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**ADDIS ABABA UNIVERSITY**  
**COLLEGE OF BUSINESS AND ECONOMICS**  
**SCHOOL OF COMMERCE**

**DEPARTMENT OF HUMAN RESOURCE MANAGEMENT**

**THE EFFECT OF REWARD ON EMPLOYEES' JOB SATISFACTION:  
THE CASE OF COMMERCIAL BANK OF ETHIOPIA (CBE) AT  
ADDIS ABABA BRANCHES**

**A Thesis Submitted to Addis Ababa University School of Commerce in  
Partial Fulfillment of the Requirement for the Award of Masters of Arts  
(MA) Degree in Human Resource Management**

**By**

**RAHEL BEYENE**

**ADVISOR**

**Dr. W/Emanuel**

**June, 2017**

**Addis Ababa, Ethiopia**

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## **STATEMENT OF CERTIFICATE**

This is to certify that Rahel Beyene has carried out this research work on the topic of **“The Effect of Reward on Employees’ Job Satisfaction, the case of Commercial Bank of Ethiopia at Addis Ababa branches”** for the partial fulfillment of Master of Art in Human Resource Management at Addis Ababa University School of Commerce. This study is an original an original work and not submitted earlier for any degree either at this university or any other University and it is suitable for submission of Masters Degree in Human Resource Management .

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Advisor: Dr.W/Emanuel

**Addis Ababa University School of Commerce  
Graduate Program**

**The Effect of Rewards on Employees' Job Satisfaction  
In the case of Commercial Bank of Ethiopia at Addis Ababa  
Branches**

**By**

**Rahel Beyene**

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## **DECLARATION**

I, Rahel Beyene, declare that this work is entitled “The Effect of Reward on Employees’ Job Satisfaction: the case of Commercial Bank of Ethiopia at Addis Ababa branches” is outcome of my own effort and that all sources of materials used for the study have been duly acknowledged. I have produced it independently except for the guidance and suggestions of the Research Advisor. This study has not been submitted for any degree in this University or any other University. It is offered for the partial fulfillment of degree of Main Human Resource Management.

Rahel Beyene

Signature\_\_\_\_\_

Date\_\_\_\_\_

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## ACRONYMS

M	mean
SD	standard deviation
CBE	commercial bank of Ethiopia
SPSS	statistical package for social science
Iv1	salary and pay
Iv2	benefit
Iv3	accomplishment
Iv4	recognition
Iv5	work life balance
Iv6	working environment
Iv7	empowerment
Iv8	promotion
Iv9	work relation

## **Abstract**

*A reward is something of value given in return for an act or a prize promised for a certain deed. Everyone has different needs and perception on their job. Therefore, outcomes such as pay, promotion... have different values for different people. This thesis tried to assess the effect of reward on job satisfaction in the case of commercial bank of Ethiopia at Addis Ababa branches. The method used here was that descriptive statistics by collecting 1<sup>st</sup> hand quantitative data using a random sampling. To do this research, the researcher had focused on checking on if there exist a relationship between the independent and the dependent variables. After collecting, sorting, & coding the raw data, SPSS was used to analyze the data and reached to some findings. Based on this, the result of the correlation analysis showed that all of the independent variables listed in the study had positive relationship with the dependent variable, which leads us to accept  $H_0$  and reject  $H_A$  in the research. On the other hand, the regression analysis helped us to see whether the model is fit. Finally, the findings of the research showed that reward had a positive effect on employees' job satisfaction even if the existing reward practice at CBE is not as such satisfying the employees. So, the bank has to rework on its reward policy and practice in order to retain satisfied employees and achieve its goals*

# CHAPTER ONE

## 1. INTRODUCTION

### 1.1. Background of the Study

A reward is something of value given in return for an act or a prize promised for a certain deed. Maslow,(1954). According to Lawler (1971), reward systems are one of the most widely researched and written documents in the field of management and organizational behavior, but it is still one of the less understood topics. This study focused on just the creation of some knowhow about the relationship between reward and employees job satisfaction.

The reward of an organization can influence its employees and affect the lives of its workers' and their family besides the productivity of the organization. That is, "What do you do?" is often the first question that people asks when they meet someone new. Not surprising that most adults spend most of their waking hours at work and that our jobs can influence our lives even outside the work place. Our work can be a big part of our identity and offer insights into what is important to us, making it a rich area of psychological study. Kirsten, (2013). Work can make people miserable. Losing work can make people pretty unhappy, too. Michael, (1973) . So, are there ways to use work to improve lives? Yes. Within the different centuries, a considerable amount of literature has been developed. Each of them works to improve understanding in reward systems and the extent to which they can affect the levels of employees' commitment, motivation and job satisfaction, which indirectly affect the lives of each individual's at work and their family. As Lawler (1971), even if reward systems are one of the most widely applicable topics in the field of management and organizational behavior, it is not a well-recognized topic.

However, this day, different stockholders are trying to create a favorable environment for the employees. Among this, managers are working to create an environment which motivates people to perform in a better way. This creates organizational growth and makes the employees to be considered as a profitable asset. In a wider context, there is an increased emphasis on people as a key resource of competitive advantage, often being regarded as the

key differentiator between organizations and many managers try to comprehend the complexities of motivating people at work and provide them with job satisfaction so that they can gain employee commitment. The other thing is, company owners and shareholders are also changing their mind as employees are assets of an organization not costs and need to be treated in an encouraged way. Baruch Lev,(1963) has stated that “people are the most important asset of most companies.” The idea of employees as assets is so embedded in workplace culture that we have not stopped to ask the question: are employees’ assets? Are we limiting our approaches to talent development because we view talent as an asset?

Armstrong and Murlis (1998), describe reward management as the development, evaluation implementation, maintenance and communication of reward processes. This helps us to define some significant terms and to start work. Reward management is concerned with the formulation and implementation of strategies and policies that aim to reward people fairly, equitably and consistently in accordance with their value to the organization. The main purpose of reward management is to provide interest and motivation to employees.

Besides, reward management is also concerned with the development of appropriate organizational cultures, foundation of core values and increasing the motivation and commitment of employees. “ Your culture is created by what you reward and ... Using Competencies to Create the Culture of Your Organization”

Reward can be grouped into six detail forms. These are lottery (rolling around), gifting (social treasure), eastern egg (sudden), mystery box (round), earned lunch (fixed action) and prize pacing (collection set). All these reward types can be put into two big reward processes which are financial and non-financial rewards. In addition to this, the financial rewards are also be divided into direct financial rewards which consist of payments in the form of wages, salaries and bonuses and the indirect financial rewards, that includes benefits, such as insurance plans (life, health etc.), retirement plans, sick leave etc. While, the non-financial rewards consist of the satisfaction that a person gets from the job itself, from the psychological and physical environment in which the person works Mondy and Noe, (2002). As cited by Novel, (2015).

Furthermore, non-financial rewards deal with feelings of recognition, achievement, responsibilities and personal growth Armstrong and Murlis (1998). These days, work places are changing due to several reasons like modernization. So, what motivates employees also goes in the same way. Therefore organizations need to introduce new motivational system. (Roberts, 2005). What characterizes a reward strategy is stated by Armstrong and Murlis (2007) as diversified conditioned by heritage of the past realities of the present and the future. Banks, like any other organizations, face the difficulty of determining the best benefit offering methods to the employees. It is clear that reward management is highly related with motivation and job satisfaction theories. Job satisfaction is the level of contentment employees feel about their work which can affect performance. Because job satisfaction has become a very significant and widely spreading variable, responsible bodies ,managers, are looking for methods which can be used to make employees more satisfied and therefore, more productive. It is well known that measuring job satisfaction is difficult even though a lot of written literatures are found. The reason is that, job satisfaction is considered as major determinant of organizational performance Riketta, (2002) and effectiveness Laschinger,(2001). Here, it is true to ask why measuring job satisfaction is difficult. Smith et al (1969) states the answer as, the measurement of job satisfaction are the same as the measurement of any attitude. Job satisfaction is defined as the feelings that a worker has for his/her job Smith et al,(1969). Job satisfaction is whether or not employees like the job or facets of jobs such as of nature work or supervision. There are also many other contexts needed to be included, which contribute to total job satisfaction.

For an employee to be productive, he/she must be motivated with the job, the environment, the management style and the like. This implies that job satisfaction is highly related with motivation theory. There are different motivation theories while the basic ones are needs hierarchy stated by Abraham Maslow (1954), McGregor (1985) which states about the man's attitude to work (the X-Y theory) and the factors of satisfaction and dissatisfaction dealt by Herzberg (1968). In addition to this, it is stated by Armstrong and Murlis (1998) that motivation is a complex process which depends on individual's needs and objectives.

Employees' attitude towards their job is highly affected by the reward that is given to them by the organization. Lincoln & Kallerberg,(1990). The rewards, which can be intrinsic or

extrinsic, can influence the level of satisfaction of employees by their job Hong Lu, [et.al.](#) (2005).

It is important to differentiate the two terms and try to state their similarities too. Intrinsic rewards are inherent to job or the person performing the job. They are intangible and exist within the job itself such as variety, challenge and autonomy. Extrinsic rewards are tangible and they are extrinsic to the job or the performer. It includes pay and fringe benefits, promotion or advancement opportunities within organization, social aspects and work place conditions. In addition, intrinsic rewards are more important for job involvement as stated by Driscoll & Randall ,(1999), while satisfaction with extrinsic rewards will lead to commitment in the company for better customer satisfaction and loyalty. O'Reilly, et al. (1991). In other words reward is directly related with employees but it also affects an organization's performance in this competing world too.

The basic concern of this study is to examine the two main issues of the human resource function called reward and employees' job satisfaction and to discover their relation in a particular scenario at CBE. The main objective is to show whether reward systems influence the levels of job satisfaction among employees of CBE. In addition, the study aims to discover answers to the following subjects: which of the two kinds of rewards can satisfy employees; which of the two kinds of rewards are the most influential factor for job satisfaction and identifying rewards that can help them to achieve high levels of job satisfaction.

## **1.2. Background of the Organization**

Commercial Bank of Ethiopia (CBE) is one of the public banks in Ethiopia. A public bank is a bank that is principally funded by a government body rather than by private investors with a mission of serving the community. CBE is established in 1942 and it is one of the pioneer and the leading Bank in Ethiopian Banking Industry. Currently, the bank has been expanding its business operation to more than 1,150 branches throughout the country and 4 branches in South Sudan (that has been in the business since June 2009). In addition, CBE has strong correspondent relationship with more than 50 famous foreign banks like Commerz Bank A.G., Royal Bank of Canada, City Bank, HSBC Bank. It is also clear that the bank has a

SWIFT (Society for Worldwide Interbank Financial Telecommunication) bilateral arrangement with more than 700 other banks across the world.

As the success of the Bank highly depends on the quality of its human resources, the bank has been giving large emphasis in recruiting qualified professionals and training the existing staff. In doing so, the bank is committing to ensuring that its workforce is equipped with the necessary knowledge and technical skills. (Source: CBE HR manuals) In addition to this now a days, the bank has more than 23,000 employees throughout the country who are permanent clerical and non clerical staffs at different hierarchical positions of the bank. All these employees are assigned at different districts and branches of the bank. CBE has 15 districts throughout the country. These are the 4 A.A. districts, Jimma, Mekele, Bahir Dar, Gondor, Awasa, Shashemen, Dire Dawa, Adama From these, the 4 districts are found at AA where this study focuses. The 4 A.A districts are west A.A, east A.A, north A.A and south A.A districts. Each of these districts has their own district managers, logistics & supply chain managers and HR directors with different number of branches and staffs.

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

Reward is directly related to employees but it also affects an organization's performance in this competing world too. As Armstrong and Murlis (1994) believe, organizations should implement reward systems that include both financial and non-financial aspects as this would ensure the satisfaction of employees' needs, thus, increasing levels of employee commitment and performance. Resource Based Theory, as stated by Novel,(2015) that, "employees are major sources of competitive advantage" in any business environment. As manager gets things done through others, it is essential that the manager should understand matters that motivate and satisfy employees to perform better to the extent of their capacity and get full commitment toward ensuring organizational effectiveness. So, the vital issue here in different organizations is how to get employees satisfied and try to do better job that contributes to organizational success and how to retain these satisfied employees for long period in the organization. Greer,(2001).

A well and skillfully designed reward programs can give organizations a competitive advantage. In addition, it can help you generate the business strategy that influences the

organizational outcomes. These outcomes may or may not contribute to employee retention, productivity, job satisfaction, or service quality. Now a day, many organizations believe that strategic values and well-designed total reward systems can provide employee retention, productivity, service quality and job satisfaction.

It is known that CBE has long experience in the banking industry even if it doesn't have clear reward policy as the pilot study shows. . (Observation of employees' reaction).So, this study focuses on the assessment of problems related with reward practices of Commercial Bank of Ethiopia so that necessary recommendation will be forwarded to solve problems in this area of practices.

At CBE, there is an annual salary increment based on the target and performance of each branch. This addresses only the financial part of a reward even if both financial and nonfinancial reward types are important for employees' job satisfaction. In addition which reward type affects job satisfaction more than the others at CBE were not considered since only extrinsic reward types like bonus,(CBE December 22,2005 E.C Internal Memorandum), are used as the main reward strategy. Besides this, the reward strategy of the bank relays on branch performance which leads team based reward strategy. This is the other problem answered as the equitability of an internal reward.

#### **1.4. Research Question**

Based on the above stated problems, the major research questions that are answered by this research were:

- What is the effect of reward on Employees' Job Satisfaction among CBE employees?
- To what extent Extrinsic Reward variables contribute to employees' job satisfaction?
- To what extent Intrinsic Reward variables contribute to employees' job satisfaction?
- How employees perceive the internal equity of CBE's reward practices?

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

### **1.5.1. General objective**

The general objective of this study was to examine the effect of reward on employees' job satisfaction at Commercial Bank of Ethiopia a case study of Addis Ababa city branches.

### **1.5.2. Specific objectives**

- To examine, if there is a relationship between reward & employees job satisfaction.
- To assess to what extent the employees are satisfied with the reward system and practices that is in practice.
- To identify which reward type contributes to job satisfaction better than the other.
- To identify the influence of Intrinsic and Extrinsic Rewards on employee's Job Satisfaction in the case of CBE.

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

The researcher expected that this paper had practical significance to the existing body of knowledge in the Ethiopian context in many aspects like dealing with the effect of reward on employees' job satisfaction and to show the relationship that reward and employees' job satisfaction had. Besides this, the researcher had planned to investigate the effect of intrinsic & extrinsic reward types on employees' job satisfaction. To investigate the effect of financial & non-financial reward types on employees' job satisfaction was the significance of this study next to further deepening the researcher's knowledge on this area. The other thing that the researcher expected from this study was to develop the knowledge of the reader on reward types and their effect on employees' job satisfaction. Finally, the researcher had planned to provide useful recommendations based on the findings of the study.

## **1.7. Scope/ Delimitation/ of the Study**

Due to time limit, inaccessibility, difficulty in manageability and the researcher is a staff there, the researcher was interested to conduct this research only at CBE Addis Ababa branches. This makes things easier to collect information required for this research both from employees at branches as well as head office level. It is known that collecting data from all

employees of CBE is tough. But by using the centralized reward policy and the most similar educational background of employees (business related), it is possible to restrict, make it controllable and gives focus area to solve problems going to be addressed.

It is not because the other districts are not important that the study had focused only at the 4 Addis Ababa districts (East, West, South and North). This shows the geographical scope of the study. Data were collected from managerial & non-managerial and permanent clerical & non-clerical employees of CBE those directly involved in day-to-day operation of the bank.

### **1.8. Limitation of the study**

There were many challenges that affect the quality of this study and pull back the progress. They can be raised from the researcher due to lack of previous experience & not using all reward variables that have impact on employees' job satisfaction, from the data because of using secondary data & using data from city branches only and lastly from respondents like lack of awareness and willingness, to fill the questioner, lack of dedication to respond all the questions were the main reasons that pull back this research. However, considerable care has been taken in the collection and analysis of all the evidential matter in order to minimize the impact of these shortcomings.

As the title indicates, the study focused only to deal with the effect of reward on employee job satisfaction by using a specific human resource variable which has impact on employee job satisfaction. The other thing, if other human resource variables that have impact on employee job satisfaction would have been addressed, the study would be more complete.

### **1.9. Definition of terms**

To explain the definition of different terms and concepts, it is mandatory to quote the source. Some of the terms were:

**Job-** is a task that a person performs which has an economic role to the performer. DAVID A.HUME, (1995)

**Job Satisfaction** is the level of contentment that employees feel about their work which can affect performance. John Shields (2007) refers job satisfaction is the overall positive or negative attitude that employees have towards the job and the job context.

**Reward-** is something of value given in return for an act or a prize promised for a certain deed. That is, reward is giving something to someone in recognition of their service, effort or achievement in the form of pay or remuneration. DAVID A.HUME, (1995)

**Reward system** refers to procedures, rules, and standards associated with the allocation of benefits and compensations to employees.

A reward system is also a collection of interrelated processes and practices that are combined to ensure that the reward management of an organization is carried out effectively to the benefit of both the organization and the employees. Armstrong ,(2010)

**Intrinsic reward** is the personal satisfaction a person derives from a sense of self-accomplishment related to personal or business goals. Intrinsic rewards are related to responsibility, achievement and the work itself which may have a longer-term and deeper impact on motivation. Armstrong,(2007)

**Extrinsic rewards** are rewards which are given by employers to employees in the form of pay. This will help the organization to attract and retain employees and may also increase effort and minimize dissatisfaction though for limited periods. Armstrong,( 2007).

**Financial reward** is a reward that employees receive financial payment from employers in the form of a salary or commission. This payment is expected as a result of the work the individual was hired to complete. In addition to regular compensation, financial rewards are monetary incentives that an employee earns as a result of good performance. These rewards are aligned with organizational goals. When an employee helps an organization in the achievement of its goals, a reward often follows. All

financial rewards are extrinsic and it includes tangible rewards, such as pay raises, bonuses, and paid time off.

**Non-financial reward** is a compensation given in a transaction which does not involve cash. A non-monetary reward can consist of almost any material object such as jewelry, precious metals or an automobile for example. In business, a non-monetary reward can also be a service such as improvements made on a property or repairs done on a car.

**Total reward** as Manus and Graham, (2003), defend total reward is all types of rewards such as intrinsic, extrinsic, financial , non-financial, direct and indirect rewards.

### **1.10. Organization of the Study**

The paper has five chapters: under the first chapter introduction, background of the study, statement of the problem, research questions, objective of the study, significance of the study, scope(delimitation) and limitation of the study were included. Chapter two is review of related literature whereas chapter three is about research methodology, which is composed of the different types and sources of data, research instruments and method of data analysis. On the other hand, chapter four discusses about data presentation, analysis and interpretation of the study and chapter five, which is the last chapter, presents about summary, conclusion and recommendation of the paper in general.

## **CHAPTER TWO**

### **2. LITERATURE REVIEW**

#### **2.1. Reward**

To survive in this complex business environment, organizations need to understand what their customers really need and work to fulfill this. To do this, it is mandatory to have energetic, experienced, skillful, committed, motivated & ethical employees. The question, “How can a company possess such employees?” lead us to raise the idea of reward system of the company and employees’ satisfaction in their job, which is the main issue to be discussed here.

A reward is anything given in recognition of service, effort, or achievement. When we connect a reward with employment, it is any benefit that workers receive from their employers. Kalleberg 1977, Mottaz, (1988). It is well known that reward has advantage and disadvantage both for the employees and employers. Armstrong, M, & Brown, D.,(2006).

Any organization has its own rewarding strategy and it helps the organization to build and maintain employees’ commitment which leads to keep high organizational performance and quality. Steers and Porter (1991), Wang, (2004). In any employer employee agreement, there are things that both have and one gives to the other in exchange. That is, individuals give their skill, interest, time, effort, energy...to match and achieve the goals’ of the organization and in return they expect reward and satisfaction from the company. Mottaz (1988). But the company doesn’t reward employees in unplanned way. It mostly connects reward with the organization’s reward strategy and policy in addition to the profitability of the organization.

#### **2.2. The Components of a Reward**

Reward includes all components of benefits like financial and nonfinancial, tangible and intangible, internal and external benefits that an employee receives from their company due to the employment relationship with the organization. Bratton and Gold ,(1994). All employees may not be equally happy and grateful for the reward that they receive. This depends on the employees’ perception of the reward time, employees’ attitude towards the quantity of the reward and the weight employees give to a given reward. Lawler, (2003)

It is true that there is a positive relationship between reward and accomplishment of the organization. In addition, employees increase closeness to their organizations and perform better job with a sense of ownership, while they receive healthier reward and recognition from their organizations. Novel, (2015) States that, rewards increase the level of efficiency and performance of the employees on their jobs and as a result increase the success of the organization.

### **2.3. Reward Systems**

As it is stated by Armstrong and Murlis, (1998) a reward system is part of a human resource management that deals with the fundamental functions of human resource management. These includes the assessment of job values, the design and management of payments, performance management, contingent pay, employees' benefits and pensions and the management of rewards procedures. Here, no need to forget the relation of the reward policies and organizational goals, values and strategies. Another important point that Armstrong and Murlis (1998) mention is that rewards systems also include the development of organizational cultures as they are led by organizational requirements and can increase the motivation and commitment of employees as their philosophy must recognize the vital role of the workforce and also respect their needs ( as cited by Abel, 2013)

A reward system consists of the interrelated processes and practices that combine to ensure that reward management is carried out effectively to the benefit of the organization and the people who work there Armstrong,( 2010). We all agree that a reward system can be influenced by many other factors. That is, as Miller and Rice (1967), stated organizations should be treated as such in that they are continually dependent upon and influenced by their environments.

All written and unwritten materials in the business world agree that a reward system benefits the organization, the employee, and the economy of a country in general. As Novel (2015) states, it is also considered as the most rapidly developing area of human resource management.

### **2.3.1. Types of reward system**

In this competitive environment nowadays, organizations are predicted to be more aggressive on empowering the employees because the employees' job satisfactions are important for the whole organizational performance. Because of this reason, in order to achieve the organization's mission, vision and goals, the effectiveness on managing the motivation of employees should not be ignored. The motivation such as employees' satisfaction on their works or the rewards given to them leads to better performance in their organization. According to Decenzo and Robbins (2005), the most obvious reward employee receives from work is pay. However, rewards also include promotions, desirable work assignments, and a host of other - a smile, peer acceptance, work freedom, time freedom, work recognition... Thompson (2002), also states that, as it is cited by Armstrong (2009), the definitions of total rewards basically includes not only monetary and quantifiable elements like salary, variable pay and benefits, but also more intangible non-cash elements such as scope to achieve and exercise responsibility, career opportunities, learning and development, the intrinsic motivation provided by the work itself and the quality of working life provided by the organization.

As it is cited by Novel,( 2015), White and Drucker, (2000) states that there are two main elements of a reward. These are: financial and non-financial rewards. The financial rewards include rewards strategies such as merit-pay, market-based pay, profit-related pay, while non-financial rewards focus on the needs of people for recognition, achievement, responsibility and personal growth and career development.

The different reward systems stated above are designed to serve both organizations and employees in the process of achieving goals according to Decenzo,(2007) as cited by Novel, (2015). Intrinsic rewards are self-initiated rewards, pride in one's work, and a sense of accomplishments, or enjoying part of a work team. Job enrichment, for instance can offer employees intrinsic rewards by making work seem more meaningful as mentioned by Decenzo, (2007) and cited by Novel, (2015). It is argued by many writers that money is a poor motivator and can actually delay intrinsic motivation, such as reducing creativity and innovation. Amabile [et.al.](#) (1994), Frey & Osterloh, (2002), Herzberg (2003), Kerr (1975) &

Kohn (1993). According to Frey (2000), intrinsic motivation, captures the aspects of doing work for its own sake and according to Ryan and Deci (2006), intrinsic motivation provides psychological benefits of wellbeing. According to Herzberg (2003), intrinsic motivation increase responsibility. On the other hand, extrinsic reward includes money, promotions and benefits. They are external to the job and come from an outside source, mainly management and nearer supervisors. Consequently, if an employee experiences a sense of achievement or personal growth from a job, we would label such rewards as intrinsic. If the employee receives salary increase or a write-up in the company magazine, we would label these reward as extrinsic according to Decenzo (2007).

### **2.3.2. Reward management process**

A Reward Management Process is an ongoing process which starts by hiring qualified employees to meet the goals and objectives of the company, managers need to check their employees as they are working as it is expected from them or not, motivating the employees after identifying their weakness and lastly analyze the process that is responsible for the planning, organizing, implementing, monitoring, evaluation and revising of the reward system periodically. The reward management is composed of various components that are the building blocks of the process. As per Armstrong & Helen (2007), reward management is composed of the business strategy, which uses the eleven reward components. These are strategy, policies, market analysis, job evaluation, grade structure, pay structure, financial and nonfinancial rewards, performance management, and employee's capability.

### **2.3.3. Components of Total Reward**

As cited by Novel,(2015) Decenzo and Robbins (2005), stated that the most obvious reward employees received from work is pay. However, rewards also include promotions, desirable work assignments, and a huge number of other less obvious payoffs- like a smile, peer acceptance, work freedom, recognition, comfortable and healthy work environment, understanding by supervisors.

Rewards are the performance incentives that are given by the company to the individuals due to their good work performance. Everyone has different needs and perception on their job.

Therefore, outcomes such as pay, promotion have different values for different people. There are two main types of rewards which are normally implemented by different organizations to motivate the employees, extrinsic and intrinsic rewards. Based on the expectancy theory of Vroom research,(1932), it adapted that extrinsic rewards are positively valued work outcomes that the individual receives from some other person (managers) in the work setting, include such things as pay, financial incentives, security, recognition and promotion; on the other hand, intrinsic rewards are positively valued work outcomes that the individual receives directly as a result of the task s/he performed, such as feeling of accomplishment, personal growth, and self-worth French [et.al](#) (2008). Each type of the rewards' has different functions and meaning within itself that can be applied by depending on the situations and requirements of the organizations. Here are the two categories of a reward in detail.

### **2.3.3.1. Extrinsic Reward and its Types**

Extrinsic rewards includes pay, bonuses, spot awards, promotion, recognition and

Pay- is any wage given to employees for working in an organization based on the employment agreement and government policy. Verma & Elman ,(2007)

Bonuses- are gifts money or other objects to remunerate employees of excellent performance. Incentive America ,(2010). Organizations may pay employees a bonus when specific performance objectives are met. Folgeman,(2001).This may inspire employees to work hard and motivate them to attain tremendous result in the same time accomplish their organization's goals.

Spot Awards-are gift programs to acknowledge the impulsive appreciation for the contribution of the individual in the form of award card Deadrick, (2009).

Promotions- is a type of reward which is given by the employer to the employee by picking the right person based on certain criteria like experience, ability seniority...Ganesan&Weitz,(2001).

Recognition-is the other type of reward, which refers to the managerial acknowledgement of employees' achievement that may result in improvement of status like public praise, special attention Head, Sorensen & Baum ,(1994).

### **2.3.3.2. Intrinsic Reward and its Types**

Intrinsic reward includes completion, achievement, autonomy, personal growth, challenge, responsibility, praise and feelings of self-esteem.

Completion-is a type of an intrinsic reward that some employees think that it is important to have the ability to start and finish a given job. They value task completion. A form of self-reward is the effect of completing the tasks they have. Opportunities that allow individual to complete tasks can lead to a powerful motivating effect.

Achievement-is a self-administered reward that derives from the accomplishment of a challenging goal. Some individuals look for challenging goals whereas others look for moderate or low goals. In goal-setting programs, the effect of difficult goals is a higher level of individual performance. Furthermore, individual differences that strive for achievement must be considered as well.

Autonomy-is a type of reward that employees may want to have freedom in their jobs such as have the right to make decisions and stand on their own principles. The freedom to do what the employee considers best in a particular situation may gives a feeling of autonomy in employees themselves. In other words, they have ownership in their jobs. It is hard to create tasks that lead to a feeling of autonomy in highly structured jobs and controlled by management.

Personal growth-it is totally different from the others. Some people can sense their development and sense their competences that are being expanded through experiencing personal growth. They can maximize or at least satisfy their skill potential by expanding their competences. The performance of tasks meets or exceeds their personal standards. On the other hand, others may not satisfy with their jobs and organization as they are disallowed to develop their own skills. Osterloh and Frey, (2000).

## **2.4. Consequences of Total Reward**

Generally both extrinsic and intrinsic rewards have influence on individuals and organization performance. When talking about extrinsic rewards, individuals are said to be sensitively concerned on the pay and bonuses. They will be more motivated by pay than any other type of reward. Based on the different researches, financial incentives have larger impact on motivation than other outcomes. This is because money is very important for an individual's multiple needs in daily life. Extrinsic motivation can be used to coordinate resources by linking employees' monetary motive to the goal of the organization Osterloh and Frey, (2000). However, people who pursue (follow) goals for extrinsic reasons such as money, status or other benefits are less likely to attain their goals and are less happy even they do achieve them because they feel that the goals are less meaningful for them Robbins ,(2009). This means that people are stressed on attaining the goals by completing some complicated tasks in order to achieve their bonuses, status or promotion. Although the goals of organizations might achieved perfectly, but the feelings or satisfaction of employees would be decreasing due to uncomfortable with the jobs. This situation will lead the extrinsic rewards become less effective in the organizations if they do not manage the rewards systems carefully.

In the same way, intrinsic rewards have an effect on both individual and organizational performance. For example, the employees in an organization have reached the esteem stage of development and possibly the self-actualization phase through the impact of intrinsic rewards. The intrinsic rewards encourage and enhance both employees and employers to be able to challenge themselves and accomplish new tasks and cooperate with others to work in a harmony environment. Apart from that, intrinsic rewards enable the employees to have greater concentration and keep them in energizing and self-managing. By having the high levels of intrinsic rewards, employees become the informal recruiters and marketers for their organization in which they recommend their friends to work in the organization and recommend product and services to potential customers. According to Thomas (2009), intrinsic rewards create a win-win situation for organization and its employees. The employees feel happy and satisfy as they experience feelings of achievement and self-worth, which create job satisfaction. At the same time, the organization increases its profit because

of the increase in employee job satisfaction. The intrinsic rewards facilitated greater levels of satisfaction and competency. Employees have more interest, excitement, fun and confidence in performing tasks which leads to enhanced organizational performance. The research suggested that organizations pay employees equitable salaries, not tied to performance, so as to attract and ensure participation, and to rely more on intrinsic motivational techniques to improve performance as cited by Armstrong, (1999) and stated by (Uco 1992). Here, it is possible to conclude the consequences of a reward both for employees and employers as cited by Novel, 2015.

A. Motivation of Employees -reward systems, whether monetary or other, can positively affect employees by increasing motivation. Workers who are aware that outstanding performance or behavior in the workplace will result in desirable rewards are more likely to strive to meet the goals set forth by employers. This decreases repetitiveness in the workplace and encourages objective and hard work amongst employees.

B. Reaching and Retaining Good Workers -employees are not the only ones who experience the positive effects of reward systems in the workplace. Employers who offer desirable rewards to their employees have a better chance of attracting good, motivated and knowledgeable workers. They also have better chances at retaining their top employees, those who more than likely gather the rewards. Ambitious employees will be attracted to reward systems, but without rewards, may look for work elsewhere.

C. Improvement in Profit -when employees work towards their goals in hopes of earning rewards, business becomes more successful. Profit increases and some businesses also may witness improvements in office relations and behaviors and in customer service. The more successful a business is, the more they can expand and the more rewards they can afford to offer, creating a cycle that promotes hard work, good behavior and increased profit.

D. Negative Effects -not all reward system effects are positive. Some scholars argue that an overemphasis on business reward systems has a negative effect on intrinsic values. Intrinsic values are the values that a person, in this case an employee, has without prompting by an outside force. For example, dedication can be seen as an intrinsic value if an employee is

dedicated without being offered a reward. If the employee is only dedicated because they know they will be rewarded, they value only extrinsic rewards. Some theorists believe that reward systems are completely diminishing employees' intrinsic value systems.

#### **2.4.1. Factors Influencing Payment Level**

Establishing the correct payment level for employees is important for several reasons. One of these is to recruit and retain a work force of the correct ability, it is essential that the organization establishes and maintains payment level which are at least comparable to that of competing employers. It is therefore imperative that any remuneration system takes account of current market forces and potential trends in payment levels. In addition, since the payment of salaries and wages is a considerable cost to any organization, it is important for employers to get a satisfactory return on such expenditure in terms of employee performance, commitment and loyalty. In order to motivate employees to behave in such a manner, it is essential that the remuneration package offered is considered to be of significant value by the employee, and an appropriate reward for their efforts. DAVID A.HUME, (1995)

When attempting to establish payment level for employees, employers must take account of the following factors as cited by David A.Hume,(1995)

- **The external labor market-** is a system of examining the external labor market which helps to establish what competing companies are paying to recruit and retain employees with similar skill, abilities, qualifications, and experience.
- **The internal differentials-** job evaluation in a company is done to grade jobs and this in turn used as a base for a remuneration system of that company. It is an assessment of the job not the job holder. The job evaluation is done using the criteria such as skill, responsibility, effort,
- **The collective bargaining-** it is known that a collective bargaining has an important impact on the reward (remuneration) system of any organization. It is rare for employees to negotiate with their employers about the reward levels and terms individually, that is, the argument is done in a united base.
- **The company performance-** is the most crucial factor that influence the reward (payment) levels of an organization and the economic fact that the company lays down to

provide an increased payment (reward). Here it pushes organizations to create a relationship between pay increase and identifiable productivity levels

- **The government intervention-** payment levels within organizations can be influenced by a government occasionally. This is done to guarantee minimum wage and to control salary inflation
- **The individual skills and performance-**there is a case where the planned, structured and prescheduled reward system of an organization is deviates. Some of these are:

When, the organization desperately requires particular skills or abilities. Here the organization pays beyond the market rate. When, the organization incorporates a performance based pay.

## **2.5. The relationship between reward and demography**

Some employers have experienced difficulty in attracting, recruiting and retaining appropriately qualified employees. Such circumstances have arisen even though unemployment rate remains high. DAVID A. HUME, (1995) states that the current demographic trend suggests that there is a shortage of school leavers entering the labor market. So, the reward of an organization needs to be attractive to be selected by these newly graduating and energetic employees. DAVID A.HUME, (1995)

As people get older, they become more experienced, skillful and highly paid employees. This has advantage and disadvantage for the organization and the employee too. That is, if the position of an employee can be covered by a junior employee, it is an expense for the organization to have such an experienced employee and replacing that experienced employee let the organization to reward lesser and makes the employee to lack confidence (security) with his /her job. But, if this is not possible, the employee works with a great confidence and needs to get the highest reward from the company. Otherwise, the employee may leave the organization for good which makes the organization to be a loser.

An employee with high absenteeism is less likely to reach the given performance target. This brings a negative effect on the reward whether the employee is male or female. Here, what should not be forgotten is maternity leave is a legally accepted and not considered as a leave

that makes the lady not to meet her target. (the targets need to be adjusted in the time that she is present at work)

It is believed that most employees need to get the benefits from a new technology. So, organizations have to train and provide this new technology to have a positive relation with their employees. Aside from the job scope itself, one factor that significantly influences how employees feel about work is the environment. By work environment, I mean everything that forms part of employees' involvement with the work itself, such as the relationship with co-workers and supervisors, organizational culture, room for personal development, etc. A positive work environment makes employees feel good about coming to work, and this provides the motivation to sustain them throughout the day. Here are the 5 more generic points that influence (considered as a non-monetary) the reward of a company based on its environment. . DAVID A.HUME, (1995)

**Transparent and open communication** - a transparent and open form of communication addresses the employee's need to feel that what they have to say has value and makes employees feel that they belong in the organization.

**Work-life balance-** There has to be some sort of balance between work and personal life. When employees fulfill their various needs and goals in life, such as those of family, friends, spiritual pursuits, self-growth, etc, they can then feel more confident about themselves and perform their best at work. Some employees are simply workaholics who would rather neglect other aspects of their life for work. Managers have a responsibility to show that this is not right, by rewarding employees who maintain good work-life balance habits (e.g. leave work on time) and can still perform well.

**Training and development-focused-** Adapting to change is never more crucial in this period because those who don't, get replaced. This applies to both the individual and the organization itself. A training and development-focused organization has a clear roadmap for training their employees to sustain and enhance the productivity of the organization as a whole.

**Recognition for hard work**-Rewards are necessary to encourage certain behaviors in persons. This is known as positive reinforcement under operant conditioning in the field of psychology. It is used in organizational behavior management as well: by rewarding employees who put in effort for their work, this will promote similar behaviors in the future.

**Strong team spirit**- As social beings, we naturally seek support from our peers and seek to belong to a group. Come tough times, the team should come together to deal with whatever problems are out there. This is where a sense of unity is evoked in the team and employees will no longer just feel that they're working for themselves. They are now working towards something bigger than themselves, and as a team. © 2007&dash;2016 Hongkiat.com (HKDC). All Rights Reserved.

## **2.6. Reward Policy and Procedure**

Reward policy and principles are statements which state the rules, guiding plans, reasons, aims, forms and how a reward should proceed to benefit both the employees and employers of the organization. It aims to encourage and acknowledge superior performing employees. As stated by Armstrong and Helen (2007) reward policies provide guidelines for the implementation of reward strategies and design and management of reward processes. Since each organization has its own guiding principle and reward philosophy, the reward policy and procedure of different organizations is different. There are 9 reward policies named the level of rewards, the relative importance attached to market rates and equity, attraction and retention of employees, the match between rewards and business performance , total reward policy, the need to communicate reward policies to employees and transparency. Novel (2015).

As any company's success relies on the talent and contribution of all staffs, organizations need to value and reward all their staffs for what they contribute and achieve based on the reward policies and practices which aim to support the companies plan in its key theme of excellence. The reward policies and practices of a company need to reflect the aspiration of the organizations plan and approach to reward in different ways like by applying the principles of being clear to employees about what, why, when and whom to reward and consistency, type and system of the reward. Any reward policy and procedure should include

the purpose of the program and to acknowledge the significant role that rewards can play in the success of the company and its employees and to provide guideline for the establishment and implementation of recognition.

## **2.7. What is Job Satisfaction?**

Job satisfaction-is the overall positive or negative attitude that employees have towards the job and the job context. John Shields (2007). The relationship can be reciprocal. The relationship between motivation and performance is even more complex. Vroom,( 1964) formulated it as  $P = M \times A$  where P is performance, M is motivation and A is ability. Note that the relationship is multiplicative – if the value of either M or A is zero, then there will be no performance. Performance depends on both motivation and ability. A more recent formulation of the relationship has been produced by Boxall and Purcell (2000). This is that  $P = M + A + S$  where P is performance, M is motivation, A is ability and S is scope to use and develop abilities. Note that the relationship is not multiplicative as in Vroom and there is an additional factor, called scope. By including ability and scope as factors, the latter formulation underlines the importance of adopting an integrated approach to reward and other HR strategies. Motivation by pay or any other means is not enough. Reward strategies must be associated with human resource development and resourcing strategies to maximize their impact on performance.

## **2.8. Factors Affecting Employee Job Satisfaction**

Purcell *et al*, (2003) believe that discretionary behavior which helps the firm to be successful is most likely to happen when employees are well motivated and feel committed to the organization and when the job gives them high levels of satisfaction. Their research found that the key factors determining job satisfaction were career opportunities, job influence, teamwork and job challenge Armstrong, (2006, P. 264).

### **2.8.1. The nature of the work**

As cited by Abel (2012) and stated by Robins (1998, P. 90) mentally challenging jobs are positively related to job satisfaction. Such jobs give the opportunity to employees to use their skills and talents into a variety of tasks and also provide them with feedback on their

performance after they complete each task. In accordance to Maslow's Hierarchy of Needs Theory (1954), employees with challenging jobs are given the chance to fulfill their higher level need of self-actualization and reach self-fulfillment. Repetitive and boring tasks and those assignments that do not stimulate employees are all related to lower levels of job satisfaction. Employees in these types of positions, such as people who work on assembly lines in factories, report higher levels of psychological distress and tend to have a high number of absences from work Robins (1998, P. 90).

#### **2.8.1.1. Pay and benefits**

According to Novel, (2015) payment and benefits included in a person's job satisfaction are the rewards for doing the job and performing it well. If a person is rewarded for high performance or stands to gain a reward for doing the work, he/she may find the job more satisfying. These rewards range from improved work environment (a corner office, a nicer chair), to higher security and more responsibility of all of these types of incentives, money is one of the few that we can quantify and measure. Due to the social influence described by money can often have a powerful effect on job satisfaction regardless of how important motivator money is to that person similarly, indicated that salaries not only assist people to attain their basic needs, but are also instrumental in satisfying the higher level needs of people. According to Robbins et al (2003 P. 260), and cited by Novel, (2015) employees seek pay systems that are perceived as timely, clear and congruent with their expectations. When pay is perceived as reasonable, proportionate with job demands, individual skill level, and community pay standards, satisfaction is likely to be the result. Employees are satisfied when they feel that the rewards they receive from their job correspond to their skills and effort. It is not only about the amount of money they receive. They are satisfied when they feel that they have been fairly treated and when the rewards they receive are equal to the ones that their colleagues who have the same skills and exert the same effort, receive. As Equity Theory suggests perceived equity seems to lead to greater job satisfaction and organizational commitment.

#### **2.8.1.2. Supervision**

Different research shows that the quality of the relationship between the supervisor and his/her subordinate will have a significant & positive or negative influence on the employee's overall level of job satisfaction Robbins, (1998, P. 98). In addition, employees' satisfaction is increased when the immediate supervisor understands and acts friendly, offers praise for good performance, listens to employee's opinions, and shows a personal interest in them. Both the actual and perceived quality of the supervision at work also affects job satisfaction. Competent supervisors who treat employees with respect and consider the needs and interests of the employees when they make decisions tend to foster high level of job satisfaction of the part of the company's employees.

#### **2.8.1.3. Promotion**

It provides opportunity for personal growth, increased responsibility, and increased social status. The structure of the company's reward system the means through which employees earn promotion, salary increases, or other rewards is important in determining satisfaction. Reward structures that delay professional development or provide little recognition for employees' contributions to company success lead to lower levels of satisfaction. On the other hand, reward structures that provide reasonable and adequate opportunities for employees' contributions to be recognized and rewarded are associated with more positive attitudes about the job (Robbins 1998, P. 210). Luthans (1992, P. 68) further maintains that promotions may take a variety of different forms and are generally accompanied by different rewards. Promotional opportunities therefore have differential effects on job satisfaction, and it is essential that this be taken into account in cases where promotion policies are designed to enhance employee satisfaction.

#### **2.8.1.4. Work relation**

There is a positive relationship between work colleagues and job satisfaction. Robins (1998, P. 212). Because all employees spent much of their time at work with co-workers, colleagues are part of their lives. Friendly and supportive co-workers can increase an employee's job

satisfaction. Robbins (1998, P. 220) indicated personal factors that affect job satisfaction. According to him, higher levels of status and seniority affect job satisfaction.

### **2.8.2. Application of Job Satisfaction in the Workplace**

Different employees need different things from their company to be satisfied. Thus, it is hard to apply job satisfaction in the workplace and tough concept to grasp due to its individualistic and conditional nature. What one employee desires from his/her work, another may not. For instance, one employee may put their salary in high regard, while another may find freedom most important. Unfortunately, one aspect alone will most likely not effect an employee's job satisfaction. According to Syptak, Mars land, and Ulmer (1999), there are numerous aspects of a job that an organization can manage to increase satisfaction in the workplace, such as:

#### **2.8.2.1. Company Policies**

Clear, fair & applied equally to all employees will increase satisfaction. Therefore, fairness and clarity are important and can go a long way in improving employee attitude. For example, if a company has a policy for lunch breaks that are the same length and time for everyone, employees will see this as the norm and it will help cut down on wasted time and low productivity. Novel,(2015)

#### **2.8.2.2. Salary/Benefits**

Satisfaction can also be raised by making sure employee salaries and benefits are comparable to other organization salaries and benefits. Competitive wage helps a company to be well productive and makes the company competent in the environment. Because the employees are satisfied and there is low turnover. Lemessa,(2013)

#### **2.8.2.3. Interpersonal/Social Relations**

It is known that teamwork is very important for an organizations success and develop bright future plus to bringing a sense of helping each other. Thus, Co-workers relationships may benefit the organization as a whole. Furthermore, when people are allowed to develop work relationships they care more about pulling their own weight and not letting co-workers down. Armstrong, (2006)

#### **2.8.2.4. Working Environment**

It is also another factor for employees' job satisfaction in a way that employees need to use modern equipments & facilities in addition to adequate space with the necessary air conditioning and ventilation, lightening .Abel,(2013)

#### **2.8.2.5. Achievement**

It is better for both, the employee and employer, to assign employees in a position which helps them to use their talent. When employees are in the proper role and feel a sense of achievement and challenge, their talents will be in line with the goals best suited for them. Lemmessa (2013)

#### **2.8.2.6. Recognition**

Employees' job satisfaction can also be increased by acknowledging a job well done. Positive and constructive feedback boosts an employee's morale and keeps them working in the right direction. On the other hand, an appropriate negative feedback is also important. Armstrong,(2006)

#### **2.8.2.7. Autonomy**

It is to mean giving employees the freedom of working without supervision. This makes employees to have an ownership of their work and may help to raise satisfaction.

#### **2.8.2.8. Advancement**

It is one way of increasing satisfaction for loyal and better performing employees to give better credit for their effort.

#### **2.8.2.9. Job Security**

During an economic uncertainty, this can be a very high factor in determining an employee's job satisfaction. Giving employees the assurance that their job is secure will most likely increase job satisfaction.

#### **2.8.2.10. Work-life Balance**

A practice at times where the average household is changing it is becoming more important for an employer to recognize the weak balancing act that its employees perform between

their personal life and work life. Policies that respond to common personal and family needs can be essential to maintaining job satisfaction. Novel, (2015)

## **2.9. Reward and employee job satisfaction**

As stated by Novel, (2015) there is a strong association between reward and employee job satisfaction. Accordingly, Wilson, (1994) as cited by Rizwan Q. & Ali U. (2010) explained that employees are definitely closer to their organization as their job can become the major satisfaction in their life after having a proper rewards and recognition at their job. They further explained that recognition is a process of giving an employee a certain status within an organization. Novel,(2015) which is a very crucial factor towards an employee motivation.

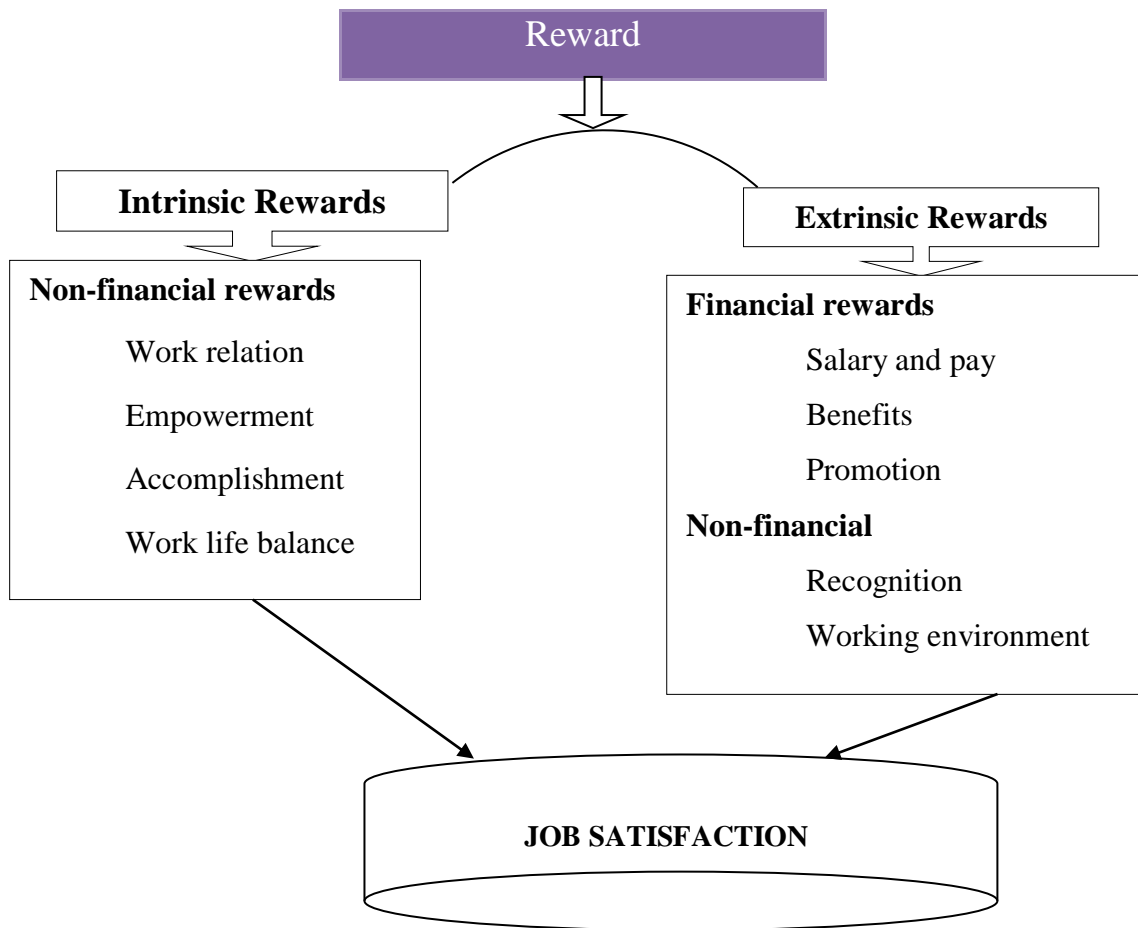
It is known that the credit given to an employee is well related with the work of that employee. Recognition describes how the work of an employee is evaluated and how much the appreciation he receives in return from the organization Novel, (2015).

It is proved that most financial rewards have direct relationship with employee job satisfaction. But it doesn't mean that rewards are only financial. That means, all types of rewards have impact on employees' satisfaction. As per the study of Flynn (1998) as cited by Rizwan Q. & Ali U. (2010) rewards and recognition programs keep high spirits among employees, boosts up their morale and creates linkage between performance and motivation of employee.

The first reason that employees' hired to perform a certain work is to get financial reward in return to their contribution to the organization. Herzberg (1959) as cited by John Adair (2004) at Novel,(2015) identified the factors that contribute to job satisfaction and dissatisfaction as the eight 'hygiene' factors which create job dissatisfaction are company policy and administration, supervision, interpersonal relations, salary, status, job security, personal life and working conditions. Herzberg further identified six 'motivating' factors that lead to job satisfaction as achievement, recognition, and possibility of growth, advancement, responsibility and the work itself.

## 2.10. Conceptual Framework of the study

The conceptual framework of this study states the nature of the hypotheses of the study, which were described in the diagrammatic form of Figure 2.1. According to the model, dependent variable is job satisfaction and the independent variable is reward. Job satisfaction is affected by intrinsic and extrinsic rewards. The relations of these variables are supported on the basis of review of literatures.



*Source: taken from literature*

**Figure 2.1 Conceptual framework**

## **2.11. Hypotheses**

### **Hypothesis No 1**

**Ho:** There exists a significant relationship between salary and pay and employees' Job Satisfaction.

### **Hypothesis No 2**

**Ho:** There exists significant relationship between benefit and employees' Job Satisfaction.

### **Hypothesis No 3**

**Ho:** There exists a positive relationship between accomplishment and employees' Job Satisfaction..

### **Hypothesis No 4**

**Ho:** There exists a positive relationship between recognition and employees' Job Satisfaction.

### **Hypothesis No 5**

**Ho:** There exists a positive relationship between work life balance and employees' Job Satisfaction.

### **Hypothesis No 6**

**Ho:** There exists a positive relationship between working environment and employees' Job Satisfaction.

### **Hypothesis No 7**

**Ho:** There exists a positive relationship between empowerment and employees' Job Satisfaction.

### **Hypothesis No 8**

**Ho:** There exists a positive relationship between promotion and employees' Job Satisfaction.

**Hypothesis No 9**

**Ho:** There exists a positive relationship between work relation and employees' Job Satisfaction.

**Hypothesis No 10**

**Ho:** There exists a positive relationship between extrinsic reward variables and employees' Job Satisfaction.

**Hypothesis No 11**

**Ho:** There exists a positive relationship between intrinsic reward variables and employees' Job Satisfaction.

## **CHAPTER THREE**

### **3. RESEARCH DESIGN AND METHODOLOGY**

#### **3.1. Description of the study area**

The management practice of CBE is recognized by one centralized head office and 15 districts. Based on this, the researcher used four districts which are at Addis Ababa. The districts are North, South, East and West which helped the researcher to collect primary as well as secondary data. Addis Ababa was selected, because the decision of the reward system of all districts of CBE takes place at the center and districts have no their own reward policy and geographical location is the other in addition to employees have almost similar educational background for similar job positions at different districts.

#### **3.2. Research approach**

The researcher prepared quantitative research approach based on the statement of the problem. In addition the first thing the researcher has done was creating a positive relationship with different employees of the bank so that they could co-operate the researcher by filling the prepared questioner to their real opinion. The researcher distributed the questioner at working time personally which need the cooperation of the supervisors of each branch in addition to the workers to use their golden time.

#### **3.3. Research design**

The research design of this study focused on one of the biggest banks in our country called Commercial bank of Ethiopia (CBE). As Creswel, J. W.(2003 stated, a research is the technique for investigating something in a systematic manner. The research design used was descriptive type, which were concerned with describing the characteristics of an individual or a group. As descriptive research design was concerned with specific predictions of the relationship between independent and dependent variables, as Kothari, (2004), the researcher was used this type of research design to find the effect of reward on employees' job satisfaction. In addition, this type of research design helped the researcher to gather information from the selected sample and generalized the result to a population. The other

thing that the researcher had undertaken was a random sampling method using a five point Likert Scale questioner addressed personally by the researcher at the selected branches.

### 3.4. Population and sampling Design

#### 3.4.1. Population

Based on the table below, all the population of CBE at the four A.A districts is 9037. This includes the managerial, clerical, professional and non-clerical employees of the bank.

#### 3.4.2. Target Population

In this study, there were some employees who were included in and there were some who were excluded from the research. Clerical, Professional and managerial staffs of the bank were subject for the study. These staffs include senior and junior customer service officers, chief cashers, accountants, loan officers, customer service managers, branch managers district managers of the bank and employees in human resource department working in the public sector to provide the necessary variety of information required for the study, professionals, which are IT workers, medical department workers.

On the other hand, the permanent staffs, who were not included in the study are, non-clerical & non-managerial staffs and employees of less than one year experience in the bank. Different reasons for excluding these employees were level of literacy & not having full information about the reward policy of the bank due to less time in the bank. In addition, the population was also limited only to employees of Addis Ababa branches due to geographical location. Based on this, the total population of employees in Addis Ababa is divided in to four districts as:

**Table 3. 1 Number of populations**

Name of Districts	No of Branches	No of Employees	
		Clerical	Non Clerical
West	107	2,120	157
North	91	2,462	187
South	78	2,205	164
East	92	2,250	153
Total	368	9,037	661

Based on table 3.1, the total number of population who are at the four districts of Addis Ababa was 9, 698 of which 9,037 were clerical and included in the study and the rest 661 was non clerical who were not included.

Here, the researcher used the formula for sample size determination in descriptive research type. Based on this, the sample size was 193. The formula includes 95.5% confidence level, and an estimated variance of 2.005 for which an acceptable margin of error is 0.02. C.R. Kothari (2004)

$$n = \frac{z^2 \cdot p \cdot q \cdot N}{e^2 \cdot (N-1) + z^2 \cdot p \cdot q}$$

Where;

n = sample size

N = Total number of population =9037

Z = standard value (2.005) for 95.5% reliability

e = acceptable error (the precision) =2%= (0.02)

P = standard deviation of a population (Largest possible proportion)= 0.02

q= standard variation at a given confidence level= 1-p.

Therefore, by applying the above formula, the calculated sample size was 193. Thus the questioner was distributed to these respondents proportionally under the sample frame. Questionnaires were distributed personally to the respondents. Of the 193 questionnaires distributed, the researcher collected 93% of the questionnaires, which were 180, and used for data analysis purpose.

### **3.4.3. Sampling Design**

It is stated in the description of study area that the study focused only in Addis Ababa branches and the branches were included in the sample using simple random sampling. The researcher used a stratified sampling method to group the employees of each branch. The

reason was that, the bank has many employees at different level of education, service year and type of work in each branch. So it is expected that this creates variety on the reward type and level as well as satisfaction of the employees. Research methodology book by Kothari, (2004) states that stratified sampling is used when the population is not similar. The study will have 3 strata by dividing the whole population in to managerial groups (district managers, branch manager's customer service managers or CSM), back officers (CRO or customer relation officers, senior accountants, senior branch controller and chief cashier) & front line makers (customer service officers or CSO).

### **3.5. Data Source and Type**

The source of data in this study was both primary and secondary data. The primary was data collected from different employees of the bank using questioner and the secondary data was collected from different published and unpublished documents of the bank. The type of data used was only quantitative data type.

### **3.6. Data Collection procedure/method**

The main data collection procedure used in this research was using structured and well prepared questionnaires. The first part of the questionnaire contained demographic variables like gender, age, educational background, year of experience, job grade, salary scale, and department. Whereas the second part of the questionnaire was directly related with the research questions which includes: recognition and career development, employees' perception on internal and external fairness of treatment by different bosses, employees' satisfaction with financial and nonfinancial reward system of the bank, employees attitude towards intrinsic and extrinsic reward practice and relationship of employees with each other and type of branch assignment by the bank. For this reason, a five point Likert scale was used. Respondents were required to choose their level of agreement on a given items as "Strongly Agree", "Agree", "Neutral", "Disagree" and "Strongly Disagree. For all these, primary data was collected from employees. On the other hand, using previous work conducted on the subject matter was reviewed from related literature, mainly from books, journals, bulletins and CBE's human resource policy as a secondary source. Then, the researcher addressed all the questioners to the randomly selected branches personally and

distributed the material for the employees at working time by getting permission from supervisors.

### **3.7. Research Ethics**

The researcher had respected the confidentiality of the participants and informed the organization as well as the respondents about the reason of the research. Creswell, J. W. (2003). The other thing that is considered was using the data for another purpose which is not allowed was forbidden. So, the researcher was guided by this research rule by being honest for the organization and for the respondents. The researcher also developed high politeness in addition to keeping the privacy of the respondents and misusing of the data for an unintended purpose.

### **3.8. Data Analysis Procedures**

First the primary and secondary data collection was completed effectively. Then, the collected data were checked for completeness and passed through different phases like editing, coding, data entry and data analysis. Descriptive statistics and frequencies were used to analyze the data. Quantitative data analysis techniques employed. The Statistical Package for Social Science (SPSS) was used to analyze the data gathered using the questionnaire quantitatively. Finally, the results were presented using graphs, charts, diagrams and tables extracted from the data analysis by the order of descriptive analysis, correlation analysis and regression analysis. Each of these data analysis methods have their own advantages. In a descriptive analysis Statistics allows the researcher to give explanation of different parts of data with a few indices. Descriptive statistics such as standard Deviation and means were obtained for the independent and dependent variables. On the other hand, correlation analysis is a statistical technique that tests the “Interdependency” of the variables. According to Novel, (2015) correlation analysis can tell the correlation among variables but it doesn’t tell which relation is stronger. And lastly, regression analysis was used to measure the relative strength of independent variables on Dependent variable.

### **3.9. Validity and Reliability Tests**

Sound measurement must meet the tests of validity, reliability and practicality. In fact, these are the two major considerations one should use in evaluating a measurement tool, in our case, questioner. Here the researcher used the two tests to check the representativeness of the

measuring material because variability and reliability tests different things even if a valid instrument is always reliable.

### 3.9.1. Validity Test

When people talk about psychological tests, they often ask whether the test is valid or not. What exactly does this mean? Validity is a measure of how well a test measures what it claims to measure. In other words “Validity refers to the extent to which a test measures what we actually wish to measure. Again validity is the extent to which differences found with a measuring instrument reflect true differences among those being tested. Based on this, the researcher had taken one branch which has 20 staffs randomly and checked the validity of the questioner. The feedback of the employees about the material’s representativeness of the intended purpose helped the researcher to use it.

### 3.9.2. Reliability Test

Reliability has to do with the accuracy and precision of a measurement procedure. Practicality is concerned with a wide range of factors of economy, convenience, and interpretability. The researcher briefly take up the relevant details concerning these tests of sound measurement. A measuring instrument is reliable if it provides consistent results of  $>0.7$  as Kothari,(2004) states.

**Table 3.2 Reliability Statistics**

Variable	Cronbach's Alpha	N of Items
Salary & Pay	.906	5
Benefits	.813	7
Accomplishment	.895	2
Recognition	.910	6
Work life balance	.867	5
Working Environment	.866	3
Empowerment	.887	4
Promotion	.869	5
Work Relation	.883	6

Based on the reliability table given above, all the independent variables were reliable since their reliability test values are greater than the minimum value listed by kothari (2004)

## CHAPTER FOUR

### 4. DATA ANALYSIS, FINDINGS AND INTERPRETATION

#### 4.1. Demographic Information

Based on the distributed questionnaire, the researcher started analyzing the result from the demographic part. Here the gender, age, marital status, educational background, service year in the bank work location, work position and salary of respondents were covered.

**Table 4.1 Biographical Information of Respondents**

Item	Scale	Frequency	Percent
Gender	Male	117	65
	Female	63	35
Total		<b>180</b>	<b>100</b>
Marital Status	Single	98	54.4
	Married	81	45
	Widow	1	0.6
	Divorce	0	0
Total		<b>180</b>	<b>100</b>

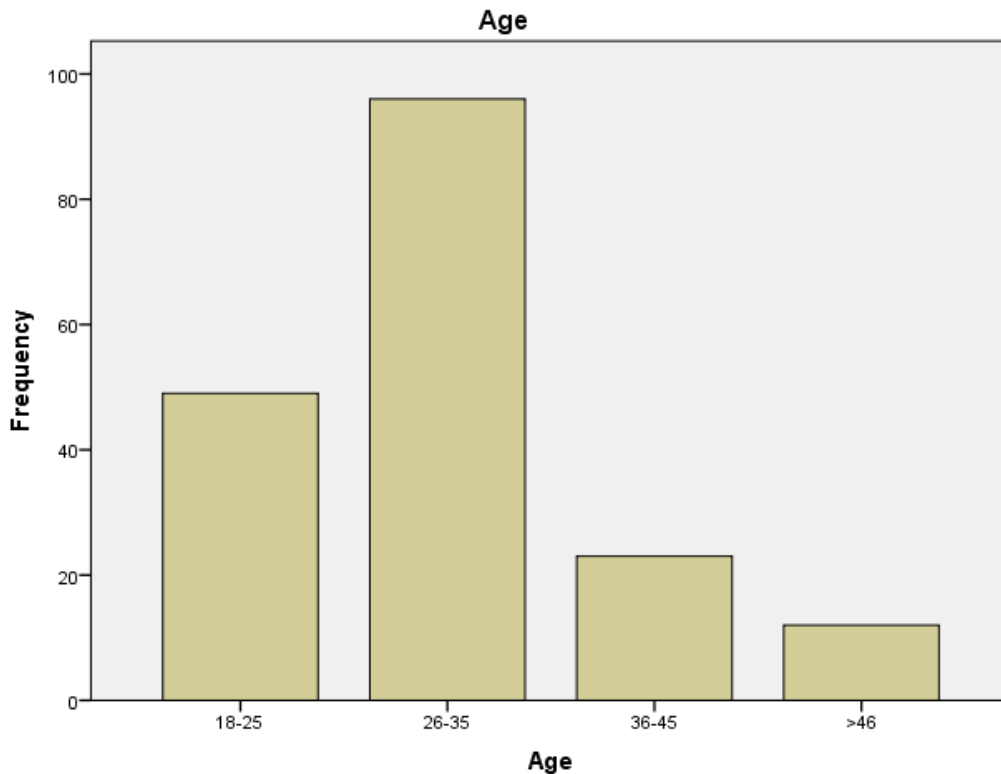
As shown in table 4.1, from the total respondents, 65% (117) were male and the remaining 35% (63) were female. This indicates that the number of male and female employees in the company is not proportional.

When we come to respondents' marital status, 54.4% (98) of the respondents are single and 45 % (81) of the respondents are Married. This implies that most of the respondents are single, therefore the Company is said to have an employee's mobility problem due to singles are more sensitive to mobility than Job Security.

**Table 4.2 Educational background of respondents**

Variable		Frequency	Percent
Valid	college diploma	5	2.8
	first degree	146	81.1
	Masters	29	16.1
	Total	180	100.0

In relation to employees' level of qualification, the above table clearly indicates that 146 of the workforces (81.1%) acquired their first degree and 29 respondents or 16.1% master holders are found from the total respondents. Whereas only 5 (2.8%) of respondents are diploma holders. This implies that employees of CBE are fairly educated and upgrading themselves.



**Bar Chart 4.1 Ages of Respondents**

Regarding to the respondents' age category, or the highest group of respondents 96 (53.3%) fall under the age category of 26-35. The next higher group 49 (27.2%) fall under age category below 25. This implies that about 80.5% of the respondents are below 35 years of age. Therefore, most of CBE employees are youngsters. The other group of respondents is between ages 36- 45 which has 23(12.8%) respondents and the last age category >46 where only 12 respondents (6.7%).

**Table 4.3 Length of service Year in the bank**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-3	71	39.4	39.4	39.4
	4-6	63	35.0	35.0	74.4
	7-10	21	11.7	11.7	86.1
	11-15	12	6.7	6.7	92.8
	>15	13	7.2	7.2	100.0
	Total	180	100.0	100.0	

Out of 180 respondents, 39.4% had worked for a period of 1-3 years, 35% for a period of between 4 and 6 years, 11.7% had been worked from 7 to 10 years while 6.7% had worked for 11-15 years while only the remaining 7.2% had worked for more than 15 years.

From this, it may be concluded that majority of the employees had been in the bank for less than 3 years which implies that the bank has highly energetic employees even if there is a problem in retaining these staffs for longer period of time because the number of employees is decreasing while they get seniority. On the other side, 7.2% of employees had worked for >15 years while 6.7% had worked between 11-15 years, and this implies that, the most senior staffs are sensitive to Job Security.

**Table 4.4 Your Position in the Bank**

Variables		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Managerial	31	17.2	17.2	17.2
	senior officers	52	28.9	28.9	46.1
	professionals	22	12.2	12.2	58.3
	officers(CSO)	75	41.7	41.7	<b>100.0</b>
	Total	<b>180</b>	<b>100.0</b>	<b>100.0</b>	

In this study, employees were grouped into four different job categories based on the job grade they had in the bank. Table 4.4 illustrates that majority, 41.7% (75) of participants, were drawn from the officers (CSO) category of the organization. The 2<sup>nd</sup> largest group were senior officers (SCSO-CASH, SCSO-CONTROLLER, SCSO-ACCOUNTANT SCRO-LOAN) which were composed of 28.9% or (52) respondents.

The managerial level respondents 17.2% were more than the respondents under the professional group respondents (12.2%). Because the bank had more than 1150 branches & each of them had their own Branch Managers& CSM, and District Managers and Directors were found under this category and the professional group composed of only IT (maintenance) and medical departments were common for all the branches. Here, the researcher would remind you that junior officers (<1year of service) were not included in the study due to information gap of a reward in the bank.

Top level employees include those with responsible leadership positions at the banks' Head Offices and branch level such as Directors, Division Managers, and Branch Managers. Middle level employees are Senior Officers/Customer Service Managers, officers and supervisors at the bank while Operational level employees include officers Junior Officers and clerks.

**Table 4.5 Salary Range of Respondents**

Salary range		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2500-5000	55	30.6	30.6	30.6
	5001-8000	71	39.4	39.4	70.0
	8001-11000	42	23.3	23.3	93.3
	11001-15000	10	5.6	5.6	98.9
	>15000	2	1.1	1.1	100.0
	Total	180	100.0	100.0	

As indicated by fig 4.5, all the participants were classified into five categories based on the salaries they had at the time of the study. Fig. 4.3 illustrates that majority, 39.4% (71) of participants, were categorized under 5,001 to 8,000. The second higher respondents' category was 2,500 to 5,000, which had 55 respondents (30.6%). The third category was classified as 8,001 to 11,000 and had 23.3% (42) respondents. The other categories were 11,001 to 15,000 which constitutes 5.6% (10), and the final salary range was above 15,000 and constitutes 1.1% (2) respondents.

**Table 4.6 Cross tabulation of Length of Service Year in the Bank \* Age of Respondents**

Length of Service Year in the Bank	Age of Respondents				Total
	18-25	26-35	36-45	>46	
1-3	43	25	3	0	71
4-6	5	52	5	1	63
7-10	0	14	6	1	21
11-15	1	4	5	2	12
>15	0	1	4	8	13
Total	49	96	23	12	180

The cross tabulation of length of service year and age of respondents showed that 96 of the 180 respondents were aged between 26-35 whereas 49 of the respondents were the youngest group (18-25 years) employees. Which means 80.56% of the respondents were aged <35 and this could show that there were a problem about the employee commitment as depicted by the Length of Service and the employee's age.

Table 4.3 shows that people joining employment in the bank are mainly drawn from a younger population aged below 35 years; while majority of those who stayed with the bank for up to 6 years were aged between 26-35 years.

## **4.2. Analyzing the different Reward Variables**

This section contains the analysis of the data collected from Employees of Commercial Bank of Ethiopia using a questionnaire. The analyzed data were presented with the help of tables below.

### **4.2.1. Data Analysis of Reward Variables and Job Satisfaction**

The 2<sup>nd</sup> section of the questionnaire was about Research related questions including Extrinsic Rewards, Intrinsic Rewards and Job satisfaction. The two sub sections, which were the Extrinsic and Intrinsic types of reward, covered the nine variables were selected and included in the questionnaire in order to assess effects of reward on employee's job satisfaction. There were 43 questions in the nine sub-sections of reward and one question to assess job satisfaction.

#### 4.2.1.1. Employees Rating of Extrinsic Reward Variables

All Extrinsic rewards are provided by employers in different forms. These can be salary & pay, benefits, recognition, work environment, promotion... Salary & benefits will help employers to attract and retain employees for short period of time. Increased pay and benefit might increase effort and minimize dissatisfaction. The following Tables present the summarized responses of employees in the sample using scales related to Extrinsic Rewards and Job satisfaction.

Survey scale: 1=Very Dissatisfied, 2= Dissatisfied, 3=I don't know, 4 = Satisfied and 5=Very Satisfied.

Response Category: strongly Dissatisfied (1.50 or less), dissatisfied (1.51-2.50), neutral (2.51- 3.49), Satisfied (3.50-4.49) and strongly Satisfied. (4.5 or greater).

*Source: developed for this study*

**Table 4.7 Independent Variable One**

Case Processing Summary							
		Table 4.10 Cross tabulation of Salary & Pay*overall satisfaction					
		Valid		Missing		Total	
		N	Percent	N	Percent	N	Percent
Salary & Pay *	over all I'm satisfied with my job	180	100.0%	0	0.0%	180	100.0%
		over all, I'm satisfied with my job					
		strongly disagree	disagree	neutral	agree	strongly agree	
Salary & Pay	<1.5	11	6	9	4	0	30
	1.51-2.5	15	39	14	7	0	75
	2.51-3.5	5	11	18	12	0	46
	3.51-4.5	2	4	4	9	1	20
	4.51-5.0	1	1	1	0	6	9
	Total	34	61	46	32	7	180

1. In the above table 4.7 the sample respondents indicate the level of job satisfaction in terms of the existed Salary and Pay in the bank. As a result, 95 employees out of 180 respondents', representing 52.8% were dissatisfied with the current salary and pay

available in the company, while 46 respondents signifying 25.6 % could not determine their level of satisfaction with regard to the salary and pay they get from the company. On the other hand, 39 respondents denoting 21.6% are satisfied with the existing salary and Pay. Accordingly, Salary and Pay of the bank can be rated as dissatisfying by majority of the respondents.

Based on table 4.8 below, the cross tabulation of Benefit\* overall Job Satisfaction on 180 sample respondents showed the level of job satisfaction in terms of the existed Benefit in the bank. As a result, the tabulation showed that the respondents had similar response as the Salary and Pay that they found in the bank.

**Table 4.8 Cross Tabulation of independent Variable two and overall satisfaction**

Case Processing Summary						
	Table 4.8 Cross tabulation of Benefit *overall Job satisfaction					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Benefit * over all I'm satisfied with my job	180	100.0%	0	0.0%	180	100.0%

		over all I'm satisfied with my job					Total
		strongly disagree	disagree	neutral	Agree	strongly agree	
		Benefit	<1.5	7	0	1	
	1.51-2.5	9	17	7	2	0	35
	2.51-3.5	13	32	25	17	1	88
	3.51-4.5	5	12	11	12	1	41
	4.5-5.0	0	0	2	1	5	8
	Total	34	61	46	32	7	180

**Table 4.9 Cross tabulation of Independent Variable four and overall job satisfaction**

Table 4.9 Case Processing Summary							
		Table 4.9 Cross tabulation of Recognition*overall job satisfaction					
		Valid		Missing		Total	
		N	Percent	N	Percent	N	Percent
Recognition * over all I'm satisfied with my job		180	100.0%	0	0.0%	180	100.0%
		over all, I'm satisfied with my job					Total
		strongly disagree	disagree	neutral	agree	strongly agree	
Recognition	<1.5	9	3	1	1	0	14
	1.51-2.5	7	26	13	8	0	54
	2.51-3.5	13	23	26	9	1	72
	3.51-4.5	2	8	4	14	0	28
	4.51-5.00	3	1	2	0	6	12
	Total	34	61	46	32	7	180

The table above indicates the level of job satisfaction in terms of the recognition that the respondents get from the management in their achievements. Analysis of results showed that out of the total 180 respondents' 95 of them representing 52.8% were dissatisfied with the recognitions they received for the work they do, While 46 respondents, representing 25.6 % could not determine their level of satisfaction regarding to the recognition they get from their supervisors. On the other hand, 39 respondents denoting 21.6% are satisfied with the recognition they get for the work they do. Due to this, the recognition that the respondents get for the work they do in the company can be rated as dissatisfied by majority of the respondents.

**Table 4.10 Cross Tabulation of Independent Variable six and overall job satisfaction**

Table 4.10 Cross tabulation of work environment *overall job satisfaction							
		Valid		Missing		Total	
		N	Percent	N	Percent	N	Percent
Work Environment * over all I'm satisfied with my job		180	100.0%	0	0.0%	180	100.0%
		over all I'm satisfied with my job					Total
		strongly disagree	disagree	neutral	agree	strongly agree	
Work Environmen	<1.5	11	6	7	2	0	26
	1.51-2.5	8	17	6	5	0	36
	2.51-3.5	7	18	26	11	1	63
	3.51-4.5	7	18	5	11	0	41
	4.51-5.0	1	2	2	3	6	14
Total		34	61	46	32	7	180

The 180 sample respondents indicated in table 4.10 replied about the level of job satisfaction in terms of the Working Environment existed in the bank. Based on this, analysis of the result showed that 39 (21.6%) respondents were satisfied with the Working environment existed in the company, While 46 (25.6%) respondents could not determine their level of satisfaction regarding to the Working environment of the bank. On the other hand 65 (52.8%) respondents expressed as they were dissatisfied with the Working environment existed in the company. There for, the Working environment existed in the company is rated as dissatisfied by majority of the respondents.

**Table 4.11 Cross Tabulation of Independent Variable eight and overall job satisfaction**

		Table 4.11 Cross tabulation of Promotion *overall job satisfaction					
		Valid		Missing		Total	
		N	Percent	N	Percent	N	Percent
	Promotion * over all I'm satisfied with my job	180	100.0%	0	0.0%	180	100.0%
		over all I'm satisfied with my job					Total
		strongly disagree	disagree	neutral	agree	strongly agree	
Promotion	<1.5	9	4	3	0	0	16
	1.51-2.5	9	17	8	6	0	40
	2.51-3.5	13	33	26	13	0	85
	3.51-4.5	2	7	7	13	1	30
	4.51-5.99	1	0	2	0	6	9
	Total	34	61	46	32	7	180

The 180 sample respondents indicated in table 4.11 replied about the level of job satisfaction in terms of the Promotion existed in the bank. Based on this, analysis of the result showed that 39 (21.6%) respondents were satisfied with the Promotion existed in the bank, While 46 (25.6%) respondents could not determine their level of satisfaction regarding to the promotion found in the bank. On the other hand 65 (52.8%) respondents expressed as they were dissatisfied with the Promotion method existed in the company. There for, the Promotion & promotion policy existed in the bank is rated as dissatisfactory by majority of the respondents.

#### **4.2.1.2. Employees Rating of Intrinsic Reward Variables**

It is clear that Intrinsic Rewards are invisible rewards that can be directly obtained from the job itself. What it includes are: Accomplishment, Work life balance, Empowerment and Working Relationship. The following Tables present the summarized responses of employees in the sample using scales related to Intrinsic Rewards and Job satisfaction.

**Table 4.12 Cross tabulation of Independent Variable three and overall job satisfaction**

Table 4.12 Cross tabulation of Independent Variable three and overall job satisfaction							
		Table 4.12 Cross tabulation of Accomplishment *overall job satisfaction					
		Valid		Missing		Total	
		N	Percent	N	Percent	N	Percent
Accomplishment * over all I'm satisfied with my job		180	100.0%	0	0.0%	180	100.0%
		over all I'm satisfied with my job					Total
		strongly disagree	disagree	neutral	agree	strongly agree	
Accomplishment	<2	7	4	1	2	0	14
	2-3	10	19	19	6	1	55
	3.1-4	15	28	20	18	0	81
	4.1-5	2	10	6	6	6	30
Total		34	61	46	32	7	180

The 180 sample respondents indicated in table 4.12 replied about the level of job satisfaction in terms of the Accomplishment they felt. Based on this, analysis of the result showed that 39 (21.6%) respondents were satisfied with the Accomplishment of their job in the bank, While 46 (25.6%) respondents could not determine their level of satisfaction regarding to the Accomplishment. On the other hand 65 (52.8%) respondents expressed as they were dissatisfied with Accomplishment of jobs in the bank. There for, the sample respondents indicated that the level of job satisfaction in terms of the feeling of accomplishment they get from the job can be rated as dissatisfactory.

**Table 4.13 Cross Tabulation of Independent Variable five and overall job satisfaction**

Table 4.13 Cross tabulation of Work life Balance *overall job satisfaction							
		Valid		Missing		Total	
		N	Percent	N	Percent	N	Percent
		Work Life Balance * over all I'm satisfied with my job		180	100.0%	0	0.0%
		over all I'm satisfied with my job					Total
		strongly disagree	disagree	neutral	agree	strongly agree	
Work Life Balance	<1.5	9	5	0	1	0	15
	1.5-2.5	7	25	10	5	0	47
	2.51-3.5	15	17	25	13	1	71
	3.51-4.5	2	14	11	13	0	40
	4.51-5.0	1	0	0	0	6	7
Total		34	61	46	32	7	180

The 180 sample respondents indicated in table 4.13 replied about the level of job satisfaction in terms of Work life balance existed in the bank. Based on this, analysis of the result shows that 39 (21.6%) respondents were satisfied with the Work life balance existed in the bank, While 46 (25.6%) respondents could not determine their level of satisfaction regarding to the Work life balance found in the bank. On the other hand 65 (52.8%) respondents expressed as they were dissatisfied with the Work life balance found in the company. There for, Work life balance existed in the bank is rated as dissatisfactory by majority of the respondents.

**Table 4.14 Cross tabulation of Independent Variable Seven and overall job Satisfaction**

		Table 4.14 Cross tabulation of Empowerment *overall job satisfaction					
		Valid		Missing		Total	
		N	Per cent	N	Percent	N	Per cent
Empowerment * over all I'm satisfied with my job		180	100.0%	0	0.0%	180	100.0%
		over all I'm satisfied with my job					Total
		strongly disagree	disagree	neutral	agree	strongly agree	
Empowerment	<1.5	9	7	2	1	0	19
	1.5-2.5	11	22	11	10	0	54
	2.51-3.5	10	26	27	10	1	74
	3.51-4.5	3	6	5	11	1	26
	4.51-5.0	1	0	1	0	5	7
Total		34	61	46	32	7	180

The sample respondents in table 4.14 indicate the level of job satisfaction in terms of Empowerment. Analysis of results showed that out of the total 180 respondents' 95 of them representing 52.8% were dissatisfied with the chance to work alone on the job, While 46 respondents representing 25.6% could not determine their level of satisfaction with regards to the chance to work alone on the job. On the other hand 39 respondents denoting 21.6% are satisfied with the chance to work alone on the job. Accordingly, the chance to work alone on the job (Task Autonomy) is rated as dissatisfied by the majority of the respondents.

**Table 4.15 Cross Tabulation of independent Variable nine and overall job satisfaction**

Work Relation * over all I'm satisfied with my job		Table 4.15 Cross tabulation of Work Relation *overall job satisfaction					
		Valid		Missing		Total	
		N	Percent	N	Percent	N	Percent
		180	100.0%	0	0.0%	180	100.0%
		over all I'm satisfied with my job					Total
		strongly disagree	disagree	neutral	agree	strongl y agree	
Work - Relation	<1.5	5	2	0	0	0	7
	1.51-2.5	6	9	7	2	0	24
	2.51-3.5	13	13	21	13	0	60
	3.51-4.5	8	35	17	16	2	78
	4.51- 5.0	2	2	1	1	5	11
Total		34	61	46	32	7	180

Table 4.15 above, shows the sample respondents with the level of job satisfaction in terms of the Working Relation existed in the bank with their supervisors and co-workers. Analysis of results showed that out of the total 180 respondents' 39(21.6%)were satisfied with the Working Relation existed with their supervisors and co-workers, While 46 respondents (25.6%) could not determine their level of satisfaction with respect to the Working Relation existed with their supervisors and co-workers. On the other hand 95 respondents (52.8%) are dissatisfied with the Working Relation existed with their supervisors and co-workers. It is clear from the finding that majority of the respondents rated working relationship as dissatisfied.

**Table.: 4.16 Employees Overall satisfaction on the Job**

Overall I'm satisfied with my job		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	34	18.9	18.9	18.9
	disagree	61	33.9	33.9	52.8
	neutral	46	25.6	25.6	78.3
	agree	32	17.8	17.8	96.1
	strongly agree	7	3.9	3.9	100.0
	Total	180	100.0	100.0	

There was only one question about job satisfaction, “Generally, How do you rate the level of your satisfaction on the job?” The respondents were requested to rate their job satisfaction level in a five point Likert scale. Based on this, the results showed that 95 (52.8%) of the respondents were answered as they are not satisfied, 46 (25.6%) of the respondents expressed as they have a neutral (not satisfied, not dissatisfied) feeling, while the rest 39 (21.6%) of the respondents were answered as they are satisfied. From this it is possible summarize that most of the respondents were dissatisfied with their job.

Considering the above table showed us that the 180 respondents were divided into a 5 point Likert Scale to answer the dependent variable, which states that, overall I’m satisfied with my job based on this, the result showed that 95 respondents, representing 52.8% were dissatisfied in the overall job, while 46 respondents, representing 25.6% did not decide whether they are satisfied or not. It was also revealed that 39 respondents, representing 21.6% were satisfied with overall satisfaction on the job. Generally, overall job satisfaction is rated to be dissatisfied by majority of the respondents.

### 4.3. Descriptive Statistics

#### 4.3.1. Descriptive Statistics of independent Variables of Reward

**Table 4.17. The Nine Independent Variables and Overall Job Satisfaction**

<b>Descriptive Statistics for the components of Rewards and Job satisfaction</b>			
Variables	N	Mean	Std. Deviation
Independent Variable one (Salary & Pay)	180	2.4422	1.02396
Independent Variable Two (Benefit)	180	3.0192	.84056
Independent Variable Three (Accomplishment)	180	3.4361	1.05971
Independent Variable Four (Recognition)	180	2.9111	.97857
Independent Variable Five (Work Life Balance)	180	2.8878	.94972
Independent Variable Six (Working Environment)	180	2.8907	1.11801
Independent Variable Seven (Empowerment)	180	2.7694	.98361
Independent Variable Eight (Promotion)	180	2.8803	.94118
Independent Variable Nine (Work Relation)	180	3.3907	.93973
over all I’m satisfied with my job	180	2.5389	1.10542
Valid N (list wise)	180		

Table 4.17 Shows the Mean and Standard Deviation of reward variables such as; salary, pay and benefits, accomplishment and recognition, work life balance and work environment, empowerment, promotion and working relationship rated by respondents. The Result indicates that the level of job satisfaction among CBE employees is 2.54 Mean with 1.11 SD. Based on the fact that a mean <3.39 is indicative of a low level of satisfaction on this scale, it can be concluded that respondents are low satisfied with the overall job.

Based on Zedatol (2008) mean score, the result from this study can be expressed as there is no mean value in the high satisfaction level. And there are only two variables iv3 with (M=3.44, SD=1.06) and iv9 with (M=3.39, SD=0.94) in the moderate group of satisfaction. The rest of the variables are all in the low satisfaction category. The high SD indicates that the mean value is not representative of the rate given by majority of respondents. In this case there are four variables with greater SD. ie iv1 (SD=1.02), iv3 (SD=1.06), iv6 (SD= 1.12) and overall job satisfaction (SD=1.11)

It is expressed above that the paper has nine independent variables in two sub-sections called extrinsic and intrinsic reward types. So, it is appropriate to present the two reward types separately using descriptive analysis.

### 4.3.2. Descriptive Statistics of Extrinsic and Intrinsic rewards

**Table 4.18. Descriptive Statistics of Extrinsic and Intrinsic rewards**

Variables	N	Mean	Std. Deviation	Variance
Extrinsic Reward	180	2.8416	.79913	.639
Intrinsic Reward	180	3.1020	.78171	.611
Valid N (list wise)	180			

Again based on Zedatol (2008) mean score, the response indicates that the employees of CBE are more satisfied with the intrinsic rewards (rewards from the job itself) than the extrinsic rewards (that they get from their employers and supervisors). The SD is also lesser for the intrinsic rewards showing that the mean represents majority of the respondents.

The M and SD and of extrinsic rewards range from M=2.44 to M=3.02 and SD=0.84 to SD=1.02

The M and SD and of intrinsic rewards range from M=2.77 to M=3.44 and SD=0.94 to SD=1.06

#### **4.4. Inferential Statistics**

##### **4.4.1. Bivariate Analysis**

The Inferential Statistics uses a Bivariate analysis which has two parts called correlation and regression. Each of them has different functions in a research analysis. That is, correlation analysis is used to investigate the relation or connection between variables in our case, the strength of connection between independent and the dependent variables. All these are done by using Pearson's two tailed test of significance. The other one, regression analysis is used to extract the effect of variables on over each other, like the effect of reward on employees' satisfaction.

##### **4.4.1.1. Correlation Analysis**

Here why Correlation analysis was used by the researcher is, to find the connection of the variables. That is, to check how much strong is the relation of variables and also to check if the variables are positively or negatively related.

Correlation is the degree of correspondence between variables. This implies the relationship is mutual or reciprocating, but we do not include in our concept of correlation any proposition that one thing is the cause and the other the effect. The researcher merely says that she have discovered that two things are systematically connected. Now, it may well be that one thing is a cause of another but correlation does not delver that far down on its own.

**Table 4.19. Correlation of the Independent and Dependent Variables**

		Overall I'm satisfied with my job	lv1	lv2	lv3	lv4	lv5	lv6	lv7	lv8	lv9
over all I'm satisfied with my job	Pearson Correlation	1									
	Sig. (2-tailed)										
	N	180									
iv1	Pearson Correlation	.434**	1								
	Sig. (2-tailed)	.000									
	N	180	180								
iv2	Pearson Correlation	.496**	.682**	1							
	Sig. (2-tailed)	.000	.000								
	N	180	180	180							
iv3	Pearson Correlation	.261**	.342**	.550**	1						
	Sig. (2-tailed)	.000	.000	.000							
	N	180	180	180	180						
iv4	Pearson Correlation	.355**	.592**	.626**	.541**	1					
	Sig. (2-tailed)	.000	.000	.000	.000						
	N	180	180	180	180	180					
iv5	Pearson Correlation	.438**	.519**	.582**	.439**	.669**	1				
	Sig. (2-tailed)	.000	.000	.000	.000	.000					
	N	180	180	180	180	180	180				
iv6	Pearson Correlation	.328**	.582**	.569**	.310**	.477**	.313**	1			
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000				
	N	180	180	180	180	180	180	180			
iv7	Pearson Correlation	.389**	.596**	.564**	.456**	.680**	.600**	.615**	1		
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000			
	N	180	180	180	180	180	180	180	180		
iv8	Pearson Correlation	.457**	.606**	.665**	.458**	.669**	.591**	.598**	.680**	1	
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000		
	N	180	180	180	180	180	180	180	180	180	
iv9	Pearson Correlation	.291**	.374**	.584**	.594**	.654**	.514**	.405**	.490**	.584**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000	.000	
	N	180	180	180	180	180	180	180	180	180	180

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

#### **4.4.1.1.1. Hypothesis Testing**

In this research, hypothesis testing was done with the aid of Pearson Correlation just to check the positive or negative existence or nonexistence of a relationship between each of the independent variables with the dependent variable. In this case, all the null hypotheses are accepted because all the independent variables have a correlation value of greater than the minimum limit. ( $r > 0$  &  $p < .01$ )

#### **Hypothesis No 1**

Ho: There exists a positive relationship between iv1 and employees' Job Satisfaction.

HA: There doesn't exist a positive relationship between iv1 and employees' Job Satisfaction.

The correlation table 4.23, above shows a Pearson Correlation value of .434. This expresses that there is a significant relationship between iv1 and the dependent variable. That in turn is a sign to accept the null hypothesis.

#### **Hypothesis No 2**

Ho: There exists a positive relationship between iv2 and employees' Job Satisfaction.

HA: There doesn't exist a positive relationship between iv2 and employees' Job Satisfaction.

The correlation table 4.23, above shows a Pearson Correlation value of .496. This expresses that there is a positive relationship between the iv2 and the dependent variable for here the null hypothesis is accepted.

#### **Hypothesis No 3**

Ho: There exists a positive relationship between iv3 and employees' Job Satisfaction.

HA: There doesn't exist a positive relationship between iv3 and employees' Job Satisfaction.

The correlation table 4.23, above shows a Pearson Correlation value of .261. This expresses that there is a positive relationship between the iv3 and the dependent variable. That leads to accept the null hypothesis.

#### **Hypothesis No 4**

Ho: There exists a positive relationship between iv4 and employees' Job Satisfaction.

HA: There doesn't exist a positive relationship between iv4 and employees' Job satisfaction

The correlation table 4.23, above shows a Pearson Correlation value of .355. This expresses that there is a significant relationship between the iv4 and the dependent variable. That in turn is a sign to accept the null hypothesis.

#### **Hypothesis No 5**

Ho: There exists a positive and relationship between iv5 and employees' Job Satisfaction.

HA: There doesn't exist a positive relationship between iv5 and employees' Job Satisfaction.

The correlation table 4.23, above shows a Pearson Correlation value of .438. This expresses that there is a positive relationship between the iv5 and the dependent variable showing that we accept the null hypothesis.

#### **Hypothesis No 6**

Ho: There exists a positive relationship between iv6 and employees' Job Satisfaction.

HA: There doesn't exist a positive relationship between iv6 and employees' Job Satisfaction

The correlation table 4.23, above shows a Pearson Correlation value of .328. This expresses that there exists a significant relationship between the iv6 and the dependent variable for here the null hypothesis is accepted.

### **Hypothesis No 7**

Ho: There exists a positive relationship between iv7 and employees' Job Satisfaction.

HA: There doesn't exist a positive relationship between iv7 and employees' Job Satisfaction

The correlation table 4.23, above shows a Pearson Correlation value of .389. This expresses that there is exists a relationship between the iv7 and the dependent variable which leads us to accept the null hypothesis.

### **Hypothesis No 8**

Ho: There exists a positive relationship between iv8 and employees' Job Satisfaction.

HA: There doesn't exist a positive relationship between iv8 and employees' Job Satisfaction

The correlation table 4.23, above shows a Pearson Correlation value of .457. This expresses that there is a positive relationship between the iv8 and dependent variable. That in turn is a sign to accept the null hypothesis.

### **Hypothesis No 9**

**Ho: There exists a positive relationship between iv9 and employees' Job Satisfaction.**

**HA: There doesn't exist a positive relationship between iv9 and employees' Job Satisfaction**

The correlation table 4.23, above shows a Pearson Correlation value of .291. This expresses that there is a positive relationship between the iv9 and the dependent variable. That in turn is a sign to accept the Ho and reject the HA.

#### 4.4.1.2. Regression Analysis

Regressions analysis helps in order to measure the relative strength of independent variables on dependent variables i.e. to determine the impact of rewards on Job satisfaction of CBE employees.

The result of the regression table 4.24 below, showed an R Square value of .309, which is a sign for only 30.9% that the independent variables (reward variables) can influence the dependent variable (job satisfaction) of CBE employees.

**Table 4.20. The Result of Multiple Regression Analysis between Rewards & Job Satisfaction**

Model Summary						
	R					
	R Square					
	Adjusted R Square					
	Std. Error of the Estimate					
		Un standardized Coefficients		Standardized Coefficients	T	Sig. T
		B	Std. Error	Beta		
	iv1	.106	.108	.099	.987	.325
	iv2	.377	.145	.287	2.605	.010
	iv3	-.029	.089	-.027	-.320	.749
	iv4	-.140	.127	-.124	-1.105	.271
	iv5	.242	.112	.208	2.165	.032
	iv6	-.005	.093	-.005	-.054	.957
	iv7	.049	.119	.044	.411	.682
	iv8	.212	.125	.181	1.703	.090
	iv9	-.056	.113	-.048	-.493	.623

a. Predictors: (Constant), iv1, iv2, iv3, iv4, iv5, iv6, iv7, iv8, iv9

b. Dependent Variable: over all I'm satisfied with my job.

## **CHAPTER FIVE**

### **5. FINDINGS, CONCLUSION, DISCUSSIONS AND RECOMMENDATIONS**

#### **5.1. Summary of Findings**

- Based on the result of the correlation analysis in the study, the researcher find that all the independent variables (reward types) have a positive relationship with the independent variable (job satisfaction). That is all reward variables can affect job satisfaction positively.
- By using the information from descriptive statistics of extrinsic and intrinsic reward types, Employees of CBE are more satisfied with the intrinsic reward types than the extrinsic reward types.
- Based on the frequency table, it is shown that only 21.7% of the employees are generally satisfied with the listed reward types. (current salary & benefits, promotion policy of the bank, recognition system, work environment, accomplishment, empowerment, work life balance and working relation)
- From the analysis and discussion by using cross tabulation of each of the independent variables with the dependent variable, the researcher derived the summary as most of the employees perceive as they are dissatisfied about the internal equitability of the reward types in the bank.

## 5.2. Conclusion

Based on the findings the following conclusions are made

When it was started, the objective was to discover the effect of reward on employees' job satisfaction. The findings of the study showed that there were positive and strong relationship between the independent and dependent variables. From the result of the study, it is possible to conclude that both Intrinsic and Extrinsic rewards are important factors for the satisfaction of employees of CBE. When we ask why employees' need to leave their job, it is due to the fact that they are not satisfied with the existing extrinsic and intrinsic reward in the bank. On the study, most of the respondents answered that they were not satisfied with the current reward in the bank and it may lead them to look for a new job with better reward. Though the annual report of CBE states that there is a salary increment every year based on the branch performance compared with its target, the bank has to reexamine its reward system and to modify it in order to fulfill the needs' of the employees for better satisfaction and output of them.

The HR strategy of the bank expresses that, it hires many new employees every year. One reason for this, as previous researches expressed, is leaving of employees due to dissatisfaction of the reward they receive for their performance. "This shows a gap in the strategic link between the reward system and output of the workforce as Lalita K. (2013) stated that for the organization, job satisfaction of its workers means a workforce that is motivated and committed to high quality performance this will have an effect on increased productivity; the quantity and quality of output per hour worked which seem to be byproduct of improved quality of working life. "

Finally it can be concluded as, reward is an important factor that affect job satisfaction of employees, of CBE bank employees.

### **5.2.1. Discussions**

In table 4.7 the sample respondents indicate the level of job satisfaction in terms of the existed Salary and Pay in the bank. As a result, 95 employees out of 180 respondents', representing 52.8% were dissatisfied with the current salary and pay available in the company, while 46 respondents signifying 25.6 % could not determine their level of satisfaction with regard to the salary and pay they get from the company. On the other hand, 39 respondents denoting 21.6% are satisfied with the existing salary and Pay. Accordingly, Salary and Pay of the bank can be rated as dissatisfying by majority of the respondents.

Based on table 4.8, indicates the level of job satisfaction in terms of the benefits that the respondents get from the management in their achievements. Analysis of results showed that out of the total 180 respondents' 95 of them representing 52.8% were dissatisfied with the benefits they received for the work they do, While 46 respondents, representing 25.6 % could not determine their level of satisfaction regarding to the benefits they get from their supervisors. On the other hand, 39 respondents denoting 21.6% are satisfied with the benefits they get for the work they do. Due to this, the benefits that the respondents get for the work they do in the company can be rated as dissatisfied by majority of the respondents.

Table 4.9 indicates the level of job satisfaction in terms of the recognition that the respondents get from the management in their achievements. Analysis of results showed that out of the total 180 respondents' 95 of them representing 52.8% were dissatisfied with the recognitions they received for the work they do, While 46 respondents, representing 25.6 % could not determine their level of satisfaction regarding to the recognition they get from their supervisors. On the other hand, 39 respondents denoting 21.6% are satisfied with the recognition they get for the work they do. Due to this, the recognition that the respondents get for the work they do in the company can be rated as dissatisfied by majority of the respondents.

In table 4.10 replied about the level of job satisfaction in terms of the Working Environment existed in the bank. Based on this, analysis of the result showed that 39 (21.6%) respondents were satisfied with the Working environment existed in the company, While 46 (25.6%) respondents could not determine their level of satisfaction regarding to the Working

environment of the bank. On the other hand 95 (52.8%) respondents expressed as they were dissatisfied with the Working environment existed in the company. There for, the Working environment existed in the company is rated as dissatisfied by majority of the respondents.

The 180 sample respondents indicated in table 4.11 replied about the level of job satisfaction in terms of the Promotion existed in the bank. Based on this, analysis of the result showed that 39 (21.6%) respondents were satisfied with the Promotion existed in the bank, While 46 (25.6%) respondents could not determine their level of satisfaction regarding to the promotion found in the bank. On the other hand 69 (52.8%) respondents expressed as they were dissatisfied with the Promotion method existed in the company. There for, the Promotion & promotion policy existed in the bank is rated as dissatisfactory by majority of the respondents.

The 180 sample respondents indicated in table 4.12 replied about the level of job satisfaction in terms of the Accomplishment they felt. Based on this, analysis of the result showed that 39 (21.6%) respondents were satisfied with the Accomplishment of their job in the bank, While 46 (25.6%) respondents could not determine their level of satisfaction regarding to the Accomplishment. On the other hand 95 (52.8%) respondents expressed as they were dissatisfied with Accomplishment of jobs in the bank. There for, the sample respondents indicated that the level of job satisfaction in terms of the feeling of accomplishment they get from the job can be rated as dissatisfactory

Table 4.13, Indicates the level of job satisfaction in terms of the work life balance that the respondents' get from the management in their achievements. Analysis of results showed that out of the total 180 respondents' 95 of them representing 52.8% were dissatisfied with the work life balance they received for the work they do, While 46 respondents, representing 25.6 % could not determine their level of satisfaction regarding to the work life balance they get from their supervisors. On the other hand, 39 respondents denoting 21.6% are satisfied with the work life balance they get for the work they do. Due to this, the work life balance that the respondents get from the work they do in the company can be rated as dissatisfied by majority of the respondents.

The sample respondents in table 4.14 indicate the level of job satisfaction in terms of Empowerment. Analysis of results showed that out of the total 180 respondents' 95 of them representing 52.8% were dissatisfied with the chance to work alone on the job, While 46 respondents representing 25.6% could not determine their level of satisfaction with regards to the chance to work alone on the job. On the other hand 39 respondents denoting 21.6% are satisfied with the chance to work alone on the job. Accordingly, the chance to work alone on the job (Task Autonomy) is rated as dissatisfied by the majority of the respondents.

Table 4.15, shows the sample respondents with the level of job satisfaction in terms of the Working Relation existed in the bank with their supervisors and co-workers. Analysis of results showed that out of the total 180 respondents' 39(21.6%)were satisfied with the Working Relation existed with their supervisors and co-workers, While 46 respondents (25.6%) could not determine their level of satisfaction with respect to the Working Relation existed with their supervisors and co-workers. On the other hand 95 respondents (52.8%) are dissatisfied with the Working Relation existed with their supervisors and co-workers. It is clear from the finding that majority of the respondents rated working relationship as dissatisfied.

### **5.3. Recommendations**

The findings of the study helped the researcher to put an important recommendation. It is clear that employment relationship has a mutual benefit for both employees and employers, that is, reward and output, here is where reward comes on earth. So, it is advisable that the organization has the responsibility to prepare a balanced reward strategy that benefits both parties. Besides this, the bank need to consider reward system of other banks in the industry to protect employees from the intention of migrating in need of better reward which results the employers to loss potential employees, this in return, results in lower production of the organization and higher cost of recruiting and training new employees. So, the organization needs to observe the salary and pay scale in the industry, need to have a promotion policy which is velar and practicable. In addition to this, the bank has the responsibility to prepare a fair recognition and treatment system for all employees and have to work on the work life balance of employees. Besides these, the organization does not have to forget working on the work environment and creating a sociable work environment since these are some form of rewards.

If the bank can apply the above recommendations, it will gain the best of the more satisfied employees and no need to have more cost on recruiting and training new employees except for expanding branches and departments. This in turn helps the bank to be more competitive in the industry.

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# APPENDIX

**Addis Ababa University**  
**College of Business and Economics**  
**School of Commerce**

**Questionnaires designed to be filled by Executive Managers, Directors, Division Managers, Branch Managers, CSM-Managers, Senior Officers (CRO, ACCOUNTANT, CHIEF CASHER AND BRANCH CONTROLLER) and Officers**

*Dear respondents:-*

I would like to extend my deep gratitude in advance for volunteering to devote your valuable time to fill this questionnaire.

The purpose of this questionnaire is to collect primary data for conducting a study on the topic, “The Effects of Reward on Job Satisfaction: a case in Commercial Bank of Ethiopia” for partial fulfillment of the requirements for masters of Arts Degree in Human Resource Management at Addis Ababa University School of Commerce . The study intends for academic purpose only, in this regard, I kindly request you to fill the questionnaire to your real opinion and to the best of your knowledge so that the findings from the study will meet the intended purpose.

Instructions for filling the questionnaire

There is no need of writing your name to make your response confidential.

In all cases, please put “ ” in the appropriate box that best represents your response.

There is no right and wrong answer of the options provided. There for, you are kindly requested to fill your real opinion regarding each question.

Your response is utilized only for the purpose of this Survey.

I would like to appreciate your kind cooperation to fill this questionnaire in advance. Contact address: If you have any question related with this questionnaire, please do not hesitate to contact the researcher. I’m available at your convenience. (Tele; 0911896272 or email; [RAHELBEYENE@CBE.COM](mailto:RAHELBEYENE@CBE.COM). ET) Your participation is highly appreciated.

**PART ONE: DEMOGRAPHIC INFORMATION**

- |           |   |  |
|-----------|---|--|
| 1. Gender | 1. <i>Male</i> <input type="checkbox"/> | 2. <i>Female</i> <input type="checkbox"/>  |
| 2. Age    | 1. 18-25 <input type="checkbox"/>       | 3. 36-45 <input type="checkbox"/>          |
|           | 2. 26-35 <input type="checkbox"/>       | 4. above 46 years <input type="checkbox"/> |



**PART TWO: RESEARCH RELATED QUESTIONS:**

By using the following 5 Likert Scale, please tick ( ) in the box, that best represents your response.

The numbers on the scale corresponds to following.

1 = Strongly Disagree                      3=Neutral                      5= Strongly agree

2= Disagree                                      4=Agree

		1	2	3	4	5
<b>A</b>	<b>Salary and Pay Related Questions</b>					
<b>1</b>	I feel I am paid fair salary for my job.					
<b>2</b>	The amount of pay for the work I do is satisfactory					
<b>3</b>	The amount of pay that I receive is competitive with similar jobs in the industry.					
<b>4</b>	My annual salary raise (increment) is satisfactory.					
<b>5</b>	I feel that I am sufficiently compensated for my effort.					
<b>B</b>	<b>Benefit Related Questions</b>					
<b>6</b>	Educational benefits are available and satisfactory.					
<b>7</b>	The benefit package that I have in the bank is comparable with other banks offer.					
<b>8</b>	The benefit packages that the bank give is impartially (fairly) distributed among employees.					
<b>9</b>	I am satisfied because I can get housing loan or other banking services at a discount.					
<b>10</b>	I am satisfied with the health care benefit that the bank provides					
<b>11</b>	There is a sufficient insurance coverage					
<b>12</b>	I am satisfied with the paid annual leave, maternity leaves, sick leave and holiday leave benefits.					
<b>C</b>	<b>Accomplishment</b>					
<b>13</b>	I am able to see the results of the work I do.					
<b>14</b>	I have a good feeling of accomplishment of the job I do					
<b>D</b>	<b>Recognition</b>					
<b>15</b>	I receive adequate recognition for doing my job well.					
<b>16</b>	I feel appreciated when I complete a task.					
<b>17</b>	My manager or supper visor always thanks me for a job well done.					
<b>18</b>	I feel that I get full credit for the work I do.					
<b>19</b>	I am happy due to the way I am noticed when I do a good job.					
<b>20</b>	I get praise for doing a good job.					
<b>E</b>	<b>Work Life Balance</b>					
<b>21</b>	Maintaining work life balance is my priority					
<b>22</b>	The time of my work is convenient to meet the demands of my personal life.					
<b>23</b>	My organization actively promotes health and well-being.					
<b>24</b>	I can balance work and personal interests at my organization and still progress.					
<b>25</b>	My bank allows me to maintain a reasonable balance between my family and my work life.					
<b>F</b>	<b>Work environment</b>					

26	The working condition like heating, lightening, ventilation, water supplies and etc of the work environment is well facilitated.					
27	I am happy because I'm working in a well furnished clean office.					
28	The Physical surroundings where I work are secured.					
G	<b>Empowerment</b>					
29	The bank has given me freedom to do what I want on my job.					
30	My company (job) provides me enough opportunity for independent thought as and well action.					
31	I have the chance to work alone on my job.					
32	I have the chance to do my job away from others.					
H	<b>Promotion</b>					
33	The bank has a written promotion policy.					
34	Priority is given for merit of the bank in promotion decision.					
35	All employees get a fair chance of being promoted so far they perform well on their job.					
36	The opportunity for advancement on this job is interesting.					
37	The Way promotion is given at the bank is job performance based.					
I	<b>Working relationship</b>					
38	There is a good understanding between my supper visor and I.					
39	I have a good friendship with my colleagues.					
40	I feel the spirit of cooperation among my co-workers.					
41	There is a chance of developing close friendship with coworkers.					
42	My boss traits/handles each employee in the bank fairly and similarly.					
43	The way my co-workers get along each other.					
J	<b>Dependent Variable</b>					
44	Overall I'm satisfied with my job.					

Write anything that you want to add about reward and job satisfaction of employees in the bank.

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**Thank you!**