

ADDIS ABABA UNIVERSITY

School of Commerce

Department of Human Resource Management

ASSESSMENT OF THE EFFECT OF REWARD ON EMPLOYEE MOTIVATION

A study of Two Higher Education Institutions in Addis Ababa.

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A Research thesis submitted to the School of Graduate Studies of

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DECLARATION

I TadesseTirunehMeshesha declare that the thesis entitled Assessment of the Effect of Reward on Employee Motivation a Study of Two Higher Education Institution in Addis Ababa is my original work. Moreover, this study has not been presented for any other program or university and that all sources of the material used have been acknowledged accordingly. It is offered for the partial fulfillment of the Degree of MA in Human Resource Management.

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Date

CERTEFICATION

This is to Certify that TadesseTiruneh has carried out his research work on the topic entitled “Assessment of the Effect of Reward on Employee Motivation a Study of Two Higher Education Institutions in Addis Ababa” for the partial fulfillment of Masters of Arts in Human Resource Management at Addis Ababa University School of Commerce. This study is original work and not submitted earlier for any Degree at this University or any other University and it is suitable for submission of Master’s Degree in Human Resource Management.

Advisor WorkuMekonnen (Dr.)

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List of Abbreviations and Acronyms

ECSU – Ethiopian Civil Service University

EELPA–Ethiopian Electric and Light Power Authority

HR – Human Resource

HRM –Human Resource management

TVETI – Technical, Vocational Education and Training Institute

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Abstract

The study aims at assessment of the effect of reward on employee motivation in selected higher education institutions. Descriptive research design and survey data collection were used to describe the effect of intrinsic and extrinsic rewards on employee motivation. Besides explanatory research design was used to test the relationship among reward and motivation related variables. Out of a total target population of 869 administrative employees, 274 samples were taken in probability sampling more specifically, stratified sampling, technique from the two higher education institutions/ECSU & TVETI. Questionnaire was developed and distributed to the administrative employees. The finding of the study indicated that administrative employees of the institutions have moderate satisfaction with the total reward practices. However; employees are motivated better by intrinsic rewards than extrinsic rewards. When each extrinsic reward items were computed, employees showed dissatisfaction from benefits, specifically medical allowances. Similarly, when variables of each intrinsic reward were examined employees have moderate satisfaction in involvement in decision making process. Moreover findings showed that, work motivation had a statically significant and positive correlation with other reward variables (benefit, supervision, recognition, promotion, work content & work condition). There was also a statistically significant and positive correlation between reward practice and the total work motivation=0.77, $p \leq 0.001$. This implies that total reward practice and work motivation are highly correlated. Therefore, it is recommended that the management of higher education institutions, should review different reward mechanisms/both intrinsic & extrinsic/to administrative employees so as to retain and attract talent employees in the organization.

CHAPTER ONE

INTRODUCTION

1.1. Background of the study

Human resource is considered to be the most important asset in any organization. Managers and management researchers have long believed that organizational goals are unattainable without the enduring commitment of members of the organization (Stonner& Freeman, 2002). An Organization's reward system is the most basic tool for managing employee motivation. Motivation is the set of forces that cause people to behave in a certain ways. According to Griffin (2008), Individual performance is generally determined by three things. Motivation (the desire to do the job), ability (the capability needed to do the job) and the work environment (the resources needed to do the job). If an employee lacks ability, the manager can provide training or replace the worker. If there is a resource problem, the manager can correct it. But if motivation is the problem, the task of the manager will be more challenging. Thus motivation is important because of its significance as determinant of performance and because of its intangible character. Reward systems are designed for attraction of new recruits, motivating employees to perform higher, retaining key competencies and to reach their overall potentials to perform for the company.

Reward system includes extrinsic and intrinsic rewards. Extrinsic rewards can be listed as wage and salary, bonus, promotion that an employee receives as part of their job. An intrinsic reward is associated with the satisfaction that comes from actually performing the work such as responsibilities, meaningful work, and achievement and so on. Reward systems can be misleading if it's not implemented and carried out correctly, but when we used it effectively, it can have a major positive impacts on the company and its employees itself. (Mahaney&Lederer,2006).

Reward system is an important tool for organization use to deliver employee's motivation in desired manner. Consequently, it is important to find out what motivates employees in order to plan the right reward system and improve organizational performance. The major purpose of this study is to assess the reward systems of two higher education institutions in Addis Ababa (Ethiopian Civil Service University and Technical Vocation Education and Training Institute) and its effect on employee motivation. It further analyzed which rewards systems are being

practiced well, and which aspect of the rewards could be further practiced in order to enhance employee motivation and thereby organizational performance.

1.2. Background of the organizations:

1.2.1. Background of TVETI&ECSU

The council of Ministers proclamation 245/2011 led to the establishment of the Technical Vocational Education and Training institute (TVETI) to support the training and development of regional TVET teachers and leaders and to capacitate them to the level of required standard competence. It started as a polytechnic institute Training students in 2000 E.C.and became an Institute in 2004 E.C.TVETI IS under the Ministry of Education and under supervision of Federal TVET Agency and governed by the administrative board. It is located in Addis Ababa Yekasubcity near Lamberet Bus station.

TVETI is working to realize its vision and mission to advance the quality of TVET human resource particularly its leaders and teachers to ensure quality delivery of training to produce competent graduates for self employment generations through strategically selected programs of instruction, research, cooperative training and industry extension. The institute initially started to offer bachelor degree of science in technical teachers. Recently, it also offers training TVET leaders in the Master of Science too. There are about 120 local and 45 expatriate academic and 140 administrative staff. It provides training for about 4500 trainees.

The Ethiopian Civil Service University is located in EELPA training site, around kotebe University. It was established as a college in 1987 E.C. The initial major focus of the college was on providing Diploma and Degree programs in some selected fields. However, government redefined its mission and tasks in the light of the major development policies ,change and reform programs and re –established it by the council of ministers Regulation number 121/2006 under the Ministry of Capacity Building. According to the reestablishment regulation, the College is mandated to:

- Developing the country’s civil service (Servants leader ship and professional capacity).
- Providing specialized education, training, and consultancy and conducting research which can improve ethical standards.
- Creating professional standards and certifying professionals.

Currently, the university offers education, training, and research and consultancy services in areas of several specialized studies. ECSU has 244 local, 19 expatriate staff and 838 administrative employees.

1.2.2. Statement of the problem

Education is the basis for the successful future of our societies. Consequently, almost all education institutions including higher education institutions have an implicit or explicit mission to offer a high quality of teaching learning process which will have a significant impact on the social, political and economic situation of the country.

However, the problem on motivation of employees in higher education institutions will greatly affect the quality of education .Lack of motivation results in high turnover, increased absenteeism, low commitment to the profession.This again negatively affects the teaching learning process. One of the major problems observed in Technical Vocational Education and Training Institute was lack of motivation of employees. These were manifested in different ways. As observed from the data of human resource annual reports in TVETI, there was high turnover of employees. In the three consecutive years (2006-2008 E.C) 46 employees terminated their jobs from an average yearly existing number of72 employees. Moreover, the human resource department had collected employee’s suggestion on the reasons why they were terminating from their jobs while taking clearance and majority of respondents replied that:

1. .There was no long term training opportunity for administrative staff since its establishment 2004 to 2008 E.C
2. The contribution of administrative staff to teaching learning process was undermined.
3. The institute did not have different benefit mechanisms for administrative staff
4. They also mention looking for better salary as a reason for their termination.

Most researches in reward and motivation have been conducted in business making organizations. But employee motivation in higher education institutions is also an important issue. Therefore, this study investigated the relationship between rewards (salaries and wages, allowances: house allowances, transportation allowance, medical allowance, mobile allowance, position allowance), career opportunities, recognition, supervision, working condition, work content etc with work motivation by perspective of employees in two higher education Institutions (Ethiopian Civil Service University and Federal technical vocational education and training Institute).

1.3. Research Questions

The study addressed the following basic research questions:

1. What the reward practice of the two higher education institutions for administrative employees look like?
2. To what extent administrative employees in the higher education institutions are motivated?
3. What is the relationship between reward and employee motivation in the higher education institutions?

1.4. The Objective of the study

A) General objective:

The General objective of the study isto assess the effect of reward practices on motivation of employees in selected higher education Institutions in Addis Ababa.

B) Specific objectives are:

1. To assess the current status of reward practices for administrative employees in selected higher education Institutions.
2. To examine the level of motivation of administrative employees in higher education institutions.
3. To examine the extent and direction of relationship between reward practices and motivation of employees.

1.5. Significance of the Study

These days reward issues and employee motivation are becoming major considerations in every organization. Consequently, the study is expected to contribute the following benefits.

- It will give clear picture of the existing gaps on reward system in higher education Institutions.
- It is helpful in enriching the existing literatures on effect of reward system on employee motivation in higher education institutions
- It gives away for other researchers, who want to make further investigation in the area. It is helpful in enriching the existing literatures on impact of reward system on employee.

1.6. Delimitation of the study

Even though there are more than 33 government owned higher education institutions, due to time, financial and manageability difficulties, the study is delimited to only two institutions (Ethiopian Civil Service University and Federal Technical vocational Education and Training Institute). Moreover, employees less than 1 year of service in both institutions were not involved for this study. This was done deliberately to get respondents who are knowledgeable on the institutions reward practices. The concept of reward may be viewed from different perspectives however; the researcher is limited to the two dimensions of motivation namely intrinsic and extrinsic rewards. It tries to assess the effect of reward on motivation of employees only in the administrative staff. Finally although it was possible to use both methodological research approaches (quantitative and qualitative) the researcher used only quantitative approach.

1.7. Operational Definition of key terms.

Recognition: is a constructive, genuine feedback based on acknowledging people as sincere, worthy of respect, having needs and equipped with their personal expertise (Baskar&Rajkumar, 2014).

Intrinsic Motivation: are intangible rewards or psychological rewards like appreciation, meeting the new challenges, positive and caring attitude from employer and job rotation after attaining the goal (Ayesha, 2014).

Extrinsic Motivation: are tangible rewards and these rewards are external to the job or task performed by the employee (Ayesha, 2014).

Reward: is A formal, impartial, and equitable exchange of a material or financial expression or appreciation that is conditional on results (Baskar&Rajkumar, 2014).

Salary: is defined as a fixed amount of money paid to worker usually measured at monthly and annual basis, not hourly as opposed to wage (Zahra, 2015)

Wages: are variable weekly (usually made in cash) that fluctuate in value through over time, bonuses, and pieces work rates.

Bonus: is an additional compensation given to short periods above his/her normal wage.

Promotion: is the action of raising someone to higher position or rank or the fact of being so raised.

Motivation: is the process of boosting the morale of employees to encourage them to willingly give their best in accomplishing assigned tasks (Baskar&Rajkumar, 2014).

1.8. Organization of the study

The research paper is organized in different chapters. The first chapter is on the Introduction part of the study: that consists of background of the study, statement of the problem, objective of the study which includes, general and specific objectives, significance of the study, delimitation of the study. The second chapter consists of the review of related literature. In this chapter literatures related to reward and motivation which are written by different scholars are reviewed. The third chapter is about the research methodology. In the methodology part; the research design, research approach, the population, the sample, the data source and type, data collection techniques and method of data analysis are addressed. The fourth chapter is presentation and analysis part and finally in the fifth chapter summary of findings, conclusion and recommendations are presented.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1. Introduction

These days reward and motivation of employees have received much attention by many scholars and authors. This section reviews the works of these scholars and conclusions they made in reward and employee motivation which can support the researcher to show how these subjects are much important and widely discussed. It contains theoretical framework and empirical literature review on reward and motivation.

2.2. Theoretical Framework of Literature review

2.2.1. The meaning of Motivation

The term motivation has been defined by different scholars in the study of psychology, management and allied discipline. According to Robbins (2001), motivation is the process that accounts for an individual's intensity, direction, and persistence of effort towards attaining goal. It has also been defined as the force that energizes behavior, gives direction to behavior, and underlines the tendency to persist. This definition of motivation recognizes that in order to achieve goals, individuals must be sufficiently stimulated and be energetic, must have a clear focus or end in mind, and must be willing and able to commit their energy for a long enough period of time to realize their aims (Barton & Martin, 1991). It also refers to forces that energize, direct and sustain a person's efforts. A highly motivated person will work hard toward achieving performance goals. With adequate ability and understanding of the job, such a person will be highly productive (Bateman, 2004).

Baron (1983) describes motivation as "an accumulation of different processes which influence and direct our behavior to achieve some specific goals. The three components of motivation are: Direction – what a person is trying to do; Effort – how hard a person is trying; and Persistence – how long a person keeps on trying. Motivating other people is about getting them to move in the direction you want them to go in order to get a result. Motivation can be described as goal directed behavior. People are motivated when they expect that course of action is likely to lead to attainment of goal and a valued reward-one that satisfies their needs (Armstrong, 1999).

Motivation theory tries to explain why people at work behave the way they do in terms of their efforts and strive for achievement. Motivation can also be defined as ones direction to behavior

or what causes a person to want to repeat a behavior and vice versa. A motive is what prompts the person to act in a certain way or at least develop an inclination for specific behavior.

This means that motivation determines how much effort a person puts in his or her work the direction to which those efforts are geared and a measure of how long a person can maintain his/her effort (Robbins, 2001).

2.2.2. Intrinsic and extrinsic motivation

Motivation can be Intrinsic or extrinsic motivation. Intrinsic motivation implies engaging in an activity for pleasure and satisfaction inherent in the activity. Students doing their home work because they enjoy it and find that learning new things is interesting and satisfying are said to be intrinsically motivated.(Armstrong & brown, 2006). According to them, intrinsic motivation is defined as a motivation that comes from inside an individual. The motivation is generated through satisfaction or pleasure that one gets in completing or even working on a task. Factors that influence on intrinsic motivation include responsibility, freedom to act, scope to use and develop skills and abilities, interesting work and opportunities for advancement. The motivators, which are concerned with the quality of work life, tend to have long term effect since they are inherent in individuals and not imposed from outside.

Extrinsic motivation refers to a broad array of behaviors having in common the fact that activities are arranged in not for reasons inherent in them but for instrumental reasons. Extrinsically motivated behaviors are undertaken to attain an end state that is separate from the actual behavior, (Armstrong & brown, 2006.)

2.2.3. Theories of Motivation

Many theories have been offered to examine the factors that contribute to employee's motivation in an organization. These theories are important because they provide explanation to the reasons why employees are motivated. Therefore if properly applied; they could lead to having better motivated employees which ultimately may lead to increased organizational performance. Motivation theories are grouped in to two major theories namely the content and process theories of motivation. Content theories of motivation are based on the needs of Individuals keep changing overtime and therefore focus on the specific factors that motivate them, (Beardwell& Calydon, 2007).

In general, these theories explain motivation as the product of internal drives that encourage an individual to move towards the satisfaction of individual needs.

Major content theories of motivation are Maslow's hierarchy of needs theory; McClelland's learned needs theory. Alderfer's ERG theory and Herzberg's motivation hygiene theory (Beardwell & Calydon, 2007).

2.23.1. Content (need) theory of motivation

This theory attempts to explain those specific things which actually motivate the individual at work. These theories are concerned with identifying people's needs and their relative strengths, and the goals they pursue in order to satisfy these needs. Content theories place emphasis on the nature of needs and what motivates (Mullins, 2005). Major content theories of motivation include.

A. Hierarchy of needs theory of Motivation.

According to Moorhead and Griffin (2001), the hierarchy of needs, developed by psychologist Abraham Maslow in the 1940s, is the best known need theory. Maslow argued that human beings are want animals; they have innate desires to satisfy a given set of needs. Furthermore, Maslow believed that these needs are arranged in a hierarchy of importance, with the most basic needs at the foundation of the hierarchy. As Martha (2014) noted, the theory of need states that every human being has a hierarchy of five kinds of needs which are physiological needs, safety needs, social needs, esteem and self actualization needs. physiological need refer to need of survival, such as needs to get rid of hunger and thirst; safety means security and protection from physical and emotional harm, social need mainly includes affection, belongingness, acceptance and friendship; esteem consists of human beings internal esteem factors, for example, self- respect, autonomy and achievement and external esteem factors such as status, recognition and affections; self actualization refers to growth of self- fulfillment.

As each need is substantially satisfied, the next need becomes dominant. Although no need eventually gratified substantially, satisfied need no longer motivates. To motivate someone, you need to know what level of the hierarchy that person is currently and focus on satisfying those needs at or above that level (Robins, 2001).

However, Maslow's definition of self actualization is difficult to test scientifically; there was little evidence to explain why he ranked human needs. He portrays workers as insatiable animals. Maslow's hierarchy of needs theory has some weaknesses. The Hierarchy of need theory is not universally applicable because human needs may vary across cultures, individual differences, and availability of resources (Beardwell & Clayton, 2007).

In conclusion, Maslow's hierarchy of needs implies that organizations must identify the level of needs at which the employee is present at and then the needs must be addressed as a drive for motivation. If the basic needs such as Psychological and safety needs are not met, organizations will not be able to full fill the other level of needs in deed. Not all employees are directed by similar set of needs. It is though this realization that organizations are required to tailor reward programmers that suit an employee needs, (Martha, 2014).

B. Two - factor theory

Plunkett &Attner (1983), stated that two- factor theory was developed by Herzberg and his associates. According to Herzberg factors that can produce job dissatisfaction are called hygiene factors. Those that can produce job satisfaction are called motivation factors. Hygiene factors are the primary causes of unhappiness on the job, the person's work to its real nature. These are part of the job's environment, its context, not its content. When an employer fails to provide these factors in sufficient quality to its employees, the result will be job dissatisfaction. When they are provided in sufficient quality they will not necessarily act as motivators, stimuli for growth or greater effort. They will only lead employees to experience no job dissatisfaction. These factors include salary, job security, working condition, status, and company interpersonal relations among peers, supervisors and subordinates. Motivation factors are the primary causes of job satisfaction. They are intrinsic to the job because they relate directly to the real nature (job content) of the work people perform. When an employer fails to provide these factors in sufficient quality to employees, they will experience no job satisfaction when they are provided in sufficient quality; they affect and provide job satisfaction and high performance.

These motivational factors include; Achievement, recognition, responsibility, advancement, the work itself, and possibility of growth. When we want to motivate people on their jobs, Herzberg suggested emphasizing factors associated with the work itself or to out comes directly driven from it, such as promotional opportunities, opportunities for personal growth, recognition, responsibility and achievement are necessary and the primary causes of job satisfaction.(Ibd.)

C. ERG theory

According to Moorhead &Griffin (2002), the ERG theory developed by Alderfer, is another important need theory of motivation. It describes the existence, relatedness, and growth needs. In many respects, ERG theory extends and refines Maslow's needs hierarchy concept although there are several important differences between the two.

The E,R and G stand' for three basic need categories existence, relatedness, and growth. Existence needs are those necessary for basic human survival - roughly correspond to the physiological and security needs of Maslow's hierarchy. Relatedness needs, involving the need to relate to others, are similar to Maslow's belongingness and esteem needs, finally, growth needs are analogous to Maslow's needs for self-esteem and self -actualization.

In contrast to Maslow's approach, ERG theory suggests that more than one kind of need for example relatedness and growth needs may motivate a person at the same time.

D. McClelland Achievement theory

As Martha (2014) indicated, this theory advocates that the three most important employee motivational factors are the need for achievement, the need for power or authority, and the need for affiliation or belongingness. It suggests that individuals are motivated based on three needs of achievement, power and affiliation.

2.2.3.2. Process theories of motivation

Process theories of motivation concentrate more on the cognitive and behavior process behind motivation. Armstrong (2009) argued that in the process theory, the emphasis is on the psychological processes or forces that affect motivation, as well as on basic needs. According to Armstrong (2006), the main process theories are:

A. Goal setting theory

Is a cognitive approach which states that specific goals, difficult goals and fed back result in higher performance than do easy goals and non fed back (Robbins 2001).

This is also supported as goal setting theory is on the notion that individuals sometimes have a drive to reach a clearly defined end state. Often this end state is a reward in itself. A goal's efficiency is affected by three features; proximity, difficulty, and specificity.

Good goal setting incorporates the SMART criteria in which goals are specific, measurable, accurate, realistic and timely (<http://www.motivation> Wikipedia the free enclopadia)

C. Equity theory

Equity theory:-Individuals compare the job imputes and outcomes with those of others and then respond so as to eliminate any inequalities. There are four referent comparisons that an employee can use, (Adams, 1965).

1. Self - inside: - an employee's experiences in a different position inside his or her current organization.
2. Self - outside: -an employee's experiences in a situation or position outside his or her current organization.
3. Other - inside: - Another individual or group of individuals inside employees organization.
4. Other - outside: - Another individual or group of individuals outside employee's organization.

If we perceive our ratio to be equal to that of the relevant others with whom we compare ourselves, a state of equity is said to exist. We perceive our situation as fair that justice prevails. When we see the ratio as unequal, we experience equity tension. This negative tension state provides the motivation to do something to correct it. (Robins 2001)

D. Expectancy theory:

Vroom's expectancy theory argues that the strength of a tendency to act in a certain way depends on the strength of an expectation that the act will be followed by a given out come and on the attractiveness of that outcome to the individual.

In more practical terms expectancy theory says that an employee will be motivated to exert high level of effort. When he or she believes that effort will lead to a good performance appraisal, and that a good appraisal will lead to organization reward; and that the rewards will satisfy the employee's personal goals (Robins 2001).

Motivational Factors

According to Anurajan (2009), motivation is the act of stimulating someone or oneself to get desired courses of action, to push right button to get desired reactions. There are several factors that motivate a person to work.

Bonus: - it refers to extra payment to employee over and above salary given as incentive. The organization may also provide additional incentives such as medical allowances, educational allowances etc. Moreover, non monetary incentives, such as additional time off or special perk may be a useful incentive .such as Week of paid vacation for best performers.

Status or job title; by providing a higher status or designations the employee must be motivated. Employee prefer and proud of a higher designations.

Appreciation & recognition: employees must be appreciated for their services. The praise should not come from immediate supervisor but also from higher authorities.

Delegation of authority; delegation of authority motivates subordinate to perform the tasks with dedication and commitment. When authority is delegated, the subordinate knows that this superior has place faith and trust in him.

Working conditions: - provision for better working conditions such as air conditioned rooms, proper plant lay out, Proper sanitation, equipment, machines est., motivates the employees.

Job security: - guarantee of job security or lack of fear for dismissal, etc can also be a good way to motivate the employees. Employees who are kept temporary for a long time may be frustrated and may leave the organization.

Job enrichment: -involves more challenging tasks and responsibilities for instance an executive who is involved in preparing and presenting reports of performance, may also be asked to frame plans,

Workers participation: - inviting the employee to be a member of quality circle, or a committee, or some other form of employee participation can also motivate the work force.

Cordial relations: - good and healthy relations must exist throughout the organization. This would definitely motivate the employees.

Good supervisors: subordinates want their supervisors to be intelligent, experienced, matured, and having a good personality. In fact, the supervisor needs to have superior knowledge and skills than that of his subordinates.

Money as a motivator

It is believed that money acts as a motivator. But money as a motivator depends up on certain factors; firstly, money fails to motivate people, when there is no direct relationship between reward and effort. Second, economic conditions of people influence the importance of money. Thirdly, for poor, the value of certain amount of money is quite high as compared to rich.

Fourthly, money is significant motivator at lower level of employee level however money may not be significant factor for senior executives who have already fulfilled their lower level needs. Fifthly, employees are concerned not only with the amount of money paid to them, but it should be fair and equitable as paid to that of other employees of same level. Finally, Social attitudes towards money and wealth also decide the motivation to earn more and more,

Others motivations factors: There are several other factors of motivating the employees; training to employee, performance fed backs, job placements, and promotion and transfer are motivational factors.

2.2.4. Definition of Reward

Reward refers to all Categories of financial benefits, tangible services and benefits that an employee receives as part of employment relationship with the organization (Bratton and Gold 1994).It is the benefits that arise from performing a task, rendering a service or discharging a responsibility (Collin,1995). In conclusion, the above definition imply that rewards are the tangible and the Intangible benefits that Employees' receive from their work and have a significant effect on the performance and behavior of employees as well as on organizational effectiveness.

2.2.5. Types of Reward

Intrinsic and Extrinsic Rewards

Rewards can be intrinsic or extrinsic. Extrinsic rewards are tangible rewards and these rewards are external to the job or task performed by the employee. It can be in forms of salary/pay, incentives, bonuses, promotion, job security, etc. (Armstrong & Brown2006).Based on the above concepts; the present study seeks to test the following hypothesis:

H1: there is direct relationship between extrinsic rewards and employee motivation.

An intrinsic reward is defined as acts of doing an activity for its inherent satisfaction rather than for some separable consequences. It full fills employee's intrinsic factors or motivators, thus motivating them. It includes giving challenging task, getting involved in decision making process, giving a higher rank in a hierarchy etc. All these rewards do not require any increase in salary but the employee is still being motivated, feeling a sense of satisfaction being given the opportunity of working at a higher management rank. An intrinsically motivated individual will be committed to his work to the extent to which the job inherently contains tasks that are rewarding to him or her. (Armstrong & Brown, 2006).

Intrinsic rewards are Intangible rewards which have to do with learning, development, and work experience (Armstrong & Brown, 2006). The most important of intrinsic rewards is Job satisfaction, a feeling of completing challenges competently, enjoyment, and even perhaps the social interaction which arise from the work place. Intrinsic rewards are those that exist in the job itself. Examples are achievement, variety, challenge, Empowerment, responsibility, and personal and professional growth. They also include status, recognition, and praise from superiors and coworkers, personal satisfaction, and feeling of self esteem. (Mahaney.&Lederer, 2006).

Reward is becoming a burning issue for organizations of profit as well as non-profit. Many organizations are directing their efforts towards it in order to attract, retain, motivate and increase the performance of their employees and for the success of the organization. Armstrong&Murlis(2004),stated that the purpose of rewarding employees is to recognize excellent job performance, provide feedback, make it easier to get work done, to motivate and encourage employees to be more productive and help management achieve their goals.

2.2.6. Reward systems

Every organization's reward system should focus on these major areas; compensation, benefits, recognition & appreciation (Sarvadi, 2010). Benefits such as car loans, medical covers ,club membership , ample office space, parking slots and company cars are ways of rewarding and employees do note the types of benefits that their organization offers,

Recognition and appreciation are another integral component of winning strategic reward system. Recognition is to acknowledge someone before their peers for desired behavior or even for accomplishments achieved, actions taken or having a positive attitude. Appreciation on the other hand centers on showing gratitude to an employee for his or her action. Such rewards help employees to gauge their performance & know where they are doing good or bad (Sarvadi, 2010).

2.3. Empirical Literature Review

It has been shown that there is a direct and positive relationship between reward and recognition with work motivation. Baskar, (2014),indicated that if reward and recognition offered to employees were to be altered, then there would be a corresponding change in work motivation and satisfaction.

Zaman(2011) also indicated that there is a significant and positive relationship between extrinsic rewards and employee motivation and hence performance, but the challenge is that employers are not offering fair and adequate financial rewards to their employees. If employees feel that their effort is appreciated & the company has a good compensation structure based on job evaluation, the employees' motivation and commitment will be improved and hence performance.

According to research findings of kalim(2010), it is observed that there is direct and positive relationship between reward and employee motivation. They found that Change in rewards offered to employees necessarily changes the work motivation and performance of employees. Better the rewards, the higher the levels of motivation and greater levels of employee performance.

Mikander (2010), also found that there is strong relationship between reward system and employee motivation. According to her research finding " immaterial rewards were considered almost equally motivating as material rewards " verbal recognition from the manager and the co-worker as well as the possibility to give and receive feedback was perceived highly motivating other factors such as personal growth, work environment, achievement, recognition, responsibility and work itself were also seen to have an impact on motivation .Besides, a raise in salary and the possibility to influence on work tasks were found to motivate the employees the most. A study sought to find out the influence of reward and compensation aspects on employee commitment in Kenya, was found that poorly designed reward and compensation package is a source of dissatisfaction and employee turnover. Furthermore, a reward and compensation package fails to secure employee commitment when it is viewed as not being fair, inequitable, and inconsistent, (Elzabeth, 2014).

A study was conducted to identify the relationship between rewards (extrinsic and intrinsic) and their impact on employee performance and actions to motivate the employees of telecommunication industry. Data was gathered from 81 employees of different telecommunication companies and was analyzed using mean values and frequency percentage tables. The result was found that,with the advancement in carrier path, income level and age intrinsic rewards become the vital factors for employee motivation (Ayesha, 2014).

Based on the above empirical literature review concepts the researcher wants to test the following hypothesis:

H1: there is direct relationship between intrinsic rewards and employee motivation

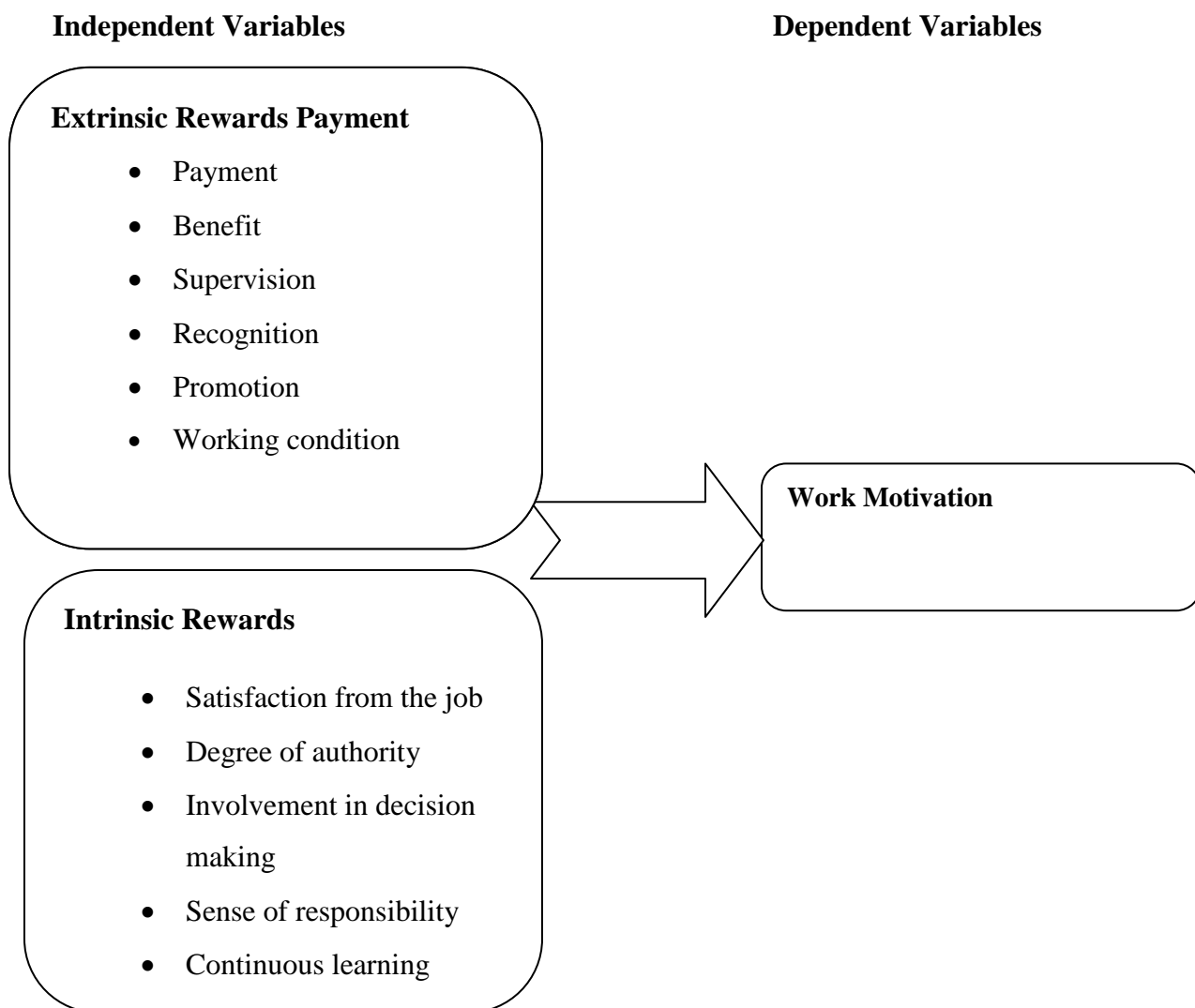
The Benefits of Reward System

The benefits of total reward system are described by Armstrong & Brown (2006): Firstly, reward system has greater impact on employee motivation. When different types of rewards are combined, they will have a deep and long-lasting effect on the motivation, commitment, and engagement of employees. Second it enhances the employment relationship; total reward appeals more to employees due to the fact that it makes the maximum use of relational as well as transactional rewards. Thirdly, it enhances cost effectiveness because total reward communicates effectively the value of the whole reward package. It minimizes the under valuing of the true. Fourthly, it gives flexibility to meet individual needs; due to the variety of rewards, the total reward is able to answer the individual needs of the employees and hence bind them more strongly to the organization. Finally, rewards help in winning the war for the talent because relational reward processes are more difficult to replace than individual pay practices. Total rewards give the organization the ability to attract and retain talented employees.

2.4. Conceptual Frame Work

This conceptual frame work is developed to show the relationship between extrinsic and intrinsic rewards with work motivation. Employee motivation is taken as dependent variable and intrinsic and extrinsic reward variables are taken as independent variables.

Figure 1: Research Frame work



Source: Self developed for this study

CHAPTER THREE

Research Methodology

This chapter presents the methodology that was used to carry out this study. It includes the research approach, research design, the population and sample, the data source, data collection techniques and method of data analysis.

3.1. Research approach

In business research there are broadly two methodological approaches to choose from; quantitative and qualitative research. The quantitative method is mainly focused on the interpretation of scientific norm and methods. The main difference between these two approaches is that the qualitative approach emphasizes more verbal aspect, while the quantitative method is based on numerical data (Bryman & Bell 2007). This study was based on quantitative approach which was aligned with the aims to attain the objective of the study.

3.2. Research design

Descriptive research design was used for this study, since it describes the data and characteristics about effect of reward on employee motivation in the study area. It is a scientific method which involves observing and describing the behavior of a subject without influencing it in any way. Also explanatory research design was used. In addition survey data collection with quantitative method was used to empirically test the relationship among variables. The survey design helps to generalize from sample to population in order to make inferences about impact of reward practice on employee motivation.

3.3. Population and sample size

Population is defined as the entire group of people, events or things of interest that the researcher wishes to investigate. Consequently administrative permanent staff of the two higher education institutions are subjects for the study. These staff members include directorates, team leaders, and other supportive staff members working in the organizations. The study is on a target population of 869 permanent employees in the two higher education institutions.

The sample size for the study was 274 employees. This sample size is expected to be a representative sample for the population under study.

The sampling technique used is:

$$n = \frac{N}{1 + Ne^2}$$

Where

n=the sample size

N=size of population

e=the error of 5 percentage points

Source :(Yemane,1967)

Although there are many alternatives to determine sample from a population this sampling technique (Yemane,1967) the researcher believes will give optimum sample size which is neither excessively large nor too small. It is a sample size which is representative enough.

3.4. Sampling Design

According to Kothari (2004), sampling designs are of two types viz, non-probability sampling and probability sampling. Non-probability sampling is a sampling procedure which does not afford any basis for estimating the probability that each item in the population has of being included in the sample. It is also known by different names such as deliberate sampling, purposive sampling, and judgmental sampling. In this type of sampling items for the sample are selected deliberately by the researcher. In such a design, personal elements have a great chance of entering in to the selection of the sample.

Probability sampling is also known as 'random sampling' or 'chance sampling' every item of the population has equal chance of inclusion in the sample. If a population from which a sample is to be drawn, does not constitute a homogeneous group, stratified sampling technique is generally applied in order to obtain a representative sample. Consequently, probability sampling which is stratified sampling was used since the population of the study does not constitute homogeneous group. The procedures followed to select the samples was by using systematic sampling. First, a list of the target population in both institutions was made in each strata. Then every third item was taken from the list until the required sample size.

The strata sizes was determined by the formula

$$n_h = \left(\frac{N_h}{N} \right) * n \quad \text{Where } n_h = \text{sample size for stratum } h$$

N_h = population size for stratum h

N= Total population size

n=the sample size

(www.stat1rek.com)

Table 3.1 Sample size determination

Position	Target population			Proportion (sample size)		
	TVETI	ECSU	Total	TVETI	ECSU	Total
Directorate	12	16	28	4	5	9
Team Leader	28	35	63	9	11	20
Administrative Employees	75	703	778	25	220	245
Total	115	754	869	38	236	274

3.5 Source and Instrument of Data Collection

There are primarily two source of information normally used for research purposes-primary and secondary sources of data. Both primary and secondary data were gathered for this study.

Primary data:

Refers to the statistical material which the investigator originates for the purpose of inquiry in hand . They are collected by the investigator or his representatives from the workers themselves (C.p Gupta, 2009). To gather primary data from sample respondents, self designed questioners were developed.

Secondary data:

The term secondary data on the other hand refers to that statistical material which is not originated by the investigator himself, but which he obtains from someone else records. We get them from some other sources (C.p Gupta, 2009).

3.7. Data collection techniques

A self administered questionnaire

Self-administered questionnaire was the major instrument that was used in data collection.

Questionnaire was used to gather information from administrative staff of respondent based on the objective of the study. The questionnaire had two parts: The first part includes information about biographical data of the respondent like age, sex, educational background and experience. The second Part includes questions directly related with the objective of the study in such a way that it incorporates various items of reward. Moreover these questions were designed to gather data about the independent variable reward system and its relation with the dependent variable work motivation. The questioners are both close ended questions. Questionnaires were distributed to 274 respondents and 252 were collected.

The questionnaire was developed in a likert scale. 5 represents strongly agree, 4 represents agree, 3 represents neutral, 2 represents disagree and 1 represents strongly disagree.

3.7. Methods of Data analysis

The data gathered was checked throughout the different phases (editing, coding, data entry and data analyses). To identify the effect of reward on employee motivation in the work place, 274 respondents were selected. Descriptive statistics such as mean, frequency and standard deviation were used. In addition correlation analyses and regression analysis were used to see interdependence of the variables and to measure the relative strength of independent variables on the dependant variables. With the help of SPSS both descriptive and inferential analysis was made. Descriptive statistics in the form of mean, frequency, standard deviation and percentage was computed.

3.8. Validity and Reliability of the Research Instrument

Validity: refers to the extent to which the measurement instrument actually measures what it intended to measure (Kothari, 2004). The first aspect of validity is using proper data collection instrument. Questionnaires were developed based on the statement of the problem, the objectives and research questions of the study. To ensure validity, the researcher consulted the university

advisor to get advice and make the necessary changes. Besides, before administering the questionnaires to employees, 25 copies were distributed to employees as pilot test. Based on the comments of the advisor and pilot tests, modifications were made to questionnaires.

Reliability: is defined as the degree of consistency that the instruments demonstrate in whatever it is measuring (Borg and Gall, 1989). A measure is said to be reliable when another person or the same person uses the same method at another time, and gives the same result. In other words, if the research is repeated the result obtained should be the same (Collis, 2003). Cronbach's alpha which is coefficient of reliability was used as a measure of internal consistency or reliability of the instrument. According to statistical interpretation, the closer the reading of the Cronbach's alpha to 1, the higher the reliability is in internal consistency. (<http://www.ats.ucla.edu/stat/spss/faq/alpha.html>)

The Cronbach's alpha for all variables was made and the reading was 0.92 which implies that the instrument was reliable.

Ethical consideration

Before collection of data, respondents consent will be taken. They will be informed the reason and intention of the study. It will be made sure that the respondent's confidentiality will be maintained. In the instruments, all the factors which might affect respondent's confidentiality will be considered.

CHAPTER FOUR

Data presentation, Analysis and Interpretation

4.1. Introduction

In this chapter the data gathered through questionnaire was analyzed and interpreted. Consequently respondent profile, questioners related to reward and motivation were analyzed and interpreted.

4.2. Demographic Information of Respondent

4.3.Characteristics of Demographic Variables

Table1. Frequency and Percentage of Background Information of Respondents

	Group	Frequency	Percent
Position	Directorate	9	3.6
	Team leader	20	7.9
	Admin employee	223	88.5
	Total	252	100.0
Educational level	Msc/Med	21	8.3
	Bsc/Bed	181	71.8
	Diploma	50	19.8
Gender	Male	179	71.0
	Female	73	29.0
Work experience	1-3	127	50.4
	3-5	41	16.3
	above 5years	84	33.3
Organization	TVETI	120	47.6
	ECSU	132	52.4

Source: Survey :2017

As can be seen in table 1 above, a total of 252 respondents participated in this study. Of the total, the majority of participants, 88.5%, were administrative experts whereas the minority, 3.6%, were directorate and the remaining 7.9% were team leaders. Regarding educational background, the majority of participants, 71.8%, were Bsc/Bed holders, while 8.3%, were having Msc/ Med

and 19.8% had diploma .This shows that the respondents taken as subject of the study are able to properly answer questions provided to them. When we see gender of respondents, the majority of participants, 71%, were male whereas the remaining 29% were female. Although, the proportion of females was smaller than males both genders were represented in the study. As far as the work experience of participants concerned, almost half of participants, 50.4%, were having experience of 1-3 years, 33.3% of participants were having service of above 5 years, while the remaining 16.3% were having work experience of 3-5 years. Concerning organization, 52.4% were from Ethiopian Civil Service University (ECSU) while the remaining 47.6% were from Technical Vocational Education and Training Institute (TVETI).

4.4. Data Analysis of Reward Variables and Employee Motivation

In order to assess the effect of reward on employee motivation reward variables were selected and included in the questionnaire. About 26 reward related questions with in reward variables and eight motivation related questions were included.

For analysis of the following reward and motivation related variables,high satisfaction is represented by 3.5 and above, satisfaction is represented by the value (2.41_3.5) the range between (1.51_2.4) shows that there exists moderate satisfaction; the range between (0.51_1.5) implies that there exists satisfaction and high satisfaction is represented by the value below 0.5.

Source: developed for this study

The following table indicates mean and standard deviation of reward variables.

Table 2: Descriptive Statistics of Reward Practices

Variable	Mean	Std. Deviation
Payment	2.0873	1.02486
Benefit	1.4405	.71751
Supervision	2.255	1.09814
Recognition	1.9742	1.09886
Promotion	1.8631	.95392
Work Condition	2.4157	.8,1878
Work Content :	2.4438	.58670
Reward Practice	2.06	.59235

Source: Survey: 2017

It can be seen from Table 2 that, in general the mean score of reward practice was 2.06 with standard deviation of 0.59. This implies that the overall reward practice of participants was in a moderate satisfaction. When the sub-scales of reward practice were seen individually, the mean scores 2.44 and 2.41 indicate that employees have satisfaction by the work content and working condition of their organizations. On the contrary, the mean score of benefit (1.44) implies that employees were dissatisfied by the benefit they get from their organizations. Other means values indicate that employees have moderate satisfaction by the remaining reward variables.

4.5. Mean and Standard Deviation of Intrinsic Reward

Table 4 Descriptive Statistics of Work Content (Intrinsic Reward)

No.	Items	Mean	Std. Deviation
1	Satisfaction on the job	2.7579	1.01431
2	Sufficient degree of authority	2.5079	1.06928
3	Involvement in decision making process	1.901	1.32479
4	Felling of sense of responsibility	2.7738	1.13283
5	Satisfaction from work experience	2.7024	.93340
6	Possibility of continuous learning	2.0357	1.07614
	Over all work content	2.4438	.58670

Source: Survey :2017

As can be seen in Table 4, the overall satisfaction from work content by respondents was 2.44 which imply that there is satisfaction by employees from intrinsic reward.

When the mean scores of each work content items are seen separately, it reveals that employees have a feeling of sense of responsibility to their assignments, mean value (2.77), The mean value 2.75 for item number 1 also implies that they have satisfaction on their jobs. On the other hand employees showed moderate satisfaction by their involvement in decision making (mean value 1.9) and in their possibility for continuous learning (2.03).

4.6. Mean and Standard Deviation of Extrinsic Rewards

Table 5: Descriptive Statistics of Extrinsic Reward

No.	Items	Mean	Std. Deviation
1	Payment in comparison with other organizations	2.0992	1.28199
2	payment in comparison with employees of other departments of same organization	2.0595	1.14333
3	Fairness in relation to the job	2.1032	1.15926
4	Satisfaction in transport benefits	2.2341	1.28922
5	Satisfaction in medical allowances	0.5119	.74941
6	Satisfaction in leave arrangements	1.5754	1.26171
7	Regular monitoring and evaluation	2.2302	1.22824
8	Satisfaction from feedback	2.3849	1.16671
9	Satisfaction in technical capability of immediate supervisor	2.254	1.31153
10	Provision of constructive criticisms	2.1508	1.31838
11	Regular praise for good performance	1.9286	1.21530
12	Recognition became a culture	2.0198	1.28878
13	Equal chance for promotion	1.8373	1.36012
14	Existence of fair and honest promotion policy	2.0198	1.17562
15	Existence of opportunity for advancement	1.8849	1.19705
16	Promotion policy communicated	1.7103	1.21389
17	good office arrangement	2.1746	1.38908
18	Good interpersonal relation	2.9405	1.03352
19	Reasonable work load	2.3016	1.35241
20	Sufficient material and financial resource	2.246	1.15828
	Overall extrinsic reward	2.0333	.64495

As shown in table 5 in general the overall extrinsic reward mean score was 2.03, which implies that employees responded that they are having moderate satisfaction from extrinsic rewards, when the mean score for each item of extrinsic reward is seen, it ranges from 0.51-2.94. The mean score of item number 5, satisfaction in medical allowances, was (0.5) which imply that employees are dissatisfied with medical allowances. On the contrary, the mean score of item number 18 good interpersonal relations was 2.94. It indicates that participants got satisfaction from their interpersonal relationship in their organization.

4.7. Level of Employee Satisfaction from Intrinsic and Extrinsic Rewards

Table 3: Descriptive Statics of Extrinsic and Intrinsic Rewards

	Mean	Std. Deviation
Extrinsic Rewards	2.0300	.64495
Intrinsic Rewards	2.4438	.58670

Source: Survey :2017

As indicated in table 3 above, the mean score of intrinsic rewards (2.44) implies that employees are satisfied by intrinsic rewards whereas satisfaction from extrinsic reward by employees is moderate (2.03).

4.8 Mean and standard deviation of Work Motivation

Table 6: Descriptive statistics of work motivation

	Items	Mean	Std. Deviation
1	Committed to perform the job assigned	2.5516	1.20148
2	Sense of responsibility to assignments	2.5754	1.22323
3	Respecting to office hours	2.631	1.21524
4	See bright future of the organization	2.3968	1.21465
5	Resistance to organizational change	2.3532	1.14934
6	Sense of confidence with one's supervisor	2.254	1.14270
7	No major complain on leaders	2.2381	1.10001
8	No plan to leave the organization	1.504	1.24170
	Overall work motivation	2.31	.88785

Source: Survey: 2017

As can be seen in table 6, in general the overall mean score of work motivation was 2.31. This shows that participants had moderate work motivation in their organization as a whole. When each items of motivation are seen separately, the mean score regarding respecting to office hours is 2.63. This implies that employees have respect ion to office hours. Moreover, the mean scores of item number 2 and 1 is 2.57 and 2.55 respectively which implies that employees feel sense of responsibility to assignments and they have better commitment to perform the job they are

assigned. However, item number 8 with mean score 1.5 indicates that employees lack the interest to retain in the organization.

4.9. Relationship between Reward Practice and Work Motivation

Table 7: Pearson Correlation between Reward Practice and Work Motivation

	Work motivation	
	Pearson correlation	sig
Payment	.100	.115
Benefit	.450**	.000
Supervision	.742**	.000
Recognition	.459*	.000
Promotion	.525*	.000
Work condition	.678*	.000
Work content	.598	.000
Reward practice	.771**	.000

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

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

Table 7, shows that except payment, work motivation had a statistically significant positive correlation with other reward variables (benefit, supervision, recognition, promotion, work content, working condition and the total reward practice). This implies that as the reward variables are sufficiently provided to workers in a given organization, the work motivation also increases and vice versa. There was statistically significant positive correlation between total reward practice and work motivation, $r=0.77$, $p \leq 0.001$. This implies that total reward practice and work motivation are highly correlated. When correlation of motivation with each reward variable is seen separately, there is a positive and significant correlation between supervision with work motivation of employees. ($r=0.74$, $p \leq 0.001$), There is also positive and significant correlation between work motivation with working condition ($r=.678$, $p \leq 0.001$) and work content with work motivation ($r=.598$, $p \leq 0.001$)

Table 8

4.10. Regression coefficients of predictor variables in predicting the dependent variable Work Motivation

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
Payment	.425	.089	.184	4.773	.000
Benefit	.258	.138	.078	1.876	.062
Supervision	.665	.090	.411	7.353	.000
Recognition	.081	.153	.025	.530	.596
Promotion	.563	.083	.302	6.796	.000
Work Condition	.603	.106	.278	5.674	.000
Work Content	.288	.094	.143	3.052	.003

a. Dependent Variable: AE

Among the predictor variables, variables like the payment, supervision, promotion, work condition and work content made a statistically significant prediction in predicting the dependent variable, work motivation. To evaluate the contribution of each independent variable to the dependent variable, one can see the Beta value. In the table ____ above, the Beta value for predictor variable, supervision, was 0.411 which implies that this predictor variable made the first strong positive and statistically significant contribution in explaining the dependent variable (work motivation) when the variance explained by all other variables in the model is controlled for. In addition, promotion made a statistically significant prediction to the dependent variable with Beta value of 0.302. This implies that promotion made the second strong and positive contribution in predicting the criterion variable work motivation. Work condition made the third strong positive contribution. Work content made the fourth strong contribution and payment the least or relatively weak contribution to the dependent variable, work motivation

CHAPTER FIVE

Summary of Major Findings, Conclusion and Recommendation

5.1. Major Findings

The main objective of the study was to assess the effect of reward on employee motivation in selected higher education institutions. Descriptive statistics, Pearson's product moment correlation and regression analysis, were used to see the relationship between reward variables and employee work motivation. The major results of the study are summarized below.

1. By using stratified sampling method employees from different hierarchical position were selected in systematic sampling technique as participants of the study. Regarding the demographic characteristics of the study, employees from different hierarchical position participated in the study. This implies that employees had equal chance of being selected as respondents of the study. Moreover, more than 80% of the respondents were Bsc/Bed and Msc/Med holders, which implies respondents, were able to easily understand and respond to the questioners.
2. Although satisfaction from total reward practice was moderate (2.06), employees were dissatisfied in benefits with mean value (1.44).
3. When satisfaction from total extrinsic and intrinsic rewards was computed, the finding indicated that employees were satisfied with intrinsic rewards mean value (2.44) but satisfaction was moderate from extrinsic rewards (2.03).
4. The mean score of each intrinsic reward were also computed using descriptive statistics. There is moderate satisfaction by employees with involvement in decision making process (1.9) and with possibility of continuous learning (2.03). On the contrary highest mean score is recorded by employees in having a feeling of sense of responsibility (2.77) and on satisfaction on the job (2.75). This implies that employees have feeling of sense of responsibility to their assignments and have satisfaction from their job respectively.
5. When we see the mean score of each extrinsic reward variables, employees were dissatisfied with medical allowances (0.51), On the other hand there is satisfaction in their interpersonal relationship with other employees (2.94). Employees have moderate satisfaction in the remaining extrinsic reward variables.
6. Descriptive statistics was used to see the mean score of work motivation. The mean score of the overall motivation revealed that employees are having moderate motivation mean

score (2.31). When each items of motivation are seen separately it showed that employees are having better respect ion to office hours (2.63), it also revealed that there is a sense of responsibility by employees for their assignments (2.57) and they responded that they are committed to perform the job they are assigned (2.55). But the 8th item revealed that employees had high intention to leave the organization.

7. The correlation result revealed that, Except payment, work motivation had a statically significant and positive correlation with other reward variables (benefit, supervision, recognition, promotion, work content & working condition). There was also a statistically significant and positive correlation between reward practice and work motivation=0.77, $p \leq 0.001$. This implies that total reward practice and the overall work motivation are highly correlated. There is positive and significant correlation between supervision with work motivation of employees $r=0.74$, $p \leq 0.001$).
8. The regression analysis result showed that supervision and promotion made the first and second strong and positive contribution in explaining the dependent variable work motivation (beta values 0.411 and 0.302)respectively.

5.2. Conclusion

Higher education Institutions basically have missions of teaching learning, Research and community service. For the success of their mission the administrative staff have crucial role in providing support to the academic staff through provision of the necessary human resource, financial and material inputs.

For efficient and effective accomplishment of their tasks,motivation playsvital role .In order to motivation of employees,administration of the right reward mechanisms is very important. To examine the relationship between reward and motivation of employees, descriptive statistics and inferential statistics were applied in this study. As a result, the researcher arrived at conclusion that there is positive and significant relationship between reward and work motivation factorsin all reward variables except payment. From the above result it can be concluded that payment may not be the sole motivator to employees in an organization .This is also supported by the literature review in Maslow's hierarchy of needs theory as follows,” to motivate someone one should know what level of the hierarchy that person is currently and focuses on satisfying those needs at or above that level is important”. Moreover, it is mentioned in the literature part that money as a motivator depends on certain factors,Such as economic condition of people. For reach payment might not be as important motivator as for the poor. Also social attitude towards wealth determines the importance of money as a motivator.

In the study areas, the reward practices for administrative employees are moderate. Consequently, employees have no the intention to retain long in their perspective organizations. When mean score of each extrinsic reward variables were computed separately, it revealed that

employees are getting satisfaction from their interpersonal relationship. However, they are dissatisfied in medical allowances. More over satisfaction in leave arrangements, in awareness of promotion policy and existence of opportunity for advancement are moderate.

5.3. Recommendation

High turnover of employees result from loss of accumulated knowledge in the organization & it also results from high cost of recruitment and training. These factors contribute more for low accomplishment of organizational objectives.

Consequently, the following recommendations are proposed:

- ✓ The finding revealed that there is poor practice in the extrinsic rewards than intrinsic rewards. So organizations should take into consideration both the extrinsic and intrinsic rewards to motivate their employees.
- ✓ When intrinsic reward variables, were assessed the findings indicated that employees have dissatisfaction in their involvement in decision making (3.09) Therefore, it is recommended that employees should be involved in decision making. For instance, after institutions set policies and guidelines such as promotion policy, long term training policies etc, there has to be discussion with employees on those guidelines to get input before approval by the management or board of the institutions.
- ✓ The findings also revealed that, employees are not only motivated by pay alone, other reward variables such as benefit, supervision, recognition, promotion, working condition and work content are also equally important motivational factors. Consequently, higher institutions have to pay attention to all rewarding variables so as to motivate their employees.
- ✓ Respondents have confirmed that there is higher dissatisfaction in medical allowances of the institutions. Consequently organizations should design mechanisms in orders that employees could get medical allowances and other benefits. One way can be strengthening their social services for having meal with reasonable cost.
- ✓ Consequently, the management of higher education institutions have to see all the necessary extrinsic rewards such as long term training opportunities, recognition, supervision, transportation benefits than pay alone to administrative employees to increase motivation of and so as to increase organizational performance.

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www.statlrk.com

Dear Sir/Madam

I am conducting a research with your organization on work motivation for academic purpose .It would be appreciated if you would assist me by completing the attached questionnaires

The questionnaire has two sections to be completed. In the first part, there are biographical questions and in the second part there are rewards and motivation related questions. Please be sure that all responses will be confidential

Thank you for your willingness

Part one :Demographic Information

Please indicate Your Choice by putting a tick mark // among the given alternatives

1. Profession

Director ate

Administrative expert

Team Leader

2. Current Educational Status

MSC/MED

BSc/BEd

Diploma

3. Gender

Male

Female

4. Age

Under 25

25-30

31-

36-40

41-45

5. Number of Years of service in the institution

1_3 years

3_5 years

5Years and above

6. Your Salary range

Less than 2000.00

0.00-5000.00

5001.00-8000.00

7. Name of your organization

FTVE TI

E C S U

The following questions are presented on a five point likert scale. If you strongly agree with the variable choose 1 which means (Strongly agree), if you agree on the variable choose 2 which means (Agree), if you can't decide to agree or disagree choose 3 which means (neutral), if you do not agree on the variable choose 4 which means (disagree) and if you strongly disagree on it choose 5 which means (strongly disagree).

1=strongly disagree

2=disagree

3=neutral

4=agree

5=strongly agree

Part Two Reward Related questi

How do you rate the following reward practices provided by your organization?

No		5	4	3	2	1
1	<i>Payment</i>					
	<i>I am paid fairly in comparison with other people doing similar work in other governmental organizations</i>					
	<i>I am paid fairly in comparison with other employees in other departments of my organization</i>					
	<i>I am paid fairly in relation to the job I do</i>					
2	<i>Benefit</i>					
	<i>I am satisfied with transportation benefits of the organization</i>					
	<i>I am satisfied with the medical allowances I am getting from my organization</i>					
	<i>I never faced problems in leave arrangement</i>					
3	<i>Supervision</i>					
	<i>I receive regular monitoring and evaluation form my immediate supervisor</i>					
	<i>My immediate boss gives me feedback for my performances</i>					
	<i>I am satisfied with technical capability of my supervisor</i>					
	<i>The criticisms I receive are constructive</i>					
4	<i>Recognition</i>					
	<i>I get praise for my good performances by my supervisor regularly</i>					
	<i>It has been a culture to recognize/ acknowledge/ best performance in the organization</i>					
5	<i>Promotion</i>					

	<i>Every employee has equal chance to be promoted</i>					
	<i>The Institution has fair and honest staff promotion policy</i>					
	<i>I have the opportunity for advancement in my career</i>					
	<i>The promotion policy is communicated to employees in the organization</i>					
6	<i>Working condition</i>					
	<i>My office arrangement is convenient to my job</i>					
	<i>I am in a good Interpersonal relationship with my co-workers</i>					
	<i>The work load I have been assigned is reasonable</i>					
	<i>I usually have sufficient material and financial resource to my duties</i>					
7	<i>Work Content</i>					
	<i>I am getting satisfied with my job</i>					
	<i>I do have sufficient degree of authority in my task</i>					
	<i>I am involved in decision making processes</i>					
	<i>I feel a sense of responsibility to the tasks that I am assigned</i>					
	<i>I enjoy with the work experience I get from my job</i>					
	<i>There is a possibility for continuous learning and development in my profession</i>					

Motivation Related Questions

No		5	4	3	2	1
1	I am committed to perform the job I have been assigned.					
2	I feel a sense of responsibility to my office assignments.					
3	I usual respect office hours in working days.					
4	I see the bright future of the organization.					
5	I never resist organization change programs due to various reasons.					
6	I feel a sense of confidence with my bosses.					
7	I don't have major complains on my bosses.					