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ADDIS ABABA UNIVERSITY

SCHOOL OF COMMERCE

DEPARTMENT OF HUMAN RESOURCE MANAGEMENT

The Effect of Reward Management on Employee Motivation: The Case  
of Wegagen Bank

Thesis Submitted to Addis Ababa University School of Commerce in the  
Partial fulfillment of the Requirements for Master of Arts Degree in  
Human Resources Management

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Addis Ababa, Ethiopia

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**THE EFFECT OF REWARD MANAGEMENT ON EMPLOYEE  
MOTIVATION: THE CASE OF WEGAGAN BANK**

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## **CERTIFICATION**

I would like to confirm that Tewodros Tadele has done his research work at Addis Ababa University School of Commerce Master of Arts in Human Resource Management under the title "The Effect of Reward Management on Employee Motivation: The case of Wegagen Bank". And is well suited to present the Master in Human Resource Management.

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## DECLARATION

I, Tewodros Tadele, declare that this article, entitled “The Effect of Reward Management on Employee Motivation: The Case of Wegagen Bank”, is the result of my own work and that all materials used for the study are recognized on this basis.

Name: Tewodros Tadele

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## List of Tables and Figures

Table 3.2.1 Sample Size Determination-----	20
Table 3.3.1 Reliability statistics result of extrinsic reward-----	22
Table 3.7.2 Reliability statistics result of intrinsic reward-----	22
Table 3.7.3 Reliability statistics result of motivation-----	22
Table 4.1.1 Respondents' Gender -----	23
Table 4.1.2 Age of respondents-----	23
Table 4.1.3 Educational Background of respondents-----	24
Table 4.1.4 Work Experience of respondents-----	25
Table 4.5.1 Job Position of respondents-----	25
Table 4.2.1 Result of descriptive statistics of extrinsic reward-----	26
Table 4.2.2 Result of descriptive statistics of intrinsic reward-----	26
Table 4.2.3 Result of descriptive statistics of motivation (Dependent Variable) -----	27
Table 4.3.1 Extrinsic Reward and Motivation' Correlation Coefficient Analysis -----	28
Table 4.3.2 Correlation Coefficient Analysis of Intrinsic Reward and Motivation-----	29
Table 4.5.1 Mean and standard deviation of variables-----	31

## List of Figures

Fig. 2.12 Conceptual Framework-----	18
Fig. 4.2 Respondents' Age-----	24

## Table of Content

CHAPTER ONE-----	1
1. INTRODUCTION-----	1
1.1. Background of the Study-----	1
1.2. Historical Background of Wegagen Bank S.C-----	2
1.2.1 Establishment-----	2
1.2.2 Service and Organizational Structure-----	3
1.2.3 Products/services-----	3
1.3. Statement of the Problem-----	3
1.4. Research Questions-----	5
1.5. Objectives of the Study-----	5
1.5.1. General Objectives-----	5
1.5.2. Specific Objectives-----	5
1.6. Significance of the Study-----	5
1.7. Scope and Limitation of the Study-----	6
1.8. Optional Definition of Key Terms-----	6
1.9. Organization of the study-----	6
CHAPTER TWO: Review of Related Literature-----	7
2.1. Introduction-----	7
2.2. Reward-----	7
2.3. Total Reward-----	7
2.4. Reward Management-----	7
2.5. Types of Reward-----	7
2.5.1 Intrinsic Rewards-----	7
2.5.2 Extrinsic Rewards-----	9
2.6. Significance of Total Reward-----	9
2.7. Reward System-----	10
2.8. Reward Strategy-----	10
2.9. Motivation-----	11
2.9.1 Intrinsic Motivation-----	11
2.9.2 Extrinsic Motivation-----	12
2.10 Theories of motivation-----	12
2.10.1 Maslow’s hierarchy of Need theory-----	12
2.10.1.1 Physiological Needs-----	13
2.10.1.2 Safety Needs-----	13
2.10.1.3 Social Needs-----	13
2.10.1.4 Esteem Needs-----	13
2.10.1.5 Self-actualization-----	13

2.10.2	Hertzberg’s Two-Factor Theory-----	14
2.10.3	Goal Setting Theory-----	15
2.10.4	Expectancy Theory-----	15
2.11	Empirical Review-----	16
2.12	Conceptual Framework-----	17
CHAPTER THREE:	Research Methodology-----	19
3.1	Research Design and Approach-----	19
3.2.	Sample size and Sampling Technique-----	19
3.3	Data Source & Data Collection Procedure-----	20
3.4.	Ethical Consideration-----	21
3.5	Data Analysis-----	21
3.6	Validity-----	21
3.7	Reliability-----	22
CHAPTER FOUR	-----	23
4.	Data Analysis and Interpretation-----	23
4.1	Demographic Information-----	23
4.1.1	Gender-----	23
4.1.2	Age-----	23
4.1.3	Education-----	24
4.1.4	Work Experience in Wegagen Bank-----	25
4.1.5	Level of Job Title-----	25
4.2	Result of Descriptive Statistics Analysis Factor-----	26
4.3	Relationship of Reward and Motivation-----	27
4.4	Hypothesis Testing-----	29
4.5	Types of rewards and level of employee work motivation-----	31
CHAPTER FIVE	-----	32
SUMMARY, CONCLUSION AND RECOMMENDATION	-----	32
5.	Introduction-----	32
5.1	Summary and Findings-----	32
5.2	Conclusion-----	33
5.3	Recommendation-----	33

## ***Abstract***

*The objective of this study is to examine the effect of the management of rewards (extrinsic and intrinsic rewards) on the motivation of the employees and how these rewards, which are payment of salary, bonus and benefit, promotion, leadership, working condition, challenging and interesting task, appreciation and Recognition and empowerment and autonomy help create motivation in the case of Wegagen Bank. The researcher used simple random samples to select the respondents and a total of 125 respondents were randomly selected from the head office and 121 of them responded. The data were analyzed using the Statistical Package for Social Sciences (SPSS) version 26. Based on the result of the regression, the extrinsic and intrinsic variables (salary payment, bonus and benefit, promotion, leadership, working condition, challenging and interesting task, appreciation and recognition) and empowerment and autonomy) have a positive and significant relationship with motivation. Accordingly, Wegagen Bank management will clearly set its rewards policy to improve employee motivation, resulting in overall performance.*

***Key words; Reward, Extrinsic Reward, Intrinsic Reward and Motivation.***

# CHAPTER ONE

## 1. INTRODUCTION

### 1.1. Background of the Study

In this competitive and volatile work environment, companies must encourage their employees to take a competitive advantage. To motivate employees, organizations must develop competent manpower systems and manpower management practices that can win the hearts and minds of employees. Manpower management is a key factor in determining whether employees are treated fairly because it has a very serious effect on the attitudes of their employees (Armstrong, 2009).

A reward system assists a firm as a tool that can transmit employee motivation in the necessarily wanted way. Reward system helps to motivate people to join the organization and work at highest level. The rewards system includes all components of the organization, the rules of human processes and the benefits and compensation by promoting the organization (Armstrong & Murlis, 2007).

Motivations are two types: the first one is a motivation that helps the external factor of the individual, as a source of income and is said to be extrinsic motivation. Individuals with a long-term incentive approach are driven by values in front of the individual and their motivation is realized in the form of payments, promotions, sponsorships and takeaways in an organizational group to encourage them. The second type of motivation is the individual's idea and the internal motivation that a person does not want from the outside in a systematic way to achieve that motivation and is said to be intrinsic motivation.

One of the major changes in employee motivation is the implementation of an effective reward system to increase the motivation of their employees. The worker, in some employees, the technical concepts as a human being, are considered, active and moderately important competitive. Now a days, the companies have their line in their promotional promotions that say “Our workers are our most important capitals”. For this reason, the companies need to support their employees, and when they are dealing with emissions, which means that they will satisfy their major needs by motivating with non-financial and financial rewards.

If organizations do not perform this, workers can leave the organization and turnover increases, productivity of employees reduce and as a result efficiency and effectiveness of the organization reduces.

Rewarding employees are associated with motivating the organization's human resources for better performance. However, it is a challenge for organizations to know what kind of rewards they are using. Numerous studies indicate that rewards have a positive effect on the health and well-being of workers in the workplace Furtado, et al. (2009).

Reward system should be designed with some criteria in mind to be a truly defined system. Companies must encourage their employees to work with worthwhile and rewarding, providing a clear line of sight, and empower them to influence their performance, delivering on their promises, and reward human needs of life. Organizations must choose the appropriate rewards that they can offer to their employees Lawler (2003).

Motivated employee is an integral part of the leadership and it is an effective tool in the hands of management to motivate employees. It is up to each manager to motivate his subordinates or to volunteer to work among his subordinates. Motivated approaches certainly meet the needs of employees, and in turn the employee pays for their efforts. Identifying and responding to needs is the most basic process for any organization to achieve employee commitment (Caleb Ochenge and Susan 2014).

Rewards have been seen as an important tool in employee motivation, so a well-rewarded employee feels valued by the company he works for.

Factors that enhance employee motivation: Fair pay, incentives, special allowances, fring benefits, leadership, incentives, trust, respect, joint decision-making, quality control, adequate employment relationships, appreciation, growth opportunities, organizational loyalty, identity and fulfillment of needs, recognition, power communication, motivation, importance associated with their work, safe working conditions, training and access to information and communication (Aguinis,2009).

## **1.2. Historical Background of Wegagen Bank S.C**

### **1.2.1 Establishment**

Wegagen Bank SC is among the commercial private owned banks of Ethiopia. It was established on 11 June 1997. It came to life as a result of the entrepreneurial with of sixteen founding members who recognized the critical role that financial institutions would play toward creating a sustained economic development and were able to put in an initial paid-up capital of Birr thirty million (Birr 30Million).

### **1.2.2 Service and Organizational Structure**

The Bank has a modern and process-based structure that is believed to bring significant success in enhancing the quality and efficiency of customer service. The top management of the bank consists of five members; one Presidents/CEO and five Vice Presidents. Under CEO & each VP, there are directors of different work processes, branch/division/district managers who are accountable to their respective directors.

### **1.2.3 Products/services**

The bank offers multi-faceted products and services to its esteemed customer through various and diverse service delivery channels. The products/services provided to customers are depositing money, international banking, credit, money exchange and e-banking services etc.

## **1.3. Statement of the Problem**

Companies now need to think and act internationally on their strategy in the face of rapidly changing environments and strong competition for more valuable assets. Competitors can easily copy resources other than manpower, which is a unique and sustainable competitive advantage. Rewards are one of the best ways to motivate employees according to numerous studies. Employee motivation can be classified into two categories; non-financial and financial rewards according to the findings of Latif, et.al (2014).

The combination of real and unusual rewards can increase employee motivation and increase their commitment to the company. Many companies have a payroll system. However, an employee may sometimes not be fully motivated by the lack of motivation due to the weak or unsatisfactory performance of existing rewards systems implemented by their organizations. Therefore, the organization must develop an appropriate reward system to achieve better results.

Due to the right rewards system, employee motivation and their commitment to their company can increase (Akafo & Agyekum, 2015).

While the banking industry exists in an intensely competitive market, the ability to retain an experienced and efficient workforce is very crucial to the overall performance of organizations. The highly motivated employee serves as a competitive advantage for companies because their performance leads an organization to the successful achievement of its objectives.

However, the results vary when viewed in terms of the extent to which they affect employee satisfaction and motivation. As the needs of human beings vary significantly, the extent to which their performance is affected by one type of reward to another varies significantly.

In the case of Wegagen Bank, employees have a number of problems related to the financial and financial rewards offered by the bank. Basic wages, transportation allowances, home and auto loans are not enough and are not commensurate with the cost of living. The medical benefits provided by the Bank are unsatisfactory. There are also lack of subsidiary benefits like cafeteria, restaurant, gym and entertainment. There is also a lack of supervision, a lack of freedom, a lack of proper promotion, a lack of commitment to work, staff inequality, and a lack of loyalty among many current employees.

Taking this into account, the researcher tried to evaluate the reward management and motivation of employees at Wegagen Bank S.C., fill in the gaps and tried to give recommendations and suggestions to the organization. Thus, these issues are the core of what should be studied and they clarify important areas in which the Bank can take maintenance measures.

The study attempted to address the question of what possible relationship exists between reward and employee motivation. The effective implementation of the reward system not only helps the organization, but also ensures a positive relationship with the employee, through attractive pay, a good benefits package, opportunity for promotion and recognition, supervisor quality and a job relatively varied and interesting. Additionally, it improves employee engagement that can be a core competency for the organization.

#### **1.4. Research Questions**

1. Which type of reward, extrinsic or intrinsic has a greater impact of motivation in Wegagen Bank S.C?
2. What is the relationship between reward and employee motivation in Wegagen Bank?
3. What is the effect of reward on employee motivation in Wegagen Bank S.C?
4. What types of rewards are practiced to motivate employees in Wegagen Bank S.C?

#### **1.5. Objectives of the Study**

##### **1.5.1. General Objectives**

The main objective of the research is to evaluate the reward system on employee motivation in the case of Wegagen Bank S.C.

##### **1.5.2. Specific Objectives**

1. To find out whether intrinsic or extrinsic reward are the main factors of employee motivation of Wegagen Bank
2. To determine the relationship between reward and employee motivation in Wegagen Bank
3. To determine the effect of reward on employee motivation in Wegagen Bank
4. To identify the relation between intrinsic reward (recognition and work content) and employee Motivation

## **1.6. Significance of the Study**

Motivation involves getting employees to pull weight effectively, to give their loyalty, to perform tasks appropriately for the purpose of the organization. The research will have the following significance.

1. Provides insights into how sectors employee performance is affected by the reward provided to their employees.
2. It will have practical importance for policy makers of the bank in order to distinguish the most motivating factor of employees and to keep balance between intrinsic and extrinsic rewards
3. To give insight the management of the organizations to understand the importance of reward and how it could be effectively delivered to the employee to improve their work performance

### **1.7. Scope and Limitation of the Study**

This study faced some limitations. First respondents are only employee of the bank located in Addis Ababa, Head Office. Therefore, the study would be more general to the whole bank if the sample had been taken from all district offices. Second, since rewards management is a very broad theory, the study focuses on extrinsic reward such as salary payment, benefits and bonuses, promotion, leadership and working conditions. And intrinsic rewards; challenging and interesting task, empowerment and autonomy & appreciation and recognition. The study did not cover all aspects of the motivational areas.

### **1.8. Optional Definition of Key Terms**

**Reward:** Rewards are the benefits that come from performing an activity, rendering a service, or fulfilling a responsibility (Colin pitts 1995).

**Motivation:** The willingness to exert high levels of effort toward organizational goals, conditioned by the effort's ability to satisfy some individual need (Robbins, 1998).

**Intrinsic Reward:** An intrinsically motivated person will be committed to their work to the extent that the work inherently contains tasks that are rewarding for them, (HaticeÖzutku 2012).

**Extrinsic Reward:** An award that is tangible or physically given for accomplishing the job. (HaticeÖzutku 2012).

**HRM:** Human Resource Management

### **1.9. Organization of the study**

The study contains five chapters, chapter one discusses the importance of the research; the background, importance of the study, purpose, scope, and limitations of the study. Chapter two; is a literature review. The researcher clearly evaluates the major works on the topic and points out what the arguments are. Chapter three is an overview of the methods used in the study. It covers areas such as sample design, how the sample size is calculated or selected, the sample system used, data collection and analysis. Fourth chapter contain data analysis and interpretation. Finally, fifth chapter is about conclusion and recommendation.

## **CHAPTER TWO**

### **Review of Related Literature**

#### **2.1 Introduction**

This section reviews the study related literature providing the theoretical background on the total reward system and to understand the factors that could affect the effectiveness of the total reward system. These include the theory of motivation and issues related to general rewards and recognition programs, and motivational aspects of the reward and recognition system in work environments.

#### **2.2 Reward**

Rewards are compensation and / or benefits that an employee receives from an organization for his or her service. Rewards don't just offer direct coins and other ways that can be directly converted to currency. It also implies the provision of a better work environment, favourable interpersonal relationships within the organization, allowing and involving in decision-making processes, facing the feeling to perceive achievement, preferably with growth opportunity (Jiang, Z. 2009).

It refers to any monetary, non-monetary and payment that an organization give to its employees in return for the work they do. When employees develop interest, they are more dedicated to maintaining a high level of performance.

#### **2.3 Total Reward**

It is defined as all the tools available to employers used to attract, motivate and satisfy employees and encompasses traditional and quantifiable elements; variable salary and benefits, but also more intangible non-cash elements, such as the scope to achieve and the responsibility, professional opportunities, developing, the intrinsic motivation that the job itself gives (Armstrong et al, 2004). Having minimum wording differences, all authors agree that a total reward includes both financial and non-financial rewards provided to employees by their employer (Armstrong, 2006, p. 627; Armstrong, 2005, p.7; Cascio, 2003, p. 416; Torrington, Hall, & Taylor, 2008, p. 635).

The financial reward includes direct payments such as salaries, bonuses and other payments, and indirect payments are made to employees in the form of benefits. Non-financial rewards, on the

other hand, refer to intangible or unusual prizes such as autonomy, recognition, challenging assignments, suitable workplaces, and so on. Generally, a total reward is a combination of cash and non-cash rewards for employees.

## **2.4 Reward Management**

Rewards management is the development, implementation, maintenance, communication and evaluation of the reward process (Armstrong and Muries 2005). This process deals with evaluating the relative value of work, designing and managing salary structures, performance management, payment for skill-based performance competence (contingent pay), provision of benefits and pensions for employees and the management of reward procedures.

The reward is fundamental to the relationship between employee and employer. The amount and type of the reward is an issue of greater importance to employees and critical to human resource management practices; given that money spent on salary, benefits, and other forms of rewards generally represents more than half of the total cost of an organization (Derek, T., Laura, H., Stephen, T. 2008).

In this day, organizations with varying degrees of success seek to employ higher powers as wages to encourage employees to work toward organizational goals. There are many additional types of incentives, many types of recognition and employee benefits are very widespread. (John, S. 2005). According to Stephen, R.P. (2002) The design of the rewards package is influenced by several factors; the profitability of the company, the size of the company, the management philosophy, the type of work performed whether high skill is needed or not, are just a few factors.

Reward design flexibility is also an important consideration. Traditional approach design pays seniority based and level of work. The contemporary approach to design reward is based on the employee's ability to lead the organization to the successfulness of the goal. However the rewards package must create equitable, balanced, and incentive rewards systems that enable the organization to employ and maintain productive workforce.

## **2.5 Types of Reward**

### **2.5.1 Intrinsic Rewards**

They are intangible rewards within the job itself, including satisfaction with completing a task, recognition from the employer. Intrinsic reward concerns with psychological development of employee (Williamson, Burnett and Bartol 2009). They are intangible benefits, include the characteristics such as autonomy, responsibility, meaningful work, achievements feedback, and decision-making participation (Hackman & Oldham 1976).

They are created with the purpose of appreciating the self-esteem of employees and relate to their feeling of achievement and growth with the organization. Employees are satisfied when they have accomplished something of value at work and the organization appreciates them orally (Nawab, Ahimed, and Shafi 2011).

### **2.5.2 Extrinsic Rewards**

Extrinsic rewards are tangible rewards presented to the employees by the management. And it is the physical benefits provided by the organization that satisfies the basic need for survival and safety of an employee and the drive of factors associated with the work context. It includes financials such as payment, bonus, benefits and non-financial such as leadership & working conditions. Bratton and Gold (2007) and Vijauakumar and Subah (2013).

They could be in various forms like pay rises, promotion, bonuses and respective benefits. The rewards are termed extrinsic because they external to the work itself (Thomas 2009). This means that other people namely the management has the ability to control the size and whether or not they are granted. All monetary rewards are included in this category i.e. extrinsic reward (Martocchio 2011).

## **2.6 Significance of Total Reward**

According to Armstrong and Stephens (2005, p. 27) the total reward can be used as a means to influence behavior, improve the employment relationship, flexibility to meet individual needs and win the war for talent. Organizations that need to achieve a high-performance system shall reward their employees based on the individual performance. Therefore, the reward helps as a means to influence behavior.

## **2.7 Reward System**

The rewards system contains a set of policies, and administrative procedures to implement the system within the human resource strategy framework and the overall organizational system Braton and Gold (2007).

It could be argued that having a good and attractive rewards system has gained importance as the new globalized society, in which companies operate in a single market, contributed to increased competition for the "right" employees, already the reward system is recognized to play a vital role in attracting and retaining employees (Arvidsson 2008). The main function of the rewards system is to attract and retain employees who are skilled at the personal needs of the company and the strategic objectives of the company, encouraging and supporting employees to develop their skills and knowledge, Dosenovich (2016) further explains. Motivate employees and create a culture where employees care for the success of the companies they work for.

Reward system is an important tool that can be used to disseminate employee motivation in an effective way and to attract people to join the company and encourage them to work at a higher level.

## **2.8 Reward Strategy**

Reward strategy is a way of integrating organization's payment procedure and the reward system with its goal. It is developing a system that makes the employee of the organization actively contribute to the achievement of its objective. And it is using the reward system as an integrative mechanism to direct various units and the individual's effort toward achieving the organizational goal.

According to Velnampy (2009), the reward strategy is to deliberately use the payment system as a necessary integration mechanism to achieve the strategic objectives of various entities and individuals.

Reward strategy sets out what the companies needs to perform in the long run to the development and implementation of reward policies, processes, procedures and practices to achieve its business and human resource management objective and it deals with both ends and means. As an end it shows how a vision of reward policies will look in a few years, as a means it describes how is expected is the realization of vision will be (Armstrong 2004).

## **2.9. Motivation**

Motivation is the desire to engage in an ongoing effort to achieve more than expected, to drive internally rather than externally, and to improve. (Torrington Hall Taylor and Atkinson 2009). Motivation is also defined as a process that governs the choice made by lower persons or organisms between alternative forms of voluntary activity (Wilson 2010). An individual who is highly motivated will start work early and leaves the job after being compared to someone who is not motivated, and may come on weekends to complete the work that has not been done over the weekend.

Motivation is a powerful source of creativity and success in an organization. It can also refer to the person's goals, the way in which persons decide or prefer their goal, and the way in which other peoples find to change their goal.

To predict the competitiveness of an organization manpower motivation is an important tool and this is why leaders and managers are constantly concerned about employee motivation. When employees are laid off or unhappy with their work, they may be wasting their time and energy on the job. Therefore, in order for an organization to be effective, it must address the challenges of initiating initiatives that stimulate the interest of individuals to become effective members of the organization.

Motivation is an internal human drive and can be divided into intrinsic and extrinsic. Motivation is a process that changes energy, attitudes, and promotes good behavior and performance.

### **2.9.1. Intrinsic Motivation**

Intrinsic motivation is an important factor that influences people to report that their maneuver is important in determining direction (Armstrong 2006). These factors include the importance of the job and the need for self-management, self-government (freedom of movement), limited use and development of skills and abilities, fun and challenging work and opportunities for growth.

According to Armstrong (2006) it is probable that intrinsic motivations relate to concepts with the "quality of life" to ensure that the process is inherently in the individual and implicit in the exterior. A motivated person has the energy and desire to do the job. When a person is primarily motivated by contentment and challenges, he becomes more creative. Intrinsic motivation is the pursuit of inner satisfaction rather than any other external goal.

They motivate people to behave in a certain way or to move in a certain direction. For example, a person may feel important and responsible for his / her work; He / she feels that he / she can develop skills and abilities, he / she has opportunities for development. Intrinsic motivation has a better effect in the long run, because the motivation comes from the people themselves and is not created or forced from the outside.

### **2.9.2 Extrinsic Motivation**

Extrinsic motivation is to motivate individuals. For example, rewards such as salary or promotion. It can also be a punishment: salary suspension or criticism. This can have a very powerful and immediate effect on the individual, but in the long run it is not necessarily the case with Slimy and Davit (2015). They are often organizational and can often be out of the control of individual managers Joseph (2015).

### **2.10 Theories of motivation**

There are many theories of motivation and research results that provide information on explanations of behavioral-effect relationships. An important aspect of all organization is to motivate their employees. Motivation is important from an organizational point of view, it can help high-performance employees to stay in the organization. In addition, with greater motivation, employees can develop their overall skills and become more committed to a specific task. Alvesson & Sveningsson, (2008).

### **2.10.1 Maslow's Need theory**

Maslow's theory of motivation believes that human beings are always in need. Whenever they achieve certain goals, they will be motivated to move on to the next level or hierarchy. In Maslow's theory the concept of motivation is that when the low demand is satisfied, the next high will be the highest and the individual's focus will be on satisfying this high demand, says Armstrong (2006). When the low demand is satisfied, we aim for the high demand. Maslow describes the following five needs;

#### **2.10.1.1 Physiological Needs**

These are basic physical needs such as food, air, water, rest & sleep. It includes hunger, thirst, shelter and other bodily needs. Once these are met, the second level of interest arises. Managers can meet the physiological needs of the employee by providing adequate wages and a healthy working environment.

#### **2.10.1.2 Safety Needs**

Safety is one of the basic needs of evolution. Most of our decisions and actions are based on maintaining or improving our situation. Although we are not in constant danger as an ancient man, we are not driven by the need for the safety of ourselves and our loved ones. This drive is transmitted to users and users' behavior. As a result, products should not only be sold with signs indicating that they will protect us from potential hazards, but should also be supported by clear evidence that these claims provide real protection and / or 'shelter' and include security and protection from physical and emotional harm. Many workers in hazardous occupations, such as loggers and miners, are encouraged to work safely.

### **2.10.1.3 Social Needs**

These are needs include belonging to a group, acceptance, affiliating with people, friendship. Managers contribute to meeting social needs by developing teamwork and social engagement on issues related to work problems.

These needs can be fulfilled by the organization through sport teams, parties and celebrations. The managers can help to satisfy employees' esteem needs by showing direct care and concern for them.

### **2.10.1.4 Esteem Needs**

Needs includes internal esteem factor such as self-respect, autonomy, and achievement; and external esteem factors such as status, attention and recognition. High levels of work satisfaction can create the esteem need. Occupation with high status satisfies esteem needs. Managers can satisfy the esteem needs of employees by favourable representation in words about their task and giving recognition.

### **2.10.1.5 Self-actualization**

These are the individual's need for self-awareness and understanding of what he or she can do. Self-actualized people are those who have become what they are capable of becoming. This is the highest need in the hierarchy. Assigning tasks that challenge employees' minds and encouraging their aptitude and training are examples on how the organization can help fulfill self-actualization needs. (Beardwell & Clydon, 2007, p, 493). Individuals who strive for self-actualization seek to increase their problem solving-abilities (Don. H. John. W, Slohcum, 2017). An individual moves up the need's hierarchy from one level to the next.

## **2.10.2 Herzberg's Two-Factor Theory**

Herzberg's concept of motivation is one of the elements of motivation. They try to explain what motivates individuals by identifying their needs, their individual needs and their satisfaction, and the goals they are developing to meet those needs. It was assumed that people have the capability to report accurately the conditions that made them satisfied and dissatisfied with their job (Armstrong 2010).

Satisfaction can only indicate that the employees in the organization are dissatisfied and therefore satisfaction increases the motivation of the employees. Disagreements can be, for example, high wages or bonuses. These must be met so that employees do not feel uncomfortable. However, these factors do not satisfy the employee. On the other hand, satisfying factors such as personal growth, responsibility, and job satisfaction can satisfy potential employees. (Alvesson & Sveningsson, 2008).

According to Herzberg, special attention should be paid to the work that employees associate with work activities or the results of such activities. The organization needs to focus more on personal development and recognition, whether it is a successful project or promotion, which are the more internally motivated aspects that need more attention. (Robbins et al, 2010).

Herzberg noted that the motivators are intrinsic factors that permit psychological growth and development on the job such as achievement, recognition, responsibility, advancement, challenges and the work itself (Wilson, 2010; Ajila & Abiola, 2004).

Hygiene factors on the other hand are extrinsic and describe the conditions of work rather than the work itself (Armstrong, 2010). These include job security, salary, work conditions, company policy, administration, supervision, interpersonal relations with subordinates and supervisors (Bhattacharyya, 2009). Herzberg (2003) concludes that employers should be concerned with the job itself and not only with the work conditions.

### **2.10.3 Goal Setting Theory**

Latam and Locke (1997) argue that initiative is the key to achieving motivational effectiveness.

The authors also emphasize that those goals may be unrealistic and unreasonable. According to their analysis, goals that are intended to be less difficult are the ones that drive workers to greater productivity. On the other hand, achieving goals is too difficult or too easy for employees to achieve.

Goals are typically serve four different modes. Primarily, the goals help as a separate guide, allowing the workers to give attention on goal-oriented activities rather than exaggerated high-level activities. If the companies achieves well-planned goals, it can align its employees with the organization's overall goals. Lock and Latham (2002).

Secondly the Locke and Latam (2002) suggest is that goals help employees to work harder and act as a stimulus. If the companies sets important goals, the employees would have worked harder to some extent compared to the lower goals, which would have been less labour-intensive. Third, goals are making possible to continuing attribute to the employees, which in turn motivates workers to increase their efforts. Finally, the author described that employee who work hard to empower and implement general and practical experience to resolve their work.

#### **2.10.4 Expectancy Theory**

In Spector (2000), expectancy theory explains how reward leads to behavior by focusing on internal cognitive status that leads to motivation. According to Daft (2003, in Dartey-Baah, 2010), expectancy theory proposes that motivation depends on the individual's expectations or outlook about their knowledge to perform duties and receiving the desired rewards.

The theory was primarily included in the valency-instrumentality-expectation (VIE), which was developed by Vroom (1964, in green 2000). Valency stands for value; instrumentality is the belief if one thing is done, it leads to another probability which lead to an outcome (Vroom 1964). The theory assumes that people think about what they are doing, what they are getting and its worth (Armstrong 2010). Vroom's expectancy theory (Vroom 1964) developed the topic of motivation combining the interaction of individual needs and employees working together.

#### **2.11 Empirical Review**

Nebiat (2010) investigated the “Relationship between Reward and Nurse’s motivation in Addis Ababa Hospitals”. The purpose of this study was to examine the relationship between nursing rewards and motivation of nurses in hospitals run by the Addis Ababa Health Office. An automated query was used to gather information. The data collected were analyzed using descriptive statistics. In 88% of respondents' ratings, there was a significant and positive relationship between the reward and the nurse's motivation. Payment is the most important variable between monetary reward and recognition is the least in non-monetary reward variable.

The findings of Kuyum and Sukirno (2012) show that high wages are important motivational factors, and that the next most important factor for workers is seniority based promotion. People who are characterized by the uniqueness of society generally acquire a certain degree at some

point in their lives and are not interested in learning and developing themselves. They do not want to learn more. The third most important factor for workers is work and work life balance, and the reasons for this need have been identified in their studies.

Smith, Joubert & Karodia (2015) investigated in their research with the title “The impact of intrinsic and extrinsic rewards on employee motivation at a medical devices company in south Africa” describes that, even though employees are offered an annual salary increase to motivate them, the results of their research seem to be more motivated by intrinsic rewards. They recognized self-governance, growth and development, competence, and a sense of great contribution and success as the greatest motivation.

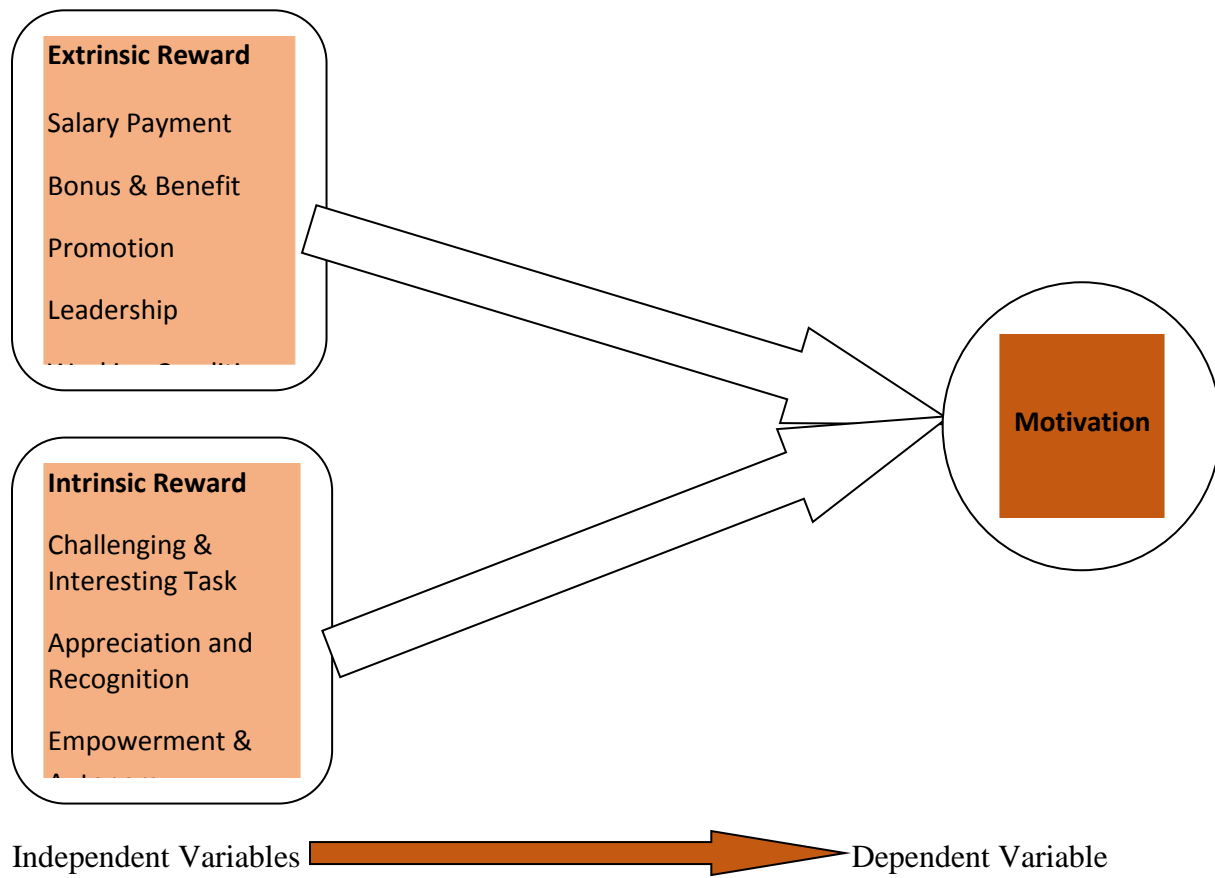
The effect of reward management on employee motivation on Ethio-Telecom's was conducted in a comprehensive study by Ephraim Interim (2016) on 324 respondents. According to the survey data, the mean result, the mean value of motivation is 3.54, which shows that the employees at Ethio Telecom have some motivation. The results from Pearson Correlation there is a relatively strong and statistically significant correlation between total rewards and motivation.

## **2.12 Conceptual Framework**

The conceptual framework describes the extent to which a researcher developed a theoretical understanding of the relationship between the variables in the study and shows the relationship diagrammatically or graphically. Mugenda and Mugenda (2003). The association between independent and dependent variables will be described in this relationship.

Since the research focuses on the results of employee motivation, a variety of independent variables (intrinsic and extrinsic rewards) are taken in to consideration. The extrinsic reward salary payment, bonus and benefit, leadership, working condition and promotion, are included and, the intrinsic reward variables are appreciation and recognition, empowerment and autonomy and challenging and interesting task. And motivation is described as dependent variable.

Fig. 2.12 Conceptual framework



Source: (Self Developed based on the ideas in the literature)

## **CHAPTER THREE**

### **Research Methodology**

Chapter three describes the research methods helps to conduct the study. It lists, among other things, the design of the study, the location of the study, the sample size, the sampling process, the instrumentation, the data collection and the analysis.

#### **3.1 Research Design and Approach**

The study examined the role of reward management (extrinsic and intrinsic rewards) on employee motivation. The study was carried out in Wegagen Bank employees working at the head office in Addis Ababa. A research design is the arrangement of the conditions for data collection and data analysis in a way that helps to combine for the purpose of the research with economics in procedure.

Research design as described by Cooper and others. (2003) is a research plan and structure designed to answer the research question. To assess the effect of rewards and employee motivation, quantitative research approach was conducted and the study used explanatory research design because, the objective of the study was to understand the cause and effect relationship of intrinsic and extrinsic rewards on employee motivation.

#### **3.2. Sample size and Sampling Technique**

According to Patterned (2003), target population consists of the general population from which representative samples can be drowning through sampling method. The Bank has a total of 4,561 employees as of June 31, 2019 (Wegagen Bank S.C. 2019) of those 623 are working at Head Office and 3,938 Branches & Districts. The study targeted on employees who are found only at Head Office and non-probability sampling was employed. This determines the total population size as 623.

It is believed that employees who work in the organization for less than a year may not have a full information to analyses the reward package of that particular company. To evaluate and understand and a given company, workers need to have experience more than a year.

Sampling is measured by selecting a specific part of the general class based on the impartiality of the case. In other words, it is a process of obtaining information about the general population by examining only part of it (C. R. Kotari 2004). Molholtra and Peterson (2006) and Zikmund (2003) stated that the larger the sample size of an investigation, the more precise the data generated. However, due to lack of time and the nature of the work of the population, the method of determining the sample developed by Carvalho (1984) was used by the researcher as a method to determine a sample size.

Table 3.2.1 Sample Size Determination

Population Size	Sample Size		
	Low	Medium	High
51-91	5	13	20
91-150	8	20	32
151-280	13	32	50
281-500	20	50	80
501-1200	32	80	125
1201-3200	50	125	200
3201-10,000	80	200	315
10,001-35,000	125	315	500
35,001-150,000	200	500	800

Source: Carvalho (1984)

In this study, the researcher employed simple random samples to select respondents. The researcher used this sampling method because staff were available and this sampling technique provided an equal opportunity for all respondents to be included in the sample. A total of 125 employees were randomly selected from the head office

### 3.3 Data Source & Data Collection Procedure

The researcher used primary and secondary data collection to gather sufficient information to answer the research question. Preliminary data were collected to obtain first-hand information on a specific research questionnaire for the initial data. Secondary information can be found in

document analysis to complement the main data. Close ended questions are needed for data gathering and analysis while the research focused on respondents with a limited time line. And the structured questionnaire was administered with the help of bank's employees that are found in different divisions.

### **3.4. Ethical Consideration**

Ethical consideration is taken into account in all data collection processes and processes. Respondents were asked to remain anonymous and to be informed of the purpose of the survey in the cover letter attached to the questionnaire. Names and any descriptions are not used.

### **3.5 Data Analysis**

It is a data analysis process and involves many unique decisions and actions that may be unique to different research projects. It involves a number of complex activities that involve the application of many different statistical techniques in different ways. These actions must be coordinated to ensure that all information necessary for decision-making is collected from the database. Therefore, for any data analysis to be effective, each analysis activity must be presented in a systematic way, so that meaningful decision information is available. The data analysis purpose to reduce stored and accumulated data to a competitive level, prepare summaries, patterns, and use statistical techniques Cooper and Schindler (2011). In this research the data that were collected from employees through questionnaire was analyzed both descriptive and inferential by the help of SPSS software version 26.

### **3.6 Validity**

Validity measures the amount of test we want to measure accurately. Thus, it is a stage in which the researcher accurately reflects or evaluates the concepts he or she is trying to measure. The result is to verify the position of the researcher, participant, or mathematician (John W. 2009). The opinions of research advisor and experts may also promote the validity of the concept that the product is intended to measure.

### 3.7 Reliability

It is the degree of showing consistency in everything they measure. The researcher used Chronbach's alpha to evaluate the reliability balance between 0 and 1 and the most commonly used regions and can test reliability in a variety of item formats. The following table shows the SPSS on Chronbach's Alpha.

Table 3.3.1 Statistics result of reliability of extrinsic reward

<b>Statistics of Reliability</b>	
Cronbach's Alpha	N of Items
.887	23

Table 3.7.2 Statistics result of reliability of intrinsic reward

<b>Statistics of Reliability</b>	
Cronbach's Alpha	N of Items
.774	13

Table 3.7.3 Reliability statistics result of motivation

<b>Statistics of Reliability</b>	
Cronbach's Alpha	N of Items
.746	5

## CHAPTER FOUR

### 4. Data Analysis and Interpretation

In this chapter findings obtained from the data had been analyzed. Using the statistical tool, it was possible to generate frequency distribution tables, graphs, charts and analysis results based on research objectives and questionnaires. A total of 125 questionnaires were distributed to sample respondents and the respondent rate was 96.8%. And the demographic data of respondents participated in this research are shown below.

#### 4.1 Demographic Information

##### 4.1.1 Gender

**Table 4.1.1 Respondents' Gender**

<b>Gender</b>			
	Frequency	Valid Percent	Cumulative Percent
Male	69	57.0	57.0
Female	52	43.0	100.0
Total	121	100.0	

Source :( from SPSS survey data 2021)

Out of 121 respondents the gender diversity 57% are males and females are 43%.

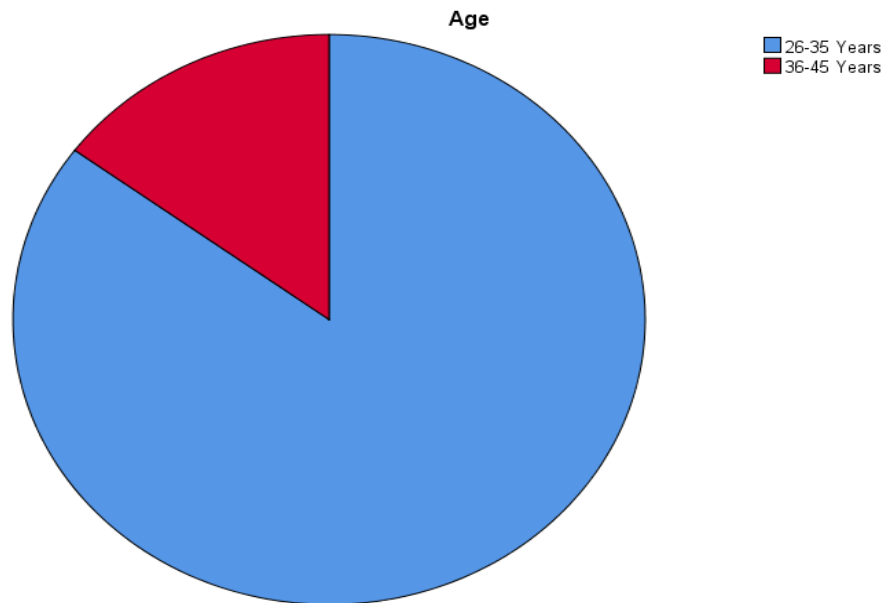
##### 4.1.2 Age

**Table 4.1.2 Respondents' Age**

<b>Age</b>			
	Frequency	Valid Percent	Cumulative Percent
25-35 Years	103	85.1	85.1
36-45 Years	18	14.9	100.0
Total	121	100.0	

Source :( from SPSS survey data 2021)

Fig. 4.2 Respondents' Age



Source : (from SPSS survey data 2021)

Based on the above table larger number of respondents, 103 were 26-35 years old age and represent 85.1% & 18 respondents were 36-45 years old age representing 14.9%.

#### 4.1.3 Education

**Table 4.1.3 Respondents' Educational Background**

Education			
	Frequency	Valid Percent	Cumulative Percent
Diploma	8	6.6	6.6
BA/BSC	53	43.8	50.4
MA/MSC	60	49.6	100.0
Total	121	100.0	

Source : (from SPSS own survey data)

In terms of their educational background diploma holders respondents were 6.6%, 43.8% were BA/BSc Degree holders and 49.6% were MA/MSc Degree holders.

#### 4.1.4 Work Experience in Wegagen Bank

**Table 4.4 Work Experience of respondents**

<b>Work Experience</b>			
	<b>Frequency</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Below 3 Years	19	15.7	15.7
3-5 Years	71	58.7	74.4
6-10 Years	7	5.8	80.2
11-15 Years	24	19.8	100.0
Total	121	100.0	

*Source :( from SPSS survey)*

Based on the above table 4.4 19 (15.7%), 71(58.7%), 7(5.8%), 24(19.8%) respondents served the bank below 3 years, 3-5 years, 6-10 years and 11-15 years respectively.

#### 4.1.5 Level of Job Title

**Table 4.5 Job Position of respondents**

Job_title					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Junior	29	24.0	24.0	24.0
	Officer	42	34.7	34.7	58.7
	Senior	50	41.3	41.3	100.0
	Total	121	100.0	100.0	

Source :( from SPSS survey data 2021)

As the above SPSS result, 29(24%) respondents are juniors, 42(34.7%) respondents officers/intermediates/ and the larger respondents 50(41.3%) are seniors respectively.

## 4.2 Result of Descriptive Statistics Analysis Factor

In this part, the data collected and entered were reported using SPSS version 26 and frequency (N), mean and standard deviation (SD) was analyzed and presented.

**Table 4.2.1 Result of descriptive statistics of extrinsic reward**

<b>Extrinsic Reward Variable</b>	<b>N</b>	<b>Mean</b>	<b>SD</b>
Salary Payment	121	3.0517	0.87800
Bonus & Benefit	121	3.3333	0.85660
Promotion	121	4.0744	0.78192
Leadership	121	3.2727	1.13158
Working Condition	121	3.5041	0.89586
Total	121	3.44724	0.90879

*Source: (own Survey data 2021)*

The above table 4.2.1 shows the mean and standard deviation of extrinsic reward; salary payment, bonus & benefit, promotion, leadership & working condition. The result of the study shows that salary payment (mean=3.0517), bonus & benefit (mean=3.3333), promotion (mean=4.0744), leadership (mean=3.2727) and working condition (mean=3.5041). Accordingly, promotion and working condition above average result, and the rest (salary payment, bonus and benefit & leadership) are below average this means the reward system of the bank in mentioned variable is not satisfactory. But the overall result shows the bank's reward system is average and satisfactory.

**Table 4.2.2 Result of descriptive statistics of intrinsic reward**

<b>Intrinsic Reward Variable</b>	<b>Frequency(N)</b>	<b>Mean</b>	<b>Standard Deviation</b>
Appreciation and Recognition	121	3.9504	0.64179
Challenging & Interesting Task	121	2.7107	0.82133
Empowerment and Autonomy	121	3.1521	0.96142
Total	121	3.2710	0.80818

*Source: (own Survey data 2021)*

Based on the above result the mean and SD of intrinsic rewards shows, challenging & interesting task (mean=2.7107), appreciation and recognition (mean=3.9504) and empowerment and autonomy (mean=3.1521). This result shows that appreciation and recognition is above average, empowerment and autonomy and challenging and interesting task are below average, this indicates the bank's reward system is not satisfactory.

**Table 4.2.3 Result of descriptive statistics of motivation (dependent variable)**

<b>Variable(Dependent)</b>	<b>N</b>	<b>Mean</b>	<b>Standard Deviation</b>
Motivation	121	3.5157	0.67122

*Source: (Survey data 2021)*

Respondents' response for the dependent variable is slightly above the average. This shows that Wegagen Bank employees are moderately motivated

### **4.3 Relationship of Reward and Motivation**

Correlation coefficient is a very important method to identify the relationship of two variables between a -1 and +1 fields (2005). Correlation analysis of all variables in this study was related to Pearson's correlation coefficient rate (r) to explore the relationships between variables. Additionally, it was used to describe evidence of convergent validity. For the simplicity, the interpretation purpose of relationships between variables, the principles by Field (2005) was followed. He classified if correlation coefficient(r): **0.1 - 0.30** as weak; **0.3 to 0.50** as moderate; and if greater than **0.5** as strong.

Based on the relationship between the variables, the following table shows how the variables are significantly correlated at  $p < 0.05$ .

Table 4.3.1 Extrinsic Reward and Motivation' Correlation Coefficient Analysis

		<b>Salary</b>	<b>Bonus</b>	<b>Promotion</b>	<b>Leadership</b>	<b>Working Condition</b>	<b>Motivation</b>
<b>Salary</b>	<b>Pearson</b>	1					
	<b>1 Sig (2-tailed)</b>	121					
<b>Bonus</b>	<b>Pearson</b>	.373**	1				
	<b>1 Sig (2-tailed)</b>	.000	121				
		121	121				
<b>Promotion</b>	<b>Pearson</b>	.042	.388**	1			
	<b>1 Sig (2-tailed)</b>	.647	.000				
		121	121	121			
<b>Leadership</b>	<b>Pearson</b>	.186*	.031	.110	1		
	<b>1 Sig (2-tailed)</b>	.041	.734	.229			
		121	121	121	121		
<b>Working Condition</b>	<b>Pearson</b>	.082	.301**	.332**	.240**	1	
	<b>1 Sig (2-tailed)</b>	.373	.001	.000	.008		
		121	121	121	121	121	
<b>Motivation</b>	<b>Pearson</b>	.531**	.432*	.492*	.515	.366	1
	<b>1 Sig (2-tailed)</b>	.000	.010	.035	.867	.471	
		121	121	121	121	121	121

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

\* . Correlation is significant at the 0.05 level (2-tailed).

From the above correlation result of extrinsic reward (independent variables) and motivation (dependent variable), the hypothesis of the study is tested and presented as follows;

- The result shows that the correlation coefficient of extrinsic reward salary payment and leadership and employee motivation is 0.531 and 0.515 which is strong ( $r=0.531$ ,  $p < 0.01$  and  $r=0.515$  and  $p<0.01$ )

**Table 4.3.2 Correlation Coefficient Analysis of Intrinsic Reward and Motivation**

		<b>Challenging</b>	<b>Appreciation</b>	<b>Empowerment</b>	<b>Motivation</b>
<b>Challenging</b>	<b>Pearson</b>	1			
	<b>1 Sig (2-tailed)</b>	121			
<b>Appreciation</b>	<b>Pearson</b>	.013	1		
		.888			
	<b>1 Sig (2-tailed)</b>	121	121		
<b>Empowerment</b>	<b>Pearson</b>	.170	.357**	1	
		.063	.000		
	<b>1 Sig (2-tailed)</b>	121	121	121	
<b>Motivation</b>	<b>Pearson</b>	.373**	.475	.397	1
		.002	.411	.291	
	<b>1 Sig (2-tailed)</b>	121	121	121	121

Based on the above correlation result of intrinsic reward (independent variables) and motivation (dependent variable), the hypothesis of the study is tested and presented as follows;

- Appreciation and recognition have moderate and, statistically significant relationship with motivation ( $r = 0.475$ ,  $p < 0.01$ ).

- Empowerment and autonomy and challenging and interesting task have moderate and, statistically significant relationship with motivation ( $r = 0.397$ ,  $p < 0.01$  and  $r=0.373$ ,  $p<0.01$ ) respectively.

#### 4.4 Hypothesis Testing

- ✓ **H1: There is significant and positive relationship between salary payment (independent variable) and employee motivation (dependent variable)**

The correlation coefficient between salary payment and employee motivation is strongly significant and positive relationship i.e. ( $r=0.531$ ,  $p<0.01$ ) and this indicates salary is the most than the others.

- ✓ **H2: There is significant and positive relationship between bonus and benefit (independent variable) and employee motivation (dependent variable)**

Based on the above correlation result bonus and benefit indicates significant positive relationship with motivation ( $r=0.432$ ,  $p<0.01$ ).

- ✓ **H3: There is significant and positive relationship between promotion (independent variable) and employee motivation (dependent variable)**

The correlation coefficient result of promotion is significant and positive relationship with motivation ( $r = 0.492$ ,  $p<0.01$ ).

- ✓ **H4: There is positive and significant relationship between leadership and the dependent variable (motivation)**

Leadership shows positive and strongly significant relationship correlation coefficient result with motivation ( $r=.515$ ,  $p<0.01$ )

- ✓ **H5: There is significant and positive relationship between working condition and the dependent variable (employee motivation)**

Working Condition has positive and moderately significant relationship with dependent variable (employee motivation) which has a value of ( $r=0.366$ ,  $p<0.01$ )

- **H6: The relationship between independent variable (challenging and interesting task) and employee motivation (dependent variable) is significant and positive**

Challenging and interesting task has positive and significant relationship with the dependent variable (motivation) ( $r=0.373$ ,  $p<0.01$ ).

- **H7: The relationship between appreciation and recognition and employee motivation (dependent variable) is significant and positive relationship** ( $r = 0.475$ ,  $p<0.01$ ).

The correlation coefficient result of appreciation and recognition is significant and positive relationship with motivation.

- **H8: The relationship between empowerment and autonomy and employee motivation (dependent variable) is significant and positive relationship** ( $r=0.397$ ,  $p<0.01$ )

Empowerment and autonomy have positive and significant relationship with motivation.

#### 4.5 Reward types and work motivation

Table 4.5.1 The mean and standard deviations (SD) of such reward variables salary pay, bonus and benefits, promotion, leadership, working conditions, challenging and interesting task, appreciation and recognition, empowerment and autonomy provided by the respondents.

Table4.5.1 Mean and standard deviation of variables

<b>Variable</b>	<b>N</b>	<b>Min</b>	<b>Max</b>	<b>Mean</b>	<b>SD</b>
Salary Payment	121	1.63	4.25	3.0517	0.87800
Bonus & Benefit	121	2.00	4.66	3.3333	0.85660
Promotion	121	2.50	5.00	4.0744	0.78192
Leadership	121	1.00	5.00	3.2727	1.13158
Working Condition	121	1.25	5.00	3.5041	0.89586
Challenging & Interesting Task	121	1.25	4.50	2.7107	0.82133
Appreciation and Recognition	121	2.00	5.00	3.9504	0.64179
Empowerment and Autonomy	121	1.25	4.40	3.1521	0.96142
Motivation	121	2.00	4.80	3.5157	0.67122
Total	121			3.39	

*Source: (own Survey data 2021)*

Based on the above result promotion, appreciation and recognition have highest mean result (Mean=4.07, SD=.781 & Mean=3.95, SD=.641) respectively. Working Condition, Bonus & Benefit, Leadership, Empowerment and Autonomy & salary have average mean value. And challenging and interesting task has lowest mean value i.e., Mean=2.71, SD=0.8213.

From this we understand that it is one of those reward packages offered by the Bank relatively acceptable to Wegagen bank employees are promotion, appreciation and recognition, working

conditions are above average and they are satisfied but others like salary payment, bonus and benefit, leadership, challenging and interesting task and empowerment and autonomy are below the average mean and they are not satisfied. The average value of motivation in Wegagen bank is 3.51 (SD = 0.6712).

## CHAPTER FIVE

### SUMMARY, CONCLUSION AND RECOMMENDATION

#### 5. Introduction

In this chapter findings, conclusions, and recommendations of the research are summarized.

#### 5.1 Summary and Findings

This research was planned to identify the effect of reward management on employee motivation of Wegagen Bank working in Addis Ababa at Head Office, by distributing 125 questionnaires and 121 returned with 96.8% response rate, acceptable for analysis of data and discussion.

Most of the respondents indicated that 69(57%) are males and 52(43%) are females. The distribution shows that the majority of respondents are in the age group of 26-35 years, with 85.10.1% of total respondents. Regarding their educational background the majority of respondents 60(49.6%) are MA/MSc holders, 53(43.8%) are degree holders; the rest 8(6.6%) of respondents are diploma holders. And most respondents 71(58.7) have three to five years of work experience.

The result of descriptive analysis of Wegagen bank's reward practice mean of extrinsic reward variables; salary payment, bonus and benefits, promotion, leadership and working condition rated by respondents. Based on that, the extrinsic reward practiced in the bank (promotion and working condition) is satisfactory. The rest, salary payment, bonus and benefit and leadership are below average. Mean value of challenging & interesting job, appreciation and recognition and empowerment and autonomy (intrinsic reward variables) are (3.27) rated by respondents. The dependent variable result of motivation shows that it is above average and this shows that the employees of the Wegagen bank are moderately motivated.

Based on the result of Pearson correlation of extrinsic variables salary payment ( $r=0.531$ ,  $p<0.01$ ) and leadership ( $r=0.515$ ,  $p<0.01$ ) have significant and strong correlation with the motivation (dependent variable) and promotion ( $r=0.432$ ,  $p<0.01$ ), bonus and benefit ( $r=0.4.32$ ,  $p<0.01$ ), working condition ( $r=0.3.66$ ,  $p<0.01$ ) have significant and moderate correlation with dependent variable (employee motivation). From the intrinsic variable appreciation and recognition ( $r=0.475$ ,  $p<0.01$ ) has moderate and significant correlation with motivation.

## **5.2 Conclusion**

The objective of this study is to identify the effect of extrinsic and intrinsic reward management on employee work motivation in Wegagen Bank based on the findings;

- The descriptive mean, regression analysis and literature explained that total reward which means the extrinsic and intrinsic reward are valuable indicators/predictors have an impact on employee work motivation.
- The extrinsic reward descriptive mean ranges from 3.05 to 4.07 and the intrinsic reward mean ranges from 2.71 to 3.95. The motivation mean is 3.50 and employees are moderately motivated.
- The independent variables, salary payment, bonus and benefit, promotion, leadership and working condition are positive and significantly related to employee motivation and directly affect employee motivation.
- The intrinsic rewards are positively and moderately related to the dependent variable (employee motivation).

### **5.3 Recommendation**

- The level of employee motivation in Wegagen Bank is moderate. To improve the relationship between reward and motivation, Wegagen Bank's management shall clearly set out its reward policy to increase overall performance and achievement.
- Salary payment and leadership reward have strong positive values and impact on employee work motivation, the bank shall restructure or recheck its payment structure and use competitive advantage and therefore the highest motivation factor will be maintained.
- According to the rank order of respondents; salary payment, leadership, promotion, appreciation and recognition, empowerment and autonomy, challenging and interesting task and working condition were selected compared to each other reward tools presented in the research. Therefore, HRM of bank should give priorities for the above rewards to ensure employee motivation.

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**Addis Ababa University**  
**School of Commerce**  
**Masters of Art Program in Human Resource Management**  
**Questionnaire**

Dear respective respondents;

I am a postgraduate student in MA in Human Resource Management and conducting survey on the title 'The Effect of Reward Management on Employee Motivation in Wegagen Bank'. The objective of this questionnaire is to collect data from Wegagen Bank employees, which help to evaluate the effectiveness of reward management on employee motivation in the Bank.

The successfully completion of this study depend on your response and all information obtained from you through this questionnaire is kept confidential. Only your honest and truth response for the questions determine accuracy of the research finding and I would like to thank you in advance.

If you have any comment and questions you can contact me through the following Addresses: Tewodros Tadele (+251910757701) (tewodrostadele74@gmail.com)

**NB:**

- ✓ Writing your name is not necessary
- ✓ Put "✓" mark in available boxes

**Part I: Biographical information**

1. Gender  Male  Female
2. Age  25 and below  26-35 Years  36-45 Years  46 and above
3. Educational Background  Diploma  BA/BSc Degree  MA/MSc Degree  
 Other (Specify); \_\_\_\_\_
4. How long have you served in Wegagen Bank?  
 Below 3 Years  3-5 Years  6-10 Years  11-15 Years  Above 15 Years
5. Your working department/division (Please Specify); \_\_\_\_\_
6. Your level of job title  Junior  Officer  Senior  Manager  Other; \_\_\_\_\_

**Part II: Questions related to reward system**

In the following tables, you find some dimensions of reward management practice. Put a (✓) and indicate how much you agree or disagree with the statement in the corresponding space under each number in front of each situation.

Note: 1= Strongly Disagree, 2= Disagree, 3= Neutral, 4= Agree & 5= Strongly Agree

### Extrinsic Rewards

S/No.	Statement	Score Values				
		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
<b>Salary Payment</b>						
1	The basis pay for performance is reasonable					
2	My salary is satisfactory in relation to my work intensity					
3	My salary is fair in relation to my responsibilities					
4	The pay system is clearly communicated to me					
5	I am paid equal salary with employees performing the same job in the bank					
6	I am paid fair salary when compared with employees working similar jobs in other Banks					
7	Salary increment is decided in fair manner in the Bank					
8	Pay scale of the bank treats each employee equitably					
<b>Bonus &amp; Benefit</b>						
9	The Bank pays bonus every year based on HRMD Manual					

10	Each employees are equally treated in the benefit policy of the Bank					
11	I understand that bonus paid is the result of my effort					
12	The bonus that the Bank pay is sufficient to me					
13	The Medical & Insurance schemes provided by the Bank are attractive					
14	The bank's loan (housing loan, automobile loan, emergency loan, personal loan etc) policy is attractive					
<b>Promotion</b>						
15	There is an opportunity for promotion in the bank					
16	Staffs are promoted in a fair, transparent and honest manner					
<b>Leadership</b>						
17	My office supervisor is interested with my job					
18	My office supervisor is team working/ cooperative					
19	I receive enough support and guidance					
<b>Working Condition</b>						
20	Work hours in the Bank are reasonable					
21	There is a convenient office lay out in the Bank to do my job					
22	All the necessary resources for work are available in the Bank					
23	I have good communication with my fellow staffs					

## Intrinsic Rewards

S/No.	Statement	Score Values				
		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
<b>Challenging and Interesting Task</b>						
24	I am happy in performing challenging work					
25	I am fully interested in my job					
26	My job consists of varieties of activities					
27	I am interested with the work that I am assigned and working					
<b>Appreciation and Recognition</b>						
28	I get credit and appreciation from my supervisor for what I do					
29	I receive constructive criticism about my work					
30	I am told from my supervisor that I am making progress					
31	I get the feeling of accomplishment from the job					
<b>Empowerment and Autonomy</b>						
32	I have certain degree of autonomy in my work					
33	I have part in decision making process					
34	I perform my work independent to others					
35	I am not prohibited to decide on the way to perform my job					

36	I am motivated when my supervisor gives me responsibility to do my work alone					
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**About Motivation**

S/No.	Statement	Score Values				
		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
37	I am committed to perform the job I have been assigned					
38	I see the bright future of the organization					
39	I try to improve how I do my tasks efficiently and effectively					
40	I feel that I am in an important position of my office					
41	I usual respect office hours in working days					

Thank You!