



ADDIS ABABA UNIVERSITY

College of Business and Economics

Department of Management

EMBA Program

**Effect of Reward Systems on Organizational Performance: The Case of
Dashen Bank S.C.**

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**A Research Proposal in Partial Fulfillment of the Requirements for the
Degree of Executive Master of Business Administration**

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Addis Ababa, Ethiopia

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DECLARATION

I declare that this research project is my own work. It is submitted in partial fulfillment of the requirements for the degree of Executive Masters of Business Administration at Addis Ababa University, College of Business and economics, Department of Management. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorization and consent to carry out this research.

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Statement of Certification

This is to certify that the thesis work entitled “Effect of Reward Systems on Organizational Performance: The Case of Dashen Bank S.C.” under taken by Tilaye Enyew for the partial fulfillment of degree of executive masters of business. Administration at the Addis Ababa University, to the best of my knowledge, is an original work and not submitted for any degree at this university or in any other university.

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LIST OF ACRONYMS AND ABBREVIATIONS

EPS: Earning Per share

S.C: Share Company

SPSS: Statistical Package for Social Science

ABSTRACT

This research considers the effect of reward system on organizational performance. Reward programs helps organizations to motivate its employees in order to attain the organization identified goals and objectives. Many organizations face the dilemma around what the ideal reward strategy should be in place in order to increase the motivation of employees and as well as the organizational performance. The purpose of this research was to investigate the effect of reward system on organizational performance. A questionnaire was developed using reward categories from the Worldat Work Total Reward Model. This was distributed to recruit professional to accountant level of employees found at Addis Ababa branch using simple random sampling of Carlvalho's sample determination method. Data was gathered to comprehend the satisfaction level of employees on financial and non-financial reward provided by the bank and effect of reward system on organizational performance. A sample of 67 respondents participated in the survey and their opinion was analyzed using SPSS version23. The result of the survey indicated that the Majority of respondents were not satisfied with both the financial and non-financial reward proved by the bank. However, the majority of the respondents agreed that financial and nonfinancial reward have a direct effect on employee motivation as well as organizational performance. Accordingly, the necessary conclusion was drawn and recommendation suggested for corrective action to be taken in the future by the Bank.

Key Words: *Effect, Reward, Financial, Non-financial, Organizational Performance, Dashen bank.*

CHAPTER ONE: INTRODUCTION

1.1 Company Profile

Dashen Bank was founded by eleven visionary shareholders and veteran bankers with initial capital of Birr 14.9 million in September 1995. Upon securing license from the National Bank of Ethiopia, Dashen opened its doors for service on the 1st of January 1996 with eleven fully-fledged branches.

Dashen Bank coined its name from the highest peak in Ethiopia, mount Dashen, and aspires to be unparalleled in banking services. Ras Dashen is Part of the Simien Mountains National Park, an exotic setting with unique wildlife and breath-taking views on a landscape shaped by nature and traditional agriculture.

The Simien Mountains is home to endemic wild life including the Walia Ibex, Simien Fox or Ethiopian Wolf and the Gelada Baboon. Dashen aspires to set new heights in banking services through the delivery of unique value propositions second to none.

Headquartered in Addis Ababa, the Bank is among the biggest private Banks in Ethiopia. It operates through a network of more than 370 Branches, ten dedicated Forex Bureaus, 305 ATMs and 812 plus Point-of-Sale (POS) terminals spread across the length and breadth of the nation. It has established correspondent banking relationship with 462 banks covering 70 countries and 170 cities across the world. Wherever business takes customers around the world, Dashen Bank is already there.

Dashen is the most reputable brand in the domestic banking market; a reputation earned through consistent delivery of values and pre-eminence unmatched by its competitors. The Bank also works in partnership with leading brands in the electronic payments industry (AMEX, VISA, MasterCard & UnionPay) and prominent money transfer operators (Western Union, MoneyGram, Express Money & Dahabshiil, Ezremit, Transfast, WorldRemit and Ria). (<https://dashenbanksc.com/company-profile/>)

1.2 Background of the Study

Rewarding employees is associated with the motivation of the work force of organization for better performance. However, what type and mix of rewarding tools to use is challenging for the organizations. It is one of the factors that sought may be increased employees engagement in the work place, which is the key element in the work performance (Furtado, Aqaino, and Meila, 2009).

Puwanenthiren (2011) noted that organizations are increasingly realizing that they have to establish an equitable balance between the employee's contribution to the organization and the organization's contribution to the employee. He went further to say that 'establishing this balance is one of the main reasons to reward employees.'

According to the Chartered Management Institute (2004), "the notion of rewards system is gradually replacing the traditional idea of a standard pay system, as it incorporate all aspect of employee compensation into the package". According to Fay and Thompson (2001) "Rewards systems have a critical role in determining the organization's ability to attract high potential employees and to retain high performing employees to achieve greater levels of quality and performance".

Poor rewards system in an organization creates dissatisfaction in employees and dissatisfaction increases an absenteeism and employee turnover rate. Shafiq and Naseem (2011) also state that poorly designed reward system and poor compensation organization mitigate the employee motivation and disrupt the employee performance. Fringe benefits, work-life balance, healthcare insurance, pension, and bonus play an essential role to encourage the employee performance. Uppal (2005) describes in his study that fringe benefits like insurance, positively correlate with employee satisfaction.

Salary influence the employee behaviors in which measured employee satisfaction and promotion motivates the individual. The short-term and long-term rewards encourage the knowledge sharing culture in the organization and the employee is more loyal towards their organization. Kessler and Purcell (1992) investigated that financial rewards encourage the knowledge sharing culture in the organization that led to organizational performance. Beyond,

according to Chiang and Birtch (2009) non-financial intrinsic reward such as the provision of holidays, social benefits increase the employee motivation level imbalance reward system in an organization jeopardizes the employee's performance and effectiveness and will create a conflict and stressful environment in the organization.

According to Goodwin and Gremler (1996) in banking sectors those employees are needed that are satisfied and motivated, without them the customer satisfaction cannot be won. Adams (1965) defines three rules of reward allocation these are equity, growth and need. (Deutsch, 1975 and Chen 1995) and they consider that seniority fourth rule of reward allocation.

In any organization in which employees working expects that his organization establish a fair wage plan for its employees. The employees demand healthy working environment, safety and job responsibilities in which they perform their work (Beer, Lawrence, and Mills, 1984; Ali & Ahmed 2009). They also describe that fair promotion system, best working environment and good relationship among colleagues increase the individual as well as organizational performance. Insufficient job autonomy, job insecurity, low wages and lack of proper promotion strategies badly affect the employee's job satisfaction and performance (Guest 2004 & Silla et al 2005). The banking firms face more competitive situation, every firm aims to provide better quality service at cheaper price. For this, the bank employer needs the well-trained and skilled workforce. Employees leave the organization due to unsupportive behavior from the supervisor side, and dissatisfaction with salary package (Tanke, 1990).

In developed countries such as USA, Japan, UK and Germany organizations recognize employees as the important asset that need high consideration in promotion (Lawler and Worley, 2006). The rationale behind the use of rewards to employees is that motivated employees become satisfied in terms of fulfilling their wants, both financial and non-financial. Failure to do so, employees will be tempted to leave the organization (Azasu, 2009). On one hand, employees prefer receiving intrinsic rewards in terms of praise and recognition for certain work accomplishments, while other employees are happy with extrinsic reward in terms of salaries, bonus and incentive offered to employees (Lawler, 2008). In developing countries such as China, India, and Thailand also employees reward is one of highly demanded factors in commercial banking that thought for influencing organization performance. One of the most

important factors in rewarding employees for organization performance is through recognition and appreciation (Ajila and Abilola, 2004). Even though, no study is not undertaken concerning effect of reward systems on organizational performance in banking sector in Ethiopia, reward has a direct effect on organizational performance. Hence, this is the force of a study to undertake my project in the captioned subject.

1.3 Statement of the Problem

There is a need for managers to recognize employees in terms of reward increase motivation and better performance in job assigned that is highly linked to the organization performance such as commercial banks (Jones and Culbertson 2011). It is evident, those work forces that being rewarded in a manner to meet a described standard are in a position of performing better. Invariably rewards play an important role in a success of organization (Pulakos and Leary, 2011).

In developing countries such as China, India, and Thailand also employees reward is one of highly demanded factors in commercial banking that thought for influencing organization performance. One of the most important factors in rewarding employees for organization performance is through recognition and appreciation (Ajila and Abilola, 2004).

Some employees are highly motivated by extrinsic rewards such as increase in pay, promotions and bonus, other employees are motivated with intrinsic rewards such as appreciation, praise and recognition (Bana and Kessy, 2007). Most employees like to work in organizations with a much rewarding and recognize employee performance through the administration of rewards as appreciation and motivation for higher performance, thus, efforts expended on task will depend on the value of reward that will follow, [Porter etal, 1987]. However, which of the rewards or both motivate Dashen Bank's workforce for higher organizational performance is not well understood and no study is undertaken in the banking sector so far in the area will be my concern of study for my project. The study will focus on Dashen Bank S.C. as one of the financial institutions in Ethiopia. It will be predicted on the assumption that good reward system has bearing on corporate performance. It will assess the current system and its limitations as well as advantages and the level of employee involvement in the design and implementation of such reward system.

1.4 Research Questions

The following questions will guide the study:

- i. To what extent are employees satisfied in the current financial reward system of the bank?
- ii. To what extent are employees satisfied in the current non –financial reward system of the bank?
- iii. How the bank established strong reward system?
- iv. How employees perceive supervisor support to increase organizational performance?
- v. How reward system recognized its effect on organizational performance ?

1.5 Objectives of the Study

1.5.1 General Objectives

To investigate the effect of reward system on organizational performance in Dashen Bank S.C in Ethiopia.

1.5.2 Specific Objectives

- i. To identify the satisfaction level of employees in the current financial reward system of the bank.
- ii. To identify the satisfaction level of employees in the current non-financial reward system of the bank.
- iii. To investigate establishment of strong reward system in the bank.
- iv. To identify perception of employees on supervisor support to increase organizational performance.
- v. To identify effect of reward systems on organizational performance.

1.6 Significance of the Study

This study provided an insight into the meaning of reward system and its effect on organizational performance. A well designed system for rewarding employee has a bearing on the output of employees and therefore impact on the performance of the organization as a whole. Reward represents by far the most important and contentious element in the employment relationship, and is of equal interest to the employer and employee. To the employer because it represents a significant part of its costs, it is increasingly important to its employees' performance and to competitiveness, and affects his ability to recruit and retain and quality work force. To the employee it is fundamental to his standard of living and is a measure of the value of his services or performance. The associated merits and demerits that accompany reward system was also examined. It is thereby hoped that this study contributed constructively towards increasing organization's as well as the employees understanding and acceptance of the impact of reward systems on individual performance and therefore the corporate performance in Dashen Bank S.C. Organizations provide rewards to their personnel in order to motivate their performance and encourage their loyalty and retention. According to (Herzberg, 1959) the relationship with boss and co-worker, salary, working condition and company policy are the factors that cause a feel of dissatisfaction among the employees. On the other hand, achievement, recognition, career development, and responsibility are the factors contributing to create satisfaction. An organization that thinks workers are more valuable asset than building and machine cares the needs of its employees and provide equal opportunity for career development. In return, employees find new ways to improve their performance.

1.7 Scope of the Study

The study was limited to employees of Branches found at Addis Ababa. These were Manager-staffs benefit, compensation and employees' relation and recruit professionals to accountant level found in Addis Ababa only. The choice of limiting the study to only branches found in Addis Ababa and the Manager-staffs benefits, compensation and employee relation was for several reasons. One reason was to ensure that an in-depth and critical study was done, such that the results has provided useful information on the relationship between performance and reward

system. The other reason was they were near to the researcher that can easily accessible in gathering the required information.

1.8 Limitations of the Study

In as much as lots of commitment and enthusiasm was employed in conducting an intensive and thorough study, certain impediments was encountered. The major problem which was encountered by the researcher was the reluctance of respondents to provide their response to the questionnaire in the process of data collection. The work load during working hours in banking institutions was difficult to serve out the questionnaires. They hardly adhere to their break times because there is almost every time a customer to be served or work to be attended to. In addition, lack of openness and transparency and time were another limitation.

1.9 Organization of the Study

The study is organized into five chapters. Chapter one introduces the background of study which avails information on the research problem, objectives, the scope and limitations of the study. Chapter two deals with the review of relevant literature and the theoretical framework of the reward system in organizations. Chapter three discusses the research methodology adopted for the study and relevant justifications. Chapter four presents the findings on the Effect of Reward Systems on Organizational Performance in Dashen Bank S.C. Chapter five presents the conclusion and summary of major findings drawn from the research and recommendations.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter explored concepts from behavioral sciences as well as the physical sciences and draws out analogies to explain the phenomenon of reward system and organizational performance. It also reviewed other research findings in the area of reward system. It reviewed emerging and critical reward issues.

2.2 Theoretical Framework

2.2.1 The Concept of Motivation

Along with perception, personality, attitudes, and learning, motivation is a very important part of understanding behavior. Luthans (1998) asserts that motivation should not be thought of as the only explanation of behavior, since it interacts with and acts in conjunction with other mediating processes and with the environment. Luthans stress that, like the other cognitive process, motivation cannot be seen. All that can be seen is behavior and this should not be equated with causes of behavior. While recognizing the central role of motivation, Evans (1986) states that many recent theories of organizational behavior find it important for the field to reemphasize behavior. Definitions of motivation abound. One thing these definitions have in common is the inclusion of words such as “desire”, “want”, “wishes”, “aim”, “goals”, “needs”, and “incentives”, Luthans (1998) defines motivation as, “a process that starts with a physiological deficiency or need that activates a behavior or a drive that is aimed at a goal incentive”. Therefore, the key to understanding the process of motivation lies in the meaning of, and relationship among, needs, drives, and incentives.

2.2.2 Types of Motivation

The types of motivation as originally identified by Herzberg et al (1957) include the following:

- i. **Intrinsic Motivation:** the self-generated factors that influence people to behave in a particular way or to move in a particular direction. These factors include responsibility (feeling that the work is important and having control over one’s own resources),

autonomy (freedom to act), scope to use and develop skills and abilities, interesting and challenging work and opportunities for advancement.

- ii. **Extrinsic Motivation:** what is done to or for people to motivate them? This includes rewards, such as increased pay, verbal appreciation or promotion and punishment, such as disciplinary action, withholding pay, or criticism. Extrinsic motivators can have an immediate and powerful effect, but it may not necessarily last long.

The most influential theories are classified as follows:

2.2.3 Instrumentality Theory

This theory states that rewards or punishments serve as the means of ensuring that people behave or act in desired ways. ‘Instrumentality’ is the belief that if we do one thing it will lead to another. It assumes that a person will be motivated to work if rewards and penalties are tied directly to his or her performance, thus the awards are contingent upon effective performance. Instrumentality theory has its roots in Taylorism, i.e. the scientific management methods of Taylor (1911). Taylor noted that it is impossible, through any long period of time, to get workmen to work much harder than the average men around them unless they are assured a large and permanent increase in their pay. Motivation using this approach has been, and still is, widely adopted and can be successful in some circumstances. However, it is based exclusively on a system of external control and fails to recognize a number of other human needs.

2.2.4 Content Theory

This theory focuses on the content of motivation. It states that motivation is essentially about taking action to satisfy needs and identifies the main needs that influence behavior. Maslow (1954) talked about Needs theory, and in his two-factor model, Herzberg (1957) listed needs which he termed ‘satisfiers’. These theories are explained as follows:

Maslow's Hierarchy of Needs

Maslow (1954) suggested that there are five major need categories which apply to people in general, starting from the fundamental physiological needs and leading through a hierarchy of safety, social and esteem needs to the need for self-fulfillment, the highest need of all.

Herzberg's Two-Factor Model

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

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

2.2.5 Process Theory

This motivation theory focuses on the psychological processes which affect motivation, by reference to expectations (Vroom, 1964), goals (Latham and Locke, 1979) and perceptions of equity (Adams, 1965).

In process or cognitive theory, the emphasis is on the psychological processes or forces that affect motivation, basic needs as well as people's perceptions of their working environment and

the way in which they interpret and understand it. Process or cognitive theory can certainly be more useful to managers that need theory because it provides more realistic guidance on motivation techniques.

2.2.6 Reinforcement Theory

According to Noe et al (1994) the law of effect states that a response followed by a reward is more likely to recur in the future. The implication of this theory to compensation management is that high employee performance followed by a monetary reward or otherwise will make future high performances possible. This theory emphasis the importance of a person's actual experience of rewards since a new graduate's expectance of reward will certainly be different from an elderly person.

2.2.7 Motivation and Money

Multiplicities of factors are involved in performance improvements and many of those factors are interdependent. Emphasized the need for such systems to be perceived as being fair and equitable (felt-fair principle). In other words, the reward should be clearly related to effort or level of responsibility and people should not receive less money that they deserve compared with their fellow workers.

However, the use of money as a compensation package is to use it to satisfy the needs of the employee. Some employers however go beyond the mere offer of only money as a means of compensation and offer packages such as housing facility, cars, security allowances and even mobile telephones.

People are more likely to be motivated if they work in an environment in which they are valued for what they are and what they do. This means paying attention to the basic need for recognition. Organizations should encourage the development of performance management processes, which provide opportunities to agree expectations and give positive feedback on accomplishments. They should also develop reward system, which provide opportunities for both financial and non-financial rewards to recognize achievements (Armstrong, 2001).

Lessons of expectancy, goal and equity theory need to be taken into account in designing and operating reward system. The cultural environment of the organization in the shape of its values and norms will influence the impact of any attempts to motivate people by direct or indirect means. The human resource contribution should center on advising on the development of a culture, which supports processes of valuing and rewarding employees (Armstrong, 2001).

2.3 An Overview of Organizational Performance

Daft (2003) defines corporate performance as the organization's ability to attain its goals by using resources in an efficient and effective manner. Armstrong (2003) noted that performance is a multi-dimensional construct, the measurement of which varies depending on a variety of factors.

Performance can be seen as a record of outcomes achieved as well as a person's accomplishments. Performance can therefore be regarded as behavior- the way in which organizations, teams and individuals get work done. Armstrong (2003) concludes that when managing the performance of teams and individuals both inputs (behavior) and output (results) need to be considered. This performance management covers competency levels and achievements as well as objective setting and review.

2.3.1 Performance Measures

Performance measures should allow progress against objectives to be measured. It should indicate what is expected and how well people are doing in attaining their objectives. Performance measures should be clear, concise, easy to collect and interpret, and relevant in that they should provide information that tells you and the organizations how well you are performing. The measures are usually related to efficiency (how quickly you deliver) effectiveness (how good, accurate or relevant the service delivery was to the customer), cost efficiency and cost effectiveness.

Performance measures should be agreed between job holder and his or her manager and should be reviewed regularly. There are a number of benefits to the organization and the individual in

terms of personal development and corporate achievement (Business: The Ultimate Resource, 2002).

2.3.2 The Five Facets of the Performance Prism

Bourne et al (2003) relate the five facets of the performance prism under two major branches as:

The external facets of the performance prism:

- i. Stakeholder Satisfaction
- ii. Stakeholder Contribution

Stakeholders include: investors, customers and intermediaries, employees, regulators, communities, and suppliers.

The internal facets of the performance prism:

- i. Strategies:** including corporate strategy, business unit strategy, and brands/products/services strategy and operating strategy.
- ii. Processes:** involves developing products and services, generating demand, fulfilling demand, planning and managing enterprises.
- iii. Capabilities:** encompasses people, practices, technology and infrastructure.

Bourne et al. (2003) observe further that there is a growing trend towards managing performance improvements through focusing on the underlying drivers of performance, whether they are improvements in the processes or the underlying resources that give these processes their capability. The past obsession with pure financial performance is decreasing and there is recognition that there is now a significant trade-off between hitting today's financial results and sustaining the capabilities and competencies that allow companies to compete effectively in the future. Companies are increasingly being asked to explain not only what their profitability is but also how they have achieved it.

2.3.3 Corporate Identity

Balmer and Gray (2003) stresses that in essence, corporate identity is the reality and uniqueness of an organization which is integrally related to its external and internal image and reputation through corporate communication, is the process through which stakeholders perceive that the company's identity and image and reputation are formed.

In today's volatile business environment corporate communication, when viewed and managed from a strategic perspective, can imbue many organizations with a distinct competitive advantage (Balmer and Gray, 2002). One sure way of retention of the right caliber of staff is by motivating them – and when we talk about motivation in the corporate world one sure thing that comes to mind is compensation or rewards.

2.3.4 Organizational Climate and Employee Satisfaction

Organizational climate, as suggested by West et al. (1998), refers to the “perceptions that organization members share of fundamental elements of their organization” (p. 262). When perception by employees of greater involvement in decision making, information sharing and management support is favorable, then greater corporate effectiveness is also expected.

2.3.5 Employees as Stakeholders

Crowther (1996) identifies the perspective dimension of corporate performances seeking to recognize stakeholders as having more than one perspective and that different stakeholder groups may have the same perspective.

Identifying Employees as stakeholders, he argued further that, “this reflects both the fact that employees are interested in the performance of the organization and that the organization is concerned with the performance of its employees in helping meet its objectives”. It is concerned, therefore, with motivation of employees and the relationship between performance and rewards.

2.4 Reward System

Nelson and Peter (2005) stated “You get what your reward”. According to them, a reward system is the world’s greatest management principal. If the organization rewards a certain kind of employee behavior good or bad, that is what the company will get more of productivity (Svensson, 2001).

Rewards come in two different types. It can either be in a form of incentive motivation or personal growth motivation. The former is the kind that comes from within the individual, a feeling, being proud over something, feeling content and happy by something that you have done. The latter is the type that is brought to you by another person or an organization (Kaplan and Atkinson, 1998), and is the one that will hold our focus through this study. Furthermore, extrinsic rewards can be monetary or non-monetary. The monetary is usually a variable compensation, separated from the salary it is received as a consequence for extraordinary performance or as an encouragement and it can be either individually based or group based. The conditions to obtain this reward should be set in advance and the performance needs to be measurable (Jaghult, 2005). There exists a variety of purpose of a reward system, one very common is to motivate employees to perform better, but also for keeping the employees (Ax, Christer and Kullven, 2005). For a reward system to be ideally motivational, the reward should satisfy a number of criteria; have value, be large enough to have impact, be understandable, be timely, the effect should be durable and finally the rewards should be cost efficient (Merchant, 2007).

2.4.1 Purpose

A reward system puts together employees’ natural self-interests with the organization’s objectives and provides three types of management control benefits, informational, motivational and personnel related. Firstly, rewards should catch the employees’ attention and at the same time it works as a reminder for the person in charge of what results should be completed in different working areas. Organizations use reward system to emphasize on which parameters their employees should exert the extra effort on by including them in their reward program (Svensson, 2001). This is a good way to emphasize and convince the employees of which performance areas that are important and create goal congruence within the organization and

signals how the employees should direct their efforts. To motivate is the second control benefit. People sometimes need an incentive to perform tasks well and work hard. Last but not least we have the personnel related control benefit. Organizations give rewards for many different reasons e.g. to improve recruitment and retention by offering a compensation package that is competitive on the market (Merchant, 2007).

Reward system refer primarily to things that employee's value. It is important to bear in mind that a reward system can contain both positive and negative rewards. The negative rewards, often seen as punishments, usually manifest themselves through an absence of positive rewards. Examples of positive rewards would be autonomy, power, salary increases, bonuses and some negative rewards would be interference in job from superiors, zero salary increase, and no promotion (Svensson, 2001).

2.4.2 Different Parts of a Reward System

While constructing a reward system there are certain criteria to consider, and commonly these are considered in most outspoken reward systems. A reward can be either an "add-on", meaning that the employee has a normal salary, and the reward. Corporations have, just as humans, different life-stages, and depending on where the corporation is at the moment it has different needs and this affects the reward system, needing to create goal congruence. What goals the company have in regards of profitability and growth, are the parameters you measure to see if a reward should be paid or not. This usually requires a bread-down of the goals, making them easier to measure and more understandable for the employees, and there you also need to show them how their behavior affects the measured goals and parameters. Here the incentive system becomes a tool for management control and the choice of which goals you measure is important, since these are the ones the employees will put their focus on. Sometimes a monetary reward is given based on individual or on departments' performance, although the company has losses. This can be avoided by adding a threshold requirement for the whole company, which then needs to be fulfilled before a bonus can be paid out in any departments. Factors such as when and how the reward should be paid out and if there should be a roof (a higher limit of the reward-amount) are things that always should be specified while designing the system (Jaghult, 2005).

Monetary

“It is certainly not the only form of reward, and it is not necessarily always the best one, but its use is so common that it deserves special mention” (Merchant, 2007). People value money and therefore making money an important form of reward. Monetary reward systems can be classified into three main categories, performance-based salary increases, short-term incentive plans, and long-term incentive plans. The latter two rewards are common on managerial levels and are often linked to performance during a specific time period (Svensson, 2001). The first one is often considered to be the greatest motivational factor of them all (Samuelsson, 1999).

Each and every organization gives salary increase to employees’ at all organizational levels. This is normally a small portion of an employee’s salary, but has a significant value due to its long-term perspective (Merchant, 2007).

Short term incentives in some form are however commonly used in organizations. A cash bonus is usually based on performance measured on a time period of one year or less. Why a company primarily uses a variable pay is to differentiate it among the employees, so that the most successful employees will be rewarded. By recognizing the employee’s contributions to the company it makes it easier for the organization to encourage excellent performance. The employees appreciate the possibility of receiving a reward for their performance (Svensson, 2001). Using a variable pay can also be an advantage for the company in terms of risk-sharing. This means that the expense for compensation varies more with company performance when the total compensation is partly variable, making the cost lower when no profit is made and when there is a profit this can be shared with the employees.

Rewards based on performance measures over time periods larger than one year are long-term incentive rewards. By using this, a company can reward employees for their outstanding work performance to maximize the firm’s long-term value. This also works to attract and retain key talented persons (Merchant, 2007). Types of these can be stock-option programs, restricted stock plans or by a reward that is put in a “bonus-bank” that change according to result and runs over several years (Samuelsson, 1999).

A stock-option program is usually when a person is allowed to buy stocks in the future, but for today's price. This is an attractive way of rewarding a manager because the manager would want the value of the stock to increase and thus work harder on the longer-term goals and commitments instead of focusing on short-term profits. Another advantage with this type of reward is, since the manager does not yet own the stock, he or she will still be taking risks with higher payoffs than they might had if they already owned them. However, exist one great disadvantage though with the stock-option program. A manager does not have enough control over the value. Too many external and non-responsive factors influence the value, making it less appealing as an incentive (Kaplan and Atkinson, 1998).

A very popular type of long-term incentive is some form of a restricted stock plan. This reward is shares given as a bonus to the employee; however, they can only be sold after certain time period. After for instance one year, the employee will be able to sell one fifth of the shares, after two years he or she will be able to sell two fifths and after three years three-fifths etc. This is a way to retain competence within the company, not to motivate employees, since if they choose to end their employment before the fifth year, they will lose the remaining parts. Some firms take this even further by withdrawing the shares you already received (Merchant, 2007).

Non-monetary

Be given a thank you from your manager or to receive gratitude from your co-workers are both examples of non-monetary rewards (Jagult, 2005). Monetary rewards are often accused of being too short-termed, and not creating a long-term commitment which is normally what you want from your employees. To achieve long-lasting motivation for the employees the organization must pay attention to both the financial and the non-financial motivators, in order to provide the best mix Armstrong & Brown (2006).

Individual-based vs. group-based rewards

For a group reward to provide a direct incentive effect, the employee to whom the rewards are promised has to believe that they can influence the performance on which the rewards are based on to a significant extent (Merchant, 2007). Achieving something as part of a group usually strengthens the ties between co-workers. However, if someone has been part of a group without

contributing in the same way as the rest, usually creates great dissatisfaction among the rest, and teaches employees that they get rewards without input. This phenomena is called the free-rider-problem. In many projects and companies, it is not possible to carry out a task by yourself but the task-completing-process is a process through the company, engaging many different people. In these cases a group-based reward is preferable since everyone has “pulled their weight”, although it is hard to see the individual impact.

Individual-based rewards often lead to sub-optimization. When introducing an individual based reward system, employees tend to concentrate on their own performance instead of the company’s performance as a whole. Asking co-workers and managers for help is suddenly something you think twice about, as you might need to share a future reward if you do. This leads to tasks fulfilled with an okay result, instead of a better result that might had sprung from a collaboration with co-workers more competent to the task or parts of the task, hence sub-optimization. However, an individual-based reward creates the greatest motivation and larger incentives for the individual (Jaghult, 2005).

Increasing the responsibility for an employee usually tends to also increase motivation. This because increased responsibility makes the employee feel more appreciated and skillful. When in a group, people learn from each other, creating more and more and more positive actions, and also gets more effective. Rewarding a group sunning a monetary reward, often creates an intrinsic reward for the group-members, as they feel satisfied belonging to a group that has performed something extraordinary (Jaghult, 2005). There is also a possibility to combine these two kinds of rewards (Samuelsson, 1999). This can be done by basing the total reward on group performance, and the individuals’ shares of this reward on individual performance (Kaplan and Atkinson, 1998).

2.4.3 Performance Measures and Goal Setting

The connection between performance and rewards are the goals set and the performance measured in contrast to these goals. There are two types of measures, financial and nonfinancial, although both are usually used, the financial reward is the most common. A company needs to understand what runs their returns to be able to manage the factors that create it. Financial measures, such as return on investment, tend to be short-term which makes them partially sub-

optimized. The nonfinancial measures such as quality on the other hand, could be used by the company for long-run financial performance. Financial measures are still however, very important since they correlate with the primary objective of companies, profit. A performance measure's purpose is to both make the employees focus on what is important, but also to be able to see and react when something is wrong. One way of connecting the non-financial measures and goals with the financial is by using a balanced scorecard for example (Kaplan and Atkinson, 1998).

One definition of a goal is a description of a wanted, future state. This is usually an overall vision, that gets broken-down to different levels in the company, and if this process functions as it should, even at the lowest level and in the tiniest goals, there exists congruence with the vision (Jacobsen and Thorsvik, 2008).

A theory developed in 1979 by Latham and Locke suggests that motivation and performance increases when people set specific and achievable goals, when the goals are difficult but accepted and when there is some kind of feedback on the performance. This makes the participation of goal setting important, giving the employee possibility to influence his goals.

The worth of a job is a significant factor in determining the pay rate for that job. However, pay based on only this measure may fail to motivate employees to perform to their full capacity. Incentives linked with output cases workers to more fully apply their skills and knowledge to their jobs while encouraging them to work together as a team.

2.4.4 Reasons and Requirements for Incentive Plans

A clear trend in strategic compensation management is the growth of incentive plans, also called variable pay programs, for employees throughout the organization. Variable pay programs establish a performance "threshold" (a baseline performance level) and employee or group of employees must reach in order of quality for variable payments. Incentive plans create an operating environment that champions a philosophy of shared commitment through the belief that every individual contributes to organizational performance and success.

2.4.5 Incentive Plans as Links to Organizational Performance

By meshing compensation and organizational objectives, managers believe that employees will assume “ownership” of their jobs, thereby improving their effort and overall job performance. Various studies have demonstrated a measurable relationship between incentive plans and improved organizational performance. Unfortunately, studies also show that variable pay plans may not achieve their proposed objectives or leadoff organizational improvements. A plan is more likely to work in an organization where morale is high, employees believe they are being treated fairly and there is harmony between employees and management.

2.4.6 Requirements for a Successful Incentive Plan

For an incentive plan to succeed, employees must have some desire for the plan (Bento and White, 1998). This desire can be influenced in part by how successful management is in introducing the plan and convincing employees of its benefits (McKenzie and Shilling, 1998). Encouraging employees to participate in developing and administering the plan is likely to increase their willingness to accept it (Heneman et al., 1998). Employees must be able to see a clear connection between the incentive payments they receive and their job performance.

2.4.7 Setting Performance Measures

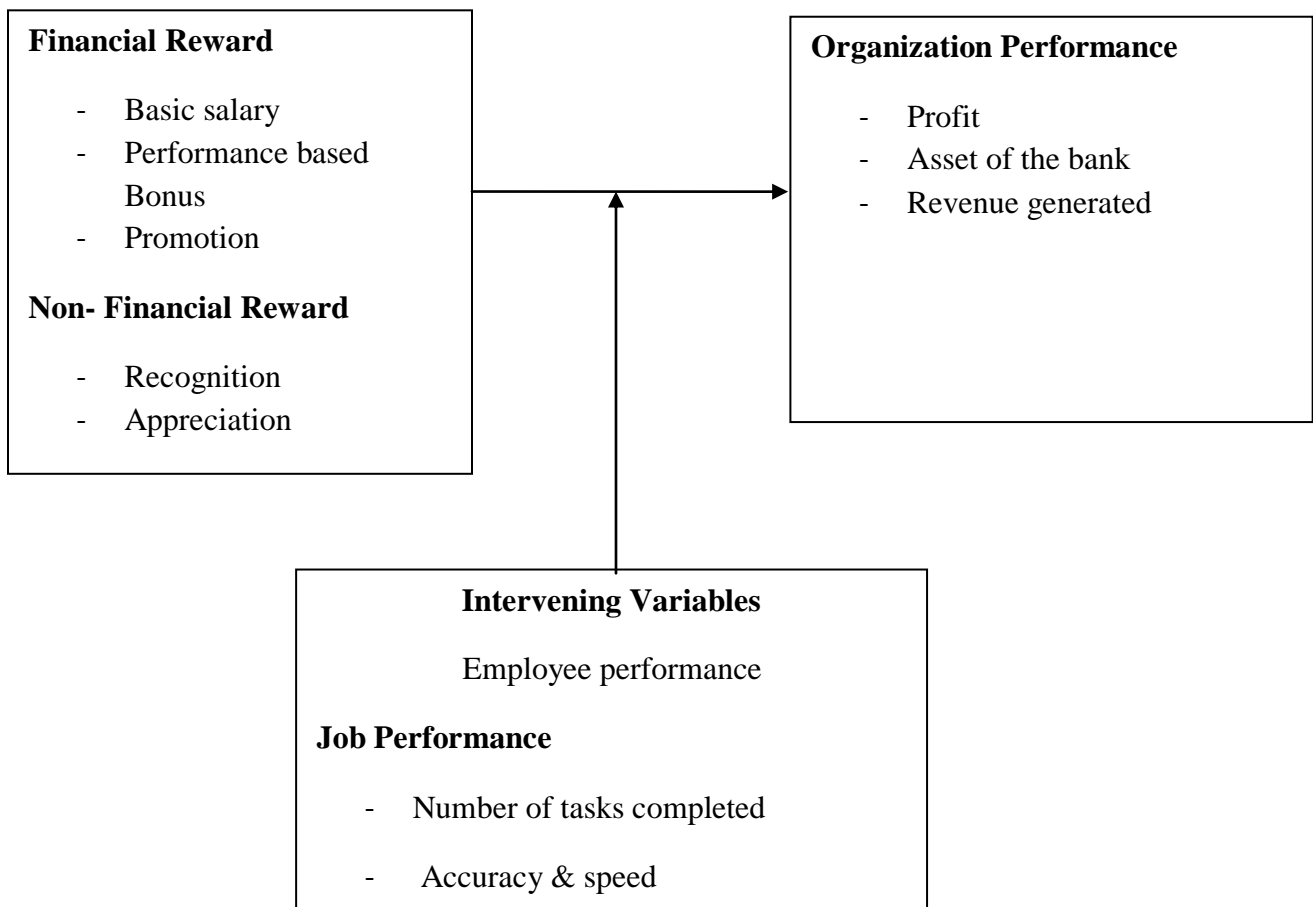
Measurement is the key to the success of incentive plans because it communicates the importance of established organizational goals. What get measured and rewarded gets attention. For example, if the organization desired to be a leader in quality, then performance indexes may focus on customer satisfaction, timelines or being error-free. Finally, employers must guard against hiking performance goals by continually trying to exceed previous results. This result will be a mistrust of management and a backlash against the entire incentive program.

2.5 Conceptual Framework

Conceptual framework is a set of coherent ideas or concepts organized in a manner that makes them easy to communicate to others (Schwartz, 2006). The under mentioned figure is the conceptual framework showing the relationships between independent and dependent variables, as well as intervening variables for the research problem. The independent variables were

conceptualized as intrinsic rewards (recognition, Learning opportunities, challenging work, genuine appreciation and career advancement, and extrinsic rewards (basic salary and performance bonus). In contrast, the dependent variables measures work performance (such as job quality, job accomplishment) and overall organization performance. The independent variables have been shown to have an effect on organizational performance(Ong and Tec, 2012), For example, Aktar, Sachu & Ali (2012) found that each reward factor within both extrinsic and intrinsic reward systems, was a highly significant factor which affects employees’ performance. Basically, the Herzberg two factor theory of intrinsic and extrinsic factors is the guiding theory in this research.

Figure 2.5.1: Conceptual Framework



CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter focused on research design, study area, population of the study, sample size sampling technique, data source, data collection instruments data analysis and presentation.

3.2 Research Design

Research design as defined by Zikmund (2003) argues that a research design is a master plan specifying the methods and procedures for collecting and analyzing the needed information. Research design as defined by Cooper et al. (2003) is the plan and structure of investigation so conceived as to obtain answer to research questions. This study adopted a descriptive research design, which according to Cooper and Schindler (2003) involves surveying people and recording their responses for analysis. A descriptive research design according to Isaac & Michael (1977) is used to describe methodically the details and features of a given population accurately and truthfully. Furthermore, the research design is causal in nature, Zikmund (2003) in his study states that the main purpose of causal research is to "determine the cause and effect relationship among variables." Within the descriptive research design, this study incorporated both quantitative and qualitative research approaches to better understand the relationship between variables in the research problem.

3.3 Population of the Study

According to Hair, et al (2010) target population is a specified group of people or object for which questions can be asked or observed to collect required data structures and information. The population consisted of employees of Dashen bank Company from recruit professional up to accountant level at branches of Addis Ababa. According to Dashen Bank June 30, 2018 record there are 1,176 employees in Addis Ababa branches from grade one up to grade four who are eligible for both financial and non-financial rewards.

3.4 Sample Size

The sample size is very important for the clear understanding of the population of the study to be undertaken. Alreck & Settle (1995) states that sample size is determined after considering statistical precision, practical issues and availability of resources. The sample consisted of employees working in branches found in Addis Ababa district office in Dashen bank S.C. The categories of respondents were included from recruit professional up to accountant level and Manager –benefits and compensation and employee relation. Therefore, the sample size was determined by considering the total population of branches found in Addis Ababa from recruit professional to accountant level. The researcher has used both stratified and simple random sampling method to select respondents from the targeted population. According to Dashen Bank June 30, 2018, record there were 1,176 employees of recruit professionals to accountant levels found in Addis Ababa district office. From this target population, 80 employees were taken as a sample of respondents for a medium size population using simple random sampling. Medium size population is used because of time limitation and cost and the researcher determination of sampling is supported by Carvalho (1984) as presented below in table 3.4.1

Table 3.4.1: Carvalho’s Sample Size Determination

| Population Size | Small | Medium | Large |
|------------------------|--------------|---------------|--------------|
| 51-90 | 5 | 13 | 20 |
| 91-150 | 8 | 20 | 32 |
| 151-280 | 13 | 32 | 50 |
| 281-500 | 20 | 50 | 80 |
| 501-1200 | 32 | 80 | 125 |
| 1201-3200 | 50 | 125 | 200 |
| 3201-10,000 | 80 | 200 | 315 |
| 10,001-35,000 | 125 | 315 | 500 |
| 35,001-150,000 | 200 | 500 | 800 |

Source: Carvalho (1984)

3.5 Sampling Technique

The sampling technique used in this study was simple random and stratified, simple random sampling has an advantage for the number of sampling population to give an equal probability being selected. Zikmund (2003) identifies two basic sampling techniques: probability and non-probability sampling. According to Zikmund, a probability sample is defined “ as a sample in which every member of a population has a known, non-zero probability of selection.” Zikmund states that if sample units are selected on the basis of personal judgment, the sample method is a non-probability sample. Hence, I used a probability sampling techniques of simple random and stratified to give respondents equal opportunity.

3.6 Data Collection Instrument

3.6.1 Primary Data

Primary data refers to the data that are original and not yet published which are always called fresh data that one collects directly from the field. Primary data were collected using the following methods and tools;

(i) Questionnaires

A questionnaire is a research instrument consisting of a series of questions and other prompts for the purpose of gathering information from respondents (Foddy, 1994). Questionnaire was used because it manages to collect information from a large number of people in a short period of time and in a relatively cost effective way. This tool gives room and freedom of expression to the respondents that they expecting to get more information to chapter important themes of the study on the Effect of Reward Systems on Organization Performance. The questionnaire was used to collect data from Dashen bank’s employees, to get the Effect of Reward Systems on Organization Performance. A questionnaire was developed from the WorldatWork Total Reward Model based on research objectives as indicated appendix I.

(ii) Interviews

An interview is a conversation between two or more people where questions are asked by interviewer to elicit facts or statements from the interviewee (Seidman, 1998). This method gives the researcher the freedom to review the interviewee to elaborate or to follow a new line of inquiry introduced by what the interviewee is saying. This interviews allowed the researcher to clarify ambiguous answers and when appropriate, seek follow – up information. It was easily enable the researcher to capture important themes on the effect of reward systems on organization performance.

This method was applied to collect data from manager-benefits and compensation and employees relation as allowed to express his views and feelings on the effect of reward systems both financial and non-financial on organizational performance. Interview questions were developed based on research objectives as indicated appendix II.

3.6.2 Secondary Data

Secondary data on the other hand refers to data that has been collected that can be published unpublished which are already existed. It will be clearly collected through the following method:

(i) Documentary review

The analysis of different documents to get information related to important themes from various materials in libraries and online sources (Scott, 2006). From this method the researcher has reviewed different documents related to the effect of reward systems on organization performance.

3.7 Data Analysis

The data were processed (both primary and secondary) manually. The processing stage was involved edition, classification, coding, transcription and tabulation. In the analysis of data, descriptive analysis was employed to determine the currently reward system employed in Dashen bank S.C. It was based on the relationship of rewards and the performance on Dashen Bank S.C

The use of computer employed SPSS version 23 (Statistical Package for Social Science) was used for this purpose. After being analyzed it was presented in the form of tables, graphs and pie chart. That was clearly indicted with important variables from the major study themes related to the Effect of Reward Systems on Organization Performance.

3.8 Reliability and Validity

Reliability and validity are the two most important quality control objects in research. The following are the explanation of validity and reliability in this research.

3.8.1 Reliability

Reliability is an instrument which is used to describe the overall consistency of a measure. A measure is said to have a high reliability if it produces similar results under consistent conditions, (Neil, 2009). The issue of reliability was ensured through the appropriate random sampling and a purposive sampling technique is another indication of reliability in this study. Also the study was included Advisor's comments and advice on the Effect of Reward Systems on Organizational Performance.

3.8.2 Validity

Validity refers to the degree to which study accurately reflect or assesses the specific concepts the researcher is attempting to measure (Fidel, 1993). The types of validity include internal validity which clearly indicates the principles of cause and effects in research, External validity which clearly focus on the effects of research that can be generalized. In this study internal validity was consistently applied to test the Effect of Reward System on Organizational Performance.

Validity was enhanced through the pilot study that was purposely undertaken to pre-test the research tools and methods before the study to be undertaken. Certainly was enhanced this study validity as interview and questionnaires were clearly checked, these techniques were constructed basing on the objectives of the study. In confirming the validity of the instrument, face and content validities were ensured.

The instrument was applied to professionals in the area of organizational Psychology for proper scrutiny and evaluation. Furthermore, since this research is not a statistical study and the aim is the sample widely, external validity was achieved by analytical generalization of comparing research evidence with the existing literature.

3.9 Ethical Consideration

Hart (2005, p.307) states that ‘ethics in research, as in everyday life, are a combination of socialization, instinct, discretion and been able to put yourself in the position of others to reflect on and see our action as others may do’. Hence, ethical consideration was taken into account throughout data collection. First each selected respondent was informed that his/her response is voluntary and only those who provided verbal and written consent was taken part in the study. Second, the clear introduction and elaboration of the objectives of the study was given to every respondent before engaging him/her in the fieldwork. Thirdly, all research tools were had an introduction so that participants identities were kept anonymous, to avoid any harm to respondents. Furthermore, the study was abided by the ethics of social research ranging from professional ethics to those concerning researcher-respondent relationship. In addition, all who were assisted the researcher in one way or another was given due respect. Acknowledgements of other scholars’ works were maintained throughout the research process.

CHAPTER FOUR: DATA PRESENTATION, ANALYSIS AND INTERPRETATION

This chapter deals with presentation, analysis, and interpretation of the data by categorizing into two parts. The first part presents the characteristics and background of the sample population involved in the study in terms of gender, age, educational level, service years, and position of employees. The second part deals with the analysis and interpretation of the data obtained from the respondents response on the effect of reward systems on organizational performance.

4.1 Profile of Respondents

80 employees were selected from the Bank's branch grade 1-4 found in Addis Ababa using Simple random and stratified methods which was assumed to represent all branches' of the bank that the type of service rendered and staffs combination available across branches are similar. As a result 67 employees were responded the questionnaire and the response rate was 83.75%. Out of 67 respondents, 62.7% are male and 37.3% are female and this reveals that the majority of the respondents are male as indicated in the survey result in table 4.1.1.

Table 4.1.1: Gender

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|--------|-----------|---------|---------------|--------------------|
| Valid | Male | 42 | 62.7 | 62.7 | 62.7 |
| | Female | 25 | 37.3 | 37.3 | 100.0 |
| | Total | 67 | 100.0 | 100.0 | |

Source: own source survey (2018)

Out of the 67 respondents, 74.6 %, 13.4%, 10.4%, and 1.5% whose ages lied between 25-35, 36-55, below 25 and above 55 years respectively. This shows that the majority of the respondents' age group lied between 25-35 years old as indicated in the survey result in table 4.1.2.

Table 4.1.2: Age

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|----------------|-----------|---------|---------------|--------------------|
| Valid below 25 | 7 | 10.4 | 10.4 | 10.4 |
| 25-35 | 50 | 74.6 | 74.6 | 85.1 |
| 36-55 | 9 | 13.4 | 13.4 | 98.5 |
| above 55 | 1 | 1.5 | 1.5 | 100.0 |
| Total | 67 | 100.0 | 100.0 | |

Source: own source survey (2018)

88.1% of respondents have first degree holder and 10.4% of respondents have master's degree holder. This indicates that the majority of the respondents are first degree holders as shown in the survey result on table 4.1.3.

Table 4.1.3: Education

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|-----------------|-----------|---------|---------------|--------------------|
| Valid Diploma | 1 | 1.5 | 1.5 | 1.5 |
| first degree | 59 | 88.1 | 88.1 | 89.6 |
| master's degree | 7 | 10.4 | 10.4 | 100.0 |
| Total | 67 | 100.0 | 100.0 | |

Source: own source survey (2018)

59.7% of the respondents have work experience in bank ranges from 1-5 years and 19.4% of respondents have 6-10 years' work experience. This shows that the majority of the respondents work experience lied between from 1 year up to 5 years as indicated in the survey result on table 4.1.4

Table 4.1.4: Work experience in the banking industry

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|--------------|-----------|---------|---------------|--------------------|
| Valid 1-5 | 40 | 59.7 | 59.7 | 59.7 |
| 6-10 | 13 | 19.4 | 19.4 | 79.1 |
| 11-15 | 10 | 14.9 | 14.9 | 94.0 |
| 16 and above | 4 | 6.0 | 6.0 | 100.0 |
| Total | 67 | 100.0 | 100.0 | |

Source: own source survey (2018)

As indicated on table 4.1.5 Out of the 67 respondents, 61.2% are maker/checker, 16.4% are others and the rest is CSO-Accountant I, Recruit professional, CSO- Cashier I, CSO- Cashier II, and CSO-Accountant II in their respective order. This shows that the majority of respondents are maker/checker in the survey under consideration. These are front line staffs that serve the customer directly who have spent most of their time in serving and entertaining customers according to their demand.

Table 4.1.5: Position

| Position | Frequency | Percent | Valid Percent | Cumulative Percent |
|----------------------|-----------|---------|---------------|--------------------|
| Recruit professional | 4 | 6.0 | 6.0 | 6.0 |
| CSO-Cashier I | 2 | 3.0 | 3.0 | 9.0 |
| Maker/checker | 41 | 61.2 | 61.2 | 70.1 |
| CSO-Cashier II | 2 | 3.0 | 3.0 | 73.1 |
| CSO-Accountant I | 6 | 9.0 | 9.0 | 82.1 |
| CSO-Accountant II | 1 | 1.5 | 1.5 | 83.6 |
| Other | 11 | 16.4 | 16.4 | 100.0 |
| Total | 67 | 100.0 | 100.0 | |

Source: own source survey (2018)

4.2 Data Presentation, Analysis and Interpretation

4.2.1 The Type of Financial Reward Given By the Bank to its Employee

66.1% of respondents responded bonus is given as a financial reward by the bank, 45.8% of the respondents responded salary is given as financial reward by the bank in addition to the regular monthly salary payment as a reward for the best performing employee while 20.3% of the respondents responded allowance is given as a financial reward by the bank. This shows that the majority of the respondents witnessed that bonus is given as a financial reward and salary and allowance are followed in their respective order as mentioned in the above percentage. As per the respondents' observation, the degree of financial reward given by the bank as bonus, salary and allowance are different as depicted in the survey result shown in table 4.2.1.

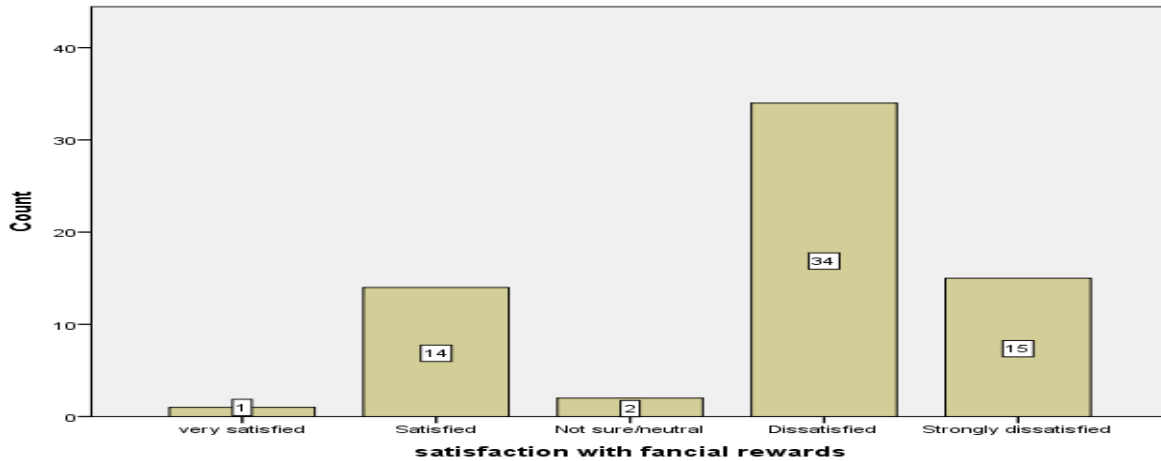
Table 4.2.1: Reward Frequencies

| | Responses | | Percent of Cases |
|--------------------|-----------|---------|------------------|
| | N | Percent | |
| bank reward Salary | 27 | 34.6% | 45.8% |
| allowance | 12 | 15.4% | 20.3% |
| bonus | 39 | 50.0% | 66.1% |
| Total | 78 | 100.0% | 132.2% |

Source: own source survey (2018)

4.2.2 Satisfaction Level with the Financial Reward

Bar graph 4.2.2.1: Satisfaction Level with the Financial Reward



Source: own source survey (2018)

As indicated in bar graph 4.2.2.1, out of 67 respondents, 34 respondents(50.74%) responded dissatisfied by the bank's financial reward , 15 respondents(22.38%) responded strongly dissatisfied , 2 respondents(2.98%) responded as not sure , 14 respondents(20.90%) responded as satisfied and 1 respondents(1.49%) responded as very satisfied and one respondent not responded for the option. As a result, the majority of the respondents witnessed adequate financial reward is not provided by the bank and testified their dissatisfaction about the financial reward given by the bank as depicted in the survey result above.

4.2.3 Types of Non-Financial Reward Given By the Bank to Its Employees

Out of 67 respondents, 38.8% of respondents responded praise is granted from their boss , 32.7% of respondents responded formal recognition (such as certificate, employee of the month) is given by the bank, 18.4%of respondents responded informal recognition is given by the bank, 12.2% of respondents responded end of the year social part has prepared and employees have enjoyed the occasion , 8.2%of respondents responded sent out for a conference, workshop or seminar is done by the bank and 6.1% of respondents responded thank you note is practiced by the bank. The majority of the respondents agreed that the degree of availability and provision to

its employees on the above mentioned non-financial reward by the bank is different or not similar as indicated in the survey result in table 4.2.3.1.

Table 4.2.3.1: nonfinancial reward Frequencies

| | | Responses | | Percent of Cases |
|---------------------|---|-----------|---------|------------------|
| | | N | Percent | |
| nonfinancial reward | Praise from your boss | 19 | 33.3% | 38.8% |
| | Formal recognition (such as certificate, employee of the month) | 16 | 28.1% | 32.7% |
| | Informal recognition | 9 | 15.8% | 18.4% |
| | Thank you note, part on the bank | 3 | 5.3% | 6.1% |
| | Sent out for a conference /workshop/ seminar | 4 | 7.0% | 8.2% |
| | End of the year social part | 6 | 10.5% | 12.2% |
| | Total | 57 | 100.0% | 116.3% |

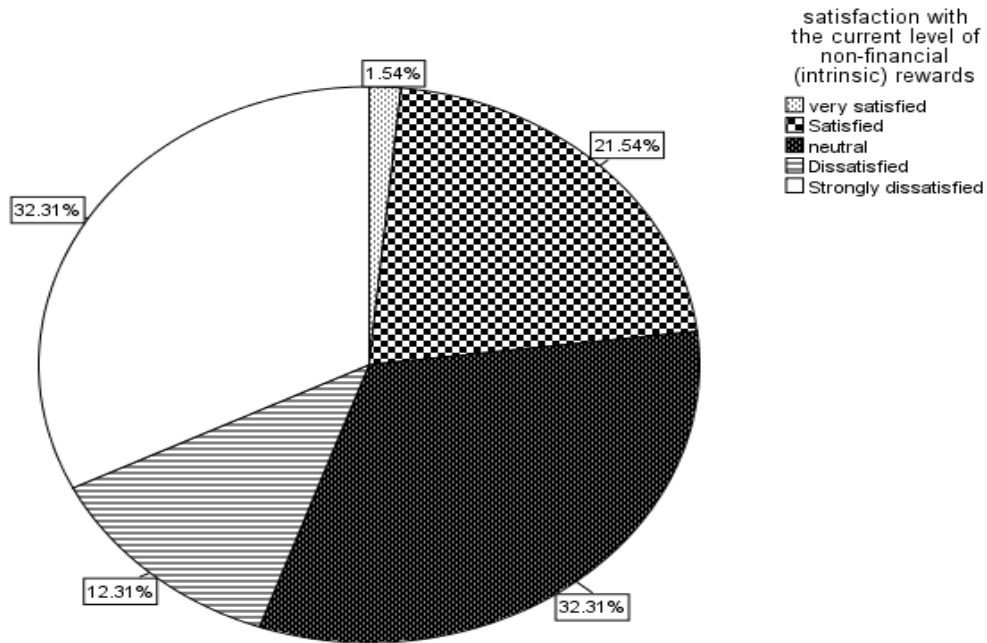
Source: on source survey (2018)

4.2.4 Level of Satisfaction for Non-Financial Rewards

32.31% of the respondents responded they are strongly dissatisfied for non-financial reward given by the bank, 12.31% of the respondents responded they are dissatisfied for non-financial reward provided by the bank, 32.31% of respondents somewhat agreed for the non-financial reward is granted by the bank, 21.54% of the respondents responded they are satisfied for non-financial reward granted by the bank and 1.54% of the respondents responded they are very satisfied for non-financial reward granted by the bank . As a result, the survey clearly indicated that the majority of the respondents' satisfaction level were not met and dissatisfied for non-

financial reward granted to them by the bank as indicated in the survey result on the pie chart 4.24.1.below.

Pie chart 4.2.4.1: Level of Satisfaction for Non-Financial Rewards



Source: own source survey (2018)

4.2.5 Availability of Strong Reward System

Out of 67 respondents, 49 respondents (73.1%) responded the bank has no established strong reward system while 14 respondents (20.9%) responded positively the establishment of strong reward system by Dashen Bank S.C. Respondents stated their reason for the non-availability of strong reward system in the bank numerated as follows:- the bank's reward system is not appropriate, in-competitive benefit package as compared to similar industries exist in the country, the payment of bonus as reward is decreasing from year to year, satisfactory reward is not given unless the bank meets its target, there is no clear link between pay and performance, no clear criteria established by the bank for employees to be rewarded, one month salary is given as reward once in year or annually for best performing staffs in one branch or department,

bonus payment is different among branches with only one criteria that is achievement of deposit target without considering other key performance indicators. Accordingly, respondents' opinion supported by, Hunger and Wheelen (2000), indicates that it is imperative that reinforcing rewards be contingent on and equal to the performance of the employee and that managers discriminate among employees on the basis of their performance. The respondents' also suggested that the reward system is subjective rather than objective which is more of subjective and there is lack of accountability for the failure of rewards system effectiveness with the bank. Hence, the majority of respondents agreed that the bank has no established strong reward systems as indicated in the survey result in table 4.2.5.1.

Table 4.2.5.1: Bank established strong reward system

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|---------|-----------|---------|---------------|--------------------|
| Valid | 4 | 6.0 | 6.0 | 6.0 |
| Missing | | | | |
| Yes | 14 | 20.9 | 20.9 | 26.9 |
| No | 49 | 73.1 | 73.1 | 100.0 |
| Total | 67 | 100.0 | 100.0 | |

Source: own source survey (2018)

4.3 Analysis and Interpretation of Response of Respondent's on Likert Scale Questions

4.3.1 As Regarding Financial (Extrinsic) Reward System

As indicated on table 4.3.1, the computed median value with its mode result showed that most of the respondents strongly disagreed that higher salary and pay increase the performance of Dashen bank S.C. In addition, the computed median value with its mode result showed that most of the respondents confirmed that the bonus reward given by the bank is not satisfied its employees. Moreover, the computed median value with its mode result indicated that the majority of respondents testified that the bank does not work on the satisfaction of employees with the regular and systematic financial policies regarding the increment and other monetary policies given by the bank. On top of these, the computed median value with its mode result

showed that the majority of the respondents disagreed that frequency of increase in salary level as a reward given by the bank is not done regularly.

On the other hand, the computed median value with its mode result showed that the majority of the respondents agreed when a bonus is given by the bank the performance of the employee is increased. In addition, the computed median value with its mode result showed that the majority of the respondents agreed when they are better remunerated, they increase their job performance within the bank. Moreover, the computed median value with its mode result indicated that the majority of respondents strongly agreed when they are promoted it really motivated them to work harder during their stay in the bank.

According to Hunger and Wheelen (2000), financial reward must be perceived as fair and equitable by the majority of organization members. Moreover, it must be received immediately up on completion. More importantly, Maslow's need theory indicates that human beings are "wanting" organisms that are motivated to fulfill and satisfy their needs in hierarchy specially financial reward is crucial to satisfy the primary needs of employees.

The survey result testified that most of the respondents agreed that the financial reward provided by Dashen Bank S.C is not adequate. Thus, according to the respondents, the dissatisfaction of employees may be caused due to less salary payment, payment of bonus is not satisfactory, salary scale is not revised timely, and the benefit package is not systematically and regularly revised. But, respondents agreed that the promotion given to those by the bank for the higher position have motivated employees to work harder.

According to Armstrong (2009) are reward system consists of number of interrelated processes and activities which combine to ensure that reward management is carried out effectively to the benefit of the organization and the people who work there.

Table 4.3.1: Descriptive Statistics

| | N | | Median | Mode |
|--|-------|---------|--------|------|
| | Valid | Missing | | |
| Higher salary and pay increase performance | 66 | 1 | 3.0000 | 1.00 |
| Satisfied with the bonus reward in the organization | 67 | 0 | 2.0000 | 1.00 |
| Satisfied with the regular and systematic financial policies regarding the increment and other monetary benefits | 66 | 1 | 2.0000 | 2.00 |
| Frequency of increase in salary level. | 63 | 4 | 3.0000 | 2.00 |
| When I get a bonus, my job performance increases | 66 | 1 | 4.0000 | 4.00 |
| When I am better remunerated, it increases my job performance | 64 | 3 | 4.0000 | 4.00 |
| When I am promoted, it really motivates me to work harder | 67 | 0 | 4.0000 | 5.00 |

Source: own source survey (2018)

4.3.2 Non-Financial (Intrinsic) Reward System

As indicated in table 4.3.2, the computed median value with its mode result showed that the majority of the respondents agreed that they have got praise from their supervisors for a job well done encouraged them to perform their job better. In addition, the computed median value with its mode result showed that the majority of the respondents agreed when they get formal recognition such as certificate of good customer service, their job performances increases. Moreover, the median value computed with its mode result showed that majority of the respondents agreed informal recognition such as thank you, well done, you are a star, motivated them to improve their performance. Similarly, the computed median value with its mode result showed that the majority of the respondents agreed they are better satisfied when they have got

recognition on good performance. On the same token, the computed median value with its mode result showed that the majority of the respondents strongly agreed over all non-financial (intrinsic) reward encouraged employees to improve bank performance. On the other hand, the median value computed with its mode result showed that the majority of the respondents somewhat agreed that a family day offered by the bank to employees really motivated them to work harder. Whereas, the computed median value with its mode result showed that the majority of the respondents strongly disagreed they are better satisfied with promotional opportunities in the organization. Similarly, the computed median value with its mode result indicated that the majority of the respondents strongly disagree they are better satisfied with the recognition of their contribution in the organization. According to Herzberg's (1957) theory, motivation factors include non-financial rewards and it is the basis to increase satisfaction of employees. These factors include: work itself, added responsibility, opportunity for personal growth.

Majority respondents disagree on the issue of non-financial reward provided by bank do not encourage them to work harder and clearly put into consideration that employees do not have a motivation factor on the non-financial reward system so as to assume benefit to them that is obtained as formal or informal recognition towards the enhancement to do their job. However, majority of the respondents agreed that non –financial reward increase the performance of an organizational if the bank systematically implement the non –financial reward system according to the needs of employees.

Table 4.3.2: Descriptive Statistics

| | N | | Median | Mode |
|--|-------|---------|--------|------|
| | Valid | Missing | | |
| Praise from my supervisor for a job well done, encourages me to perform my job better | 66 | 1 | 4.0000 | 4.00 |
| When I get formal recognition such as certificate of good customer service, my job performance increases | 66 | 1 | 4.0000 | 4.00 |
| A family day offered by the bank to employees really motivates me to work harder | 66 | 1 | 3.0000 | 3.00 |
| Informal recognition such as thank you, well done, you are a star motivates me to improve my performance | 67 | 0 | 3.0000 | 4.00 |
| Overall non- financial (intrinsic) rewards encourages employees to improve bank performance | 66 | 1 | 4.0000 | 5.00 |
| I am better Satisfied with promotional opportunities in the organizations | 65 | 2 | 2.0000 | 1.00 |
| I am better Satisfied with recognition on good performance | 66 | 1 | 2.5000 | 4.00 |
| I am better Satisfied with the recognition of my contribution in the organization | 65 | 2 | 3.0000 | 1.00 |

Source: own source survey (2018)

4.3.3 Perception on Superior Support

As indicated in table 4.3.3, the computed median value with its mode result showed that the majority of the respondents agreed that supervisor encouraged good performer. Moreover, the computed median value with its mode result showed that majority of the respondents agreed supervisor treats subordinates with respect. Similarly, the computed median value with its mode

result showed that majority of respondents agreed that supervisor encouraged employee’s career development. Similarly, the computed median value with its mode result showed that the majority of the respondents agreed supervisor is supportive in getting the job is done. On the other hand, the computed median value with its mode result showed that the majority of the respondents somewhat agreed that supervisor kept employees well informed about what is going on the organization. Similarly, the computed median value with its mode result indicated that the majority of the respondents somewhat agreed supervisor recognized the potential of an employee. In addition, the computed median value with its mode result revealed that the majority of the respondents somewhat agreed positive feedback has given on performance of employees by supervisor without any bias.

Hence, the majority of the respondents agreed that supervisor in Dashen Bank S.C encouraged good performer, treat subordinates with respect, motivated or encouraged employees career development. On the other hand, supervisor is not sharing up to date information to his or her subordinate about the organization, supervisor does not recognize the potential of an employee and positive feedback is not given on the performance of an employee without any bias by a supervisor as per the survey result obtained on table 4.3.3.

Table 4.3.3: Descriptive Statistics

| | N | | Median | Mode |
|--|-------|---------|--------|------|
| | Valid | Missing | | |
| Supervisor encourages on good performance | 65 | 2 | 3.0000 | 4.00 |
| Supervisor treats subordinates with respect | 67 | 0 | 3.0000 | 4.00 |
| Supervisor keeps employees well informed about what is going on the organization | 66 | 1 | 3.0000 | 3.00 |
| Supervisor encourages employee career development | 67 | 0 | 3.0000 | 4.00 |
| Supervisor recognizes the potential of an employee | 63 | 4 | 3.0000 | 3.00 |
| Positive feedback on performance of employees by supervisor without any bias | 66 | 1 | 3.0000 | 3.00 |
| Supervisor is supportive in getting the job done | 65 | 2 | 3.0000 | 4.00 |

Source: own source survey (2018)

4.3.4 Factors that Encourage to increase Organizational Performance

As depicted in table 4.3.4, the computed median value with its mode result revealed that the majority of the respondents agreed good working environment encouraged them to increase organizational performance. Similarly, the computed median value with its mode result showed that majority of the respondents agreed fulfillment of earnings to be life sustained encouraged them to increase organizational performance. In addition, the computed median value with its mode result indicated that majority of the respondents agreed honour incentives, praise, medal and honour rolls or certificates encouraged them to increase organizational performance. In the same token, the computed median value with its mode result revealed that most of the respondents agreed commitment encouraged them to increase organizational performance. The computed median value with its mode result indicated that majority of respondents agreed further career development given by the bank encouraged them to increase organizational performance. The computed median value with its mode result showed that most of the respondents agreed recognition of capacity and achievements encouraged them to increase organizational performance. The computed median value with its mode result showed that the majority of the respondents agreed availability of resources like human and material encouraged them to increase organizational performance. The computed median value with its mode result revealed that most of the respondents agreed allowance given by the bank encouraged them to increase organizational performance. The computed median value with its mode result indicated that majority of the respondents agreed the attraction of retirement fund encouraged them to increase organizational performance. The computed median value with its mode result indicated that majority of the respondents agreed high remuneration encouraged them to increase organizational performance. The computed median value with its mode result revealed that most of the respondents strongly agreed medical allowance given to them and their family by the bank encouraged them to increase organizational performance. The computed median value with its mode result showed that most of the respondents strongly agreed equity in promotion encouraged them to increase organizational performance. From these survey result the majority of the respondents agreed that factors which encourage organizational performance are good working environment, commitment they show or exhibited, earnings fulfill life sustaining, praise

given to them from boss even if they perform good, encouragement or support given for their career development, and equity in promotion among employees are among the lists mentioned.

Table 4.3.4: Descriptive Statistics

| | N | | Median | Mode |
|--|-------|---------|--------|-------------------|
| | Valid | Missing | | |
| Good working environment | 66 | 1 | 4.0000 | 4.00 |
| Earning fulfills life sustaining | 66 | 1 | 3.0000 | 4.00 |
| Honor incentives, praise, medal and honor rolls/ certificates | 67 | 0 | 4.0000 | 4.00 |
| Commitment | 62 | 5 | 4.0000 | 4.00 |
| Further career development given by the Bank | 67 | 0 | 4.0000 | 4.00 |
| Recognition of capacity and achievements | 65 | 2 | 4.0000 | 4.00 |
| Availability of resources: material and human | 64 | 3 | 4.0000 | 4.00 ^a |
| Allowances given by the Bank | 66 | 1 | 3.0000 | 4.00 |
| The attraction of retirement fund | 66 | 1 | 3.0000 | 4.00 |
| Medical allowance given to me and my family by the Bank | 66 | 1 | 4.0000 | 5.00 |
| Equity in promotion | 67 | 0 | 3.0000 | 5.00 |
| High remuneration | 66 | 1 | 4.0000 | 4.00 |

Source: own source survey (2018)

a. Multiple modes exist. The smallest value is shown

4.3.5 The Effect of Reward System on Organizational Performance

As indicated below in table 4.3.5, the computed median value with its mode result revealed that majority of the respondents agreed reward systems can improve customer growth and retention. In addition, the computed median value with its mode result indicated that the majority of the respondents agreed reward systems can increase the company's market share. The computed median value with its mode result revealed that the majority of respondents agreed reward serves

as a chief source of service growth. The computed median value with its mode result indicated that majority of respondents agreed reward plays a key role in the bank's expansion. Moreover, the computed median value with its mode result showed that majority of respondents agreed reward plays a key role in the bank's growth. In the same token, the computed median value with its mode result showed that most of the respondents strongly agreed effective and efficient reward has reduced the rate of employee turnover. Similarly, the computed median value with its mode result revealed that most of the respondents strongly agreed reward systems is a key indicator for achieving growth in organizational profits. According to Hamner (1976), failure not to reward an employee who deserves it may encourage poor subsequent performance. He also indicated that evaluating employees on the basis of racial, sexual, religious, and other basis are the major problems that are observable during performance evaluation.

Majority of the respondents agreed that reward system can improve customer growth and retention, market share of the bank, reduced employee turnover, and play a key role in growth of organizational profits. However, the overall survey result as per the respondent's response reveals that both financial and non-financial reward system are not properly implemented in Dashen Bank S.C. As it is indicated by Mathis and Jackson (2000), organizations must develop policies and procedures as general guidelines to provide for coordination, consistency, and fairness in compensating employees more importantly, Tyson (2006) also indicated that a reward policy is a prerequisite for strategic management of pay and benefits. The respondents also believe that reward system has no relationship with the performance of employees and as a result employee's initiation to perform better is below expected. According to Armstrong (2009), reward can be regarded as the fundamental expression of the employment relationship, commitment, engagement and company performance development.

Table 4.3.5: The Effect of Reward System on Organizational Performance

Statistics

| | N | | Median | Mode |
|--|-------|---------|--------|------|
| | Valid | Missing | | |
| Reward systems can improve customer growth and retention | 67 | 0 | 4.0000 | 4.00 |
| Reward systems is a key indicator for achieving growth in organizational profits | 66 | 1 | 4.0000 | 5.00 |
| Reward systems can increase the company's market share | 66 | 1 | 4.0000 | 4.00 |
| Effective and efficient rewards has reduced the rate of employee turnover | 67 | 0 | 4.0000 | 5.00 |
| Reward serves as a chief source of service growth | 67 | 0 | 4.0000 | 4.00 |
| Reward plays a key role in the Bank's expansion | 67 | 0 | 4.0000 | 4.00 |
| Reward plays a key role in the Bank's growth | 67 | 0 | 4.0000 | 4.00 |

4.4The Analysis of Interview Questions based on the Response of the Management

The respondent believes that the reward system has relationship with the performance of employees and as a result employees are rewarded both financial and non-financial benefits by the bank for the satisfaction of staffs and attainment of organizational goals and achievements. Moreover, the respondent responded as the executive management always works for the equal benefits of the employees, thus, the benefit package policies and procedures are regularly revised in order to attain the objective of the company. In addition, the respondent also indicated that there was market survey under taken by KPMG which encompassed different professionals who have a capacity and knowledge of multidisciplinary. They were engaged in and working their duties in comparing and studding the benefits packages of the bank and structure from other similar industries benefits packages in order to give and share experience of others industries practice. Hence, they developed and formulated salary scale and pay structure which will be implemented in the near future by Dashen Bank.

The respondent also believe that the new structure that is going to be implemented will minimize the salary difference among senior, middle, and junior grade which will positively motivates the employee attitude towards the right reward system of the bank..

4.5 The Analysis of the Responses of both Employees and the Management

In general, the survey result from the response of questionnaire by employees reveals that the bank's reward system does not encourage the full participation of employees, dissatisfy employees and has less contribution to retain the existing employees as well as attracting qualified employees from the labour market. In addition, the respondents also indicated that the salary of some employees do not much with their qualification, experience and with their current performance. The reward provided some times does not composite the current living conditions. However, the response of employees was triangulated by the response of Manager-Benefits, Compensation and Employees Relations. He explained that as compared to similar industries exist in the country, Dashen bank reward is good both in financial and non-financial benefits packages. He mentioned some of the reward available as a strategy are as follows:- bonus payment as per the performance of the branch, medical allowance including spouse and children less than eighteen years old, best performer employees for the given fiscal year, insurance coverage both life and accident and consumer loan and staff housing loan. On top of this, the bank studied the benefits package and salary structure by recruiting external expertise and its implementation will be undertaken after proper evaluation is done by the executive management and board members of the bank.

The majority of the respondents responded that the bank does not have strong reward system because of this they do not satisfied both the financial and non-financial rewards provided to them by the bank. Moreover, the respondents suggested that the reward is not supported by clear reward policy, strategy and plan. In addition, the reward is given after a long time and has weak relationship with employees performance result, the reward is considered as gift from the management or the board and almost there is no body that is accountable for the failure of reward provision. The respondents' also suggested that the implementation of the reward system is in most cases with one criteria that is the achievement of deposit target without considering other key performance indicators and no one is accountable for the failure of rewards

implementation. According to many respondents response in the closed ended question item, they believe that the salary scale do not consider the living condition of employees, the qualification and experience of employees, and the effort employees exert to perform their tasks in the process of fulfilling the objectives of Dashen bank S.C.

According to Terry and Franklin (1997), attaining the results make a better use of human resources and contribute to the employees satisfaction. They further indicated that the specific expected results guides the direction of the operations and are also the standards of performance against which the standard is appraised. In addition to, opinion survey from the respondent and researcher tries to analyze the financial statement of the bank for five years starting from 2013-2017. Its profit, asset and revenue generation.

Table 4.5.1: Financial statement of the bank

(Birr In Millions)

| Year | Asset | Revenue | Net Profit | EPS |
|-------------|--------------|----------------|-------------------|------------|
| 2012-2013 | 19.7 | 1817 | 607 | 823 |
| 2013-2014 | 22 | 2145 | 712 | 670 |
| 2014-2015 | 24.8 | 2515 | 729 | 589 |
| 2015-2016 | 28.6 | 2733 | 727 | 487 |
| 2016-2017 | 34.6 | 3415 | 756 | 392 |

The earnings per share decreases from year to year as indicated in the above table and one reason could be one the dissatisfaction of employees both on financial and non-financial reward provided by the bank. In-addition, the net profit of the year 2015/16 was less by Br. 2miliom. The rest of the year's profit showed incremental at a decreasing rate.

CHAPTER FIVE: SUMMARY OF THE MAJOR FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

This chapter deals with summary of the major findings of the study. Conclusions are also drawn and feasible recommendations are forwarded.

5.1 Summary of Major Findings

The main purpose of the study is to investigate the effect of reward system on organizational performance. In order to achieve the purpose of the study, some basic questions regarding reward systems procedures and practices and its implementation in the company was assessed, the view of Dashen Bank's employees towards the present reward systems and its contribution towards effective performance, the factors, associated to reward systems implementation, effect of Dashen Bank's performance and measures to be taken to address the problem of reward system implementation are raised. To triangulate this , representative of the management, manager-staff benefit and employee relation has explained the system is transparent and the reward benefit package of the company will be better when the KPMG survey study result implemented in the near future by the bank. Moreover, he indicated that employee participation during setting salary scale and pay structuring was undertaken by their representative from the labour union.

In dealing with the research problems, descriptive survey method is used and relevant literature is reviewed. One interview respondent who is representative of the management and 67 employees participated as questionnaire respondents in the study. The data for the study is collected by means of interview and questionnaire respectively. The collected data is critically analyzed, interpreted using appropriate statistical tools (percentage, Median and mode).

Based on the analysis and interpretation of the data, the student researcher presented the summary of the major findings as indicated below:

1. The survey result in case of Dashen Bank shows that the majority of employees are dissatisfied with financial reward provided by the bank.

2. According to the survey result obtained from Dashen Bank the majority of the respondents are dissatisfied with the non-financial reward provided by the bank to its employees that there is inadequate and inappropriate provision of non-financial rewards to employees.
3. The survey result shows that Dashen Bank does not established strong reward system and respondents stated reasons such as the bank's reward system is not appropriate, in-competitive benefit package as compared to similar industries exist in the country, the payment of bonus as reward is decreasing from year to year, satisfactory reward is not given unless the bank meets its target, there is no clear link between pay and performance , no clear criteria established by the bank for employees to be rewarded , one month salary is given as reward once in year or annually for best performing staffs in one branch or department, bonus payment is different among branches without clear or proper criteria only with for those who achieved their deposit target without considering other key performance indicators.
4. The survey result obtained from the respondents of Dashen Bank employees show that payment of salary is less as compared to similar industries as a result they are not encouraged to perform better. The majority of employees are not satisfied the payment of bonus, frequency increase in salary level, and the regular and systematic financial policies regarding the increment and other monetary benefit. As a result they are not motivated and encouraged to work harder for a better result registered in their job.
5. The survey result testified that the majority of the respondents lack praise from their boss for a job well done and as a result they are not motivated for a better performance. Moreover, they are not recognized formally or informally, not satisfied with promotional opportunities and recognition for their contribution made towards the achievement of the bank's goal. As the result, employees are working below their capacity and registered poor performance.
6. The survey result revealed that majority of the respondents agreed that the working environment of Dashen Bank does not encourage to enhance organizational performance. Moreover, the majority of the respondents testified that earnings does not fulfill life

sustaining, honour incentives, praise, medal or certificate is not given, employees are less committed, further career development is not given by the bank, capacity and achievements is not recognized, allowance given by the bank is not attractive, equity in promotion is not fair, and less remuneration is paid as compared to other similar industries. As a result employees are not encouraged to motivate and increase organizational performance.

7. The survey result showed that majority of respondents responded the bank lacks proper reward system implementation. As a result it fails in improving customer growth and retention, no growth achievement on organizational profits, decrease its market share, rate of employee turnover increased, service quality decreased and the bank's growth decreased.

5.2 Conclusion

Based on the findings of the study, the following conclusion is drawn:

In most service giving organization, the vision, mission and objectives set could be attained with full participation of employees. According to the findings of the study majority of Dashen Bank's positions are occupied by male employees. Most of the employees have first degree and significant number of employees have adequate service years of experience. From this, one can deduce that the distribution of resources in this organization inclined to males and most of the employees have the necessary experience and educational qualification to assume higher responsibilities. The reward administration process in Dashen bank is not merit based fair, equitable and consistent. It is based on mass evaluation and does not consider the performance of each employees.

The reward provided to Dashen Bank employees is insufficient, not consistent and the reward is given without relating to performance results. This enables us to see that the provision of both financial and non-financial reward is not implemented properly.

In most cases, employees are not motivated with reward administration carried out in the organization. The main reason for this is lack of transparency, lack of employees participation,

lack of accessing opportunity for advancement, lack of management recognition etc. from this one can deduce that employees can have minimum sense of ownership over the organization and can stay working until they can get other alternative job.

Most employees believe that the reward does not compensate or equitable to employees' performance result. In addition the compensation does not be equivalent to the rewards provided in similar organizations. From this one can easily see that Dashen bank may not be competitive and may carry out a continuous turn of employees accompanied by lower performance that may not fit to its vision.

5.3 Recommendations

Based on the findings and conclusion drawn, the following recommendations are forwarded with the hope that it would be used by employees, managers working in Dashen Bank and by stakeholders of Dashen Bank.

1. The practice of reward management in Dashen Bank indicates that employees obtain minimum satisfaction as a result of reward provision. Thus, to alleviate this problem, proper reward system should be established; reward should be provided as soon as the compensation the required tasks, Enterprise resource planning should be used for proper management of resource and for ease of evaluation the performance of employees.
2. The existing practice of Dashen Bank for performance evaluation is mass based and it is carried out untimely. This approach could encourages poor performers. Thus to reward every employee according to his or her performance, Dashen Bank has strictly to conduct performance appraisal tasks on time and on regular basis and timely implementing the survey result summited to the bank by KPMG.
3. In most cases, rating of employee's performance could be attached to commitment, the skill, knowledge and attitudinal competence of those concerned individuals that are responsible to undertake the task. Thus to minimize the skill and knowledge gap the concerned bodies of Dashen Bank should organize a short term training with relevant topics and able to create opportunities of experience sharing with similar organizations both within and outside the country.

4. Employees of the organization believe that the reward provided is insufficient, not fair and equitable. To mitigate this problem, Dashen Bank has to set clear reward policy and strategy, able to design a system of accountability for the employees who do not include within planned activities, enable to implement the planned activities and report to top level management positions.
5. According to the findings of the study, it is found that the financial reward provided to employees is inadequate. When it is compared with similar industries exist in the country. To alleviate this problem, Dashen Bank has to implement the new pay structure and benefit package studied by KPMG.
6. Dashen bank's practice indicates that there is inadequate and inappropriate provision of non-financial rewards to employees. To alleviate this problem, every core and support process should establish objective criteria that avoid or minimize personal biases. And all process could include non-financial reward activities within their plans. The top management is also expected to monitor and able to evaluate the status of reward provision and its contribution to Dashen Bank's performance on a regular basis.
7. To carry out more transparent works concerning the provision of reward to employees, a core and support process should inform employees what should be expected and what could be provided as a result of better achievements. Accordingly, the strength and weakness of every employee should be discussed transparently so as to increase the reliability and acceptance of the performance appraisal result.
8. The research believes this research project will be used an initial point for future research work and the present study only investigated some of financial and non-financial reward and their effect on organizational performance. Future research should investigate the effects of different forms of financial rewards, such as insurance, holidays, and childcare; and non-financial rewards, such as interesting and/or challenging work, increased responsibility and/or advancement and performance feedback. This will result in a more complete and thorough understanding of the effects of reward system on organizational performance.

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APPENDIXES

Appendix I

Addis Ababa University

Business and Economics Department

Research Questionnaire

Dear Respondents,

The questionnaire aims to collect information to undertake a study on the Effect of Reward System on Organization Performance. The Case of Dashen Bank S.C.

This study is conducted as a requirement of research project to be submitted in the faculty of Business and Economics for the partial fulfillment of the Executive Master degree in Business administration at Addis Ababa University.

To achieve this objective, your genuine and timely response of the questionnaire designed for the purpose will have a paramount importance. It is assumed that the questionnaire will take only a few of your time to complete. All information provided will be used for academic purpose only and treated in a strict confidential. I kindly request your utmost cooperation in filling the questionnaire and return it as soon as possible. I am grateful for your kind cooperation and would like to extend my heartfelt appreciation for providing me all relevant information. If you would like further clarification and information about the study, or have any ambiguity in completing the questionnaire please contact me via +251911-65-65-75.

Thank you for your cooperation in advance

Tilaye Enyew.

EMBA Candidate, At Addis Ababa University

Questionnaire to be filled by Employees from Recruit Professional Staffs to Accountant Level

Instruction:

Please answer all the questions by selecting the option that suit you best and also with more comments where applicable.

PART ONE: Profile of Respondents

Tick only one appropriate answer.

1.1. Gender of respondent

Male

Female

1.2. Age of the respondents

Below 25 years

36-55 years

25-35 years

Above 55

1.3. Which Level of education do you possess?

Certificate

Master's Degree

Diploma

Others Specify _____

First Degree

1.4. Work experience in the banking industry;

• Below one year 1-5 years 6-10

• 11-15 years 16 and above years

1.5. What is your position in Dashen Bank S.C?

• Recruit professional

• SCO – cashier I

• Maker/checker

• SCO – cashier II

• SCO – accountant I

• Others (please specify) _____

• SCO – accountant II

PART TWO: Reward and Performance Related issues

Please tick (✓) one (multiple) answer which fits in your opinion

2.1 Which of the following does the bank reward?

Salary

Allowance

Bonus

Other (Please specify) _____

Commission

2.2 Are you satisfied with the current level of financial rewards?

Very satisfied

Dissatisfied

Satisfied

Strongly dissatisfied

Not sure/neutral

2.3 Which of the following non-financial rewards are used by the bank?

Praise from your boss

Formal recognition (such as certificate, employee of the month)

Informal recognition

(Thank you note, part on the bank)

Job allowance

Sent out for a conference /workshop/ seminar

End of the year social part

Other (please specify) _____

2.4 Are you satisfied with the current level of non-financial (intrinsic) rewards?

Very satisfied

Satisfied

Neutral

Is satisfied

Strongly dissatisfied

2.5 Does the Bank established strong reward system?

Yes

No

2.6 If your answer for question no 2 .5 is no please state you reason _____

PART THREE: Please respond to each of the items in this section by ticking the column that clearly represents your opinion as pertains in the bank. 1= Strongly Disagree, 2= Disagree, 3= Somewhat Agree, 4= Agree, 5= Strongly Agree

3.1 As regarding financial (extrinsic) reward system with respect to Dashen Bank.

| | Factors | 1 | 2 | 3 | 4 | 5 |
|---|--|----------|----------|----------|----------|----------|
| 1 | Higher salary and pay increase performance | | | | | |
| 2 | Satisfied with the bonus reward in the organization | | | | | |
| 3 | Satisfied with the regular and systematic financial policies regarding the increment and other monetary benefits | | | | | |
| 4 | Frequency of increase in salary level. | | | | | |
| 5 | When I get a bonus, my job performance increases | | | | | |
| 6 | When I am better remunerated, it increases my job performance | | | | | |
| 7 | When I am promoted, it really motivates me to work harder | | | | | |

3.2 As regarding non-financial (intrinsic) reward system with respect to Dashen Bank.

| No | Factors | 1 | 2 | 3 | 4 | 5 |
|-----------|--|----------|----------|----------|----------|----------|
| 1 | Praise from my supervisor for a job well done, encourages me to perform my job better | | | | | |
| 2 | When I get formal recognition such as certificate of good customer service, my job performance increases | | | | | |
| 3 | A family day offered by the bank to employees really motivates me to work harder | | | | | |

| | | | | | | |
|---|--|--|--|--|--|--|
| 4 | Informal recognition such as thank you, well done, you are a star motivates me to improve my performance | | | | | |
| 5 | Overall non- financial (intrinsic) rewards encourages employees to improve bank performance | | | | | |
| 6 | I am better Satisfied with promotional opportunities in the organizations | | | | | |
| 7 | I am better Satisfied with recognition on good performance | | | | | |
| 8 | I am better Satisfied with the recognition of my contribution in the organization | | | | | |

3.3 Regarding to perception on superior support to enhance Dashen Bank's performance.

| No | Variables | 1 | 2 | 3 | 4 | 5 |
|----|--|---|---|---|---|---|
| 1 | Supervisor encourages on good performance | | | | | |
| 2 | Supervisor treats subordinates with respect | | | | | |
| 3 | Supervisor keeps employees well informed about what is going on the organization | | | | | |
| 4 | Supervisor encourages employee career development | | | | | |
| 5 | Supervisor recognizes the potential of an employee | | | | | |
| 6 | Positive feedback on performance of employees by supervisor without any bias | | | | | |
| 7 | Supervisor is supportive in getting the job done | | | | | |

3.4 Factors that encourage you to increase organizational performance.

| No | Statements | 1 | 2 | 3 | 4 | 5 |
|----|---|---|---|---|---|---|
| 1 | Good working environment | | | | | |
| 2 | Earning fulfills life sustaining | | | | | |
| 3 | Honor incentives, praise, medal and honor rolls/ certificates | | | | | |
| 4 | Commitment | | | | | |
| 5 | Further career development given by the Bank | | | | | |
| 6 | Recognition of capacity and achievements | | | | | |

| | | | | | | |
|----|---|--|--|--|--|--|
| 7 | Availability of resources: material and human | | | | | |
| 8 | Allowances given by the Bank | | | | | |
| 9 | The attraction of retirement fund | | | | | |
| 10 | Medical allowance given to me and my family by the Bank | | | | | |
| 11 | Equity in promotion | | | | | |
| 12 | High remuneration | | | | | |

3.5 Regarding the effect of reward system on organization performance.

| No | Factors | 1 | 2 | 3 | 4 | 5 |
|----|--|---|---|---|---|---|
| 1 | Reward systems can improve customer growth and retention | | | | | |
| 2 | Reward systems is a key indicator for achieving growth in organizational profits | | | | | |
| 3 | Reward systems can increase the company's market share | | | | | |
| 4 | Effective and efficient rewards has reduced the rate of employee turnover | | | | | |
| 5 | Reward serves as a chief source of service growth | | | | | |
| 6 | Reward plays a key role in the Bank's expansion | | | | | |
| 7 | Reward plays a key role in the Bank's growth | | | | | |

Appendix II

Questionnaire to Management

My name is Tilaye Enyew a student of Addis Ababa University pursuing a Master's degree in Executive Business Administration (EMBA). I am carrying out research project titled as Effect of Reward System on Organizational Performance on Dashen Bank S.C. I am currently conducting interview with you.

This interview is a part of my Master's research project and your kind help is very important for the successful completion of this research project. Your responses to questions in this interview will be anonymous and data will be combined and analyzed as a whole.

Your participation in the study will be greatly appreciated. May I now commence the interview?

Thank in advance

1. Please tell me a story of reward system you use or get in Dashen Bank.
2. What form of intrinsic reward systems do you use in Dashen Bank?
3. What form of extrinsic reward systems do you use in Dashen Bank?
4. What do you think are the effects of extrinsic rewards (Remuneration, bonus, salary and promotion) on Dashen Bank performance?
5. What do you think the effect on Intrinsic Rewards (praise and recognition) on Dashen bank performance?
6. What do you suggest to be the best means of bringing about high job/organization performance in Dashen bank?
7. What kind of promotion criteria does the bank use?
8. How fairness is practiced in the promotion process of employees?

9. In what way recognition of achievement of employees are done?
10. In your opinion does Dashen Bank established strong or systematic reward system to its employees?
11. Does the bank satisfy its employees with financial reward?
12. Does the bank satisfy its employee with non-financial reward?
13. What other comments can you make about the use of extrinsic and intrinsic reward for improving organization performances of our bank?

Appendix III

Higher salary and pay increase performance

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---------|-------------------|-----------|---------|---------------|--------------------|
| Valid | strongly disagree | 19 | 28.4 | 28.8 | 28.8 |
| | Disagree | 8 | 11.9 | 12.1 | 40.9 |
| | somewhat agree | 17 | 25.4 | 25.8 | 66.7 |
| | Agree | 10 | 14.9 | 15.2 | 81.8 |
| | strongly agree | 12 | 17.9 | 18.2 | 100.0 |
| | Total | 66 | 98.5 | 100.0 | |
| Missing | System | 1 | 1.5 | | |
| Total | | 67 | 100.0 | | |

Satisfied with the bonus reward in the organization

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-------------------|-----------|---------|---------------|--------------------|
| Valid | strongly disagree | 31 | 46.3 | 46.3 | 46.3 |
| | disagree | 20 | 29.9 | 29.9 | 76.1 |
| | somewhat agree | 10 | 14.9 | 14.9 | 91.0 |
| | agree | 2 | 3.0 | 3.0 | 94.0 |
| | strongly agree | 4 | 6.0 | 6.0 | 100.0 |
| | Total | 67 | 100.0 | 100.0 | |

Satisfied with the regular and systematic financial policies regarding the increment and other monetary benefits

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---------|-------------------|-----------|---------|---------------|--------------------|
| Valid | strongly disagree | 17 | 25.4 | 25.8 | 25.8 |
| | disagree | 19 | 28.4 | 28.8 | 54.5 |
| | somewhat agree | 17 | 25.4 | 25.8 | 80.3 |
| | agree | 7 | 10.4 | 10.6 | 90.9 |
| | strongly agree | 6 | 9.0 | 9.1 | 100.0 |
| | Total | 66 | 98.5 | 100.0 | |
| Missing | System | 1 | 1.5 | | |
| Total | | 67 | 100.0 | | |

Frequency of increase in salary level.

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-------------------|-----------|---------|---------------|--------------------|
| Valid | strongly disagree | 12 | 17.9 | 19.0 | 19.0 |
| | Disagree | 17 | 25.4 | 27.0 | 46.0 |
| | somewhat agree | 16 | 23.9 | 25.4 | 71.4 |
| | Agree | 14 | 20.9 | 22.2 | 93.7 |
| | strongly agree | 4 | 6.0 | 6.3 | 100.0 |

| | | | | |
|---------|--------|----|-------|-------|
| Total | | 63 | 94.0 | 100.0 |
| Missing | System | 4 | 6.0 | |
| Total | | 67 | 100.0 | |

When I get a bonus, my job performance increases

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---------|-------------------|-----------|---------|---------------|--------------------|
| Valid | strongly disagree | 10 | 14.9 | 15.2 | 15.2 |
| | Disagree | 5 | 7.5 | 7.6 | 22.7 |
| | somewhat agree | 13 | 19.4 | 19.7 | 42.4 |
| | Agree | 20 | 29.9 | 30.3 | 72.7 |
| | strongly agree | 18 | 26.9 | 27.3 | 100.0 |
| | Total | 66 | 98.5 | 100.0 | |
| Missing | System | 1 | 1.5 | | |
| Total | | 67 | 100.0 | | |

When I am better remunerated, it increases my job performance

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---------|-------------------|-----------|---------|---------------|--------------------|
| Valid | strongly disagree | 4 | 6.0 | 6.3 | 6.3 |
| | Disagree | 4 | 6.0 | 6.3 | 12.5 |
| | somewhat agree | 12 | 17.9 | 18.8 | 31.3 |
| | Agree | 26 | 38.8 | 40.6 | 71.9 |
| | strongly agree | 18 | 26.9 | 28.1 | 100.0 |
| | Total | 64 | 95.5 | 100.0 | |
| Missing | System | 3 | 4.5 | | |
| Total | | 67 | 100.0 | | |

When I am promoted, it really motivates me to work harder

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-------------------|-----------|---------|---------------|--------------------|
| Valid | strongly disagree | 5 | 7.5 | 7.5 | 7.5 |
| | Disagree | 1 | 1.5 | 1.5 | 9.0 |
| | somewhat agree | 7 | 10.4 | 10.4 | 19.4 |
| | Agree | 22 | 32.8 | 32.8 | 52.2 |
| | strongly agree | 32 | 47.8 | 47.8 | 100.0 |
| | Total | 67 | 100.0 | 100.0 | |

Praise from my supervisor for a job well done, encourages me to perform my job better

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-------------------|-----------|---------|---------------|--------------------|
| Valid | strongly disagree | 7 | 10.4 | 10.6 | 10.6 |
| | Disagree | 9 | 13.4 | 13.6 | 24.2 |

| | | | | | |
|---------|----------------|----|-------|-------|-------|
| | somewhat agree | 11 | 16.4 | 16.7 | 40.9 |
| | Agree | 26 | 38.8 | 39.4 | 80.3 |
| | strongly agree | 13 | 19.4 | 19.7 | 100.0 |
| | Total | 66 | 98.5 | 100.0 | |
| Missing | System | 1 | 1.5 | | |
| Total | | 67 | 100.0 | | |

When I get formal recognition such as certificate of good customer service, my job performance increases

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---------|-------------------|-----------|---------|---------------|--------------------|
| Valid | strongly disagree | 7 | 10.4 | 10.6 | 10.6 |
| | Disagree | 3 | 4.5 | 4.5 | 15.2 |
| | somewhat agree | 13 | 19.4 | 19.7 | 34.8 |
| | Agree | 22 | 32.8 | 33.3 | 68.2 |
| | strongly agree | 21 | 31.3 | 31.8 | 100.0 |
| | Total | 66 | 98.5 | 100.0 | |
| Missing | System | 1 | 1.5 | | |
| Total | | 67 | 100.0 | | |

A family day offered by the bank to employees really motivates me to work harder

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---------|-------------------|-----------|---------|---------------|--------------------|
| Valid | strongly disagree | 16 | 23.9 | 24.2 | 24.2 |
| | Disagree | 9 | 13.4 | 13.6 | 37.9 |
| | somewhat agree | 22 | 32.8 | 33.3 | 71.2 |
| | Agree | 11 | 16.4 | 16.7 | 87.9 |
| | strongly agree | 8 | 11.9 | 12.1 | 100.0 |
| | Total | 66 | 98.5 | 100.0 | |
| Missing | System | 1 | 1.5 | | |
| Total | | 67 | 100.0 | | |

Informal recognition such as thank you, well done, you are a star motivates me to improve my performance

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-------------------|-----------|---------|---------------|--------------------|
| Valid | strongly disagree | 4 | 6.0 | 6.0 | 6.0 |
| | Disagree | 8 | 11.9 | 11.9 | 17.9 |
| | somewhat agree | 22 | 32.8 | 32.8 | 50.7 |
| | Agree | 23 | 34.3 | 34.3 | 85.1 |
| | strongly agree | 10 | 14.9 | 14.9 | 100.0 |
| | Total | 67 | 100.0 | 100.0 | |

Overall non- financial (intrinsic) rewards encourages employees to improve bank performance

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---------|-------------------|-----------|---------|---------------|--------------------|
| Valid | strongly disagree | 4 | 6.0 | 6.1 | 6.1 |
| | Disagree | 6 | 9.0 | 9.1 | 15.2 |
| | somewhat agree | 14 | 20.9 | 21.2 | 36.4 |
| | Agree | 19 | 28.4 | 28.8 | 65.2 |
| | strongly agree | 23 | 34.3 | 34.8 | 100.0 |
| | Total | 66 | 98.5 | 100.0 | |
| Missing | System | 1 | 1.5 | | |
| Total | | 67 | 100.0 | | |

I am better Satisfied with promotional opportunities in the organizations

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---------|-------------------|-----------|---------|---------------|--------------------|
| Valid | strongly disagree | 21 | 31.3 | 32.3 | 32.3 |
| | Disagree | 15 | 22.4 | 23.1 | 55.4 |
| | somewhat agree | 10 | 14.9 | 15.4 | 70.8 |
| | Agree | 13 | 19.4 | 20.0 | 90.8 |
| | strongly agree | 6 | 9.0 | 9.2 | 100.0 |
| | Total | 65 | 97.0 | 100.0 | |
| Missing | System | 2 | 3.0 | | |
| Total | | 67 | 100.0 | | |

I am better Satisfied with recognition on good performance

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---------|-------------------|-----------|---------|---------------|--------------------|
| Valid | strongly disagree | 16 | 23.9 | 24.2 | 24.2 |
| | Disagree | 17 | 25.4 | 25.8 | 50.0 |
| | somewhat agree | 10 | 14.9 | 15.2 | 65.2 |
| | Agree | 18 | 26.9 | 27.3 | 92.4 |
| | strongly agree | 5 | 7.5 | 7.6 | 100.0 |
| | Total | 66 | 98.5 | 100.0 | |
| Missing | System | 1 | 1.5 | | |
| Total | | 67 | 100.0 | | |

I am better Satisfied with the recognition of my contribution in the organization

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-------------------|-----------|---------|---------------|--------------------|
| Valid | strongly disagree | 19 | 28.4 | 29.2 | 29.2 |
| | Disagree | 13 | 19.4 | 20.0 | 49.2 |
| | somewhat agree | 9 | 13.4 | 13.8 | 63.1 |
| | Agree | 18 | 26.9 | 27.7 | 90.8 |

| | | | | | |
|---------|----------------|----|-------|-------|-------|
| | strongly agree | 6 | 9.0 | 9.2 | 100.0 |
| | Total | 65 | 97.0 | 100.0 | |
| Missing | System | 2 | 3.0 | | |
| Total | | 67 | 100.0 | | |

Supervisor encourages on good performance

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---------|-------------------|-----------|---------|---------------|--------------------|
| Valid | strongly disagree | 13 | 19.4 | 20.0 | 20.0 |
| | Disagree | 9 | 13.4 | 13.8 | 33.8 |
| | somewhat agree | 17 | 25.4 | 26.2 | 60.0 |
| | Agree | 25 | 37.3 | 38.5 | 98.5 |
| | strongly agree | 1 | 1.5 | 1.5 | 100.0 |
| | Total | 65 | 97.0 | 100.0 | |
| Missing | System | 2 | 3.0 | | |
| Total | | 67 | 100.0 | | |

Supervisor treats subordinates with respect

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-------------------|-----------|---------|---------------|--------------------|
| Valid | strongly disagree | 9 | 13.4 | 13.4 | 13.4 |
| | Disagree | 14 | 20.9 | 20.9 | 34.3 |
| | somewhat agree | 17 | 25.4 | 25.4 | 59.7 |
| | Agree | 20 | 29.9 | 29.9 | 89.6 |
| | strongly agree | 7 | 10.4 | 10.4 | 100.0 |
| | Total | 67 | 100.0 | 100.0 | |

Supervisor keeps employees well informed about what is going on the organization

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---------|-------------------|-----------|---------|---------------|--------------------|
| Valid | strongly disagree | 8 | 11.9 | 12.1 | 12.1 |
| | Disagree | 13 | 19.4 | 19.7 | 31.8 |
| | somewhat agree | 24 | 35.8 | 36.4 | 68.2 |
| | Agree | 16 | 23.9 | 24.2 | 92.4 |
| | strongly agree | 5 | 7.5 | 7.6 | 100.0 |
| | Total | 66 | 98.5 | 100.0 | |
| Missing | System | 1 | 1.5 | | |
| Total | | 67 | 100.0 | | |

Supervisor encourages employee career development

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-------------------|-----------|---------|---------------|--------------------|
| Valid | strongly disagree | 10 | 14.9 | 14.9 | 14.9 |

| | | | | |
|----------------|----|-------|-------|-------|
| Disagree | 15 | 22.4 | 22.4 | 37.3 |
| somewhat agree | 17 | 25.4 | 25.4 | 62.7 |
| Agree | 24 | 35.8 | 35.8 | 98.5 |
| strongly agree | 1 | 1.5 | 1.5 | 100.0 |
| Total | 67 | 100.0 | 100.0 | |

Supervisor recognizes the potential of an employee

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---------|-------------------|-----------|---------|---------------|--------------------|
| Valid | strongly disagree | 11 | 16.4 | 17.5 | 17.5 |
| | disagree | 11 | 16.4 | 17.5 | 34.9 |
| | somewhat agree | 21 | 31.3 | 33.3 | 68.3 |
| | Agree | 18 | 26.9 | 28.6 | 96.8 |
| | strongly agree | 2 | 3.0 | 3.2 | 100.0 |
| | Total | 63 | 94.0 | 100.0 | |
| Missing | System | 4 | 6.0 | | |
| Total | | 67 | 100.0 | | |

Positive feedback on performance of employees by supervisor without any bias

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---------|-------------------|-----------|---------|---------------|--------------------|
| Valid | strongly disagree | 10 | 14.9 | 15.2 | 15.2 |
| | disagree | 15 | 22.4 | 22.7 | 37.9 |
| | somewhat agree | 20 | 29.9 | 30.3 | 68.2 |
| | Agree | 19 | 28.4 | 28.8 | 97.0 |
| | strongly agree | 2 | 3.0 | 3.0 | 100.0 |
| | Total | 66 | 98.5 | 100.0 | |
| Missing | System | 1 | 1.5 | | |
| Total | | 67 | 100.0 | | |

Supervisor is supportive in getting the job done

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---------|-------------------|-----------|---------|---------------|--------------------|
| Valid | strongly disagree | 7 | 10.4 | 10.8 | 10.8 |
| | disagree | 8 | 11.9 | 12.3 | 23.1 |
| | somewhat agree | 21 | 31.3 | 32.3 | 55.4 |
| | Agree | 25 | 37.3 | 38.5 | 93.8 |
| | strongly agree | 4 | 6.0 | 6.2 | 100.0 |
| | Total | 65 | 97.0 | 100.0 | |
| Missing | System | 2 | 3.0 | | |
| Total | | 67 | 100.0 | | |

Good working environment

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---------|-------------------|-----------|---------|---------------|--------------------|
| Valid | strongly disagree | 8 | 11.9 | 12.1 | 12.1 |
| | disagree | 7 | 10.4 | 10.6 | 22.7 |
| | somewhat agree | 13 | 19.4 | 19.7 | 42.4 |
| | agree | 21 | 31.3 | 31.8 | 74.2 |
| | strongly agree | 17 | 25.4 | 25.8 | 100.0 |
| | Total | 66 | 98.5 | 100.0 | |
| Missing | System | 1 | 1.5 | | |
| Total | | 67 | 100.0 | | |

Earning fulfills life sustaining

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---------|-------------------|-----------|---------|---------------|--------------------|
| Valid | strongly disagree | 7 | 10.4 | 10.6 | 10.6 |
| | disagree | 13 | 19.4 | 19.7 | 30.3 |
| | somewhat agree | 14 | 20.9 | 21.2 | 51.5 |
| | agree | 18 | 26.9 | 27.3 | 78.8 |
| | strongly agree | 14 | 20.9 | 21.2 | 100.0 |
| | Total | 66 | 98.5 | 100.0 | |
| Missing | System | 1 | 1.5 | | |
| Total | | 67 | 100.0 | | |

Honor incentives, praise, medal and honor rolls/ certificates

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-------------------|-----------|---------|---------------|--------------------|
| Valid | strongly disagree | 9 | 13.4 | 13.4 | 13.4 |
| | disagree | 11 | 16.4 | 16.4 | 29.9 |
| | somewhat agree | 13 | 19.4 | 19.4 | 49.3 |
| | agree | 20 | 29.9 | 29.9 | 79.1 |
| | strongly agree | 14 | 20.9 | 20.9 | 100.0 |
| | Total | 67 | 100.0 | 100.0 | |

Commitment

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-------------------|-----------|---------|---------------|--------------------|
| Valid | strongly disagree | 5 | 7.5 | 8.1 | 8.1 |
| | disagree | 8 | 11.9 | 12.9 | 21.0 |
| | somewhat agree | 11 | 16.4 | 17.7 | 38.7 |
| | agree | 23 | 34.3 | 37.1 | 75.8 |
| | strongly agree | 15 | 22.4 | 24.2 | 100.0 |
| | Total | 62 | 92.5 | 100.0 | |

| | | | | |
|---------|--------|----|-------|--|
| Missing | System | 5 | 7.5 | |
| Total | | 67 | 100.0 | |

Further career development given by the Bank

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------------------------|-----------|---------|---------------|--------------------|
| Valid strongly disagree | 9 | 13.4 | 13.4 | 13.4 |
| disagree | 15 | 22.4 | 22.4 | 35.8 |
| somewhat agree | 9 | 13.4 | 13.4 | 49.3 |
| agree | 20 | 29.9 | 29.9 | 79.1 |
| strongly agree | 14 | 20.9 | 20.9 | 100.0 |
| Total | 67 | 100.0 | 100.0 | |

Recognition of capacity and achievements

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------------------------|-----------|---------|---------------|--------------------|
| Valid strongly disagree | 9 | 13.4 | 13.8 | 13.8 |
| disagree | 11 | 16.4 | 16.9 | 30.8 |
| somewhat agree | 9 | 13.4 | 13.8 | 44.6 |
| agree | 20 | 29.9 | 30.8 | 75.4 |
| strongly agree | 16 | 23.9 | 24.6 | 100.0 |
| Total | 65 | 97.0 | 100.0 | |
| Missing System | 2 | 3.0 | | |
| Total | 67 | 100.0 | | |

Availability of resources: material and human

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------------------------|-----------|---------|---------------|--------------------|
| Valid strongly disagree | 8 | 11.9 | 12.5 | 12.5 |
| disagree | 7 | 10.4 | 10.9 | 23.4 |
| somewhat agree | 15 | 22.4 | 23.4 | 46.9 |
| agree | 17 | 25.4 | 26.6 | 73.4 |
| strongly agree | 17 | 25.4 | 26.6 | 100.0 |
| Total | 64 | 95.5 | 100.0 | |
| Missing System | 3 | 4.5 | | |
| Total | 67 | 100.0 | | |

Allowances given by the Bank

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------------------------|-----------|---------|---------------|--------------------|
| Valid strongly disagree | 10 | 14.9 | 15.2 | 15.2 |
| disagree | 11 | 16.4 | 16.7 | 31.8 |
| somewhat agree | 13 | 19.4 | 19.7 | 51.5 |

| | | | | | |
|---------|----------------|----|-------|-------|-------|
| | agree | 19 | 28.4 | 28.8 | 80.3 |
| | strongly agree | 13 | 19.4 | 19.7 | 100.0 |
| | Total | 66 | 98.5 | 100.0 | |
| Missing | System | 1 | 1.5 | | |
| Total | | 67 | 100.0 | | |

The attraction of retirement fund

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---------|-------------------|-----------|---------|---------------|--------------------|
| Valid | strongly disagree | 5 | 7.5 | 7.6 | 7.6 |
| | Disagree | 19 | 28.4 | 28.8 | 36.4 |
| | somewhat agree | 14 | 20.9 | 21.2 | 57.6 |
| | Agree | 22 | 32.8 | 33.3 | 90.9 |
| | strongly agree | 6 | 9.0 | 9.1 | 100.0 |
| | Total | 66 | 98.5 | 100.0 | |
| Missing | System | 1 | 1.5 | | |
| Total | | 67 | 100.0 | | |

Medical allowance given to me and my family by the Bank

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---------|-------------------|-----------|---------|---------------|--------------------|
| Valid | strongly disagree | 3 | 4.5 | 4.5 | 4.5 |
| | Disagree | 4 | 6.0 | 6.1 | 10.6 |
| | somewhat agree | 6 | 9.0 | 9.1 | 19.7 |
| | Agree | 23 | 34.3 | 34.8 | 54.5 |
| | strongly agree | 30 | 44.8 | 45.5 | 100.0 |
| | Total | 66 | 98.5 | 100.0 | |
| Missing | System | 1 | 1.5 | | |
| Total | | 67 | 100.0 | | |

Equity in promotion

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-------------------|-----------|---------|---------------|--------------------|
| Valid | strongly disagree | 9 | 13.4 | 13.4 | 13.4 |
| | disagree | 11 | 16.4 | 16.4 | 29.9 |
| | somewhat agree | 15 | 22.4 | 22.4 | 52.2 |
| | agree | 11 | 16.4 | 16.4 | 68.7 |
| | strongly agree | 21 | 31.3 | 31.3 | 100.0 |
| | Total | 67 | 100.0 | 100.0 | |

High remuneration

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---------|-------------------|-----------|---------|---------------|--------------------|
| Valid | strongly disagree | 9 | 13.4 | 13.6 | 13.6 |
| | disagree | 13 | 19.4 | 19.7 | 33.3 |
| | somewhat agree | 9 | 13.4 | 13.6 | 47.0 |
| | agree | 20 | 29.9 | 30.3 | 77.3 |
| | strongly agree | 15 | 22.4 | 22.7 | 100.0 |
| | Total | 66 | 98.5 | 100.0 | |
| Missing | System | 1 | 1.5 | | |
| Total | | 67 | 100.0 | | |

Reward systems can improve customer growth and retention

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-------------------|-----------|---------|---------------|--------------------|
| Valid | strongly disagree | 7 | 10.4 | 10.4 | 10.4 |
| | disagree | 6 | 9.0 | 9.0 | 19.4 |
| | somewhat agree | 7 | 10.4 | 10.4 | 29.9 |
| | agree | 26 | 38.8 | 38.8 | 68.7 |
| | strongly agree | 21 | 31.3 | 31.3 | 100.0 |
| | Total | 67 | 100.0 | 100.0 | |

Reward systems is a key indicator for achieving growth in organizational profits

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---------|-------------------|-----------|---------|---------------|--------------------|
| Valid | strongly disagree | 5 | 7.5 | 7.6 | 7.6 |
| | disagree | 7 | 10.4 | 10.6 | 18.2 |
| | somewhat agree | 10 | 14.9 | 15.2 | 33.3 |
| | agree | 20 | 29.9 | 30.3 | 63.6 |
| | strongly agree | 24 | 35.8 | 36.4 | 100.0 |
| | Total | 66 | 98.5 | 100.0 | |
| Missing | System | 1 | 1.5 | | |
| Total | | 67 | 100.0 | | |

Reward systems can increase the company's market share

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-------------------|-----------|---------|---------------|--------------------|
| Valid | strongly disagree | 7 | 10.4 | 10.6 | 10.6 |
| | disagree | 2 | 3.0 | 3.0 | 13.6 |
| | somewhat agree | 12 | 17.9 | 18.2 | 31.8 |
| | agree | 28 | 41.8 | 42.4 | 74.2 |

| | | | | | |
|---------|----------------|----|-------|-------|-------|
| | strongly agree | 17 | 25.4 | 25.8 | 100.0 |
| | Total | 66 | 98.5 | 100.0 | |
| Missing | System | 1 | 1.5 | | |
| Total | | 67 | 100.0 | | |

Effective and efficient rewards has reduced the rate of employee turnover

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-------------------|-----------|---------|---------------|--------------------|
| Valid | strongly disagree | 6 | 9.0 | 9.0 | 9.0 |
| | disagree | 8 | 11.9 | 11.9 | 20.9 |
| | somewhat agree | 5 | 7.5 | 7.5 | 28.4 |
| | agree | 22 | 32.8 | 32.8 | 61.2 |
| | strongly agree | 26 | 38.8 | 38.8 | 100.0 |
| | Total | 67 | 100.0 | 100.0 | |

Reward serves as a chief source of service growth

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-------------------|-----------|---------|---------------|--------------------|
| Valid | strongly disagree | 6 | 9.0 | 9.0 | 9.0 |
| | disagree | 6 | 9.0 | 9.0 | 17.9 |
| | somewhat agree | 8 | 11.9 | 11.9 | 29.9 |
| | agree | 29 | 43.3 | 43.3 | 73.1 |
| | strongly agree | 18 | 26.9 | 26.9 | 100.0 |
| | Total | 67 | 100.0 | 100.0 | |

Reward plays a key role in the Bank's expansion

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-------------------|-----------|---------|---------------|--------------------|
| Valid | strongly disagree | 5 | 7.5 | 7.5 | 7.5 |
| | Disagree | 9 | 13.4 | 13.4 | 20.9 |
| | somewhat agree | 10 | 14.9 | 14.9 | 35.8 |
| | Agree | 23 | 34.3 | 34.3 | 70.1 |
| | strongly agree | 20 | 29.9 | 29.9 | 100.0 |
| | Total | 67 | 100.0 | 100.0 | |

Reward plays a key role in the Bank's growth

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-------------------|-----------|---------|---------------|--------------------|
| Valid | strongly disagree | 7 | 10.4 | 10.4 | 10.4 |
| | Disagree | 5 | 7.5 | 7.5 | 17.9 |
| | somewhat agree | 9 | 13.4 | 13.4 | 31.3 |
| | Agree | 25 | 37.3 | 37.3 | 68.7 |
| | strongly agree | 21 | 31.3 | 31.3 | 100.0 |
| | Total | 67 | 100.0 | 100.0 | |