to consistently survey staff to hear the needs and desires from the workers; while, simultaneously, training and promoting managers to provide positive reinforcement when due and to be open about the basis upon which rewards are dispersed.

5.2.3 Recommendations for Future Researchers

Future research should adopt a longitudinal research design to examine how changes in reward management practices influence employee satisfaction over time. Since the present study employed a cross-sectional design, it captured employees' perceptions at a single point in time and was unable to assess changes in attitudes or satisfaction over an extended period.

In addition, future studies should include a larger sample drawn from multiple humanitarian organizations in Ethiopia or across Sub Saharan Africa to enhance the generalizability of the findings. Researchers are also encouraged to adopt a mixed methods approach by combining

quantitative surveys with qualitative interviews or focus group discussions to gain a deeper understanding of employees' experiences and perceptions of reward management. Furthermore, future research should examine the influence of additional variables, such as leadership style, work life balance, perceived organizational support, and organizational culture, as potential mediating or moderating factors in the relationship between reward management and employee job satisfaction.

5.3 Final Remarks

The findings of this study demonstrate that reward management has a positive and significant relationship with employee job satisfaction at Mercy Corps Ethiopia. Both financial and non-financial rewards were found to contribute to employee satisfaction, highlighting the importance of adopting a balanced and comprehensive reward management approach. Although employees derive considerable satisfaction from contributing to the organization's humanitarian mission, they also value fair financial compensation, recognition, and opportunities for career growth. These findings suggest that intrinsic motivation alone is insufficient to sustain high levels of employee satisfaction without adequate financial and developmental rewards.

Accordingly, Mercy Corps Ethiopia and other humanitarian organizations should implement effective, transparent, and equitable reward management practices that integrate both financial and non-financial rewards. Such an approach can enhance employee motivation, strengthen job satisfaction, improve staff retention, and ultimately contribute to greater organizational effectiveness and the successful delivery of humanitarian and development programs.

5.4 Contribution to Knowledge

This study contributes to the existing body of knowledge on reward management by addressing the limited empirical research conducted within humanitarian organizations in Ethiopia and Sub-Saharan Africa. Previous studies have primarily focused on reward management in private sector organizations and public institutions, with relatively little attention given to humanitarian non-governmental organizations (NGOs). By examining the relationship between financial and non-financial rewards and employee job satisfaction in the context of Mercy Corps Ethiopia, this study extends the existing literature to a mission driven organizational setting.

The findings support the principles of the total reward approach by demonstrating that both financial and non-financial rewards contribute to employee job satisfaction. In particular, the study highlights the importance of intrinsic rewards, such as meaningful work, autonomy, recognition, and opportunities for professional development, in enhancing employee satisfaction within humanitarian organizations. These findings provide practical insights for Mercy Corps Ethiopia and similar humanitarian organizations seeking to strengthen their reward management practices and improve employee motivation, retention, and job satisfaction. Furthermore, the study offers a foundation for future research on reward management and employee attitudes within the humanitarian and development sectors.

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Appendix A: Survey questionary

Consent Statement

Dear Participant,

The current questionnaire is used for the purpose of Master's thesis entitled 'The Effect of Reward Management on Employee Job Satisfaction: A Case Study of Mercy Corps Ethiopia.' Your participation to this survey is volunteer and anonymous. The task will take approximately 15-20 minutes of your time. The data will be used only for academic purpose and strictly confidential. The fact that you continued to complete this survey indicates your comprehension and acceptance.

Thank you for your time.

Sincerely,
Bayush Solomon

SECTION A: DEMOGRAPHIC INFORMATION

(Please tick [✓] the appropriate box, or fill in the space)

1. Gender

[ ] Male [ ] Female [ ] Prefer not to say

2. Age

[ ] 20-29 years [ ] 30-39 years [ ] 40-49 years [ ] 50 years and above

3. Educational Level

[ ] Diploma [ ] Bachelor's Degree [ ] Master's Degree [ ] PhD/Doctorate

[ ] Other: _____

4. Current Position/Job Title: _____

5. Department/Program Unit: _____

6. Length of Service with Mercy Corps Ethiopia:

[ ] Less than 1 year [ ] 1-3 years [ ] 4-6 years [ ] 7-10 years [ ] More than 10 years

7. Employment Type:

[ ] Permanent [ ] Fixed-term contract [ ] Other : _____

8. Work Location:

[ ] Addis Ababa Head Office [ ] Field Office (Please specify region: _____)

SECTION B: REWARD MANAGEMENT PERCEPTIONS

Directions: Rate your level of agreement with each of the following statements about awards at Mercy Corps Ethiopia. Use the scale below:

1 = Strongly Disagree 2 = Disagree 3 = Neutral 4 = Agree 5 = Strongly Agree

NO	Statement	1	2	3	4	5
	Financial Rewards (Distributive Justice)					
B1	My basic salary is fair compared to the work I do.					
B2	The salary I receive allows me to meet my basic needs (food, housing, transport).					
B3	I am satisfied with the benefits that I receive from Mercy Corps Ethiopia (e.g. Health insurance, allowances and pension).					
B4	Bonus or performance payment occurs fairly at this organization.					
B5	Salary increase following a promotion at Mercy Corps Ethiopia is satisfactory.					
B6	The financial rewards I receive from Mercy Corps Ethiopia are competitive compared with job positions in other NGOs operating in Ethiopia					
	Non-Financial/Intrinsic rewards					
C1	My contributions are recognized and appreciated by the management.					
C2	I am acknowledged (verbally/in writing) with respect to my positive contribution on work frequently.					
C3	My job responsibilities are meaningful and relevant to the mission and objectives of Mercy Corps Ethiopia.					
C4	I am given enough control to determine how I do my work.					
C5	Opportunities to develop new skills are present at Mercy Corps Ethiopia.					
C6	There is a defined career path to which I can develop at Mercy Corps Ethiopia.					
C7	Teamwork is fostered at the workplace.					
C8	I feel a sense of pride in working for Mercy Corps Ethiopia given its reputability and values.					

SECTION C: Employee Job Satisfaction

Instructions: please mark how you are satisfied with the job in Mercy Corps Ethiopia, as it is illustrated as below:

1= Strongly disagree 2=Disagree 3=Neutral 4=Agree 5=Strongly agree

NO	Statement	1	2	3	4	5
D1	Overall, I am satisfied with my job at Mercy Corps Ethiopia.					
D2	I am satisfied with the financial reward (salary, benefits, bonus) received.					
D3	I am satisfied with the non-financial reward (recognition, development chance, significant meaning) received.					
D4	I would advise Mercy Corps Ethiopia as a desirable place to work.					
D5	I seldom want to depart from the organization.					
D6	I am fulfilled from my job.					
D7	I am satisfied with the working conditions (office environment, safety, resources) at my job.					
D8	I feel valued as an employee by Mercy Corps Ethiopia.					

Thank you for your time and valuable input!

APPENDIX B: Analysis

Table 1: Demographic Characteristics of Respondents (N=164)

Data	Category	frequency	Percent%
Gender	Male	86	52.4
	Female	77	47.0
	Prefer not to say	1	0.6
	Total	**164**	
Age Group	18-25	0	0.0
	26-35	37	22.6
	36-45	84	51.2
	46-55	40	24.4
	56 year and above	3	1.8
	Total	**164**	
Education level	High school certificate	0	0.0
	Diploma	1	0.6
	Bachelor degree	30	18.3
	Master's degree	113	68.9
	PHD /Doctorate	20	12.2
	Other	0	
	Total	**164**	
Job Category	Senior management	29	17.7
	Middle management	41	25
	Program officer/specialist	41	25
	Field coordinator/staff	35	21.3
	Administrative/support staff	13	7.9
	Total	**164**	
Length of Service with mercy Corps Ethiopia	Less than 1 year	35	21.3
	1-3 years	59	36
	4-6 years	39	23.8
	7-10 years	27	16.5
	More than 10 years	4	2.4
	Total	**164**	
Work location	Addis Ababa (Head Office)	86	52.4
	Field Office	78	47.76
	Total	**164**	

Source: Survey Result (2026)

Table 2: Descriptive Statistics for Reward Management and Job Satisfaction