



**ADDIS ABEBA UNIVERSITY**  
**COLLEGE OF BUSINESS AND CONOMICS SCHOOL OF COMMERCE**  
**DEPARTMENT OF MARKETING**

**ASSESSMENT OF IMPACT OF REWARD SYSTEMS ON EMPLOYEE  
MOTIVATION: THE CASE OF ETHIO TELECOM, ADDIS ABABA,  
ETHIOPIA**

**Thesis Submitted to Office of Graduate Studies of Addis Ababa University  
School of Commerce in Partial Fulfillment of the Requirements for the  
Degree of Masters of Arts in Marketing Management**

**By: Mesfin Melesse Asfaw**

**Advisor: Beza Libeyesus (PhD)**

October 2022  
Addis Ababa, Ethiopia




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Motivation: The Case of Ethio Telecom, In Addis Ababa, Ethiopia**

**By: Mesfin Melesse Asfaw**

**Approved by Board of Examiners**

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## **CERTIFICATION**

This is to certify that Mesfin Melesse has done the study on the topic of “Assessment of reward systems on employee motivation: The case of Ethio telecom in Addis Ababa, Ethiopia”. This study has not been done before by any other researcher.

Advisor name: Beza Libeyesus (PhD)      Signature: \_\_\_\_\_      Date \_\_\_\_\_

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## DECLARATION

I hereby declare that this thesis is the result of my own original work and all the source of materials used for the study have been acknowledged accordingly.

Name: Mesfin Melesse Asfaw

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

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## **ACKNOWLEDGMENT**

I would like to express my great thanks my advisor to Beza Libeyesus (PhD) for her kind communication, willing and in giving invaluable guidance and support me for this research. I also thank family for their close support and giving me time.

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## Abstract

*The study aimed to assess the impact of reward systems on employee motivation in Ethio Telecom. The specific objectives were to: determine which types of rewarding methods employees perceive as the most motivating; determine if there is a relationship between reward and employee motivation; examine the perceptions of employees towards rewarding systems; and determine the impact of rewards on employee motivation. The researcher used primary and secondary sources of data. The study used a quantitative research approach and a descriptive and explanatory research design. The study was conducted on the non-managerial employees of the company working in Addis Ababa at the head office and six zonal offices. The study samples were selected from a target population of 8617 using a stratified simple random sampling method. Survey questionnaires were distributed to 383 respondents, and 327 questionnaires were completed and collected. Data analysis was done with descriptive statistics and inferential statistics. Based on the result of Pearson Correlation Coefficient, there exists positive significant at moderate and Small but definite strength of association between reward system (benefits, promotion, recognition, training and development, and working environment) and employee motivation. According to the results of the regression analysis, the working environment, training and development, promotion, recognition, and benefits all have a positive effect on employee motivation, whereas payment has a negative effect. The result of the study also shows that employees were more motivated by working environment, and training and development. The researcher based on the results of the study recommends the company to review currently practiced reward systems, and develop effective rewarding strategy to motivate its employees better.*

**Key words:** *Reward Systems, employee motivation, intrinsic reward and extrinsic reward.*

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# CHAPTER ONE

## INTRODUCTION

### 1.1 INTRODUCTION

The chapter deals with the background of the study, the basic statements of the problem, objectives of the study, research hypothesis, significance of the study, limitation of the study, and organization of the thesis.

### 1.2 BACKGROUND OF THE STUDY

In today's competitive and rapidly changing environment, organizations' success depends on how effectively and efficiently they utilize their employees. For business companies, especially engaged in the service sector like Ethio Telecom, their existence mainly depends on how they handle and address the continuously changing needs and perceptions of customers. Companies, to be competent, successful, and able to manage the rapidly changing environment, need to have efficient, effective, and motivated employees. Business companies give more emphasis and implement different rewarding systems to motivate their employees.

Companies must develop an effective rewarding strategy that takes into account their employees' needs and perceptions, company objectives, changing environment, and so on in order to motivate their employees. The role of considering and relating company objectives to employees and rewarding systems is very important for companies to motivate employees (Markova and Ford, 2011). The reward system plays a vital role in motivating employees to higher performance and this enables organizations to achieve their goals (Mahender, P. & Shabnam, S. 2015). Organizations need to give more emphasis to developing effective reward strategies in order to motivate employees and increase performance. Employees are most engaged with their work and their organization when they are rewarded (Misrak Marqos, 2010).

The objective of the reward system is to motivate employees and meet the goals of the organization. A reward system is an important tool and a means for organizations to motivate employees. According to Page (2008), rewards can increase employee motivation and lead to improved performance. He also noted that rewards help employees build confidence and work motivation, and with this, employees can be aware that their extra efforts are recognized.

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According to Pfeiffer (1998), reward management is a composition of an organization's actions to determine the level of rewards to be offered; rewarding criteria; updating rewards; relating rewards to the objectives; creating awareness and relationship between the organization and employees. According to Armstrong, M. and Stephens, T. (2005), reward strategy clearly shows what the organization needs to do in the long term in order to achieve its objectives through creating effective policies, processes, procedures, and rules. One of the most important aspects of contributing to the best in their organization is motivating employees with rewards.

The main reasons for effective reward management are related to the strategies, policies, and processes of rewards that the organization considers valuable for employees. Reward management is intended to implement and reward employees in a fair, equitable, and consistent way by relating employee value with what the organization needs to achieve. Rewards can be categorized as extrinsic rewards or intrinsic rewards (Wasiu & Adebajo, 2014). According to them, extrinsic rewards are those rewards that can be influenced and administered by external factors, like payments, benefits, bonuses, salary, etc. (Wasiu & Adebajo, 2014).

Extrinsic rewards are one of the rewarding systems that are tangible and external to the work, like bonuses, paid leave, salary, benefits, payments, office portion or area, and promotions (Herzberg, 1987; Nelson, 1994; O'Driscoll & Randall, 1999).

On the other hand, intrinsic rewards are those that are derived and resulted from the job and are not influenced by external factors, such as reputation, empowerment, autonomy, trust, and so on (Shamir, 1991). Intrinsic rewards are rewards that are found aligned with an activity and are not determined and influenced by external factors, like recognition, training, work itself, autonomy, etc. (Wasiu & Adebajo, 2014). The main aim of reward is to provide and offer a value proposition and enhance the whole impact of all dimensions of reward initiatives on motivation, commitment, and job engagement.

Employee motivation is an essential duty of management, and it is an effective tool that management can use in inspiring the work force. Motivating employees and increasing employee performance is one of the main duties and responsibilities of managers. The strategy of approaching employee motivation satisfies the needs of the employees, and in return, the employees repay it by making their best effort. Identifying and properly fulfilling the employees' needs is the most appropriate and basic approach of all organizations to attain the commitment of the employees. Employee motivation is a complex process because, as

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Armstrong (2005) described, it depends on several factors, like individual needs and aspirations, expectations about the reward, equity and fairness, and other factors.

A reward system, in relation to motivation, is an important tool for management, which can help as a means towards employee motivation. Therefore, when the reward strategy is designed and implemented, the mentioned employee motivation factors should be taken into consideration. In order to motivate employees at work, the company needs to implement a desirable total reward strategy.

Ethio Telecom provides different rewards to motivate its employees and, through these, aims to achieve the company's objectives. These rewards can be categorized as extrinsic or intrinsic rewards. Extrinsic rewards that are implemented and practiced by the company mainly include payments, benefits, promotion, and working environment. Payment is one factor of extrinsic rewards that have an effect on employee motivation, which includes things like salary, bonus, variable pay, etc. The company offered benefits for its employees, such as housing and transport allowances, expense coverage for medical and insurance, and voice and data packages, and these are related to employee motivation and have an effect.

Employee motivation can be affected by the practice and implementation of employee promotion, which includes fairness, transparency, criteria, opportunity, etc. for promotion. The working environment is also one basic factor that has its own role in employee motivation. The arrangement of the working area, working hours, working tools and equipment, and related factors are related to employee motivation.

Employee motivation can also be affected by the company's practice of intrinsic rewards, like recognition and training and development. Employee recognition has a relationship with employee motivation, which can have an influence on employee motivation. Appreciation, saying thank you, the opportunity to participate in target setting, and formal written reward are some of the factors of recognition that can have an effect on employee motivation. Employee motivation can be affected by the company's practice of training and development programs. Employee perception of training; the contribution of training in improving skills, competencies, morals, and confidence; and these factors have an effect on employee motivation are all part of training and development.

Besides this, the company is currently facing competition from private telecom companies who are starting to provide telecom services in the country. This can have an effect on employee motivation because they may start to compare the reward system of ethio telecom with that of

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private telecom companies. It is so important to determine the impact of the reward system on employee motivation, update and improve the effectiveness of rewards, and develop an effective and efficient rewarding strategy.

Therefore, this study was mainly conducted to identify and determine the impact of reward systems (in terms of payment, benefits, promotion, working environment, recognition, and training and development) on employee motivation, and based on the findings, fill the gap and provide valuable contribution for Ethio Telecom to improve employee motivation.

### **1.3 BACKGROUND OF THE ORGANIZATION**

According to the official website of Ethio Telecom, Emperor Menelik II introduced telecommunications service in Ethiopia in 1894 when the construction of the telephone line from Harar to the capital city, Addis Ababa, was commenced. Then the interurban network continued to expand satisfactorily in all other directions from the capital. The lines interconnected many important centers in the Empire, thus facilitating long distance communication with the assistants or operators at intermediate stations frequently acting as verbal human repeaters between the distant calling parties (Tilahun Shiferew, 2021).

Thus, Ethiopia's telecommunications services were introduced 130 years ago in 1894. At first, it was organized under the Ministry of Post and Communications, and later, in 1952, it was structured under the Ministry of Transport and Communications. During these periods, the analogue signal or manual voice telephone service was the service that was given.

It was reorganized as the Ethiopian Telecommunications Authority until it was renamed and changed to Ethiopian Telecommunications Corporation (ETC) by regulation number 10/1996. Ethio Telecom (ET), as the only telecommunication service provider in the country, is a government-owned and government-managed organization under the minister of communication. It operates and maintains the entire telecommunication network of the country. To achieve its organizational goal and responsibility, Ethio Telecom is organized with various specialized divisions such as network, marketing, human resources, residential and enterprise sales, supply chain, facility and fleet, finance, and information technology.

After having undergone several reforms and organizational restructuring during the past period of over a century, Ethio Telecom was reborn on November 29, 2010, with the ambition of supporting the steady growth of the country within the Growth and Transformation Plan (GTP).

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The Ethiopian government has decided to transform the telecommunication infrastructure and services to excellent standards, considering them a key lever in the development of Ethiopia.

Thus, Ethio Telecom is taking a strategic plan for a paradigm shift in the development of the telecom sector to support the steady growth of the country (Tilahun, 2021). Ethiopian Telecommunications Corporation (ETC) has been giving different services like telephone PSTN service, internet and data services, multi-media services, etc. and then after it was restructured and changed to ethio telecom starting from December 2010.

Currently ethio telecom structured in 22 divisions and under this, there are head quarter, six zones and ten regions (which are outside Addis Ababa). The company at the beginning of July 2021 has 16359 permanent employees, and from these 619 are managerial position level and 15740 are categorized as non-managerial position level.

Ethio telecom, with the new structure, mission and vision, has been doing a lot and found in expanding and improving the telecom infrastructure, telecom services, customer services and with this the company takes and play the vital role and contribution for the economy of the country. Ethio Telecom has a vision to become an excellent service provider of telecom and a mission to provide world class modern and high quality telecom service for all citizens equitably to transform the multifaceted development of the concern to the highest-level quality service delivery.

Ethio Telecom has established reward systems with the aim of motivating employees and enhancing and achieving its organizational goal. The company offers different benefit rewards like insurance, medical, packages of voice and data for its employees. However, the benefits do not include some basic issue like no access to house, car for employees, while these are the critical challenges of most employees of the company.

Currently the country is on the way of inviting foreign telecom companies to invest in the country. Following this Ethio telecom will face great challenges from its competitors and for this the company to be competent, invests billions of dollars in telecom expansion, human resource capacity building, developing and implementing different reward systems to motivate and retain employees. The company should have qualified and competitive work force to successfully accomplish its task and profitable and compute with core competency.

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## 1.4 STATEMENT OF THE PROBLEM

For organizations to be consistently competent and successful, they have to develop and implement effective reward systems to motivate their employees. However, motivating employees and, in return, getting their best contribution towards achieving the organization's goal is the most challenging for organizations. Different studies show that rewarding employees has a vital role in motivating employees.

Rewards are categorized into two types, which are intrinsic and extrinsic rewards (Wasiu & Adebajo, 2014). The authors describe the two categories of rewards based on what attributes they have and how they are manifested. Accordingly, intrinsic rewards are found aligned with an activity or duty, and managing them is not decided by the presence or actions of another individual, whereas extrinsic rewards are those which can be administered by an external agent.

Extrinsic rewards are rewards like promotion, allowances, pay, different incentives, bonuses, insurance, etc., and intrinsic rewards are rewards like recognition, appreciation, access to training and development, value and care given, exposure to challenging activities, and appropriate and interesting job tasks provided for employees. From the organizations' point of view, their employees' job satisfaction is the motivated and committed workforce for maximum quality performance, and this will have an effect on increased productivity (Akinyi, 2014).

Employees may not have exactly similar needs, preferences, values, and importance for the rewards offered, like for recognition, training, and development, benefits, working conditions, pay, bonuses, and incentives in order to be motivated. Organizations in designing reward systems need to identify and understand what motivates employees. Bagraim et al. (2007) noted that there is a need to find out the needs and goals of employees in order to address them and achieve the required motivation.

According to Arnolds and Venter (2001) findings, there were many losses and failures in motivating employees in most large companies. As stated in their findings, even though companies invest a lot in rewards in order to increase the motivation of their employees, this does not always ensure and lead to an enhanced and maximized employee motivation level, for which the main reason can be the perception gap between employees and management towards achieving the company objective.

When rewards are not properly addressed, employees will not be motivated and not be willing to contribute their best for the company. Organizations implement reward systems, but sometimes employees may not give their maximum contribution and best effort, which results

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from a lack of motivation because of poor or unsatisfying existing reward systems exercised by their organizations. Because of the correct reward system, the employee's work motivation can be boosted and enhanced, which in turn enhances their commitment to their company (Vera Akafo & Agyekum, 2015). If there is a change in rewards offered to employees, there will also be a change in motivation and satisfaction (Ali and Ahmed, 2009).

Employees can be rewarded with a simple word of thank you, individually, or at a large level of publicly and formally given recognition and acknowledgment. Different studies have shown that inspiring employees is one of the most effective strategies to keep a happy and productive workforce that stands for organizational commitment.

Ethio Telecom has established reward systems with the aim of motivating employees and enhancing and achieving the company's goal. The company offers different rewards like benefits, which include insurance, medical, packages of voice and data, housing and transport allowance for its employees. However, most employees were not satisfied with the amount of housing and transport allowance and the free service packages.

Performance based variable pay, (a payment given for employees who perform above the targeted set) is implemented and practiced for some selective employees, whereas others who are working on related tasks are not integrated with variable pay. This might be based on the specific nature of work and priority areas for the company. Accordingly, employees who are integrated with performance-based variable pay, which is done each month, are excluded and do not benefit from the bonus given to employees yearly based on their evaluation, performance, and profit earned. This raises issues related to the fairness of the practice, which in turn affects employee motivation.

With regards to promotion, there are also issues related to formality, meritorious & impartiality of practice. Based on observations, there are cases where promotion of employees is conducted informally with the recommendation of higher bodies. The researcher also observes and feels that there exist some challenges in relation to the working environment, such as a lack of adequacy in providing working tools (like laptops and fiber line testers) in some units. In relation to recognizing employees, the researcher observes and feels that, in most cases, non-managerial employees were not invited to participate in target setting. With regard to training programs, the researcher has doubts about the contribution of training to developing an employee's skills and competency.

The researcher in this study considered and focused on only non-managerial employees who are working at the head office and all zonal branches. The study considers reward systems based on six independent variables, which are payment, benefits, promotion, working environment, recognition, and training and development.

Employees need and perception for rewards are not static rather are changing with changes in time, environment, technology, economy, etc. In order to motivate employees, the rewarding system has to be designed, revised and updated with the changes in perception of employees, environment, technology, economy. This study has its own contribution in determining and providing the current impact of rewards (pay/salary, benefit, promotion, working environment, recognition, and training and development), on the employee motivation.

In addition to this, in some other previous researches, there were different findings observed for the effect of same reward types on employee motivation, and some of these are stated below.

Table 1.1 Previous related other study findings

Variable		Result of Regression	Reference
Benefit	Ethio telecom	Positive significant (Beta value 0.181, $p < 0.05$ )	Haile, T. M. (2018)
Benefit	CBE	Positive but not significant (Beta value 0.114, $p > 0.05$ )	Kefay, K., Kero, C. A., & Kumera, L. (2020)
Payment/Salary	Wildlife Conservation Authority	Negative & Significant (Beta value -0.204, $p < 0.05$ )	LEMA, W. (2020)
Payment/Salary	Ethiopian Commodity Exchange	Very low positive & not significant (Beta value 0.005, $p > 0.05$ )	LEGESSE, A. (2017)
Payment/Salary	CBE	Positive but not significant (Beta value 0.025, $p > 0.05$ )	Kefay, K., Kero, C. A., & Kumera, L. (2020)
Payment/Salary	Private Bank	Positive significant (Beta value 0.389, $p < 0.05$ )	Woretaw, T. L. A., Tsega, B., & Debre Tabor, E. (2020)
Promotion	Private Bank	Positive but not significant (Beta value 0.298, $p > 0.05$ )	Woretaw, T. L. A., Tsega, B., & Debre Tabor, E. (2020)
Promotion	CBE	Negative & significant (Beta value -0.424, $p < 0.05$ )	Woretaw, T. L. A., Tsega, B., & Debre Tabor, E. (2020)
Recognition	Wildlife Conservation Authority	Positive but not significant (Beta value 0.081, $p > 0.05$ )	LEMA, W. (2020)
Recognition	Ethio telecom	Positive significant (Beta value 0.134, $p < 0.05$ )	Haile, T. M. (2018)
Recognition	Private Bank	Negative & significant (Beta value 0.527, $p < 0.05$ )	Woretaw, T. L. A., Tsega, B., & Debre Tabor, E. (2020)
Training	Private Bank	Positive significant (Beta value 0.589, $p < 0.05$ )	Woretaw, T. L. A., Tsega, B., & Debre Tabor, E. (2020)
Working Env. /Condition	Public & Private banks	Negative & Significant (Beta value -0.270, $p < 0.05$ )	Farooqi, I. S. (2014)
Working Env. /Condition	Ethio telecom	Positive significant (Beta value 0.419, $p < 0.05$ )	Haile, T. M. (2018)
Working Env. /Condition	Private Bank	Positive & not Significant (Beta value 0.059, $p > 0.05$ )	Woretaw, T. L. A., Tsega, B., & Debre Tabor, E. (2020)

As indicated in the above table, the studies were done by different researchers on the effect of rewards on the employee motivation. However, the findings of their study shows that for the same reward variable that have an impact on employee motivation resulted in differently.

For instance, for working environment their findings were positive and significant, positive but insignificant, negative and significant. Regarding payment/salary, there were different findings observed like negative and significant, very low positive & not significant, positive and insignificant, positive and significant. In relation to promotion the result of their study show as positive and insignificant, and negative and significant. Regarding recognition, previous studies result shows that recognition has positive and significant, positive and not significant, and also negative and significant effect on employee motivation.

As stated before this study focused specifically on non-managerial employee of the company who are working in Addis Ababa at head office and six zones. In most previous related studies specially done on Ethio telecom were focused on specific section, department. Comparing with this study, most previous studies consider reward system based on two categories, which were extrinsic and intrinsic reward. Regarding the reward variables, the independent variables considered in this study were not fully included in most other studies. Studies conducted by considering few or more reward variables may have different level of effects towards addressing and meeting the needs of employees. Below table shows the independent variables included in this study and in other related studies and the emphasis they gave.

Table 1.2 Types of independent variables considered by other related studies

Variables Considered in this study		OTHER STUDIES									
		MEKONEIN, M. (2017)	Melke, T. (2018)	KEBEDE, W. (2019)	TEGENE, R. (2020)	RUGAMBWA, C. (2014)	KATHURE, M. B. (2018)	Safiullah, A. B. (2014)	Manzoor, R., Ahmad, N., Hussain, A., & Hameed, M. (2015)	Pearce, S. M., & Bangura, A. (2019)	Ephriem Temtime (2016). Unpublished
Intrinsic Variables	Recognition	x	x		x	x		x		x	x
	Training & Dev.			x		x	x				x
Extrinsic Variables	Payment	x	x		x	x	x	x	x	x	x
	Benefits	x	x	x				x	x	x	x
	Promotion	x	x	x	x	x		x			x
	Working Env.		x	x			x			x	x
Context		Telecom service	Telecom service	Telecom sector	Telecom Sector	Service Sector	Telecom sector	Telecom sector	Telecom Sector	Service Sector	Telecom Sector
Country		Ethio telecom	Ethio telecom	Ethio telecom	Ethio telecom	Uganda	Kenya	Bangladesh	Pakistan Islamabad	Sierra Leone	Ethio telecom
Target population		Emp. from all levels	Emp. from all levels	Emp. from all levels	Emp. from all levels	Emp. from all levels	Emp. from all levels	Emp. from all levels	Emp. from all levels	Emp. from all levels	Emp. from all levels
Focused on		Only about emp. at head office	Only about call center emp.	Only HR Insu. & fin. section at head office	Only emp. at head quarter	Cure children's hospital	Only emp. at contact center	Four telecom.co.	Huawei Int'l (Pvt.) Ltd	National revenue authority	Head office & Six Zone offices

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Therefore, this study attempts to address and fill the observed gaps as follow.

As indicated in the above table 1.1, in some other related previous researches, there were different findings observed for the effect of same reward types on employee motivation. This study can give current and updated effect of rewards practiced by the company (pay/salary, benefit, promotion, working environment, recognition, and training and development) on the employee motivation.

Employees need and perception for rewards are changed with changes in time, environment, technology, economy, etc. For instance, Ethio telecom currently is currently face competition from the foreign company Safaricom who has been stayed on process for the last two years and now starts giving telecom services in Ethiopian market. With consideration of these changes, the study can determine and provide updated data and finding about the relationship between and the impact of rewards on employee motivation.

In previous related researches, shown in the above table 1.2, the variables studied in the same context did not include all variables studied in this research. Studies conducted by considering few or more reward variables may have different effects towards addressing and meeting the needs of employees. In most previous related studies, the samples of their study were mainly considered from some specific section and department managers and employees. Whereas, this study conducted more widely by considering non-managerial participants from each zones and head office.

The contribution of non-managerial employees to the growth of an organization is immense. The actual and operational day-to-day activities are performed by non-managerial employees, and they have direct contact with customers. They have a great role in generating revenue and building the company's image. Hence, this study will contribute to previous studies by incorporating factors that have an impact on the motivation of non-managerial employees.

The study will have contribution to the company's ability to motivate its employees, and with this, the company can serve its customers effectively. Currently, competition in the telecom industry is becoming stiff as a foreign organization is entering the market. To this end, the findings in this research will inform Ethio Telecom management regarding gaps in managing non-managerial employees and factors that affect their motivation. The findings of this study could be helpful for other businesses with similar employee reward practices.

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## **1.5 RESEARCH QUESTIONS**

- What is the relationship between rewards (pay/salary, benefit, promotion, working environment, recognition, and training and development) and non-managerial employee motivation?
- What is the effect of reward on non-managerial employee motivation?
- What is the perception of non-managerial employees towards the rewarding system of Ethio telecom?

## **1.6 OBJECTIVES OF THE STUDY**

### **1.6.1 General Objectives**

- The general objective of this study is to assess the impact of reward systems on non-managerial employee motivation in the case of Ethio Telecom.

### **1.6.2 Specific Objectives**

- To determine the relationship between rewards (pay/salary, benefit, promotion, working environment, recognition, and training and development) and non-managerial employee motivation.
- To determine the effect of reward on non-managerial employee motivation.
- To examine the perceptions of non-managerial employees towards the rewarding system of Ethio telecom.

## **1.7 RESEARCH HYPOTHESES**

- H1: There is a positive and significant relationship between payment (salary) and non-managerial employee motivation.
- H2: There is a positive and significant relationship between benefits and non-managerial employee motivation.
- H3: There is a positive and significant relationship between promotion and non-managerial employee motivation.
- H4: There is a positive and significant relationship between the working environment and non-managerial employee motivation.
- H5: There is a positive relationship between recognition and non-managerial employee motivation.
- H6: There is a positive and significant relationship between training and development, and non-managerial employee inspiration.

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## **1.8 SIGNIFICANCE OF THE RESEARCH**

This paper will be significant for the company to identify the relationship between rewards and non-managerial employees' motivation and to determine the main factors that can have an effect on employee motivation. In some other related previous researches, there were different findings observed for the effect of same reward types on employee motivation.

This study will provide current and updated findings and data about the effect of rewards practiced by the company on the employee motivation. The study can give information for the company about how motivation of employees can be influenced and affected by the level of rewards provided for their employees.

The study can be used as an input for the decision makers of the company in planning and developing an effective rewarding strategy to improve motivation of employees, and through this it will have contribution for the company to serve its customers well with its motivated employees. The study can serve as a source of information for those who are interested in doing further study in this specific area.

## **1.9 SCOPE OF THE STUDY**

The overall goal of this research is to evaluate the impact of reward systems on employees of Ethio Telecom. This study was conducted on non-managerial employees working in Addis Ababa at the head office and six zonal offices. Though there are many factors and variables that can be considered and covered in reward systems, this study primarily focused on six dimensions of employee motivational variables (payment, benefit, recognition, working environment, promotion, training, and development).

The study was mainly conducted from the employees' point of view and considered for non-managerial employees. For the main reasons of time constraint and high cost requirements to conduct at a country level, the study is geographically limited to Addis Ababa.

The study focuses on assessing how reward systems have an impact on non-managerial employee motivation in Ethio Telecom working in Addis Ababa. However, there might be different other factors, like technology, culture, etc., which can have an impact on employee motivation and are not considered in this study.

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## **1.10 LIMITATION OF THE STUDY**

This study has several significant and important contributions, but it has a limitation. The researcher has faced with some challenges in conducting this study. Some employees were not fill the questionnaire on time and this made the researcher take more time and frequently go to their work area. There were also difficulties to get respondents at their office and collect the questionnaire. Because some employees have out of office duties and for this it was a challenge to get them and collect the data.

The study was conducted only to assess the impact of six employee reward variables or factors (payment, benefit, promotion, recognition, working environment, and training and development) on employee motivation, while there were other motivational factors that will have an impact on employee motivation, like responsibility, job security, job rotation, etc. Some employees were not willing to cooperate and fill the questionnaire, and due to this there was extra time taken to substitute with other. The researcher was not well familiar with SPSS application to conduct data analysis, and this made the researcher to take corrections repeatedly.

## **1.11 OPERATIONAL DEFINITION OF TERMS**

Reward System - It is a strategy, tool, means to motivate employees and through this make them to contribute their maximum effort towards achieving organizational goal.

Reward - It can be extrinsic or intrinsic reward which can be used to motivate and initiate employees, and direct them to do more on their work.

Extrinsic Reward - Rewards which are external for the work or activity, and can be practiced or implemented in terms like - pay, bonuses, salaries and also others that employees can receive or get for the task or service they give.

Intrinsic Reward - Rewards that are mostly come out from the employees themselves and activity they perform, and helps in delivering satisfaction for the employee

Motivation - Motivation is the condition which drives employees to do greater effort towards accomplishing and achieving desired goals.

Employee Motivation - Forces/motives which drive the employee towards certain behavior.

Promotion – It is change of status or position of employees to a place of higher or better rank or level.

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Working Environment – It is the internal and external conditions that are found around the place that have an effect on how employees do their task and work spirit.

Training and Development – It is one of the organizations strategies to improve and increase their employee competency levels, confidence on work, and capability and skill.

## **1.12 ORGANIZATION OF THE PAPER**

This study is organized into five chapters.

Under the first chapter background of the study, statement of the problem, basic research questions, objectives of the study, hypotheses of the study, operational definitions, significance and scope of the study were described.

Chapter two deals more about the literature review, which includes review of related literature, review of empirical literature and conceptual framework.

In chapter three the research methodology used for the study was described, design of the research, population and sampling techniques, sources and instruments of data collection, procedures of data collection, methods of data analysis, reliability and validity and ethical considerations were described.

In chapter four analysis of data and interpretation were presented, and finally in chapter five the main findings of the study, conclusion and recommendation were discussed and presented.

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## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 INTRODUCTION**

The objective of this chapter is to assess and discuss the literature relevant to the study of reward systems and their impact on employee motivation. With reference to the relevant literature, the theoretical review, empirical review, and conceptual framework are discussed and stated with reference to the relevant literature. There is a large body of literature on rewards concerned with employee motivation, both intrinsic and extrinsic. Many contemporary authors have also defined the concept of motivation.

Theoretical Review of the Research: This section discusses reward systems, motivation theories, motivational factors, an empirical review, and a conceptual framework. An empirical review of the research summarizes the major research findings in relation to the research area. The conceptual framework, based on the literature review part of the theoretical and empirical review, will relate to determining the nature of relationships between research variables, and the model was graphically prepared.

#### **2.2 REWARD SYSTEM**

Reward systems are strategies that companies set to motivate employees and enhance their performance. Literature on reward systems has broadened the scope in order to consider and include non-financial rewards, which are found to be required to shape the desired behaviors of employees (Chiang and Birtch, 2005). However, in most cases, reward systems are referred to as the allocation of payment. A reward system is the strategies, policies, and techniques that companies use to manage rewards, and for the system to be effective, it has to be aligned with the strategies of the company.

From time to time, reward systems show progress with the consideration of how organizations practice and implement rewards using the strategies, policies, and procedures and processes. This can result in providing the required reward systems such as payment and employee benefits (Armstrong, 2003). Working conditions, relationships between employees and employers, promotion, opportunities for development, job security, and the company's general

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policies and procedures for rewarding employees, among other things, can all have an impact on employee motivation and performance (Aktar et al., 2012).

Identifying and clearly setting the types of rewards and the criteria for rewards is a very important issue that organizations need to consider in designing their reward systems. The types of rewards include extrinsic and intrinsic rewards, whereas reward criteria consider how the rewards are processed and implemented, like the organization's principles. According to Chiang and Birtch (2005), the criteria on which employees agree and prefer in most countries are performance, job inputs, and human capital.

The reward system incorporates the organization's strategies, procedures, and policies and includes how employees are motivated. Reward systems allow organizations to motivate employees, hold and keep employees, and also attract others (Wasiu & Adebajo, 2014).

Creating and implementing reward systems according to the needs and perceptions of employees can play a decisive and very important role (Bhattacharya & Mukherjee, 2009). They also state that if employees feel that they are reasonably and fairly offered rewards according to their extra effort, achievement, ability, and performance, then employees will get a feeling of satisfaction with their work and output, and with this, employees can be motivated, make maximum effort, and achieve their best at work.

The reward system is composed of all components of an organization, considering employees' process and rules, and the decision-making activity considered on the offering of compensation and benefits for the employees in exchange for their contribution to the organization. Pratheepkanth, P. (2011). Organizations that design and implement effective reward systems can motivate employees better and enhance their productivity.

### **2.3 TYPES OF REWARD SYSTEMS**

According to Wasiu & Adebajo (2014), they classified rewards into two types. The former is intrinsic rewards, which include how an employee's perception is recognized and appreciated for their best results, having an opportunity to participate in decision making, and being valued for their importance. The second one is extrinsic rewards that are influenced by external factors like payments, bonuses, and the cost of insurance coverage. Employee motivation and productivity can be increased with an effective recognition and reward system (Richard M. Burton, 2014). Intrinsic and extrinsic rewards are important to keep employees engaged and motivated at work.

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### **2.3.1 Extrinsic Rewards**

Extrinsic rewards include pay, bonuses, profit sharing scheme, overtime pay and other related payments (Armstrong 2009). Kirstein (2010) argued that monetary reward is still the most critical motivating factor for employees that makes them perform higher in the organization and also argued that intrinsic rewards motivate people but after a particular point of time money become the leading motivators. According to Gupta & Mitra (1998) study's on the value of financial incentives discovered that money is an important employee's motivator. Similarly, Danish & Usman (2010), study made on impact of rewards and recognition on employees work satisfaction and motivation, and resulted in that although there are many dimensions of work and job motivation are related to motivation and satisfaction, but recognition, the work and operating procedures have many low mean values when compared with other dimensions.

According to Hafiza et al. (2011) study result shows that payment related rewards and employee's motivation have positively and significantly related. Financial rewards are those that will directly increases the employees financial well-being in terms of bonus, increase in wages and profit sharing schemes like pay, bonuses, benefits like facilities of transportation, medical, health and life insurance. For this study the researcher considers extrinsic rewards in terms of payment, benefits, promotion and working environment.

#### **2.3.1.1 Payment**

According to Berberian (2008), most of the employees respond positively for monetary and non-monetary compensations. According to Alexander Dahlqvist and Matsson (2013) study investigate the implications that extrinsic rewards are to some extent considered as custom of precious practice, and employees are currently looking for rewards farther than commonly practiced monetary rewards, and employees are more satisfied and motivated with the intrinsic.

Their study also indicates that organizations should attempt to set the extrinsic rewards on an accepted level and then shift their attention to intrinsic rewards. Furthermore, from their study it is stated that there are clear distinctions between department managers and their employee's perception concerning how motivating different rewards are perceived and how much of these rewards that are being offered, and by offering more rewards for employees based on their preference will lead to a higher degree of motivation, which most likely will influence the performance of the organization.

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According to Dow Scott and Tom McMullen (2010) study findings, the base payment and benefits have a weak relationship to the organization's ability to enhance and maximize the employee motivation when compared with incentives, intangible rewards and quality of leadership on engagement. Pay is a significant factor which affects employee motivation. Also the study made by Ali and Mohammed (2012) as cited in Semhal Belay (2013), pointed out that there is positive impact of financial rewards on the employee motivation and job satisfaction, and with this financial rewards can lead to employee's motivation. The studies made by Hafiza et al. (2011), find out positive and significant relationship between financial rewards and employee motivation. To conclude, extrinsic rewards, like payment, have a positive and significant impact and contribution on employees' motivation.

### **2.3.1.2 Benefit**

Benefits are part of rewards the company offers for its employees simply with consideration that they are company's employees. Employee benefits in some organizations are not related with their performance; whereas On the other way there are conditions that benefits are provided for employees based on how long stay on work, experience, level or status. In order to enhance employee motivation for higher level, payments and benefits

The base pays and benefits have weak relationship with the organization's ability to increase and maximize the levels of employee motivation when comparing with incentives, intangible rewards and quality of leadership engaged (Dow Scott and Tom McMullen 2010). According to Strenitzerová (2015), employee benefits are mainly categorized in to three based on the its nature related to social like pension, loan for business, workers of child care, life insurance, related with work such as opportunity for company's product discount, for food, tutors for language, and benefits relation to position in the company like allowance for housing and transport expenses, telephone expenses, vehicle for managers.

Benefits have its own contribution for the organizations in employee motivation, making employees stay for long time, can be a means to attract professionals and also have a role in creating good organizational culture. Beside salary or payment which can make an organization to address and get its employee's needs, employee benefits can lead for employee satisfaction and motivation.

Armstrong (1997) also clearly states that such employee benefits motivate employees and increase their commitment to the organization especially if they are directly linked with

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individual achievement. It is also explained in the theory of hierarchy of needs that basic needs are fundamental psychological employee needs. Therefore, as stated in different studies above benefits have an effect and a contribution on motivating employees.

### **2.3.1.3 Promotion**

According to Arnolds and Boshoff (2001), employee satisfaction, by providing promotion opportunities, has positive impact on employee job performance. Harrison and Novak (2006) study discovered that the vital role of company management towards developing and creating opportunities of employee promotion can lead and result for better work motivation of employees and also be used as the motivators for better work performance. According to Herzberg's theory (1986), promotion is under advancement motivational factor. He defined the advancement as the real change in upward status in the corporation.

Perceived opportunities for promotion to higher levels in an organization connected with higher levels of employee organizational commitment and work involvement (Prince, 2003). There are conditions that offering of great opportunities of promotion can negatively related with the intention to leave an organization, particularly for employees who are engaged more on traditional career strategies within organizations (Gerber et al., 2009). Alike to pay level, communication with employees about their potential for promotion may give the employees a sense of value, resulting in a greater motivation to engage in leadership development in the organization (Kondratuk et al., 2004).

Henderson and Tulloch (2008), in their research on health workers hold a view that it is important that health workers have their skills matched to their tasks. Transparent mechanisms for promotion and rewards are so important in motivating employees. Geiter et al. (2006), claims that younger and less experienced employees considered promotion possibilities are more rewarding than the older and more professionals. All these considerations show the availability of relationship between promotion and employee motivation.

### **2.3.1.4 Working Environment**

Working environment has its own role on the employee motivation. When there is a better working environment, employees will be motivated and do their best. The success of productivity improvement strategy is dependent on employee commitment, job satisfaction,

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skills and motivation (Alshallah 2004). Since employees stay working for longer hours at their working area, the working environment can have an effect on their motivation and productivity. Chandrasekar, (2011) argue that an organization needs to pay attention to create a work environment that enhances the ability of employees to become more productive in order to increase profits for organization. A comfortable physical environment is correlated with employee motivation, the relationship is not merely as strong as the relationship between motivation and managerial behavior (Yazdani et al 2011).

### **2.3.2 Intrinsic Rewards**

Intrinsic rewards are rewards like counseling, recognition, appreciation, training and development, working condition, etc. which can have an impact on employee motivation. Nawab, Ahmad and Shafi (2011), defined intrinsic rewards are objectively applied and practiced in order to acknowledge employees in the way of self-respect and alienated their sense of accomplishment and improvement with their organization, and it can lead feeling of employees fulfilled and motivated when they do their job better and also get recognized. Tippet, J., & Kluvers, R. (2009), opposing the above view and confirmed that intrinsic or non-monetary rewards motivational factors have been found to be vital in employee motivation, in both the presence and absence of an employee bonus system.

The motivational powers of non-monetary rewards are greater than monetary rewards (Kovach 1980 cited by Lameck, 2011). Even though pay is one of the most influential factors when it comes to attracting, motivating and retaining employees, organizations should not only use this as component of rewards to attract, motivate and retain employees but non-financial elements also should be incorporated as components of total rewards package (Tande & Hill, 2006). However, study conducted on industrial employees' shows that non-monetary rewards like appreciation and recognition of the work done is found to be the most preferred motivational factor. The study focus on the intrinsic rewards of recognition, and training and development.

#### **2.3.2.1 Recognition**

Recognition is a very important factor for the employee motivation that can be based on their positive effort, initiation, and accomplishment. Appreciation, written note, saying thanks, participate in decision making, etc. are some forms of recognition. Appreciating and saying thanks are some forms of recognition, which can have contribution on motivating employees.

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Employees for their activity or performance desire recognition like thank you, good effort from their bosses, and this can lead employee motivation. It has significant importance to recognize for good works both verbally and formally, like, written notes and verbal praise from boss can have vital role in increasing moral of employees, feeling of loyalty for their organization (Larson and Hewitt 2005).

According to UK Essays (2018), reward systems enhances employee motivation when they perceive as being appreciated and acknowledged from bosses for their best performance, and it enables employees being recognized for the better job performed and this also resulted in increasing level of employee motivation. Therefore, in one way or another, recognizing employees can have great contribution on increasing employee motivation as far as properly and fairly communicated and implemented.

### **2.3.2.2 Training and Development**

From time to time employee training and developing their capacity become the very crucial factor for the success of organizations. The effects of training on motivation are more for employees has low education level (Naong, 2014). According to this research, which was conducted on employees in five companies in South Africa, the researcher found that employees participated in training and development programs were more motivated than from those employees who were less participated in the programs.

Training helps and enables employee in creating confidence, develop skill, increase competency, satisfied on their work, and encourage them in accomplishing and performing various tasks and goals. According to Elnaga and Imran (2013), this effort assists individuals in decreasing their anxiety or frustration encountered in the workplace. When a task is not properly performed and the end results are not perceived as expected, the individual may not feel motivated to keep performing (Asim, 2013).

Training and development improves and increases employee's skills, knowledge. There are a lot of benefits of employee training and development. According to Nassazi (2013), training and development increases employees' morale, confidence, and motivations. According to Withey, M. and W. Cooper (1989), there is a positive relationship between the training and employee motivation. And with this training and development has a relation with and effect on employee motivation.

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## **2.4 EMPLOYEE MOTIVATION**

According to John R. Walker (2016), motivation is the condition in which drives employees to behave and perform according to required ways in order to attain the desired objectives. Motivation is concerned with the strength and direction of behavior and the factors that influence people to behave in certain ways. Motivation is the willingness to do something and is conditioned by this action's ability to satisfy some need for the individual. Motivation is the force that convinces employees to behave and perform in a way that leads to reward (Dessler, 2009).

Many researches done on employee motivation have indicated that motivation can be affected by reward systems like employee recognition, employee access for training and development, working condition, employee benefits, payments, promotion, organization policy and procedures, etc., however, it is not as such simple duty for an organization to implement effective reward systems (Korlen et al., 2017). They also state that many organizations use various methods and strategies in order to motivate their employees, and the practice of administrative approaches to increase motivation of employees often has a noticeable positive impact on the organization.

The effect of rewards on employee motivation can be seen from three perspectives. The first one is that rewards can have positive effect on employee motivation; the second one is that rewards have negative effect on employee motivation, and the third one is that rewards can have positive and negative effect on employee motivation. The effect of rewards on employee motivation depends on some variable factors that lead to different good practices in rewarding but no universally best practice (Armstrong & Murlis, 2004).

## **2.5 TYPES OF MOTIVATION**

As stated by Shewanesh (2021), motivation is the most important factor for success. According to Ryan & Deci, (2020) cited by Din, G. R. A., Shahani, N. U. N., & Baloch, M. N. (2021), motivation can be categorized in to two major types, which are intrinsic motivation and extrinsic motivation.

### **2.5.1 Intrinsic motivation**

Intrinsic motivation is a motivation that resulted from internal factors to achieve individual needs or arise from the self-generated factors that influence employee's behavior. Intrinsic

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motivation can be indicated when employees have feeling of the work is important and interesting. It is indicated as motivated to perform an activity for its own sake and personal rewards. Intrinsic motivation is the employee's motivational stimuli that are resulted from within the employees.

### **2.5.2 Extrinsic motivation**

Extrinsic motivation is the other type of motivation, which comes from external factors. Extrinsic motivation happens in case of things that are done for employees in order to motivate them. It is a kind of reinforcement that might be used and implemented for all employees. It is indicated as motivated to perform an activity to earn a reward or to avoid punishment. Extrinsic motivation is the employee's motivational stimuli that can be resulted from external factors.

## **2.6 MOTIVATION THEORIES**

According to Alvesson & Sveningsson, (2008), if employees are given the opportunity in order to develop their skills in a certain job task, then they are more likely to be more engaged and perform at maximum level. The most practical definition proposed by social scientist that, motivation is a psychological process that origin the stimulation, direction, and persistence of behavior (Luthans, 2005). Motivation theory examines the process of motivation. The theory of motivation states the reason for employees on their job act and behaved in as they practiced based on exertion they have and the directions they are taking (Armstrong, 2006).

Employees are at most motivated if they meet their desired needs. The performance of employee job satisfaction is an imperative motivator and an arrangement of psychological and environment circumstances (Spector 1985). Motivation theories can be categorized in to two parts, which are content theories and process theories.

### **2.6.1 Content theories**

Generally, the content theory of motivation, also called need theory that are concerned with the internal factors which can stimulates employees' behavior. The most common theories categorized under content theories are Maslow's Hierarchy of need Theory, Herzberg's Two Factors Theory, ERG Theory, McClelland Theory of Need and Porter and Lawler Theory. The researcher in this study considers and describes Maslow's Need Hierarchy Theory and Herzberg's Two Factors Theory in the following way.

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### 2.6.1.1 Maslow's hierarchy of needs theory

Maslow's hierarchy of needs theory is the most known and effective theory. This theory basis on five categories of different needs to motivate employees, which is demonstrated in pyramid structure. These categories or stages are positioned on the pyramid structure from the bottom first stage to the top or up fifth stage.

First stage - psychological needs: - Psychological needs focused on payments like salary to fulfill the basic needs.

Second Stage - safety or security needs: - Safety or security needs like need for protection against danger or deprivation, work security.

Third stage - Social needs: - Social needs like working conditions and benefits. Employees' need found at this stage may be satisfied by making the environment friendly and also making the workplace easy for collaboration and communication with others.

Fourth stage - esteem needs: - It is mainly concerned with the quality of relationships with other employees, demand for reputation, being appreciated and recognized, like need for reputation, recognition and appreciation.

Fifth stage - self-actualization needs: - It mainly focused on achievements, like need for self-development, creativity and job satisfaction. In order for employees to reach their full potential, their work should be challenging and self-aware, and this can be resulted in towards to employee motivation. (Čížek, 2012). This stage needs also may be satisfied by the offering of training and development, and growth opportunities.

Maslow's hierarchy of needs theory indicates individuals are motivated in order to satisfy a various types of needs, and these are different in how much they are needed or demanded. Maslow argues that until the more urgent or important needs are satisfied, less prioritized other needs will have low effect on the individual's behavior. This means that the highly prioritized needs get satisfied first and then after passes towards the less priority needs. As one need becomes satisfied, and therefore less important to us, other needs loom up and become motivators of our behavior (Stuart, 2011).

According to this theory, once the needs at a particular level in the hierarchy of needs are satisfied, they are no longer a motivating factor for an individual. Managers should find out what motivates the employees at each of the levels and develop a reward strategy accordingly (Tosi, Rizzo & Carroll, 1994 and Beardwell & Claydon, 2007). However, Maslow's hierarchy

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of needs has been criticized for the reason of less evidence that support its sequential hierarchy and for the assumption that people satisfy only one motivating need at a time.

The theory also fails to prove any clear relationship between needs and behavior and is therefore unable to predict when a specific need will be manifested (Beardwell & Claydon, 2007). By making the effort to satisfy the different needs of each employee, organizations may ensure a highly motivated workforce. Abraham Maslow's Hierarchy of needs theory can help organizations to identify in which stage their employees need are found and categorized, in which stage the needs to be improved, and helps to design strategies of reward system to motivate employees. Understanding what employees need gives organizations some clues to understanding them. On the other way, by doing the effort to satisfy the varies needs of each employee, organizations may get the way to have a highly motivated employee.

### 2.6.1.2 Herzberg's Two Factors Theory

Herzberg's Two-factor theory, it is also named as Motivator-Hygiene, come out from a study conducted among accounts and engineers to determine what makes an individual feel good or bad about their job (Saif et al., 2013). This theory implies that there are two factors employees have, and these are:

**Satisfiers:** - Herzberg stated about the five features of work that can be a source for satisfaction, and these are responsibility, recognition, advancement, achievement, and also the job itself.

**Dissatisfiers:** - Dis-satisfiers are those factors, like pay, the management approach, institutional politics, supervision, relationships at work and working conditions, that can dissatisfy or demoralize employees.

Golshan, Kaswuri, Agashahi and Ismail (2011:12) assert that organizations are increasingly applying Herzberg's theory to create opportunities for "personal growth, enrichment and recognition" among their employees. Employees should be promoted after completing certain stages of their career and should receive recognition for special achievements – for example, when they produce exceptional results in their subject areas; on a more basic level, they should also be given responsibility to determine how to handle tasks that relate to their jobs. However, there was criticism on the Two-factor theory.

Golshan et al. (2011) point out that it fails to distinguish between physical and psychological aspects and to precisely explain what motivators are and how they differ from hygiene factors; it also fails to express the degrees of satisfaction and dissatisfaction as a measure instead of

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using numbers. Another criticism leveled against it is that it makes assumptions that every individual will react in the same way in the similar situation.

## **2.6.2 Process theories**

Process theories of motivation give an opportunity to understand the thought processes that influence behavior. It describes how behavior changes occurred and also why individuals act in various ways. Process theories of motivation describes how employees select behavioral actions to meet their needs and determines their choices. The major process theories of motivation are Equity theory, Goal-setting theory, Expectancy theory, and Reinforcement theory, and from which the Equity theory, Goal-setting theory, Expectancy theory are discussed in this study.

### **2.6.2.1 The equity theory**

According to Armstrong (2009), Equity theory focuses on people's perceptions of the fairness of their work outcomes compared with, or corresponding to their work inputs. The Equity theory states that employees will measure their input for the job against the output that they get from it, that is when there are more rewards; there will be the greater their satisfaction. Employees can be at most satisfied when there is equal or balance between what they give and in return what they receive.

Employees compare their input-outcome ratio with that of other employees and if they perceive it to be fair, employees will experience satisfaction (Robbins, 2007). On the other side, when there is feeling or perception of employees about unbalance or inequity in the ratio of what they do as an input and what they receive as an output, compared with others, employees will become less motivated and dissatisfied.

### **2.6.2.2 Goal-setting theory**

Latham and Locke (1979) believe that Setting goals is the fundamental issue in motivating employees as required in order to achieve success. They also said that the goals set by the organization are unrealistic and arbitrary, and this can be the source and factor for employees being demotivated. When the goals are more complex, since greater complexity required higher efforts in comparison with lower level of complex tasks (Locke & Latham, (2002). They describe that the goals enable and allow employees to do more effort and can be used or

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functioned as a stimulating function, enables and supports employees to do their maximum effort and knowledge to face and solve challenged tasks. The goal by itself can have a motivational factor.

### **2.6.2.3 Expectancy theory**

The underlying motive behind the reward system is to motivate employees to perform at a higher level when attractive rewards are offered (Jacobsen & Thorsvik, 2002). The main point of the expectancy theory is focused on employees' willingness toward performing a certain activity. When perception of employees towards rewards become important and valuable, they will perform more and better, however, in case of rewards are not motivating employees, they will have poor performance (Alvesson & Sveningsson, 2008). This shows that rewards are important for motivating employees and make them do more effort and perform better for the organization, and all these will be achieved as far as the employees perceive the rewards are preferred and valuable.

## **2.7 EMPIRICAL FRAMEWORK REVIEW**

Concerning the impact of reward systems on employee motivation, there are several researches have been done. The empirical review indicates supporting evidences from previous studies done related with the impact of reward systems on employee motivation. In order to support the study, the researcher considers previous studies and findings shown on impact of intrinsic rewards and extrinsic rewards, generally impact of reward systems on employee motivation, and are discussed on some more related studies.

The researcher mainly focused on empirical reviews related with impact of intrinsic rewards like recognition, work environment, and training and development, and impact of extrinsic rewards like payment, benefit and promotion. According to Thumbran (2010) study conducted in South African organizations are utilizing non-financial rewards as a competitive advantage in attracting and retaining employees, and the finding was that non-financial rewards are indeed positioned as part of the holistic total reward approach, however, organizations and individuals place primary emphasis on financial rewards.

The study also shows that monetary and non-monetary rewards have their Owen role on the reward system. Different studies which were conducted on recognition shows that 58% and 76% of employees reported that they had not received verbal or written thanks from their

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supervisors, respectively Nelson & Economy (2003). Berberian (2008) in his qualitative study conducted on the impact of non-monetary rewards on employee job satisfaction at a Fortune 500 institution, and the findings were 42% of the participants had a positive reaction to non-monetary rewards, 33% had a positive reaction to both non-monetary and monetary rewards, and 25% had a positive reaction to monetary rewards.

Hafiza, Shah and Jamsheed (2011) as cited in Semhal Belay (2013), indicate that extrinsic reward and employee motivation are significantly and positively related each other, while the employees are not provided with the appropriate extrinsic rewards. There was a model developed by Sell and Cleal (2011) on job satisfaction based on economic and work environment variables to study the reactions of employees made to work in hazardous environment with high monetary benefits, and others made to work in non-hazardous work environment with low monetary benefits.

The findings of the study show that different psychosocial and work environment variables like work place, social support has direct impact on job satisfaction and that increase in rewards does not improve the dissatisfaction level among employees. According to Quyyum, & Sukirno (2012), study finding discovered that employees preferred and gave more priority for salary as the very important motivating factors followed by promotion based on employee's seniorities. Extrinsic and intrinsic reward systems have an effect and high influence on the degree of employees' motivation (Ajimal et al. 2015).

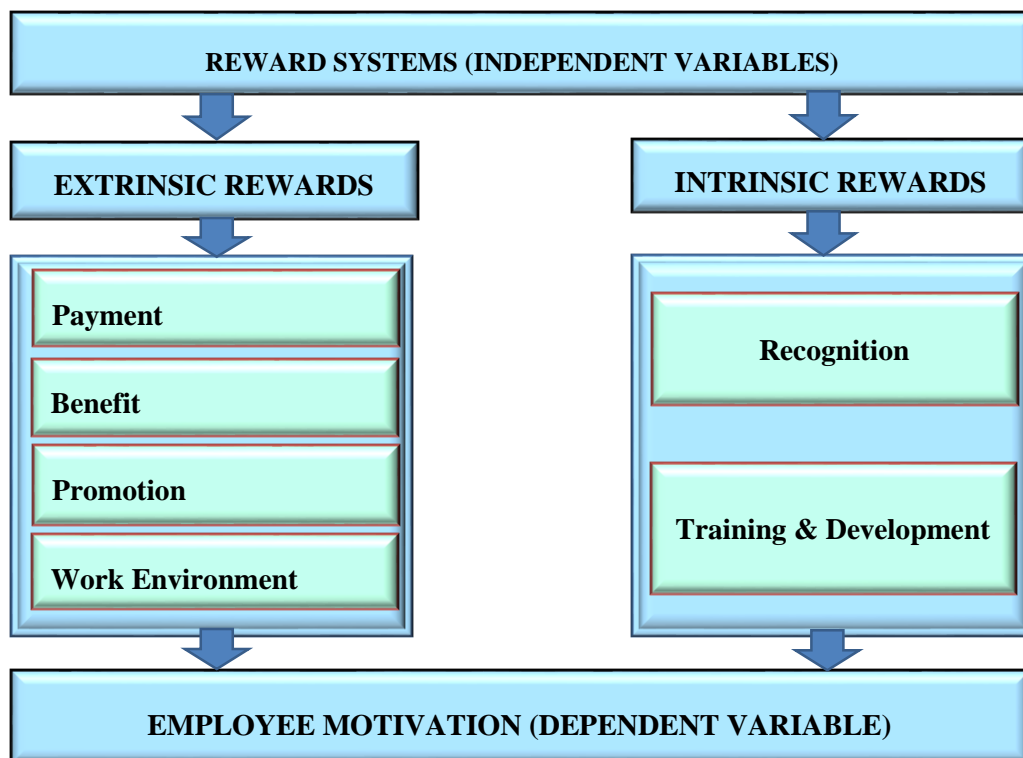
## **2.8 CONCEPTUAL FRAMEWORK**

The study assumes the relationship between the reward systems, which lies under independent variable, and the employee motivation, which forms the dependent variable. The conceptual framework of study shows and relates how reward systems, like payment, benefit, recognition, promotion, working environment, and training and development, with the employee motivation. How reward systems are implemented and practiced will have an effect on the effectiveness of motivating employees, however, if not properly implemented, it will have resulted in dissatisfaction of employees, and this can be a reason for gaps like lack of initiation, effort, stability, feeling of belongingness, confidence, responsibility.

The company, by understanding the perceptions and interests of its employees, implementing fair and transparent procedures for promotion and training, aligning payments and benefits with their activities and performance, can handle and becomes effective and efficient to motivate

employees and through this achieve its goal. Having this the conceptual model is formulated to indicate the effect and relation of rewards on the employee motivation.

**Fig. 1 Conceptual Framework**



Source: Based on the literature above

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## CHAPTER - THREE

### RESEARCH METHODOLOGY

#### 3.1 RESEARCH METHODOLOGY

The researcher used a quantitative research method in which the data is expressed in the form of numbers. It aims at testing an assumption that has been formulated in advance in the form of a hypothesis (Flick, 2009). It tends to involve relatively large-scale and representative sets of data.

#### 3.2 RESEARCH APPROACH

Research approach is a collection of procedures and plans that decide the overall process of research. It decides the methods for data collection, analysis, and interpretation. The research approach is a plan and procedure that consists of the steps of broad assumptions to detailed methods of data collection, analysis, and interpretation, Chetty, P. (2016). For this study the researcher used quantitative research approach. Aliaga, and Gunderson (2002), states quantitative research methods as the explaining of an issue through collection of data in numerical form and analyzing with the aid of mathematical methods. Quantitative research involves studies that make use of statistical analyses to obtain their findings. The basic features of quantitative research consider the formal and systematic measurement and the use of statistics (Marczyk, Dematteo & Frestinger, 2005). Therefore, for this study, the researcher used quantitative research approach, since this approach used structural questionnaire of data collection method and statistical data analysis methods.

#### 3.3 RESEARCH DESIGN

Research design is the roadmap of research methodology aimed at driving the study, which includes distinctive and specific research approaches that are best suited to answer the research question (Comack, 2001). The purpose of the research design, as stated by Burns and Grove (2001), is to achieve greater control of the study in examining the research problem.

In this research, the researcher determines that the most appropriate method for this research is quantitative research. The quantitative research approach allows the researcher to examine the

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relationship between the study variables. As data is collected, analyzed, and presented in numbers, the results obtained will be reliable. This approach is quite straightforward and less time-consuming. A descriptive and explanatory research design was used to describe and explain the study variables of payment, benefits, promotion, working environment, recognition, and training and development and their relationship with employee motivation. It enables us to show the magnitude of the reward system's impact on an employee's motivation.

### **3.4 POPULATION AND SAMPLING**

#### **3.4.1 Population**

A population is defined as the entire collection of individuals from which the researcher collects data. "Population" is the entire group that the researcher is interested in (Jackson, 2008). All individuals of interest to the researcher are called a population (Alan & Kaufman, 2005). The researcher used a stratified simple random sampling method in order to draw the target population. The population of the study is comprised of 8617 non-managerial employees of Ethio Telecom who are working at the head office and six zonal offices in Addis Ababa, Ethiopia. The sample size was 383, which was drawn from the target population using the Taro Yamane (1967) sample selection method.

#### **3.4.2 Sampling**

Sampling is the selection of a fraction of the total number of units of interest for the fundamental purpose of being able to draw general conclusions about the entire body of units. A stratified simple random sampling method was used for this study. This method was used to provide each respondent an equal chance. The stratified simple random sampling method enables us to consider the different sub-groups of employees in the population. so that various departments can provide a more accurate representation of the population. Because departments with larger populations had more respondents, and stratified simple random sampling helped to reduce bias in any given area. The category was based on strata divided by the researcher into headquarters, North Addis Ababa Zone, South Addis Ababa Zone, South West Addis Ababa Zone, East Addis Ababa Zone, and Central Addis Ababa Zone, and the sample was drawn at random from each category.

The target population for this research was 8617 non-managerial employees of Ethio Telecom working in Addis Ababa. The sample size taken for the study was 383. That was determined

using the formula of Taro Yamane (1967), which was sighted by Martha Gebremeskel Korra (2017), and with consideration of a 95% confidence interval and a 5% margin of error.

$$n = \frac{N}{[1+N(e)^2]} = \frac{8617}{[1+8617(0.05)^2]} = \underline{\underline{383}}$$

Where: - n = Sample size, N = Population e = Margin of error

The researcher also used proportionate sample method to select participants from each category of head office and each zonal offices using below formula.

$$n_i = n * N_i / N$$

Where:  $n_i$  = sample size for each zones and head quarter,

$N_i$  = the total number of non-managerial employees in each zones and head quarter,

N = the total number of non-managerial employees in six zones and one head quarter

n = the total sample size for non-managerial employees in each zones and head quarter

Table 3.1 Sample Distribution

Staff	Total	Managerial	Non-Managerial
Total number of ethio telecom staffs	16359	619	15740
Total number of ethio telecom staffs working in Regions	7226	103	7123
Total number of ethio telecom staffs working in Addis Ababa	9133	516	8617

Staffs working in Addis Ababa	Total	Managerial	Non-Managerial	No. of sample size (from non-managerial employees)
Head Quarter	6470	444	6026	268
North Addis Ababa Zone /NAAZ/	403	12	391	17
South Addis Ababa Zone /SAAZ/	433	12	421	19
West Addis Ababa Zone /WAAZ/	492	12	480	21
South West Addis Ababa Zone /SWAAZ/	434	12	422	19
East Addis Ababa Zone /EAAZ/	497	12	485	22
Central Addis Ababa Zone /CAAZ/	404	12	392	17
<b>TOTAL</b>	<b>9133</b>	<b>516</b>	<b>8617</b>	<b>383</b>

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### **3.5 SOURCES OF DATA**

Data collection is the accumulation of specific evidence that will enable the researcher to appropriately analyze the results of all activities based on the research design and procedures he is going to conduct (Singh, 2006). In order to conduct this study, both primary and secondary sources of data will be used. Regarding the source of data, the researcher used primary sources, which were collected from respondents through a questionnaire. In addition to this, for this study, the researcher used secondary sources of data like a company's website, senior essays, research papers, thesis publications, students, and others that might be used to support the primary data and be genuine enough.

### **3.6 DATA COLLECTION TOOLS**

This study used a questionnaire to assess the impact of reward systems on employee motivation in Ethiopia Telecom employees who are working in Addis Ababa, at the head office and six zonal offices. The target population of the study is found in widely scattered areas, and for this reason, the researcher used questionnaires to reach respondents within the given time period with less cost.

The researcher for this study, impact of reward systems on employee motivation, used questionnaires which were adopted from previous related studies and by customizing some points. The questionnaires used for this study were independent variables (payment /salary, benefit, promotion, training and development, recognition, and working environment) and dependent variable – employee motivation. The questionnaires adopted for each reward variables were:

For payment / salary from Yewubdar Mamo (2017) and Amanuel Legesse (2017), for benefit from Yewubdar Mamo (2017), Amanuel Legesse (2017) and Kebede, W. (2019), for promotion from Yewubdar Mamo (2017), for training and promotion from Jayawardena, N. S., & Jayawardena, D. (2020), Tahir, N., Yousafzai, I. K., Jan, S., & Hashim, M. (2014), and KATHURE, M. B. (2018), for recognition from Amanuel Legesse (2017) and Yewubdar Mamo (2017), for working environment from Yewubdar Mamo (2017), and for dependent variable – employee motivation from RUGAMBWA, C. (2014) and Yewubdar Mamo (2017). To collect survey data, the researcher used five point Likert scale tool in which respondents were requested to put a tick mark in the box corresponding to what they felt from the range of least weighted strongly disagree to the highest weighted strongly agree.

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## **3.7 QUESTIONNAIRE DESIGN**

For this study, the structure or layout of the questionnaires was categorized into four parts. The first part was about the demographic characteristics of respondents. The second one was about the independent variable of extrinsic rewards, which includes payment, benefits, promotion, and working environment. The third part was also about the independent variable, but it was focused on the intrinsic rewards of recognition and training and development. The fourth part of the questionnaire was about the dependent variable of employee motivation.

The researcher used closed-end questions and a five-point Likert scale, which ranges from strongly disagree to strongly agree. Based on the Likert five scale design, the respondents make a tick mark on the box that most fits their level of agreement for each question.

## **3.8 DATA ANALYSIS**

### **3.8.1 Descriptive Analysis**

The researcher used descriptive analysis in order to describe, summarize the respondent's response, which were collected through the questionnaires, by using mean, frequency and standard deviation about the demographic characteristics of respondents, reward variables (payment/salary, benefits, promotion, working environment, recognition, training and development), and employee motivation. In this part the researcher provides data of descriptive information in easily understandable way, like in tables and graphs. Analysis was done on respondents' profile in terms of gender, age, marital status, level of education, monthly salary, working location category and service years.

### **3.8.2 Inferential Analysis**

The researcher conducted the correlation and regression analysis using SPSS to examine the relationship and effect of independent variables (payment, employee benefits, employee recognition, employee promotion, working environment, and training and development) on the dependent variable (employee motivation).

Correlation analysis examines the joint variation of two or more variables to determine the correlation between two or more variables. In order to test the relationship between independent variables and dependent variables the researcher used Pearson Correlation Coefficient.

Regression analysis is concerned about how one or more variables affect changes in another variable, and with this examines the functional relationships existing between two or more variables (Kothari, 2004).

### 3.9 RELIABILITY AND VALIDITY

#### 3.9.1 Reliability

Reliability show how consistent the measurements are. It is an estimates about the extent that the instrument measures consistently or each time with the same way, condition and subject. According to Adams et al, (2017), reliability is essentially about consistency.

In order to evaluate the reliability of the measurement instruments, the researcher used Cronbach's Alpha. Cronbach's alpha is one of the way of measuring the strength of the internal consistency of reliability based on the average inter item correlation of instrument. According to Pallant (2000), the index alpha of 0.7 or above is considered as good for instruments.

Table 3.2 Cronbach's Alpha acceptance range of internal consistency

<b>Cronbach's Alpha</b>	<b>Internal consistency</b>
$0.9 \leq \alpha$	Excellent
$0.8 \leq \alpha < 0.9$	Good
$0.7 \leq \alpha < 0.8$	Acceptable
$0.6 \leq \alpha < 0.7$	Questionable
$0.5 \leq \alpha < 0.6$	Poor
$\alpha < 0.5$	Unacceptable

**Source:** George, D., & Mallery, P. (2003). SPSS for Windows step by step: A simple guide and reference 11.0 update (4<sup>th</sup> ed.). Boston: Allyn & Bacon.

#### Pilot Test of reliability and consistency of the instruments

To assess and ensure the instruments' reliability and consistency, the researcher translated the questionnaires into Amharic and conducted a pilot test by distributing the questionnaires to a total of 15 non-managerial employees working in the North Addis Ababa Zone (NAAZ), who all responded without hesitation. The researcher used Cronbach's Alpha method to measure the independent variables of extrinsic and intrinsic rewards and the dependent variable of employee motivation. Based on the Cronbach's Alpha test conducted, the results of the

reliability and consistency of the instruments were found to be acceptable, and the details are shown in the below table.

Table 3.3 Cronbach Alpha test result

Variables	Cronbach's Alpha	Number of Items
Extrinsic Rewards (pay/salary, benefit, promotion, W.Env.)	0.7806	23
Intrinsic Rewards (Recognition, training & development)	0.8942	11
Employee Motivation	0.8675	6

Source: Own prepared based on survey data 2022

### 3.9.2 Validity

According to Adams et al, (2017), validity is how accurate the measurement used. It is the degree to which measuring what is expected to measure. Commonly, in order to conduct and ensure validation of the study, there are three methods, and which are criterion-related validation, content-related validation and construct-related validation. The researcher ensures the validity of data collection instruments which contains all required and important information are included in the questionnaires that can be answered with respect to the study objectives. For this reason, the questionnaires are developed and set based on the previous related studies and also consider definitions given from different researchers.

The researcher to check the validity of the study instrument items used content validity method. In order to ensure the content validity of the study instruments, five people who have MA and better experience in research were selected.

To assess the validity of the research instruments, the appointed people were requested to specify whether each item is relevant to operate the construct in the set items or not. They were asked to give their judgement and to score for each item from 4 to 1 range of very relevant (4), quite relevant (3), somewhat relevant (2), and not relevant (1) respectively, David, L, L, (1992). According to their response, the results were: very relevant (21 items), quite relevant (14 items) and somewhat relevant (6 items). Selecting the most relevant content in an instrument, is measured by the content validity ratio (CVR). The values of content validity ratio vary between 1 and -1. Larger score of content validity ratio implies that members of the appointed people ensures the importance and validity of item, Lawshe, C. H. (1975).



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## **CHAPTER FOUR**

### **DATA ANALYSIS AND PRESENTATION**

#### **4.1 INTRODUCTION**

The primary objective of this study was to examine the impact of reward systems on employee motivation.

In this chapter, based on the data collected from the respondents with questionnaires, the reliability test of instruments, data analysis, presentation of findings, and interpretation of findings are presented.

The researcher used descriptive and inferential statistics to analyze, present, and interpret the results. The descriptive analysis method used tables, charts, graphs, percentage, mean, and standard deviation to present and describe the data, whereas the inferential analysis method used SPSS to perform correlation and regression analysis.

In this chapter, the characteristics of respondents, distribution of the questionnaire and response rate of respondents, extrinsic rewards (payment, employee benefits, and promotion) and motivation, intrinsic rewards (recognition, training and development, and work environment) and motivation, and also employee motivation are discussed, presented, analyzed, and interpreted.

#### **4.2 DEMOGRAPHIC CHARACTERISTICS OF THE RESPONDENTS**

The profile of respondents collected through the questionnaire contained information about the respondents' division and working location category, age, gender, marital status, service year, current monthly salary, and level of education.

The demographic characteristics of respondents were discussed and presented in this section.

#### 4.2.1 Response rate of respondents

Table 4.1 Response rate of respondents per working location category

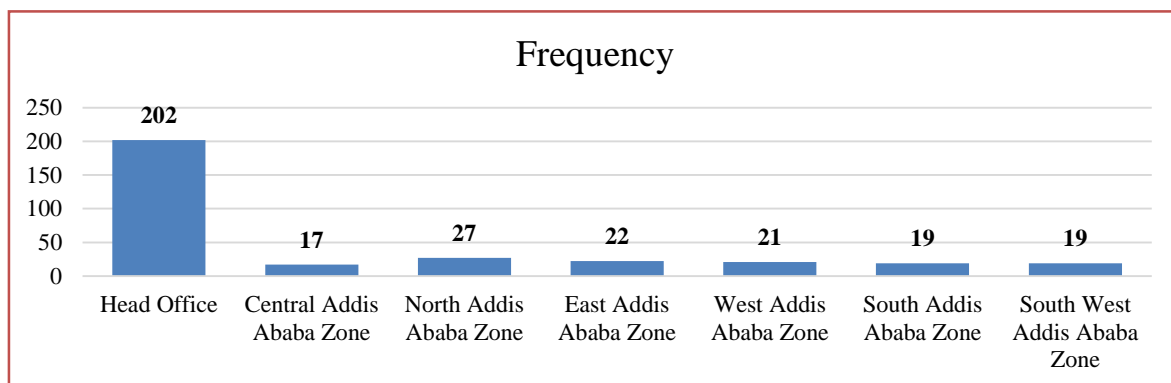
Working location category	Questionnaire distributed	Response given	Percent (%)
Head Quarter	268	212	79
North Addis Ababa Zone /NAAZ/	17	17	100
South Addis Ababa Zone /SAAZ/	19	19	100
West Addis Ababa Zone /WAAZ/	21	21	100
South West Addis Ababa Zone /SWAAZ/	19	19	100
East Addis Ababa Zone /EAAZ/	22	22	100
Central Addis Ababa Zone /CAAZ/	17	17	100
<b>Total</b>	<b>383</b>	<b>327</b>	<b>85%</b>

Source – Based on the data of survey - 2022

As shown in the above table 4.1, from the total of 383 questionnaires distributed, 327 were fully completed and returned successfully, and the remaining 56 were not filled out and collected. Based on this, the response rate is 85 %, and this result shows that the response rate was good enough for the study to proceed.

#### 4.2.2 Distribution of respondents in location category

Fig. 4.1 Distribution of respondents in location category

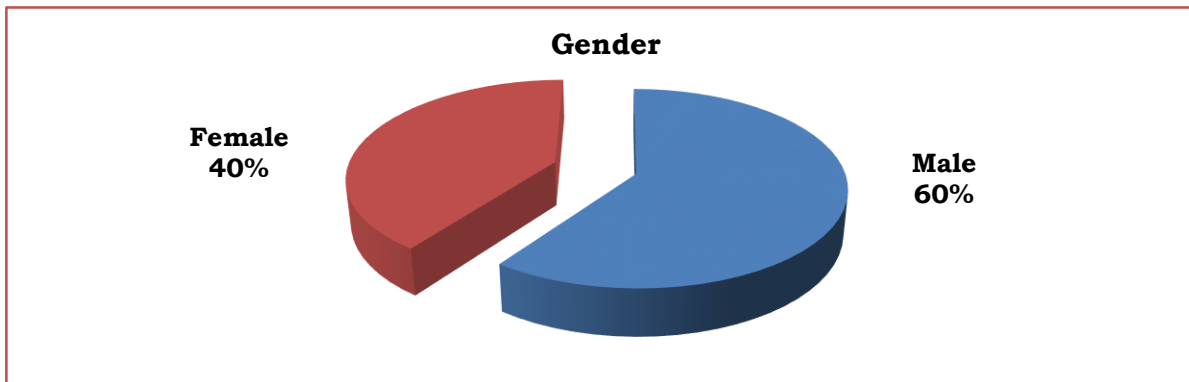


Source – Based on the data of survey - 2022

Based on the sample size 383 questionnaires were distributed for respondents at head office and six zonal offices. From the total questionnaires distributed, 327 (86%) respondents fill the questionnaires accordingly and returned back. For all respondents of six zonal offices, 125 questionnaires were distributed and all respond accordingly. Whereas, 258 questionnaires were distributed for respondents at head office, and from these 202 (79%) respondents were respond successfully.

### 4.2.3 Gender distribution of respondents

Fig. 4.2 Gender distribution of respondents

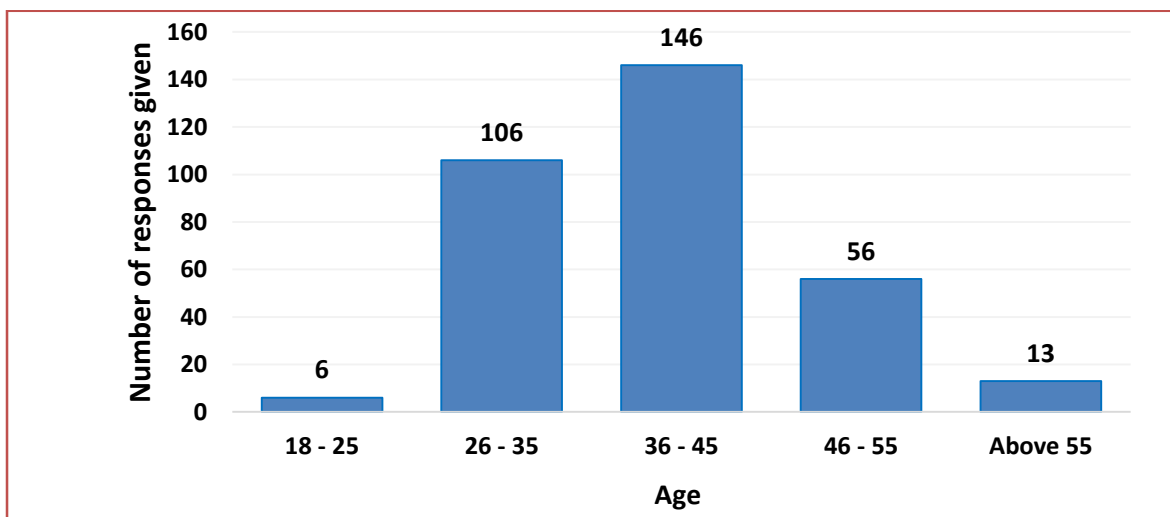


Source – Based on the data of survey – 2022

As shown in the above graph 4.2, the gender distribution of respondents, from the total of 327 respondents who participated and responded, 196 were male and covered 60% of the total participants, and 131 were female and took 40% of the total participants. This indicates that male respondents participated and covered the largest part of the company's employees.

### 4.2.4 Age of respondents

Fig. 4.3 Age of respondents

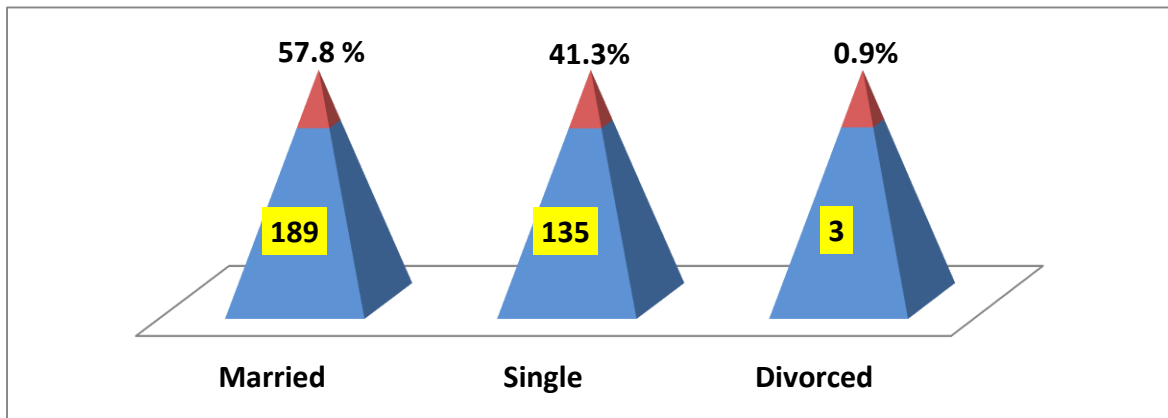


Source – Based on the data of survey - 2022

Above Fig. 4.3 shows that the majority of age range among the respondents is 46-55 years old, which constitutes 44.6% from the total. On the other way, from the total 327 participants, 252 respondents (77.1%) were found in the age range from 26 – 35 to 36 – 45 years old.

#### 4.2.5 Marital Status of respondents

Fig. 4.4 Marital Status of respondents



Source – Based on the data of survey - 2022

Based on the above Fig. 4.4, of the total respondents who participated in this study, 57.8 % of respondents were married, 41.3% were single, and the rest 9% were divorced. It indicates that most of the respondents were married. However, there was not such a big difference between married and single respondents.

The above paragraph clearly stipulates that the majority of the company's employees are married, and this is important and enables them to create a stable working environment, shoulder company responsibility, trustworthiness, and respect government rules and regulations as well (Alvesson and Sveningsson, 2008).

#### 4.2.6 Educational level of respondents

Table 4.2 Education level of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Diploma	6	1.8	1.8	1.8
	First Degree	310	94.8	94.8	96.6
	Master's Degree	11	3.4	3.4	100.0
	Total	327	100.0	100.0	

Source – Based on the data of survey - 2022

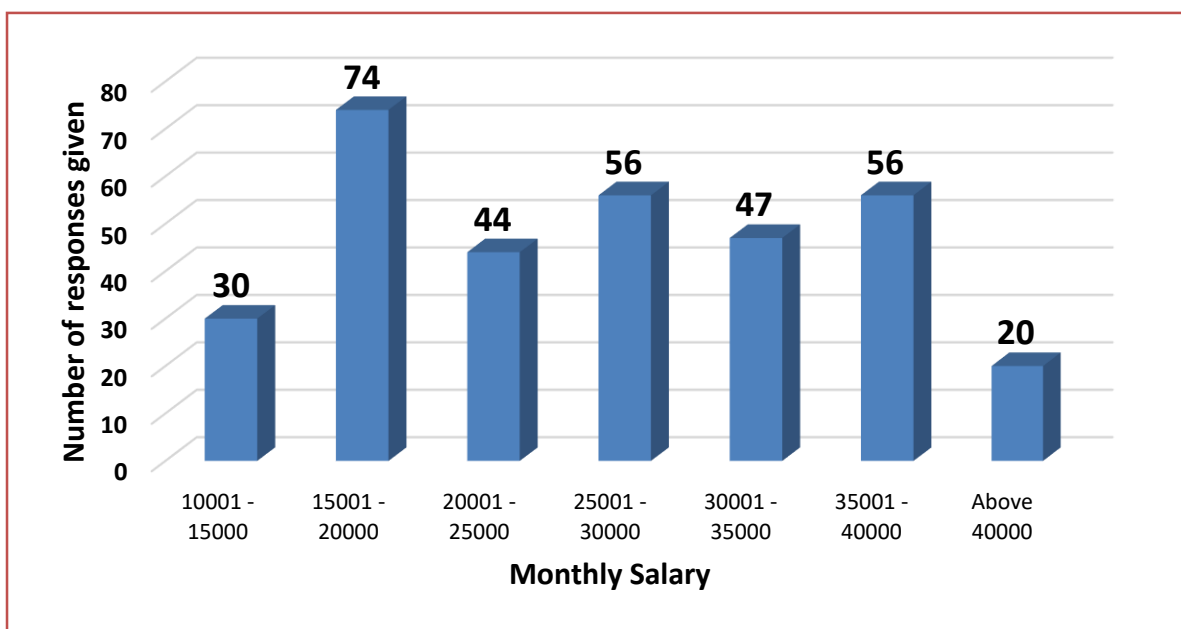
As shown in the above table 4.2, the demographic analysis made on the educational level of respondents using SPSS were found and resulted in that 310 participants were found first-

degree holder, which covers 94.8% of the total respondents participated in the study. Participants who possessed for Master’s degree were 11, which took 3.4%, and the remaining 6 participants, which covered 1.8%, were possessed with diploma.

The company builds strong human power and majority of the of the employees were first-degree holder. This may have its own contribution to address needs of employees who are found same level of education and to design effective reward system.

#### 4.2.7 Monthly salary of respondents

Fig. 4.5 Monthly gross salary of respondents



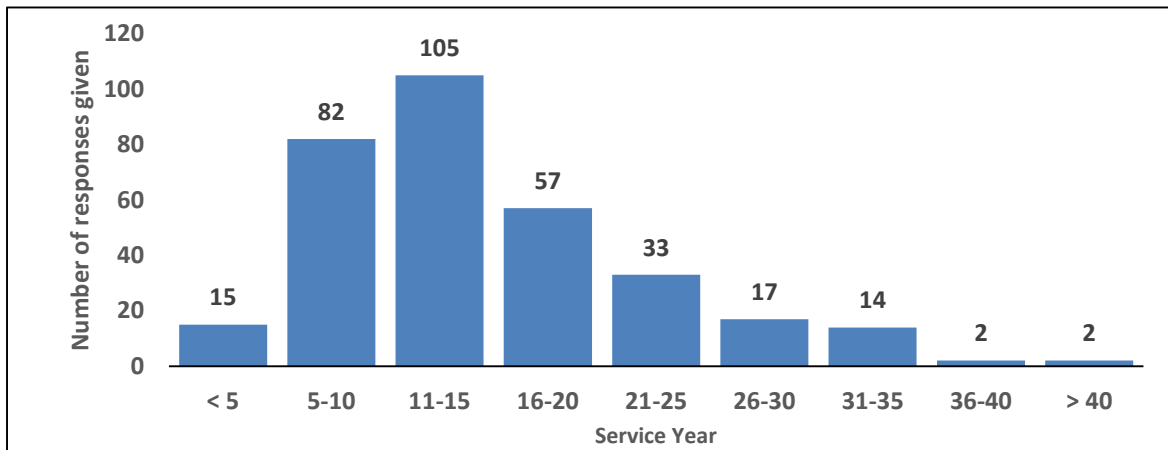
Source – Based on the data of survey - 2022

As shown in the above Fig. 4.5, from the total of 327 participants 74 respondents, which covered 22.6%, were found under the monthly salary range of 15,001 – 20,000. Under the monthly salary category of 25,001 – 25,000 and 35,001 – 40,000 there were 56 respondents that covered 17.1 % for both categories.

There were 47 participants, who covered 14.4 %, earn monthly salary in the range of birr from 30,001 – 35,000. 44 participants (13.5%) earn monthly salary of birr from 20,001 – 25,000, whereas 30 participants who covered 9.2% earn monthly salary of birr from 10,001 – 15,000. Participants who earn monthly salary of birr more than 40,000 were 20, which constitute 6.1% from the total.

#### 4.2.8 Service years of respondents

Fig. 4.6 Respondent's year of service in the company



Source – Based on the data of survey - 2022

As shown in above Fig. 4.6, based on the analysis made on the service years of respondents, 105, 82, 57, 33, 17, 15, 14, 2, and 2 (which covered 32.1%, 25.1%, 17.4%, 10.1%, 5.2%, 4.6%, 4.3%, 0.6%, 0.6%) were found and categorized under service years of 11 – 15 years, 5 – 10 years, 16 – 20 years, 21 – 25 years, 26 -30 years, less than 5 years, 31 – 35 years, 36 – 40 years, and above 40 years respectively. This shows that most of the respondents have been working in the company between the service year categories from 11 – 15 years (32.1%). Whereas, participants who were working for 36 and above years were found 2 (1.2%). It also indicates that 84.7% of participants have been working in the company from 5 to 25 years.

#### 4.2.9 Summary of respondents' demographic characteristics

Table 4.3 Summary of respondents' demographic characteristics

Statistics								
		Location Category	Gender	Age	Marital Status	Level of Education	Monthly Salary	Year of Service
N	Valid	327	327	327	327	327	327	327
	Missing	0	0	0	0	0	0	0
Mean		2.31	1.40	2.89	1.43	2.02	3.81	3.43
Std. Deviation		1.960	.491	.847	.514	.228	1.794	1.537

Source: Based on the survey data analysis, 2022

#### 4.4 DESCRIPTIVE STATISTICS ANALYSIS

According to the collected data, the researcher conducted a descriptive statistics analysis for summarizing individual variables, describe and indicate the patterns they have based on mean, and standard deviation.

The researcher has made analysis of descriptive statistics about the response of respondents for each variables. For this study, the researcher has distributed questionnaires for 327 respondents to give their response for 40 questions (statements), which were categorized for each study variables (payment, benefits, promotion, working environment, recognition, training and development, and employee motivation).

To interpret the result of descriptive statistics analysis, the researcher used the interpretation of mean score suggested by Hadiyanto (2012).

Table 4.4 Interpretation of the Mean Score

Mean Score	Interpretation
1.00 - 1.80	Very low
1.81 - 2.60	Low
2.61 - 3.20	Medium
3.21 - 4.20	High
4.21 - 5.00	Very high

Source: Hadiyanto (2012)

Based on the results of the descriptive statistics, as shown in below table 4.4, most respondents of the study respond their agreement as high level for each reward variables as the mean scores are above 3.20 (above medium), except for one reward variable promotion that respondents being medium (neutral) as the mean score is 3.133.

Working environment, and training and development with higher mean scores 3.715, and 3.706 respectively, have contributed more on the motivation level of participants on this study.

Recognition, benefits and payment, with mean score 3.424, 3.418, and 3.323 respectively, have contribution on the motivation level of respondents next to working environment, and training and development.

Table 4.5 Descriptive statistics result of variables

Variable	N	Mean	Std. Deviation
Payment	327	3.3231	.57800
Benefits	327	3.4179	.59003
Promotion	327	3.1333	.67385
Working Environment	327	3.8430	.54672
Recognition	327	3.4241	.66199
Training and Development	327	3.7064	.78587
Employee Motivation	327	3.7146	.63572
Valid N (list-wise)	327		

Source: Based on the survey data analysis, 2022

#### 4.5 CORRELATION ANALYSIS

In order to measure the strength of the relationship between rewards (extrinsic and intrinsic rewards) and employee motivation, and to analyze the data, the researcher used Pearson’s correlation analysis with SPSS. Correlation analysis is one of the statistical method that displays and measures the strength of variables relation, and for this Pearson correlation is used to measure the relationship of variables.

The researcher, for this study to measure the strength of the relationship between variables, considers and follows Pearson’s correlation coefficient range and value guidelines stated by Field (2005) as a benchmark, which is shown in the below table 4.6.

Table 4.6 Pearson Correlation Coefficient range and level of strength

Coefficient Range	Strength
$\pm 0.91$ to $\pm 1.00$	Very strong
$\pm 0.71$ to $\pm 0.90$	High
$\pm 0.41$ to $\pm 0.70$	Moderate
$\pm 0.21$ to $\pm 0.40$	Small but definite relationship
$\pm 0.00$ to $\pm 0.20$	Slight, almost negligible

Source: Pearson Correlation Coefficient guidelines from Field (2005)

Based on this Pearson Correlation Coefficient range and value guidelines, correlation of rewards and employee motivation were calculated using SPSS and findings were presented in summary as stated in below table.

### Pearson Correlation Coefficient

Table 4.7 Findings of Correlation of reward variables and employee motivation

		Pay.	Ben.	Prom.	W. Env.	Recog.	Tra. & Dev.	Emp. Mot.
Payment	Pearson Correlation	1						
	Sig. (2-tailed)							
	N	327						
Benefits	Pearson Correlation	.604**	1					
	Sig. (2-tailed)	.000						
	N	327	327					
Promotion	Pearson Correlation	.475**	.443**	1				
	Sig. (2-tailed)	.000	.000					
	N	327	327	327				
Working Environment	Pearson Correlation	.317**	.480**	.165**	1			
	Sig. (2-tailed)	.000	.000	.003				
	N	327	327	327	327			
Recognition	Pearson Correlation	.212**	.314**	.378**	.362**	1		
	Sig. (2-tailed)	.000	.000	.000	.000			
	N	327	327	327	327	327		
Training and Development	Pearson Correlation	.202**	.251**	.191**	.386**	.607**	1	
	Sig. (2-tailed)	.000	.000	.001	.000	.000		
	N	327	327	327	327	327	327	
Employee Motivation	Pearson Correlation	.247**	.359**	.355**	.560**	.542**	.530**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	
	N	327	327	327	327	327	327	327

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

Remark: - Pay. (Payment), - Ben. (Benefit), - Prom. (Promotion), - W. Env. (Working Environment),  
 - Rec. (Recognition), - Tra & Dev. (Training and development) - Emp. Mot. (Employee Motivation)

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#### **4.5.1 Relationship between Payment (Salary) and Employee Motivation**

From table 4.7, the correlation coefficient shows the relationship between payment and employee motivation is 0.247, and this shows that there is a positive correlation between these two variables. This relationship indicates that if there is an increase in payment provided by the company, employee motivation will also increase.

This result shows the relationship between these two variables has a small but definite relationship since the correlation coefficient  $r = 0.247$  is found in the category of  $\pm 0.21$  to  $\pm 0.40$ , which is as per the Pearson Correlation Coefficient guidelines from Field (2005).

As indicated in the above table, the P-value is 0.00, and this is less than 0.05. Therefore, all these results indicate that there is a significant and positive relationship between payment and employee motivation.

#### **4.5.2 Relationship between Benefits and Motivation**

As shown in the above correlation table 4.7, the coefficient of correlation between benefits and employee motivation is 0.359, which shows that there is a positive correlation between them. Based on this if there is an increase of benefits provided for employees, it will have resulted in an increase of employee motivation. The value of the correlation coefficient  $r = 0.359$  shows the relationship between the benefits and employee motivation is small but definite relationship, and the P-value is 0.00 which is less than 0.05.

Therefore, these prove that there is a significant and positive relationship between benefits and employee motivation.

#### **4.5.3 Relationship between Promotion and Motivation**

In the above table 4.7, the coefficient of correlation between promotion and employee motivation is 0.355, which shows that there is a positive correlation between them. Based on this if there is an increase of promotion access and opportunities provided for employees, it will have resulted in an increase of employee motivation. The value of the correlation coefficient  $r = 0.355$  shows that the relationship between the promotion and employee motivation is small but definite relationship, and the P-value is 0.00 which is less than 0.05.

Therefore, these proves that there is a significant and positive relationship between promotion and employee motivation.

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#### **4.5.4 Relationship between Working Environment and Motivation**

Based on the above table 4.7, the correlation between working environment and employee motivation is 0.560, which indicates that there is a positive correlation between the two variables. If the working environment is well prepared and constructed, it will result in an increase of employee motivation.

The correlation coefficient value of  $r = 0.560$  shows that there is moderate relationship between working environment and employee motivation. The P-value is 0.00 which is less than 0.05.

Therefore, all these prove that there is a significant positive relationship between working environment and employee motivation.

#### **4.5.5 Relationship between Recognition and Motivation**

As shown in the above table 4.7, the correlation between employee recognition and employee motivation is 0.542 and P-value .000 ( $P < .05$ ), which shows that there is a positive correlation between recognition and employee motivation.

If there is higher employee recognition given by the company, the employee motivation will also increase. The value of correlation coefficient  $r = 0.542$ , which is found in the range  $\pm 0.41$  to  $\pm 0.70$ , which indicates that there is moderate relationship between recognition and employee motivation.

Therefore, this proves that there is a significant positive relationship between recognition and employee motivation.

#### **4.5.6 Relationship between Training and Development, and Motivation**

As shown in the above table 4.7, the correlation between Training and development and employee motivation is 0.530, which shows that there is a positive correlation between them. If the training and development are given higher, employee motivation will also result in an increase.

The value of the correlation coefficient  $r = 0.530$  shows that there is moderate relationship between training and development, and employee motivation. The P-value is 0.00 which is less than 0.05. Therefore, all these can prove that there is a significant positive relationship between training and development, and employee motivation.

#### 4.5.7 Summary of Correlation of each independent variable with employee motivation

The below table 4.8 shows each extrinsic and intrinsic reward variables relationships and the effect they have on impact on the dependent variable employee motivation. In general, the strength of relationship between the reward variables and employee motivation were found at moderate and below. From the six reward variables working environment, recognition, and training and development have moderate strength of relationship with employee motivation. The remaining three reward variables (promotion, benefits and payment/salary) have below moderate strength of relationship with employee motivation.

**Table 4.8 Summary of Correlation of variables with employee motivation**

*Variable		Correlation	P-Value	Strength of relation
Extrinsic	Payment	.247	.000	Small but definite relationship
	Benefits	.359	.000	Small but definite relationship
	Promotion	.355	.000	Small but definite relationship
	Working Environment	.560	.000	Moderate relationship
Intrinsic	Recognition	.542	.000	Moderate relationship
	Training & Development	.530	.000	Moderate relationship

#### 4.5.8 Correlation of Reward System with Employee Motivation

As shown in the below table 4.9, the reward system that is the independent variable (total of extrinsic and intrinsic rewards) has correlation coefficient of .658 with p value of .000. This implies that the reward system has a significant positive and moderate relationship with the dependent variable of employee motivation.

**Table 4.9 Summary of Correlation of Reward System with Employee Motivation**

Variables		Reward System	Employee Motivation
<b>Independent Variable –</b> Reward System (Extrinsic & Intrinsic)	Pearson Correlation	1	.658**
	Sig. (2-tailed)		.000
	N	327	327
<b>Dependent Variable –</b> Employee Motivation	Pearson Correlation	.658**	1
	Sig. (2-tailed)	.000	
	N	327	327

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

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## 4.6 REGRESSION ANALYSIS

Regression analysis is a statistical method which measures and displays the effect or influence of the independent variables on the dependent variable. It reveals how changes in independent variables bring significant changes on the dependent variable.

In this study there are payment, benefit, promotion and working environment, recognition, and training and development as independent variable, and employee motivation as dependent variable.

In order to ensure the data fitness of the variable to conduct regression analysis for this study, the researcher checks assumptions for regression based on the normality, linearity and homoscedasticity tests.

The researcher made regression analysis between employee motivation and extrinsic rewards in terms of payment, benefit, promotion and working environment, and also between employee motivation and intrinsic rewards in terms of recognition, and training and development using SPSS. The findings of the analysis are described in the below tables.

### 6.1 Assumptions considered to conduct regression analysis

It is a prerequisite and important assumptions to check the data fitness and relationship between dependent and independent variables before conducting regression analysis.

For this study the normality, linearity and homoscedasticity of the data have been tested using SPSS and the result shows that the data found fit and ensures to conduct the regression analysis.

#### A. Normality Test

The normality test has been done to check how the data fit on the relationship between the independent variable and the dependent variable of employee motivation.

The normality test result shows that the data are found fit and ensures to conduct the regression.

As shown in the below Fig. 4.7, the points are found almost on and are approaching the diagonal line, which ensures that the value of residual is distributed normally.

Fig. 4.7 Normality test result



### B. Linearity test

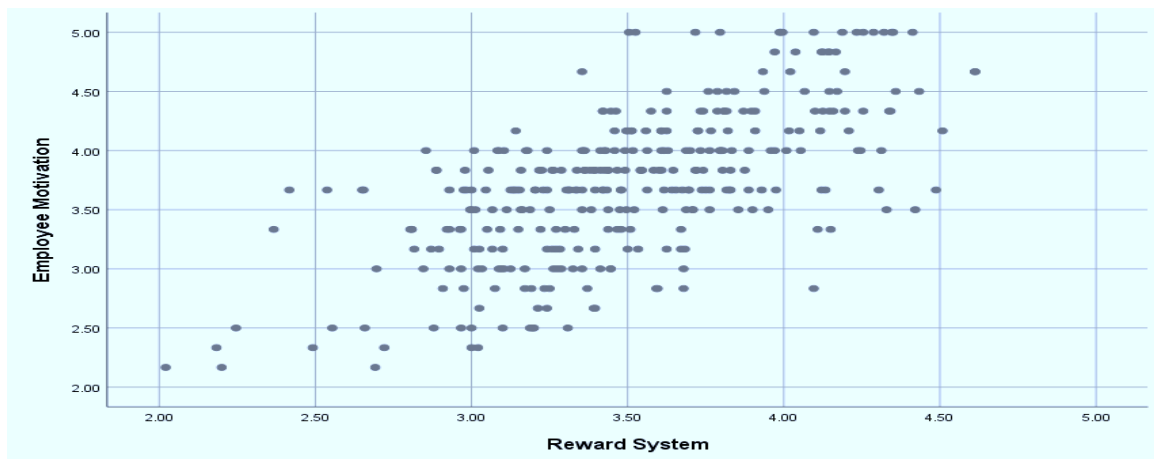
Linearity test is a method to check whether the relationship between independent variable and dependent variable is linear or not linear, and with this it will be possible to conduct regression analysis as long as there is linear relationship between the two variables. To conduct the regression analysis, it should fulfill the criteria that the deviation of the value of significance from linearity need to be greater than 0.05.

Based on the survey data and SPSS, availability of linearity between reward system which is the independent variable, and the dependent variable of employee motivation was tested and checked. According to the ANOVA value of significance, as shown in the below table 4.10 indicates that the deviation from the linearity is  $0.182 > 0.05$ , and this implies that the relationship between independent variable (reward system) and dependent variable (employee motivation) is linear, and ensures the regression analysis can be conducted. The linearity is also shown in the below Fig. 4.8.

Table 4.10 Linearity test result of SPSS - ANOVA

			Sum of Squares	df	Mean Square	F	Sig.
Employee Motivation* Reward System	Between Groups	(Combined)	116.759	251	.465	2.327	.000
		Linearity	57.010	1	57.010	285.224	.000
		Dev. from Linearity	59.749	250	.239	1.196	.182
	Within Groups		14.991	75	.200		
	Total		131.749	326			

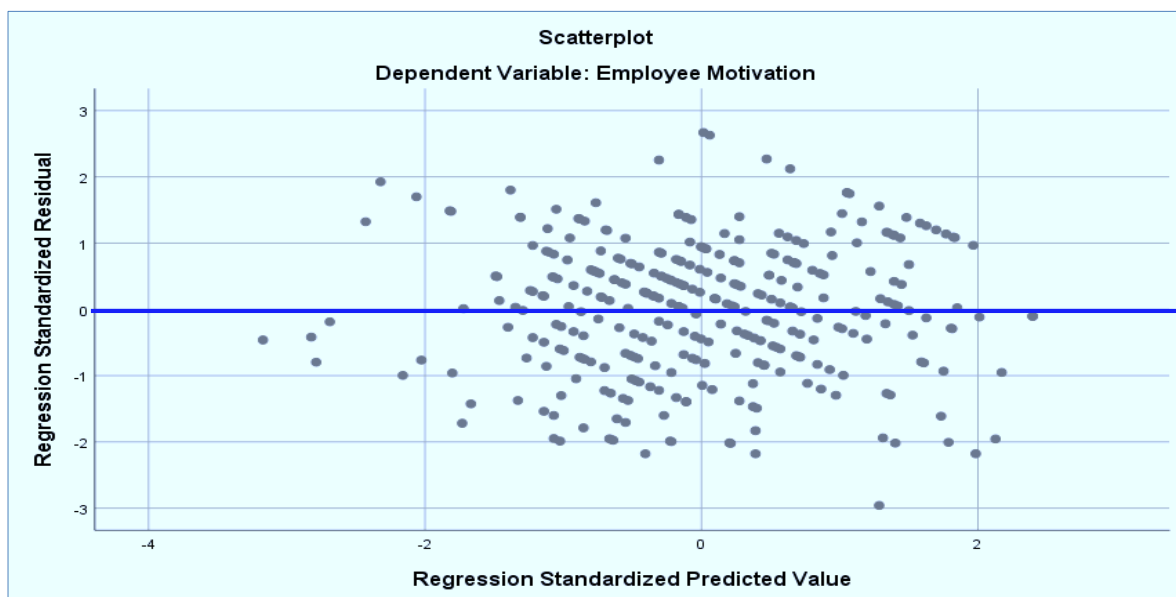
Fig. 4.8 Linearity test result



### C. Homoscedasticity Test

Homoscedasticity test can be done based on how the residuals are randomly spread and when the residual points are spread with equal variance from the horizontal line, and this indicates that the assumption for homoscedasticity is fulfilled. As shown in the below Fig. 4.9, the residual points are found spread at randomly and equal variance in the sides of the blue colored horizontal line.

Fig. 4.9 Homoscedasticity test - Spread of residuals



## 6.2 Regression analysis of each reward variables on employee motivation

Table 4.11 Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.709 <sup>a</sup>	.503	.493	.45255

a. Predictors: (Constant), Training and Development, Promotion, Working Environment, Payment, Recognition, Benefits

According to the model summary shown in the above table 4.11, the relationship between the reward system and employee motivation is positive. Besides this, the strength and association between the reward system and employee motivation was  $R = .709$ , which shows that there is a strong and positive relationship between these variables.

As shown in the above model summary, R square shows how the reward system causes employee motivation, and based on this, R square = .503 (50.3%), indicates that a change in the reward system causes variations in employee motivation with the value of R square 0.503. The remaining 49.7%, which resulted from the difference between the observed and the residual value, was contributed by other independent variables not considered in the study.

Table 4.12 Result of ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.	
1	Regression	66.214	6	11.036	53.885	.000 <sup>b</sup>
	Residual	65.536	320	.205		
	Total	131.749	326			

a. Dependent Variable: Employee Motivation

b. Predictors: (Constant), Training and Development, Promotion, Working Environment, Payment, Recognition, Benefits

According to the above table 4.12, the ANOVA test result shows that the F-value of 53.885 is significant with  $P < 0.05$ . This indicates that employee motivation is remarkably predicted by the six independent variables (Training and Development, Promotion, Working Environment, Payment, Recognition, Benefits) for this model,  $F = 53.88$ ,  $p = .000$ , which is less than 0.05. This shows that the likelihood of this outcome happening due to chance is less than 0.05. It indicates that there is a less than 0.05 chance of this result occurring by chance. The model is significant because it explains variation that has not occurred due to chance.

Table 4.13 Result of Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.271	.214		1.269	.025
	Payment	-.065	.057	-.059	-1.134	.258
	Benefits	.001	.059	.001	.009	.993
	Promotion	.189	.046	.200	4.116	.000
	Working Environment	.445	.056	.383	7.975	.000
	Recognition	.189	.051	.196	3.665	.000
	Training and Development	.191	.041	.236	4.620	.000

a. Dependent Variable: Employee Motivation

b. Predictors: (Constant), Training and Development, Promotion, Working Environment, Payment, Recognition, Benefits

As shown in the above Table 4.13, the results of the regression analysis conducted on the variables of the reward system have a significant and positive impact on employee motivation, except for payment and benefits. For the working environment, the standardized coefficient Beta value ( $\beta$ ) 0.383,  $p < 0.05$ , and it has a positive and significant effect on employee motivation. Next to the working environment is training and development, with a standardized coefficient Beta value ( $\beta$ ) 0.236,  $p < 0.05$ , and it has a positive and significant effect on employee motivation.

The third variable to have an impact on employee motivation is promotion, with a standardized coefficient Beta value ( $\beta$ ) 0.200,  $p < 0.05$ . It has a positive and significant effect on employee motivation. Recognition is the fourth variable that has an impact on employee motivation with a standardized coefficient Beta value ( $\beta$ ) of 0.196,  $p < 0.05$ . It has a positive and significant effect on employee motivation. The fifth one is a benefit with a standardized coefficient  $\beta = 0.001$ ,  $p > 0.05$ , and it has a positive but insignificant effect on employee motivation. The other one is payment, which has a standardized coefficient  $\beta = -0.059$ ,  $p > 0.05$ , it has a negative and insignificant effect on employee motivation.

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## 4.7 HYPOTHESIS TESTING

H1: There is positive and significant relationship between payment and employee motivation.

Based on the result of regression analysis, payment do not significantly affect employee motivation ( $p > 0.05$ ) and the beta value ( $\beta = -0.059$ ) indicates the negative effect on employee motivation. Therefore, based on this the hypothesis is rejected.

H2: There is positive and significant relationship between benefits and employee motivation.

The result of regression analysis as shown in the above table 4.18, benefits have a beta value ( $\beta = 0.001$ ), ( $p > 0.05$ ), which indicates that benefit has no effect on employee motivation. Therefore, based on this, the hypothesis is rejected.

H3: There is positive and significant relationship between promotion and employee motivation.

As indicated in the above table 4.18, the result of regression analysis shows that promotion significantly affects employee motivation ( $p < 0.05$ ) and the beta value ( $\beta = 0.200$ ) shows a positive effect on employee motivation. Based on this the proposed hypothesis for promotion is accepted.

H4: There is positive and significant relationship between working environment and employee motivation.

With reference to the result of regression analysis in the above table, working environment significantly affects employee motivation ( $p < 0.05$ ), and the value of beta ( $\beta = 0.383$ ) shows the positive effect on employee motivation. Based on this, the proposed hypothesis for working environment is accepted.

H5: There is positive and significant relationship between recognition and employee motivation.

As indicated in the above table, the result of regression analysis shows that recognition significantly affects employee motivation ( $p < 0.05$ ), and the beta value ( $\beta = 0.196$ ) shows the positive effect on employee motivation. Based on this, the proposed hypothesis for recognition is accepted.

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H6: There is positive and significant relationship between training and development, and employee motivation.

According to the result of regression analysis in the above table, training and development significantly affects employee motivation ( $p < 0.05$ ), and the value of beta ( $\beta = 0.236$ ) shows a positive effect on employee motivation. Based on this, the proposed hypothesis for training and development is accepted.

## **6. DISCUSSION**

This chapter mainly focused on the analysis of collected data based on descriptive statistics, Pearson Correlation Coefficient, regression analysis, and test of hypothesis. In general, the findings indicated that respondents were able to give their response about the relationship of rewards and employee motivation, and the impact of rewards on employee motivation. For the data collection, survey questionnaires were distributed for 383 respondents, and from these 85% of respondents fill the questionnaire and respond. This rate of response became good enough and ensures to proceed the analysis of data.

Descriptive statistics analysis was conducted to determine the respondents level of agreement and motivation for the rewards of payment, benefit, promotion, training and development, recognition, and working environment. The result of descriptive statistics based on the mean score shows that for each reward variables respondents give their response at high level of agreement, according to interpretation of mean score suggested by Hadiyanto (2012).

The mean score of each reward variables except for promotion indicates that response of respondents were at high level of agreement and more motivated with these reward variables. Among the six reward variables, respondents level of motivation was more with working environment and training and development as the mean score 3.77 and 3.71 respectively. This implies that required materials, office arrangements, and related issues were found and fulfilled at good enough.

From the training programs respondents were well benefited and able to develop confidence, skills, and competency at their job. Following working environment, and training and development, respondents were motivated above an average with recognition, benefit and payment. In relation to the reward variable of promotion, respondents were responded their level of agreement as neutral or medium. This shows that respondents were not as such motivated with the practice of promotion, due to lack of opportunity for promotion, lack of

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fairness and equal chance to promote. Therefore, to motivate employees at most, the company has to give emphasis, revise and improve the reward system.

Correlation coefficient shows the level or strength of relationship between rewards variables and employee motivation. The result of correlation coefficient analysis indicates that all the reward variables have positively and significantly correlated with the dependent variable of employee motivation, according to the Pearson Correlation Coefficient guidelines from Field (2005). However, their level of strength was found at moderate and below, and this implies that respondents were strongly associated with the rewards practiced by the company.

This study also analyzed the effect of reward system, in terms of training and development, promotion, working environment, payment, recognition, benefits, on the non-managerial employees using regression analysis. The model summary of regression analysis indicates that there is strong and positive relationship between reward system and employee motivation with the value of  $R = .709$ . It also shows that reward system causes or describes employee motivation with the value of  $R^2 = .503$ . According to the ANOVA test result F-value of 53.89 is significant with  $P < 0.05$ , which shows employee motivation is predicted by the six predictors, and the model is significant.

The coefficient of regression indicates that among the six reward variables, four of them (working environment, training and development, promotion, and recognition) showed a positive and statistically significant result. The result also shows employee benefit is positive but insignificant with Beta value 0.001  $P > 0.05$ , whereas, the result of regression coefficient of payment (salary) is negative and not significant with Beta value  $-0.059$ ,  $P > 0.05$ . These results show and leads to the acceptance of hypothesis developed for working environment, training and development, promotion, and recognition, and rejection of payment and benefit.

The result of regression coefficients shows that payment has Beta value =  $-0.059$  &  $P > 0.05$ , this indicates that payment has negative effect on employee motivation. The hypothesis developed was H1: there is positive and significant relationship between payment and employee motivation. However, this result shows that it doesn't support the hypothesis developed, and due to this the hypothesis is rejected. This result is in some way supported with Dow Scott and Tom McMullen (2010), study findings show that the base payment and benefits have a weak relationship to the organization's ability to enhance and maximize the employee motivation when compared with incentives, intangible rewards and quality of leadership on engagement. To use salary as motivator; manager must consider salary structures which should

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include importance attach to each job, payment according to performance, personal or special allowances, fringe benefits, pension and so on (Adeyinka et al, 2007). Here researcher pointed out the importance of justified rewards but failed to explain the opposing factors and their outcomes.

According to the results of regression analysis, benefit has beta value 0.001,  $p > 0.05$ . This shows a positive relationship but insignificant effect. Regarding benefit, the hypothesis developed is H2: there is positive and significant relationship between promotion and employee motivation. However, this result shows that it doesn't support the hypothesis developed, since it is not significant, and due to this the hypothesis is rejected. This result in some condition is consistent with that of Dow Scott and Tom McMullen (2010) study findings, the base payment and benefits have a weak relationship to the organization's ability to enhance and maximize the employee motivation when compared with incentives, intangible rewards and quality of leadership on engagement.

The result of this study indicates that there is significant positive relationship between promotion and employee motivation. Result of regression coefficients shows that promotion has Beta value 0.200, and  $P < 0.05$ , and this insures to accept the third hypothesis H3: There is positive and significant relationship between promotion and employee motivation. This result is found consistent and supported with Harrison and Novak (2006), study discovered that the vital role of company management towards developing and creating opportunities of employee promotion can lead and result for better work motivation of employees.

According to the results of this study, the correlation between working environment and employee motivation is 0.560, which indicates a positive correlation between the two variables at moderate level. Beside this, the result of regression coefficients shows that working environment has Beta value 0.383,  $p < 0.05$ , and this implies that working environment has positive and significant effect on employee motivation. This result ensures to accept the fourth hypothesis developed, which is H4: there is positive and significant relationship between promotion and employee motivation. In support of this, Yazdani et al (2011), states that a comfortable physical environment is correlated with employee motivation, the relationship is not merely as strong as the relationship between motivation and managerial behavior.

Regarding the reward variable of recognition, the result of correlation coefficient and regression analysis indicate availability of positive and significant relationship with employee motivation. The level correlation between recognition and employee motivation is  $r = 0.542$ ,

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which shows that there is a positive correlation between them at moderate level of strength. On the other side, the result of coefficient of regression shows that recognition has Beta value 0.196,  $p < 0.05$ , and this implies that promotion has positive and significant impact on employee motivation. These result confirms to support the fifth hypothesis developed, H5: there is positive and significant relationship between recognition and employee motivation. This result of the study is consistent with previous study result, for instance, UK Essays (2018), states that reward systems enhances employee motivation when they perceive as being appreciated and acknowledged from bosses for their best performance, and it enables employees being recognized for the better job performed and this also resulted in increasing level of employee motivation.

The result of this study indicates the availability of significant positive relationship between training and development, and employee motivation. They have moderate strength of relationship with correlation value  $r = .530$ . The result of regression coefficient shows that training and development has positive and significant impact on employee motivation with Beta value 0.236,  $p < 0.05$ . These result confirms to the sixth hypothesis developed, H6: there is positive and significant relationship between training and development, and employee motivation. In support of this with previous study result, Nassazi (2013), states that training and development increases employees' morale, confidence, and motivations. According to Withey, M. and W. Cooper (1989), there is a positive relationship between the training and employee motivation.

Generally, based on the result of ANOVA test and model summary value, working environment, training and development, recognition, and promotion have positive and significant effect on non-managerial employees. Salary (payment) is found negative and not significant, whereas, benefit is found positive but not significant to influence on employee motivation. Therefore, the company need to look in detail the currently practiced reward system, revise and develop effective strategies of rewarding system of employee motivation.

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## CHAPTER FIVE

### MAJOR FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

#### 5.1 INTRODUCTION

Objective of this study was to assess the impact of rewards on employee motivation in Ethio telecom. Based on this findings of the study, conclusion, and recommendations are discussed and presented in this chapter.

#### 5.2 MAJOR FINDINGS

The study shows that majority of employees have been working in the company from 5 to 25 years, which constitutes 84.7% of the total. More specifically, 57% of the company employees were experienced from 10 -15 years, which indicates that the reward system need to consider the experience and monthly salary of the employee. In order to make these employees motivated and stay working in the company need to improve rewards like promotion. 94.8%, 3.4% and 1.8% of the respondents possessed first degree, Master's degree and Diploma respectively. 98.2% of the employees possessed first degree and above, and this shows that the company has employees with better qualification. The study show that majority of the company's employee were found married.

Based on the descriptive statistics analysis made on all variables, it was found that employees were more motivated with variables of employee motivation, with working environment from extrinsic reward variables, and with training and development from intrinsic reward variables.

It is also found that benefits from extrinsic reward variables and recognition from intrinsic reward variables have moderate mean and this shows employees have moderately motivated. Whereas, employees were relatively less motivated with extrinsic reward variables of payment and promotion. With this, employees were more motivated with intrinsic reward variables than extrinsic reward variables.

Generally, results of correlation analysis indicate that all variables have significant positive, however, the strength of relationship were found at an average and below. Working environment, recognition, and training and development have moderate relationship, whereas all extrinsic reward variables except working environment, have below average strength of

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relationship, which is small but definite. Intrinsic reward variables have relatively better strength of relationship when compared with extrinsic reward variables. Generally, the independent variable (reward system) has a significant positive and moderate relationship with the dependent variable (employee motivation).

The results of regression analysis show that working environment, training and development, promotion and recognition have significant and positive effect on employee motivation with coefficient of regression B value 0.383 ( $P < 0.05$ ), 0.236 ( $P < 0.05$ ), 0.200 ( $P < 0.05$ ) and 0.196 ( $P < 0.05$ ) respectively. Benefit has positive and not significant effect on employee motivation with coefficient of regression Beta value 0.001 ( $P > 0.05$ ). Payment has negative impact on motivation with the coefficient of regression B value -0.065 ( $P > 0.05$ ) which is  $P > 0.258$ .

### **5.3 CONCLUSIONS**

The objective of the study was to assess the impact of rewards on employee motivation, and specifically to identify the relationship between rewards and employee motivation, perception of employees towards rewards practiced by the company, to examine which rewards are more preferred and least preferred.

Based on the responses of respondents, 98 percent of employees of the company hold first degree and above, which implies that ethio telecom builds strong human resource. This can have its own contribution for the company to adopt with changing environment, technology and competition. Since these employees are almost found in similar level of profession, it can support the company in designing rewarding strategies to meet employees need and perception.

According to the correlation analysis results, each variables of the study have positive and significant relationship with employee motivation. The strength of relationship between reward variables and employee motivation were an average and below. This indicates that employees are motivated at an average and below. The company need to improve the effectiveness of rewards and raise the level of relationship between reward variables and employee motivation to a higher strength.

Regression of extrinsic and intrinsic reward variables on employee motivation are significantly explains employee motivation. From the extrinsic and intrinsic reward variables, intrinsic reward is significant and relatively has the most influential factor in motivating employees. Perception of employees for the reward systems of the company are relatively found motivated.

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Based on the finding of the study, relatively greater percentage of employee motivation was described by the intrinsic reward variables than extrinsic reward variables.

Regressing each independent reward variables (payment, benefits, promotion, working environment, recognition, and training and development) against employee motivation, all have significant and positive effect on employee motivation except payment which has negative effect on employee motivation. Working environment is positive, significant and relatively more influential factor of employee motivation. Training and development explains employee motivation positively and significantly, and it is the second influential factor of employee motivation. Promotion, recognition and benefits are the third, fourth and fifth influential factor of employee motivation respectively. Payment has negative effect on employee motivation.

#### **5.4 RECOMMENDATION**

The value of employees is the basic factor for any organization. Identifying the impacts of rewards on employee motivation, identifying the needs and perceptions of employees, developing effective reward systems, and properly implementing rewards are the most decisive factors. With this consideration and based on the findings of the study, the following recommendations are proposed. These recommendations can help ethio telecom to improve employee motivation.

- ✓ From the extrinsic rewards practiced by the company, the result of the study indicates that most employees respond their disagreement for questions related with employee promotion like Staffs are promoted in a fair & honest way and “Everyone has equal chance to be promoted”, for questions related with employee benefits like housing allowance benefit is fair and Transport allowance benefit is fair. Therefore, the company need to make the employee promotion fairly, honestly with equal chance for all, and for these clearly discuss with employees, consistently aware and update employees about the process, procedure and criteria with reason and objective.
- ✓ Concerning the employee benefits, like allowances for housing and transport, it will be better to adjust in consideration of the cost of the market, clearly communicate and update employees. Employee benefits have contribution in building goodwill of the company and for this it will be better to improve the employee benefits of free packages like mobile and fixed line voice service, data service.

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- ✓ In relation to the company practice of employee recognition, most employees respond as not invited to participate in target setting, and employees were not given verbal and written rewards on time when they do their job better. In order to handle these dissatisfactions and improve employees' motivation, the company can create clear standards for rewards, providing valuable written recognition on time for best performer. Create a chance for employees to participate in target setting, participatory process can have great role in improving employee motivation. With these, employees can feel that they are valued and recognized when they do better, and this can lead employee motivation.
  - ✓ The company need to focus on and improve rewards that made employees relatively less motivated like in payment and benefits.
  - ✓ The company has to closely follow and assess the effects of each rewards on employee motivation, timely take improvements, make employees have clear awareness about the procedures, policies, standards, etc. considered for the reward systems.

## **5.5 RECOMMENDATIONS FOR FUTURE RESEARCH**

The result of the study shows that both extrinsic rewards in terms of payment, benefits, promotion, and intrinsic rewards in terms of recognition, training and development have positive and significant relationship with employee motivation. However, in this study there were some limitations. Ethio telecom has a large number of employees working in all regions of the country, and due to this reason the study was conducted only on employees working in Addis Ababa at head office and six zonal offices.

This study was conducted based on variables of payment, benefits, promotion, recognition, training and development, and working environment, while there can be other factors like culture, technology, economy, competitors, and so on that can be considered in employee motivation.

This study can be used as an input for further research since this study did not include all factors related to this study topic. Therefore, researchers can conduct a research on the variables and factors considered in this study topic and other factors like culture, technology, economy.

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## APPENDIX A



**ADDIS ABABA UNIVERSITY**  
**COLLEGE OF BUSINESS AND ECONOMICS - SCHOOL OF COMMERCE**  
**DEPARTMENT OF MARKETING MANAGEMENT**

**Dear respondents,**

I, **Mesfin Melesse**, Student of Addis Ababa University School of Commerce, pursuing Masters of Marketing Management, as part of my academic curriculum, I am conducting a research to **assess the impact of reward systems on employee motivation in case of Ethio telecom**. I hope to get relevant information from you as a stakeholder in matters that are important for this study. The study is solely for academic purposes and the information given will be treated with strict confidentiality. **The success of this study depends up on your genuine and frank responses**. I therefore, kindly request you to give genuine information.

Thank you very much for your understanding.

With best regards

Mesfin Melesse

Mobile 0911 203674

Email mesfinmela@gmail.com

# Questionnaire for Employees

## A Research on the assessment of the impact of reward systems on employee motivation.

### PART 1: Demographic Profile of Respondents

Please put a tick mark “✓” in the box [ ] for the correct answer of your status.

1. **Division:** \_\_\_\_\_ **Department:** \_\_\_\_\_

#### 2. Location Category:

- a. Head Office [ ]      b. CAAZ [ ]      c. NAAZ [ ]      d. EAAZ [ ]  
e. WAAZ [ ]      f. SAAZ [ ]      g. SWAAZ [ ]

3. **Gender:** a. Male [ ]      b. Female [ ]

4. **Age:** a. 18 - 25 [ ]      b. 26 - 35 [ ]      c. 36 - 45 [ ]      d. 46 - 55 [ ]      e. Above 55 [ ]

5. **Marital Status:** a. Married [ ]      b. Single [ ]      c. Divorced [ ]      d. Widow [ ]

6. **Level of education:** a. Diploma [ ]      b. First Degree [ ]      c. Master's Degree [ ]  
d. If others, please specify \_\_\_\_\_

#### 7. Monthly Salary in Birr:

- a. Less than 5000 [ ]      b. 5001 - 10,000 [ ]      c. 10,001 - 15,000 [ ]  
d. 15,001 - 20,000 [ ]      e. 20,001 - 25,000 [ ]      f. 25,001 - 30,000 [ ]  
g. 30,001 - 35,000 [ ]      h. 35,001 - 40,000 [ ]      i. Above 40,000 [ ]

#### 8. Year of service in Ethio telecom:

- a. Less than 5 years [ ]      b. 5 - 10 years [ ]      c. 11 - 15 years [ ]  
d. 16 - 20 years [ ]      e. 21 - 25 years [ ]      f. 26 - 30 years [ ]  
g. 31 - 35 years [ ]      h. 36 - 40 years [ ]      i. Above 40 years [ ]

**PART II QUESTIONS RELATED TO THE IMPACT OF EXTRINSIC REWARDS  
ON EMPLOYEE MOTIVATION**

**Instruction:** Please make a tick mark “✓” in the box which best reflects your opinion and level of agreement for each statements.

**Level of agreement** 1=Strongly disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly agree

No	Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
		1	2	3	4	5
<b>PAYMENT</b>						
1	My salary is satisfactory in relation to the job I do					
2	The basis of payment for performance is reasonable					
3	Salary increments are decided in a fair manner					
4	Performance related financial incentives like bonus, variable pay improves my work motivation					
5	The payment system is clearly stated and communicated to me					
6	My salary is enough to satisfy my needs					
<b>BENEFITS</b>						
7	There is equal treatment of each staff in the benefit policy of the company (insurance, medical, paid sick leave, retirement, maternity leave, etc.)					
8	The medical and insurance scheme are attractive					
9	There is a good free packages of benefit like voice and data					
10	I am happy to be identified as ethio telecom employee					
11	Transport allowance benefit is fair					
12	Housing allowance benefit is fair					
<b>PROMOTION</b>						
13	There exists an opportunity for promotion in the company					
14	Promotion is an important factor in my work motivation					
15	The criteria for promotion are clear and acceptable					
16	Staffs are promoted in a fair & honest way					
17	Everyone has equal chance to be promoted					
<b>WORK ENVIRONMENT</b>						
18	Necessary resources for work are available (like working tools, equipment, furniture, etc.)					
19	The office arrangement and layout is convenient to do my job					
20	Working environment initiates and encourages me to stay on working area for longer time					
21	I am happy for the work I am working					
22	My working hours are reasonable					
23	I have good communication with my co-workers					

**PART III QUESTIONS RELATED TO THE IMPACT OF INTRINSIC REWARDS  
ON EMPLOYEE MOTIVATION**

**Instruction:** Please make a tick mark “✓” in the box which best reflects your opinion and level of agreement for each statements.

**Description – Level of agreement**

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

No	Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
		1	2	3	4	5
<b>RECOGNITION</b>						
24	I feel that my work is valued and appreciated by the company.					
25	I receive constructive criticisms about my work					
26	I am told that I am making progress					
27	There is verbal and written rewards when I perform the job better					
28	I am invited to participate in target setting					
29	I have good feeling of success, achievement and accomplishment I get from the job					
<b>TRAINING AND DEVELOPMENT</b>						
30	The training and development programs helps and enables me to have confidence on my work.					
31	I feel good with the training given.					
32	The training and development programs helps me to develop my skills and competency.					
33	The company training and development programs increased my morale and motivation					
34	I am interested on the training and development programs rendered by the company.					

## PART IV QUESTIONS RELATED TO EMPLOYEE MOTIVATION

**Instruction:** Please make a tick mark “✓” in the box which best reflects your opinion and level of agreement for each statements.

**Description** – Level of agreement

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

No	Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
		1	2	3	4	5
<b>EMPLOYEE MOTIVATION</b>						
35	The <b>extrinsic</b> rewards (payments, employee benefits, promotion) practice of the company makes me competent and motivated					
36	The <b>intrinsic</b> rewards (recognition, training, work environment) practice of the company makes me competent and motivated.					
37	I feel encouraged by the company effort to reward and motivated me					
38	I am proud of my work					
39	I feel motivated by the company effort to improve employee rewards					
40	Overall I am motivated by both intrinsic and extrinsic rewards practice of the company					

**THANK YOU**

**Appendix B**



**አዲስ አበባ ዩኒቨርሲቲ**

**የጥናት መጠይቅ**

**የጥናት ርዕስ : በኢትዮ ቴሌኮም የሰራተኛ ማበረታቻዎች በሰራተኞች የስራ ተነሳሽነት**

**ላይ ያላቸው እንደምታ**

**ክቡር /ክብርት የኢትዮ ቴሌኮም ሰራተኛ**

እኔ መስፍን መለሰ በአዲስ አበባ ዩኒቨርሲቲ በማርኬቲንግ ማኔጅመንት የማስተርስ ዲግሪ (ኤምቢኤ) የድህረ ምረቃ ተማሪ ስሆን ከላይ በተገለጸው የጥናት ርዕስ ለኤምቢኤ ፐሮግራም ከፊል ማሟያ ጥናት እየሰራሁ ሲሆን በዚህ ጥናት ላይ እርስዎ እንዲሳተፉ ከተመረጡ ምላሽ ሰጪዎች አንዱ በመሆንዎ ለማከናወነው ጥናት ውጤታማነት የእርስዎ እውነተኛ፣ ግልፅና ወቅታዊ ምላሽ ወሳኝ ነው።

በመሆኑም ለእነዚህ መጠይቆች የእርስዎ እውነተኛ እና ትክክለኛ ምላሽ የጥናቱን ውጤት ስለሚወስን መጠይቆቹን በተሟላ ሁኔታ በመሙላት ምላሽ እንዲሰጡን በታላቅ አክብሮት እየጠየቅሁ ለበጎ ትብብርዎ እና ለወቅታዊ ምላሽዎ በቅድሚያ ከልብ አመሰግናለሁ።

አክባሪዎ

መስፍን መለሰ

ሞባይል 0911-203674

ኢሜይል mesfinmela@gmail.com

**በኢትዮ ቴሌኮም የሰራተኛ ማበረታቻዎች በሰራተኞች የስራ ተነሳሽነት ላይ ያላቸውን እንደምታ**

**ለማጥናት የተዘጋጀ መጠይቅ**

**ክፍል አንድ አጠቃላይ የሰራተኛ መረጃ**

እባክዎ ከዚህ በታች ለተገለጹት የሰራተኛ አጠቃላይ መረጃ የእርስዎን ምላሽ በተዘጋጀው በታ ላይ ለተራ ቁጥረ 1 በፅሁፍ ለተቀሩት ደግሞ በተዘጋጀው ምላሽ መስጫ ሳጥን "[ ]" ውስጥ የ "✓" ምልክት የድርጉ

**1. ዲቪዥን:** \_\_\_\_\_ **ዲፓርትመንት:** \_\_\_\_\_

**2. የስራ ቦታ:**

ሀ. ዋናው መ/ቤት [ ]    ለ. ማዕከላዊ ኢ.አ ዞን [ ]    ሐ. ሰሜን ኢ.አ.ዞን [ ]    መ. ምስራቅ ኢ.አ ዞን [ ]  
ሰ. ምዕራብ ኢ.አ ዞን [ ]    ረ. ደቡብ ኢ.አ ዞን [ ]    ሠ. ደቡብ ምዕራብ ኢ.አ ዞን [ ]

**3. ፆታ**    ሀ. ወንድ [ ]    ለ. ሴት [ ]

**4. ዕድሜ**

ሀ. 18 - 25 ዓመት [ ]    ለ. 26 - 35 ዓመት [ ]    ሐ. 36 - 45 ዓመት [ ]  
መ. 46 - 55 ዓመት [ ]    ሠ. ከ 55 ዓመት በላይ [ ]

**5. የጋብቻ ሁኔታ**

ሀ. ያገባ/ች [ ]    ለ. ያላገባ/ች [ ]    ሐ. የተፋታ/ች [ ]    መ. ባል/ሚስት በሞት የተለየ/ች [ ]

**6. የትምህርት ደረጃ**

ሀ. ሰርትፍኬት [ ]    ለ. ዲፕሎማ [ ]    ሐ. የመጀመሪያ ዲግሪ [ ]  
መ. ማስተርስ ዲግሪ [ ]    ሠ. ሌላ ይግለጹ \_\_\_\_\_

**7. ወርሃዊ ደመወዝ (በብር)**

ሀ. ከ 5000 በታች [ ]    ለ. 5001 - 10,000 [ ]    ሐ. 10,001 - 15,000 [ ]  
መ. 15,001 - 20,000 [ ]    ሠ. 20,001 - 25,000 [ ]    ረ. 25,001 - 30,000 [ ]  
ሰ. 30,001 - 35,000 [ ]    ሸ. 35,001 - 40,000 [ ]    ቀ. ከ 40,000 በላይ [ ]

**8. በኢትዮ ቴሌኮም በስራ ላይ የቆዩበት ጊዜ**

ሀ. ከ 5 ዓመት በታች [ ]    ለ. 5 - 10 ዓመት [ ]    ሐ. 11 - 15 ዓመት [ ]  
መ. 16 - 20 ዓመት [ ]    ሠ. 21 - 25 ዓመት [ ]    ረ. 26 - 30 ዓመት [ ]  
ሰ. 31 - 35 ዓመት [ ]    ሸ. 36 - 40 ዓመት [ ]    ቀ. ከ 40 ዓመት በላይ [ ]

**ክፍል ሁለት በቀጥታ ወይም በተዘዋዋሪ በገንዘብ ነክ ክፍያ የሚገለጹ የሰራተኛ ማበረታቻዎች በሰራተኞች የስራ ተነሳሽነት ላይ ያላቸውን እንደምታ በተመለከተ የተዘጋጀ መጠይቅ**

እባክዎ ከዚህ በታች በሰንጠረዥ በተጠቀሱት አረፍተ ነገሮች መሰረት በቀጥታ ወይም በተዘዋዋሪ በገንዘብ ነክ ክፍያ የሚገለጹ የሰራተኛ ማበረታቻዎች (የደመወዝ ክፍያ ፣ የሰራተኛ ጥቅማ ጥቅም እና የደረጃ ዕድገት) በሰራተኞች የስራ ተነሳሽነት ላይ ካላቸው እንደምታ አንጻር ከግምት በማስገባት “በጣም አልስማማም” ፣ “አልስማማም” ፣ “ሀሳብ የለኝም” ፣ “እስማማለሁ” ፣ “በጣም እስማማለሁ” በሚል ከተገለጹት አማራጮች የእርስዎን ሀሳብ በተሸለ መልኩ ይገልጻል በሚሉት ስር የ “✓” ምልክት የድርጉ

ተ. ቁ	ዓረፍተ ነገሮች	በጣም አልስማማም	አልስማማም	ሀሳብ የለኝም	እስማማለሁ	በጣም እስማማለሁ
		1	2	3	4	5
<b>ቀጥተኛ የሆነ ገንዘብ ነክ ክፍያ (Payment)</b>						
1	የሚከፈለኝ ወርሃዊ ደመወዝ ከምሰራው ስራ አንፃር በቂ ነው					
2	የደመወዝ ጭማሪ በአግባቡ ይከናወናል					
3	የስራ አፈፃፀም ውጤትን መሰረት ባደረግ መልኩ የሚሰጡ በገንዘብ የሚገለጹ ማበረታቻዎች በስራዬ ላይ ያለኝን ተነሳሽነት አሳድጓል					
4	የክፍያ አሰራርና ስርዓት በግልፅ እንዳውቀው ይደረጋል					
5	የስራ አፈፃፀም ውጤትን መሰረት ባደረግ መልኩ ያለው የክፍያ አሰራር አግባብነት ያለው ነው					
6	የሚከፈለኝ ደመወዝ ፍላጎቴን ለማሟላት በቂ ነው					
<b>ቀጥተኛ ያልሆነ ገንዘብ ነክ ክፍያ የሰራተኛ ጥቅማ ጥቅም (Employee Benefits)</b>						
7	ቀጥተኛ ያልሆነ ገንዘብ ነክ ክፍያ የሰራተኛ ጥቅማ ጥቅሞች (ሀክምና፣ ኢንሹራንስ፣ ነጻ ፓኬጆች፣ ጡረታ፣ የሀምም ፈቃድ፣ የወሊድ ፈቃድ፣ ወዘተ.) ለሁሉም ሰራተኞች ፍትሃዊ በሆነ መልኩ የሚተገበርበት የአሰራር ፖሊሲ አለ					
8	በመ/ቤቱ ያለው የሀክምና እና የኢንሹራንስ ሽፋን አመረቂ ነው					
9	የድምፅ እና የዳታ (ኢንተርኔት) አገልግሎት ነፃ ፓኬጆች በስራዬ ላይ ተነሳሽነትን እርካታን ሰጥቶኛል					
10	የኢትዮ ቴልኮም ሰራተኛ በመሆኔ ደስታኛ ነኝ					
11	ለትራንስፖርት የሚሰጠኝ ክፍያ በቂ እና አግባብነት ያለው ነው					
12	ለቤት ኪራይ የሚሰጠኝ ክፍያ በቂ እና አግባብነት ያለው ነው					
<b>የደረጃ ዕድገት (Promotion)</b>						
13	በመ/ቤቱ የደረጃ ዕድገት ለማግኘት የሚቻልበት እድልና አማራጮች አሉ					
14	በስራዬ ላይ ለሚኖረኝ ተነሳሽነት የደረጃ ዕድገት ጠቃሚና አስፈላጊ ነው					
15	ለደረጃ ዕድገት ያለው መመዘኛና መስፈርት ግልፅና አግባብነት ያለው ነው					
16	ሰራተኞች በአግባቡ ግልፅ በሆነ ሁኔታ የደረጃ ዕድገት ያገኛሉ					
17	ሁሉም ሰራተኛ የደረጃ ዕድገት ለማግኘት እኩል ዕድል አለው					
<b>የስራ አካባቢ (Work Environment)</b>						
	ለስራ የሚያስፈልጉ ማቴሪያዎች እና የስራ መሳሪያዎች በሚፈለገው መልኩ የተሟሉ ናቸው					
	የምሰራበት ቢሮ / ቦታ አቀማመጥ ለማከናወኑ ስራ ምቹ ነው					
	የምሰራበት የስራ ቢሮ / ቦታ / አካባቢ / ለረጅም ሰዓት እየሰራሁ እንድቆይ የሚያበረታታ እና የሚረዳ ነው					
	በምሰራው ስራ ደስተኛ ነኝ					
	የምሰራበት የስራ ሰዓት ምቹ እና አግባብነት ያለው ነው					
	ከስራ ባለደረጃ ጋር መልካም ግንኙነት አለኝ					

**ክፍል ሶስት      በቀጥታ ወይም በተዘዋዋሪ በገንዘብ ነክ ክፍያ የማይገለጹ የሰራተኛ ማበረታቻዎች በሰራተኞች የስራ ተነሳሽነት ላይ ያላቸውን እንደምታ በተመለከተ የተዘጋጅ መጠይቅ**

እባክዎ ከዚህ በታች በሰንጠረዥ በተጠቀሱት አረፍተ ነገሮች መሰረት በቀጥታ ወይም በተዘዋዋሪ በገንዘብ ነክ ክፍያ የማይገለጹ የሰራተኛ ማበረታቻዎች (እውቅና ሽልማት፣ ስልጠና፣ የስራ አካባቢ) በሰራተኞች የስራ ተነሳሽነት ላይ ካላቸው እንደምታ አንጻር ከግምት በማስገባት “በጣም አልስማማም” ፣ “አልስማማም” ፣ “ሀሳብ የለኝም” ፣ “እስማማለሁ” ፣ “በጣም እስማማለሁ” በሚል ከተገለጹት አማራጮች የእርስዎን ሀሳብ በተሸለ መልኩ ይገልጻል በሚሉት ስር የ “✓” ምልክት ያድርጉ

ተ.ቁ	ዓረፍተ ነገሮች	በጣም አልስማማም	አልስማማም	ሀሳብ የለኝም	እስማማለሁ	በጣም እስማማለሁ
		1	2	3	4	5
<b>እውቅና (Recognition)</b>						
18	የምሰራው ስራ በሙሴቱ ዋጋ እና አድናቆት ይሰጠዎልኛል					
19	ለማከናወኑ ስራ ጠቃሚና ገንቢ የሆነ አስተያየት ይሰጠኛል					
20	በምሰራው ስራ መሻሻል እና እድገት እንዳለ የገለጸኛል					
21	የተሻለ የስራ አፈፃፀም ሲኖር የቃል / የፅሁፍ ማበረታቻ ይሰጣል					
22	ከክፍሉ ስራ ጋር በተገናኘ ዕቅድ ሲዘጋጅ እንደሳተፍ የሚደረግበት ሁኔታ አለ					
23	በምሰራው ስራ አፈፃፀምና ውጤት ጥሩ ስሜት አለኝ					
<b>ስልጠና (Training and Development)</b>						
24	የሚሰጡ ስልጠናዎች በስራዬ ላይ በራስ መተማመን እንዲኖረኝ አድርጓል					
25	በምወስዳቸው ስልጠናዎች ጥሩ ስሜት አለኝ					
26	የሚሰጡ ስልጠናዎች ያለኝን ክህሎትና ብቃት እንዳሳድግ ረድቶኛል					
27	ሙሴቱ የሚያዘጋጃቸው እና የሚሰጣቸው የስልጠና እና ማሻሻያ ፕሮግራሞች በስራ ላይ ያለኝን መተማመን እና ተነሳሽነት አሳድጓል					
28	ሙሴቱ በሚያዘጋጃቸው እና በሚሰጣቸው የስልጠና እና ማሻሻያ ፕሮግራሞች ከፍተኛ ፍላጎት አለኝ					

**ክፍል አራት ከሰራተኞች የስራ ተነሳሽነት ጋር በተገናኘ የተዘጋጀ መጠይቅ**

እባክዎ ከዚህ በታች በሰንጠረዥ የተጠቀሱትን አረፍተ ነገሮች ከሰራተኞች የስራ ተነሳሽነት አንፃር ከግምት በማስገባት “በጣም አልስማማም” ፣ “አልስማማም” ፣ “ሀሳብ የለኝም” ፣ “እስማማለሁ” ፣ “በጣም እስማማለሁ” በሚል ከተገለጹት አማራጮች የእርስዎን ሀሳብ በተሻለ መልኩ ይገልጻል በሚሉት ስር የ “✓” ምልክት የድርጉ

ተ.ቁ	ዓረፍተ ነገሮች	በጣም አልስማማም	አልስማማም	ሀሳብ የለኝም	እስማማለሁ	በጣም እስማማለሁ
		1	2	3	4	5
<b>የስራ ተነሳሽነት (Motivation)</b>						
35	በገንዘብ የማይገለጹ (ገንዘብ ነክ ያልሆኑ) የሰራተኛ ማበረታቻዎች (ዕድገት፣ ስልጠና፣ የስራ ቦታ / አካባቢ ሁኔታ) አፈፃፀም በስራዬ ላይ ብቁ እና ተነሳሽነት እንድሆን አድርጎኛል					
36	በቀጥታ ወይም በተዘዋዋሪ በገንዘብ ነክ ክፍያ የሚገለጹ የሰራተኛ ማበረታቻዎች (ደመወዝ፣ ቦነስ፣ አፈፃፀም በስራዬ ላይ ብቁ እና ተነሳሽነት እንድሆን አድርጎኛል					
37	ሙ/ቤቱ ለምሰራው ስራ ማበረታቻ እንዳገኝና በስራዬ ላይ ተነሳሽነት እንዲኖረኝ የሚያደርገው ጥረት እንድበረታታ አድርጎኛል					
38	ሙ/ቤቱ የሰራተኛ ማበረታቻ አሰራሮችን ለማሻሻል በሚያደርገው ጥረት በስራዬ ላይ የተነሳሽነት ስሜት ፈጥሮብኛል					
39	በአጠቃላይ በሙ/ቤቱ ባለው በገንዘብ የማይገለጹ (ገንዘብ ነክ ያልሆኑ) እና በገንዘብ የሚገለጹ (ገንዘብ ነክ የሆኑ) የሰራተኛ ማበረታቻዎች ስርዓትና አተገባበር በስራዬ ላይ ተነሳሽነት እንዲኖረኝ አድርጓል					
40	በምሰራው ስራ እኮራለሁ					

**አመሰግናለሁ**