

Addis Ababa University School of Commerce

Graduate Program

The Effect of Reward Management on Employee Motivation:

The case of Ethiopia Commodity Exchange

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Declaration

I Yared Kebede, declare that this work entitled **The Effect of Reward on Employee Motivation: The case of Ethiopia Commodity Exchange** is outcome of my own effort and that all source of materials used for the study have been duly acknowledged. I have produced it independently except the guidance and suggestion 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 fulfilment of the degree of MA in Human Resource Management.

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Statement of Certificate

This is to certify that Yared Kebede has carried out his research work on the topic entitled **The Effect of Rewards on Employee Motivation: The Case of Ethiopia Commodity Exchange** for the partial fulfilment of Masters of Art in Human Resource Management at Addis Ababa University-School of Commerce. This study is 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.

Advisor: Dr. Wubeshet Bekalu

Acknowledgement

I acknowledge that I could not have completed this work without the support of many people around me. First of all, I would like to express my deep appreciation to my academic advisor, Dr. Wubeshet Bekalu (Ph.D.), for his persistent guidance and support.

I am very grateful to the staffs of Ethiopia Commodity Exchange who willingly, thoughtfully, and generously shared their experiences, ideas and values with regard to Reward practices of the exchange. I learned far more from them than the data I needed to complete this thesis.

Finally, I dedicate this thesis to my parents for their moral and financial support for me to be able to start and complete this academic journey. Throughout my life, they have always been supporters of my plan and vision

Thank you

Yared Kebede

Acronyms

HRM-Human Resources Management

ECX-Ethiopia Commodity Exchange

SPSS-Statistical Package Software for Social Science

SD-Standard Deviation

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Acronyms

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Abstract

*Reward system is one of the most essential parts in a company's development and success. In order to maximize the overall performance of the company, it is vital for an employer to understand how employees perceived the fairness of the reward system, and motivated by the rewards given by the company. This study sought to find out that the effect of reward management on employees' motivation in Ethiopia Commodity Exchange. Data were collected through questionnaire prepared based on various scholars work. The validity of the instrument was checked and internal consistency of the instrument was measured using Cronbach Alpha and the result was 79%. Considering the manageability of number of employees in the Exchange, the researcher used census method to incorporate all of the employees by excluding those who are not served the exchange above one year. A total of 107 questionnaires were distributed to the respondents. Of the total distributed questionnaires, 91 usable questionnaires were returned which is about 87.5% response rate. With respect to the dimensions of employee motivation assessed by the questionnaire, the result indicates that the mean values for the payment, benefit, promotion, working condition, recognition and leadership rated by respondents with their motivation level ranged from a low of 2.72 to a high of 3.84. The values of correlation coefficient in case of significant relationship vary from lowest (0.333**) to highest (0.620**). There is statistically direct significant and positive relationship between non-financial reward and employee motivation ($r = .749$, $p < 0.01$). The results also indicates that there is a statistically positive significant and direct existing relationship between financial reward and employees motivation ($r = .445$, $p < 0.01$) but this relationship is less as compared to the non-financial rewards. The results of regression analysis shows that; 11% variance in employee motivation is explained by Payment, 18% change in employee motivation is due to Benefits, 36% change in employee motivation is due to Promotion, 38% change in employee motivation is due to Recognition, 37% change in employee motivation is due to Work Condition and 26% change in employee motivation is due to Leadership. On top of that, a significant portion of employees considered the reward system in ECX as less motivating, unfair, and seemed to be less engaged, and committed to the organization.*

Chapter one

1.1 Background of the study

This day's organizations are operating in a dynamic environment where there are changes in technology, customer demand and expectations, social, political and economic factors. Human resources are the most dynamic of all the organizational resources that need considerable attention through creating an enabling work environment and designing a better reward and motivation schemes.

Reward and motivation is one of the most critical contributors to the success of an organization and its workforce. Reward system is one of the most essential parts in a company's development and success. In order to maximize the overall performance of the company, it is vital for an employer to understand how employees perceived the fairness of the reward system, and motivated by the rewards given by the company

According to Armstrong and Murlis (2004), reward management must be strategic in the sense that it addresses longer-term issues relating to how people should be valued for what they do and what they achieve. Reward strategies and the processes that are required to implement them have to flow from the business strategy. They have to be integrated with other human resource management (HRM) strategies, especially those concerning human resource development – reward management is an integral part of an HRM approach to managing people

Effective reward management is based on a well-articulated philosophy – a set of beliefs and guiding principles that are consistent with the values of the organization and help to enact them. It recognizes that if HRM is about investing in human capital from which a reasonable return is required, then it is proper to reward people differentially according to their contribution (Armstrong and Murlis, 2004)

In order to maximize the overall performance of the company it is vital for an employer to understand what motivates the employees and how to increase their job satisfaction. It might however be challenging for a company to find out what motivates its employees, especially because different people are motivated by different things (Nursebo, 2012)

Effect of Reward on employee motivation (ECX)

In addressing different needs of employees it is better to design a total management system that can accommodate somehow different types of interest of employees. According to Michael Armstrong and Murlis (2005), a total reward approach is holistic; reliance is not placed on one or two reward mechanisms or levers operating in isolation. Account is taken of all the ways in which people can be rewarded and obtain satisfaction through their work. The aim is to offer a value proposition and maximize the combined impact of a wide range of reward initiatives on motivation, commitment and job engagement

Ethiopia Commodity Exchange (ECX) is an institute wholly state owned market in Ethiopia, and began its operations in April 2008 as the first organized commodity market in the country, and among the first of its kind in Africa. ECX was established by Proclamation No550/2007 and having its own legal personality, and authorized to have Members who represent the trading community with permanent and freely transferable membership seats.

The organization has a comprehensive human resource policy manual which embodied core values, principle and guidelines that helps to manage employee's performance and allocating rewards. As this policy manual clearly shows, recognition is one of the core values which emphasized that the human resources is the company's greatest asset and thus the motivation and competence of the Exchange's staff is the single most important factor in determining the success of the company. It is also stated out, the exchange must attract the best of best and retain and encourage its staff into ever increasing performance levels (Human Resources Policy Manual; 2008)

The aim of performance management in the organization is to facilitate an on-going, proactive effort designed to facilitate high performance in pursuance of the strategic goals and objectives of the organization as well as to manage and enhance employee competence. The policy further defines a performance management system as a management tool aimed at integrating individual performance to the wider organizational strategy and the pursuit of organizational excellence. Its major goal is to manage employee performance, provide feedback, take steps for improving performance, and ultimately reward good performance (ECX HR policy manual; 2008)

The purpose of this study is therefore to study the effect of reward management on employee motivation at Ethiopia Commodity Exchange (ECX).

1.2 statement of the problem

Today organizations are showing a high degree of commitment towards strengthening of reward practices which are aligned with other HR practices and the goals of the organization for attracting, retaining and motivating employees. Efficient reward practices helps in attracting result driven professionals who can flourish and succeed in performance based environments. Hence, it is a crucial motivator and may contribute towards the enhancement of the productivity of the employees.

As it is indicated in Nursebo thesis paper (2012), in today's turbulent environment, the survival of business organizations depend on having a sustainable competitive advantage. This sustainable competitive advantage can be acquired only through getting and maintaining capable, skilled, committed and motivated work force. In order to having such human resource, organizations need to have a reward system that is internally and externally equitable, competitive, attractive and fair.

An efficient management of reward system may have a beneficial effect upon the performance in several ways - instilling a sense of ownership amongst the employees, may facilitate long term focus with continuous improvement, reduces service operating costs, promotes team work, minimizes employee dissatisfaction and enhanced employee interest in the financial performance of the company

According to Armstrong and Murlis (2004), 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. It deals with the design, implementation and maintenance of reward processes and practices that are geared to the improvement of organizational, team and individual performance. Hence organizations are highly expected to design a reward mechanism to retain their employees with attractive reward and motivation practice.

The employees' satisfaction survey which has been made by external consultant shows that most of the problems in the exchange are related with structural gaps; there is a need to revisit HR policy frameworks, organization structure and different rules and regulations prevailing in the company. Among others consider; salary, benefit, and other rewards setting policy and procedure,

grievance handling and conflict management mechanism, performance management policy and procedure, etc. ECX employee satisfaction survey: (2013).

As per the finding of the assessment, the reward system in the exchange consist a small combination of reward package which cannot satisfactorily reward its employees and which in turn affects the exchange to face a remarkable employee's turnover. Hence, the senior management sees the need to retain its employees by designing a competitive remuneration package that motivates employees and achieve organizational goals.

Based on the researcher's observation on the reward system and its motivation on employees of Ethiopia Commodity Exchange and satisfaction survey result, This study was designed to answer the following basic research questions;

1. What is the perception of employees on the existing ECX reward practice?
2. What reward system will motivate employees?
3. To what extent financial reward variables contribute to employee motivation?
4. To what extent non-financial reward variables contribute to employee motivation?

1.3 Objectives to be achieved

1.3.1 General Objectives

Organizations result is highly dependent on employees work motivation. This is, therefore, the purpose of the study is to investigate how well implementation of the current reward management system of Ethiopia Commodity Exchange generates employees' motivation.

1.3.2 Specific objectives

Specific objectives of this study are;

- To evaluate the current reward system practiced at Ethiopia Commodity exchange
- To determine what reward system motivate employees
- To identify the importance of financial and non-financial reward on employees motivation
- To propose a reward model that will fit in the organization reward system.

1.4 Hypothesis

H1: payment is correlated positively and significantly with work motivation

H2: Benefit is correlated positively and significantly with work motivation

H3: The promotional opportunities are correlated positively and significantly with work motivation

H4: The recognition is correlated positively and significantly with work motivation

H5: work condition is correlated positively and significantly with work motivation

H6: Supervision or leadership is correlated positively and significantly with work motivation

1.5 Significance of the research

Designing and introducing the standard reward system will help any organization to get achieved their planned success. Importance of having advanced reward system that fit with the current demand of employees are; retaining qualified employees, decrease staff turnover, promote organizational development and help to achieve organizational objectives.

This study will help the exchange to clearly understand the major reward factors that benefits the organization through creating satisfied staffs in terms of rewards and help the organization to decide their focus area while designing reward and benefit packages. In addition the study helps to create awareness about the reward practice of Ethiopia Commodity Exchange and it includes;

- It Discovers whether rewards motivate employees of Ethiopia Commodity exchange and it identifies what kind of rewards tools employee consider most beneficial
- This study revolves particularly in the reward system of the exchange and it uses as a reference paper for further study in this area and related themes
- This research is geared towards senior management and board member of Ethiopia Commodity Exchange to help them come up with appropriate forms of rewards to enhance employee motivation
- Finally this study used as a base for further studies in the area of motivation both technological related sectors and others.

1.6 Scope of the research

Delimiting a research project makes it convenient to focus on solving the problem reached. For the reason of manageability the research concentrates only with the areas that are essential to the problem and objectives of the research/project.

Reward management covers a wide bundle of ideas and concepts. However, this study will focus on six dimensions of employee motivational factors (payment, benefit, Recognition, working condition, promotion and leadership/supervision).

1.7 Limitation of the study

Employee Motivation is a difficult area in human resource management and is also subject to other considerations. Taking this into consideration the generalizability of the result of this research is doubtful as the research is to be conducted only on selected reward. It could have been better to use longitudinal research to exhaustively investigate the effect of rewards on employee motivation by taking additional time

1.8 structures of the chapters

The study will be organized in to five parts. Part I contains introduction, problem statement, research objective, significance of the study, scope of the study, limitation of the study and organization of the study. Part II contains literature review, Part III consists of research design, Part IV contains results and discussion, Part V contains Summary, conclusion and Recommendation.

Chapter Two

Literature Review

2.1 Concept of Reward Program

Reward has been defined in various ways by different scholars. According to Jeffery Gold (2010) reward refers to all forms of financial returns and tangible services and benefits employees receive as part of an employment relationship. In the similar way Wilson (2010) also defined reward as an external agent administered when a desired act or is performed, that has controlling and informational properties. He went further to explain that rewards are usually administered to increase the probability of an event occurring, depending on the saliency and direction of the controlling and informational aspects of the reward.

(Hand book of employee reward management and practice, 2nd edition, 2007) Reward management deals with the strategies, policies and processes required to ensure that the contribution of people to the organization is recognized by both financial and non-financial means. It is about the design, implementation and maintenance of reward systems (reward processes, practices and procedures), which aim to meet the needs of both the organization and its stakeholders.

The overall objective is to reward people fairly, equitably and consistently in accordance with their value to the organization in order to further the achievement of the organization's strategic goals. Reward management is not just about pay and employee benefits. It is equally concerned with non-financial rewards such as recognition, learning and development opportunities and increased job responsibility.

2.3 Reward policies

According to Armstrong and Helen (2007) reward policies provide guidelines for the implementation of reward strategies and design and management of reward process. They will be influenced strongly by the guiding principles and reward philosophy of the organization. The

reward policies will be concerned with 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.

2.7 Purpose and Role of Reward System

In most organizations, the purpose of reward system is to attract, retain and motivate qualified employees. In this respect, the reward system Philosophy centers on the three issues: the concept of fairness and equality of rewards, the importance of each employee's contribution to the organization, and the status of the external market (Micheal A., 2005, and Donald D. White, 1986).

According to Moorhead, G., (1992), the organizations reward system must be equitable and consistent to ensure equality of treatment and compliance with the law. In addition, there should be a fair reward for the individuals' contribution to the organization, although in most cases these contributions are difficult if not impossible to measure objectively. Given this limitation, measure should be as fair and equitable as possible (Moorhead,G., 1992).

D. White and David A.,B., (1986), stresses on the role and purpose of the reward system by stated as "in most situations, it is better to use rewards not as a bribe for doing what the leader wants, but rather to reinforce desirable behavior after it has already occurred" (Donald D.White and David A.,B.,1986). This idea of reward system has emphasized that the reward system in a given organization would have a positive motivational impact when the system its fair and tied to employee performance.

Moreover, it has the objective to elicit good work performance and maintain commitment to the organization. As researches show, reward system could be affected by social and psychological factors including the employee ideas of "fairness" and "trust". Hence, a system perceived to be fair is one of the key components of the psychological contract (www.managementhelp.org). G.Mujtaba,B. (2010) have showed, the existence of an increasingly demand on corporations to develop reward programs that are motivating employees to work harder and faster. These programs usually educate and encourage associates to become more productive,

efficient and valuable individuals in the company. However, due to the pressures related to performance and incentives or in effective implementation procedures, in some cases, these programs can encourage unethical behaviors.

Thus, firms need to have appropriate pay systems that encourage and reward employees to always stay focused on their efforts in an efficient manner and to always do the right thing. At the meantime, managers and entrepreneurs should be moving toward greater alignment between performance management and company strategies, values, and quality measures. Thus, reward should be linked with goal setting, employee development, competency measures, and team performance. The researchers also noted that, an effective reward system could have the power that affects the morale and productivity of each individual (G.Mujtaba,B. 2010).

2.9 Total reward programs

Armstrong and Murlin, 5th edition (2004) the total reward concept emphasizes the importance of considering all aspects of reward as an integrated and coherent whole. Each of the elements of total reward, namely base pay, pay contingent on performance, competence or contribution, employee benefits and non-financial rewards, which include intrinsic rewards from the employment environment and the work itself, are linked together.

The conceptual basis of total rewards is that of grouping or ‘bundling’, so that different reward processes are interrelated, complementary and mutually reinforcing. This is the basis of the Hay Group Model of Engaged Performance. Total reward strategies are vertically integrated with business strategies, but they are also horizontally integrated with other HR strategies to achieve internal consistency (Armstrong and Murlin, 5th edition, 2004).

The concept of total reward encompasses both financial and non-financial rewards. Hence, its significance to both the organizations and employees emanate from its comprehensiveness. According to Armstrong & Stephens (2005) total reward can be used as a means of influencing behavior, enhancing employment relationship, flexibility to meet individual needs and winning the war for talent. Companies that want to foster high performance work system will reward

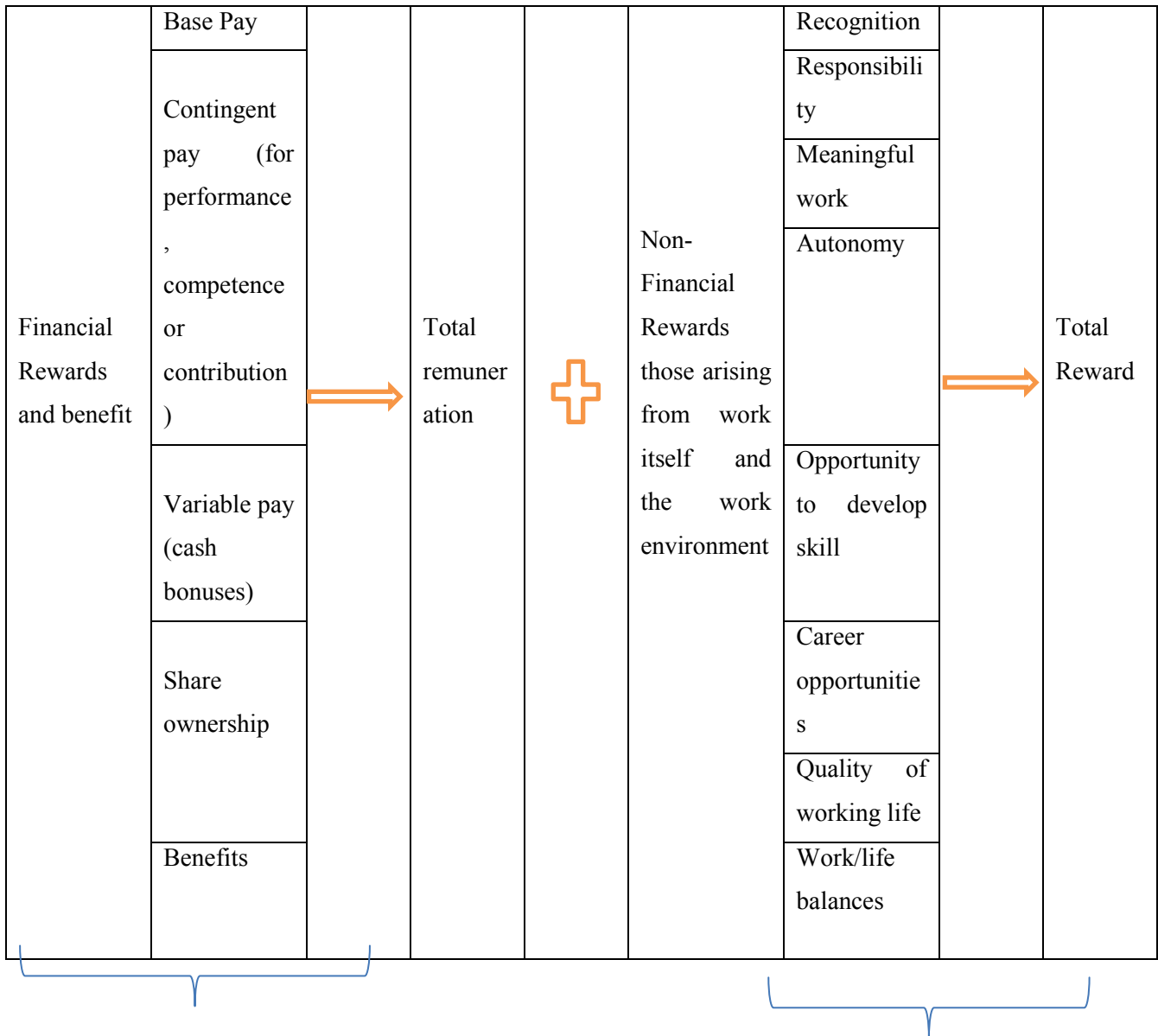
employees based on their performance. Hence, the reward is utilized as a means of influencing behavior

2. 9.1 Elements of Total Reward

Armstrong and Murlis, 5th edition (2004)Essentially, the notion of total reward says that there is more to rewarding people than throwing money at them, or, as Helen Murlis and Steve Watson⁴ put it: ‘The monetary values in the reward package still Total reward and engaged performance matter but they are not the only factors.’ They went on to say: ‘Cash is a weak tactic in the overall reward strategy; it is too easily replicated. Intrinsic reward is far more difficult to emulate.’ But they also stress that total reward policies are based on ‘building a much deeper understanding of the employee agenda across all elements of reward’.

2.9.2 Components of total reward system

Armstrong and Murlis, 5th edition (2004)



Transactional Rewards

Relational Rewards

2.9.2.1 Financial rewards

According to Armstrong and Murlin (2005), the theory of financial reward has viewed based on instrumental theory. According to this theory, people are primarily motivated by economic

rewards. It assumes that they will be motivated to work if rewards and penalties are tied directly to the results they achieve. In addition, this theory states that money provides the means to achieve ends.

It is an instrument for gaining desired out comes and its force will depend on two factors: first the strength of the need and, second the degree to which people are confident that their behavior will earn the money they want to satisfy the need. As the writer further explains that, money is therefore a powerful force because it is linked directly or indirectly to the satisfaction of all the basic needs.

However, the effectiveness of money as a motivator depends on a number of circumstances, including the values and needs of individuals and their preferences for different types of financial and non-financial rewards (Armstrong and Murlin 2005). Financial rewards (E.g Salaries, Merit pay, base pay increment based on promotion, length of services, incentive (based on performance like bonuses, and recognition with pay) are extrinsic rewards which of course administered externally – that is usually by management.

As shown in their book, Armstrong and Mulin (2005),one of the criteria for assessing the effectiveness of financial reward practices as a means of motivation is ;Pay-for-performance systems are created in the light of an understanding that direct motivation only takes place if the rewards are worthwhile, if they are specifically related to fair, objective and appropriate performance measure if employee understand what they have to achieve and if their expectations on the likely hood of receiving the reward are high(Armstrong and Mulin; 2005)

Financial Rewards and Benefits

These are types of rewards given in the form of monetary pay that may be given directly or indirectly to employees. The direct form of payment incorporate base pay/ salary, merit pay/cost of living adjustments, incentives, bonuses, etc that are directly given to employees(Milkovich et al, 2009). On the other hand indirect form of payments are provided in the form of employee benefits such as pensions, holidays, and varied fringe benefits such as medical cost coverage, cafeteria benefit, etc. They are also known as transactional rewards.

Base pay

Base pay is the core payment made by the employer for work performed and usually tends to reflect the organizational value of either the work that the employee undertakes or the value of skill and competency who is undertaking the work. It is directly related to time and the rate is calculated in terms of number of hours, week or month that the employee performed the task given (Thorpe and Homan, 2000).

There are a number of assumptions that underpin the relationship of time to pay. One of these is that time beyond stated hours of work has more exchange value and therefore is paid at premium rates. The variation in premium rates reflects the differing value placed on different periods of time. For example, employees work at their day offs are paid double of their daily salary, those who work at night shift get additional of half of their hourly salary for each hours they worked, etc. The basis of base pay is the period of time an employee worked and normally not associated with productivity of an employee at a particular time.

Contingent pay/Cost of Living Adjustment

Contingent/merit pay are given as increments to the base pay in recognition to the past work behavior of an employee. The pay adjustment may also be done based on changes in what other employers are paying for the same work, change in the overall cost of living, or change in experience or skill. Merit pay programs evaluate past performance of individual and then decide on the size of the increase (Milkovich et al, 2009).

Variable pay

It is a flexible pay given to employees based on their individual, team or organizational performance. It is commonly known by the name 'pay at risk' hence getting the pay guaranteed only when there is a good performance.

Incentives

Incentives are pay increases directly related to performance. Unlike that of merit pay, incentives do not increase the base wage. In addition, the potential size of the incentive payment will generally be known beforehand. The incentive provided depend on performance of individual

employee, a team of employees, a total business unit or some combination of individuals, teams and units. Incentives can be short or long term incentives. Long term incentives are intended to focus on employee efforts to multiyear results. Typically they are in the form of stock ownership or options to buy stock at specified advantageous price (Kruse and Blasi, 2000). The belief underlined stock ownership is that employees with a financial stake in the organization will focus on long-term financial objectives: return on investment, market share, returns on net assets, and the like.

Benefits

These are benefits given to employees in addition to their salary/wage. Such benefits are those monetary and non-monetary benefits given to the employees during and post-employment period which are connected with employment but not to the employee's contribution to the organization. They are also known by the name fringe benefits. Authors like Cascio (2003) claim that fringe benefits covers bonus, social security measures, retirement benefits like provident fund, gratuity, pension workmen's compensation, housing medical, canteen, Co-operative credit, consumer stores educational facilities, recreational facilities financial advice and so on

2.9.2.2 Non-Financial Rewards

Rewards that do not involve any direct payments and often arise from the work itself, for example achievement, autonomy, recognition, scope to use and develop skills, training, career development opportunities and high-quality leadership (Armstrong and Murlis, 5th edition, 2004). Non-financial rewards can be focused on the needs most people have, although to different degrees, for achievement, recognition, responsibility, influence and personal growth.

Non-Financial Rewards

These types of rewards do not involve any direct payments and often arise from the work itself. They can be focused on the needs most people have. Recognition, responsibility, work autonomy, influence and personal growth are some of the rewards incorporated under the non-financial types of rewards. [Assessment of Reward Management Practices: A Case Study of Ethiopian Airlines]

Recognition

Recognition of work is the essence of securing good work. It is one of the most powerful motivators. Efficient people would naturally like to get recognition for their skill and excellence in their work. Such recognition can do many things that what a cash reward can do. Armstrong and Murlis (2005), underlined on the point that, recognition is supposed to be given judiciously. That is, it must be related to real achievements of employees. The recognition given will have a great impact if it is followed by provision of achievement bonuses awards.

Achievement

The other type of non-financial reward is recognition. It is defined as the need for competitive success measured against a personal standard of excellence. This is one of the three major needs of employees at managerial position: achievement, power, and affiliation. Employees' achievement motivation can be raised by organizations through processes such as job design, performance management, and skill or competency-related pay schemes.

Promotion

It involves a competitive selection process, and results in the employee's movement in to a different role in a higher pay band. If it is done fairly it enhance employee motivation and competitiveness.

Personal growth

Individual employees irrespective of their current level want to upgrade themselves. This is the philosophy of continuous development. The availability of learning opportunities, the selection of individuals for high-prestige training courses and programs and the emphasis placed by the organization on the acquisition of new skills as well as the enhancement of existing ones, can all act as powerful motivators of employees to higher performance

Working Condition

The conditions in which an individual or staff works, including but not limited to such things as amenities, physical environment, stress and noise levels, degree of safety or danger, and the like.

2.10 Reward Composition

According to the expectancy theory, which is discussed under section below, individual needs and wants vary. Therefore, reward management requires proper composition between financial and non-financial rewards. As stated in Chapman & Kelliher (2011) the owners of organization usually want to ascertain that employees direct their work effort in line with the owners' best interests. Jensen and Meckling, (1976, quoted in Chapman and Kelliher, 2011) further stated that, owners' interest can be achieved through adjusting the reward mix, in particular the balance between fixed and variable rewards, to ensure that appropriate incentives are in place for the employee to act in the owners' interest.

Torrington, Hall, & Taylor (2008) suggest the following four points as important part of conventional wisdom in designing reward system. The first one is younger employees are more interested in high direct earnings at the expense of indirect benefits, such as pensions, which will be of more interest to older employees. Second, incentive, or performance-related payment arrangements are likely to interest employees who either see a reliable prospect of enhancing earnings through the ability to control their own activities, or see the incentive scheme as an opportunity to wrest control of their personal activities away from management by regulating their earnings. Third, women with children are less interested in payment arrangements that depend on overtime than men often are. And the fourth is overtime is used by many employees to produce an acceptable level of purchasing power particularly among the lower-paid.

In fact there is no conventional wisdom. Preferences differ according to the value, norms, background, economic status etc of individuals. Despite this fact, Bowen (2000) argues that rewards for entry level employees, usually youngsters, need be more cash based whereas employees with longer service or higher in the compensation scheme may be influenced by cash equivalent or non-cash rewards such as education, extra-time off and the like. All of the above points suggest that there should be both financial and non-financial rewards so as to reward employees according to their needs and values

2.11 Impacts of reward

Torrington et al., (2009) stated reward has multi-dimensional impact on the general effectiveness of a company through such as attraction and retention of employees, motivation of performance, motivation of skill development and driving changes.

Attracting staff: the reward package on offer must be sufficiently attractive *visa-vis* that of an organization's labor market competitors to ensure that it is able to secure the services of the staff it needs. The more attractive the package, the more applications will be received from potential employees and the more choice the organization will have when filling its vacancies. Similarly, Wills (2000) confirmed the idea as reward is the most critical issue when it comes to attracting and keeping talent. Attractive packages allow the appointment of high-caliber people and often mean that organizations are able to fill vacancies more quickly than is the case with reward offering which is either unattractive or poorly communicated. However, what is 'attractive' in total reward terms in one labor market will be less attractive in others because people vary in what they are looking for. There is thus a need to establish what the target market values most and to tailor the offering accordingly (Torrington et al., 2009).

Retaining staff: the costs associated with recruiting and developing people, as well as the growing significance of specialist organizational knowledge in creating value and maintaining competitive advantage, mean that retaining effective performers is a central aim of reward strategy in many organizations, particularly those competing in knowledge intensive industries where highly qualified people are in short supply. This requires strategic aspects of reward package that is attractive enough to prevent people from becoming dissatisfied and looking elsewhere for career development opportunities. Flynn (1998) also added reward and recognition program keep high spirits up and improve the retaining capacity of companies (Torrington et al., 2009).

Motivating staff: reward play a vital role in determining the significant performance in job and most commonly, it is positively associated with the process of motivation (Danish & Usman, 2012). Aside from helping to ensure that effective performers are recruited and retained, in more general terms it is necessary that reward package should serve to motivate positively and does

not demotivate. Occupational psychologists many of whom accept that the power of monetary reward to motivate is very limited, at least over the longer term, have long debated the question of the extent to which money ever can positively motivate. What is not in doubt, however, is the very considerable power of poorly designed or implemented reward practices demotivate, particularly when they are perceived by staff to be inequitable in some shape or form.

Driving change: pay can be used specifically as one of a range of tools underpinning change management processes. The approach used is to tie base pay, bonuses or promotion to the development of new behaviors, attitudes or skills gained by employees. Pay works far more effectively than simple exhortation because it provides a material incentive to those whose natural inclination is to resist change. It also sends out a powerful message to employee indicating the seriousness of the employer's intentions as regards proposed or ongoing changes (Torrington et al., 2009)

2.12 Motivation

Different authors define motivation in different ways. Torrington et al., (2009) defined the term as the desire to achieve beyond expectations, being driven by internal rather than external factors, and to be involved in a continuous striving for improvement. Armstrong (2010) describe motivation as the force that energizes, directs and sustains behavior. Motivation theory explains how motivation works and the factors that determine its strength. It deals with how money and other types of rewards affect the motivation to work and level of performance. It therefore influences decision on how people should be valued, the choice and design of financial rewards and the use of nonfinancial rewards.

2.13 Employee Motivation

Rewards cannot directly affect success. The direct effect of rewards is on employees' motivation. Various definitions of motivation exist. For this thesis, employees' motivation is seen as the employees desire to work and perform well in order to contribute to organizational or project success. Two types of motivation exist: Intrinsic and extrinsic motivation. Intrinsic motivation is

“self-generated” and means employees are motivated to work because of the work while extrinsic motivation is generated by external stimulus such as rewards (Armstrong 2002).

Three perspectives were identified in the literature about how rewards affect motivation and hence reward practice. First, extreme opponents of rewards argue that rewards negatively affect employees’ motivation under any circumstances. Accordingly, the extreme reward opponents completely refuse the use of rewards. In contrast the extreme proponents of rewards argue, rewards positively affect employees’ motivation under any circumstances.

Accordingly, they advocate the use of one universal reward style and propose a best practice approach. Finally, modest reward proponents argue that the rewards effect on employees’ motivation may be both, positive or negative. The effect depends on some variable factors that lead to different good practices in rewarding but no universally best practice Armstrong & Murlis (2004)

2.14 Motivation theories

Motivation theory examines the process of motivation. It explains why people at work behave in the way they do in terms of their efforts and the directions they are taking. (Armstrong, 2006)

Motivation is a factor that exerts a driving force on our actions and work. According to Baron (1983), motivation is an accumulation of different processes which influence and direct our behavior to achieve some specific goal. It is such a dynamic in today’s environment that explicitly creates and encompasses a positive impact on job. Within an organization, the best performance is feasible with most committed employees that can be achieved through employee motivation. There is no definitive motivation technique or a reliable and effective method that works for every one in every situation rather it should be adapted to fit the circumstances (Bradley, 2013).

Job performance may be taken as a function of the capacity to perform, the opportunity to perform, and the willingness to perform. No combination of capacity and opportunity will result in high performance in the absence of some level of motivation or willingness to perform. (Nelson, 1996)

Three components of motivation are:

1. Directions: relates to an individual preference to do among different possible alternatives.
2. Intensity: refers to the strength of the response once the choice is made.
3. Persistence: refers to the staying power of behavior or how long a person will continue to devote effort.

Motivation is important to an organization because it increases the performance level of employees, decreases employees turnover and absenteeism, and helps in accepting of organizational changes. There are a lot of motivation theories and research findings that attempt to provide explanations of the behavior-outcome relationship. These theories can be classified in to Content approach and Process approach.

2.14.1 Content Approaches:

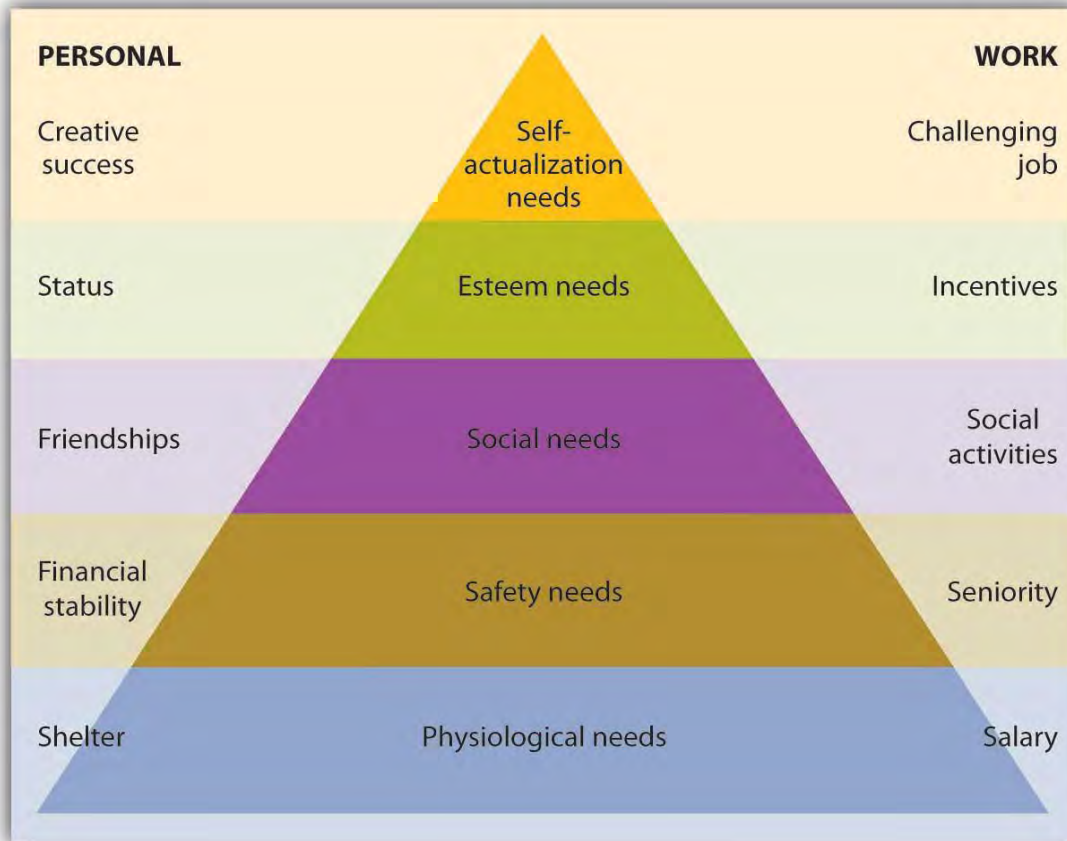
The content theories of motivation focus on the factors within the person that energize, direct, sustain, and stop behavior. They try to determine the specific needs that motivate people. Four important content approaches to motivation are:

- Maslow's need hierarchy,
- Alderfer's ERG theory,
- Herzberg's two-factor theory, and
- McClelland's learned needs theory. Each of these four theories has had an impact on managerial practices.

2.14.1.1. Maslow's Need Hierarchy:

The bottom line of Maslow's theory is that needs are arranged in a hierarchy starting from physiological needs to the self-actualization needs and these needs are physiological, safety and security, belongingness, social, and love, esteem and self-actualization. Maslow's theory assumes that a person attempts to satisfy the more basic needs (physiological) before directing behavior toward satisfying upper-level needs.

Fig. 2.2 Maslow Need Hierarchy



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2.14.1.2 Alderfer's ERG Theory:

Even though Alderfer agrees with Maslow in the arrangement of individual needs hierarchy, his proposed need hierarchy involves only three sets of needs.

1. Existence. Needs satisfied by such factors as food, air, water, pay and working.
2. Relatedness. Needs satisfied by meaningful social and interpersonal relationships.
3. Growth. Needs satisfied by an individual making creative or productive contributions.

When we relate Alderfer's three needs with Maslow's they have similarities and differences. Existence needs are similar to physiological and safety categories; relatedness needs are similar to belongingness, social, and love category; and growth needs are similar to esteem and self-actualization categories. However, both theories differ on how people move through the different sets of needs. Maslow suggests that unfulfilled needs are predominant until it is satisfied. And

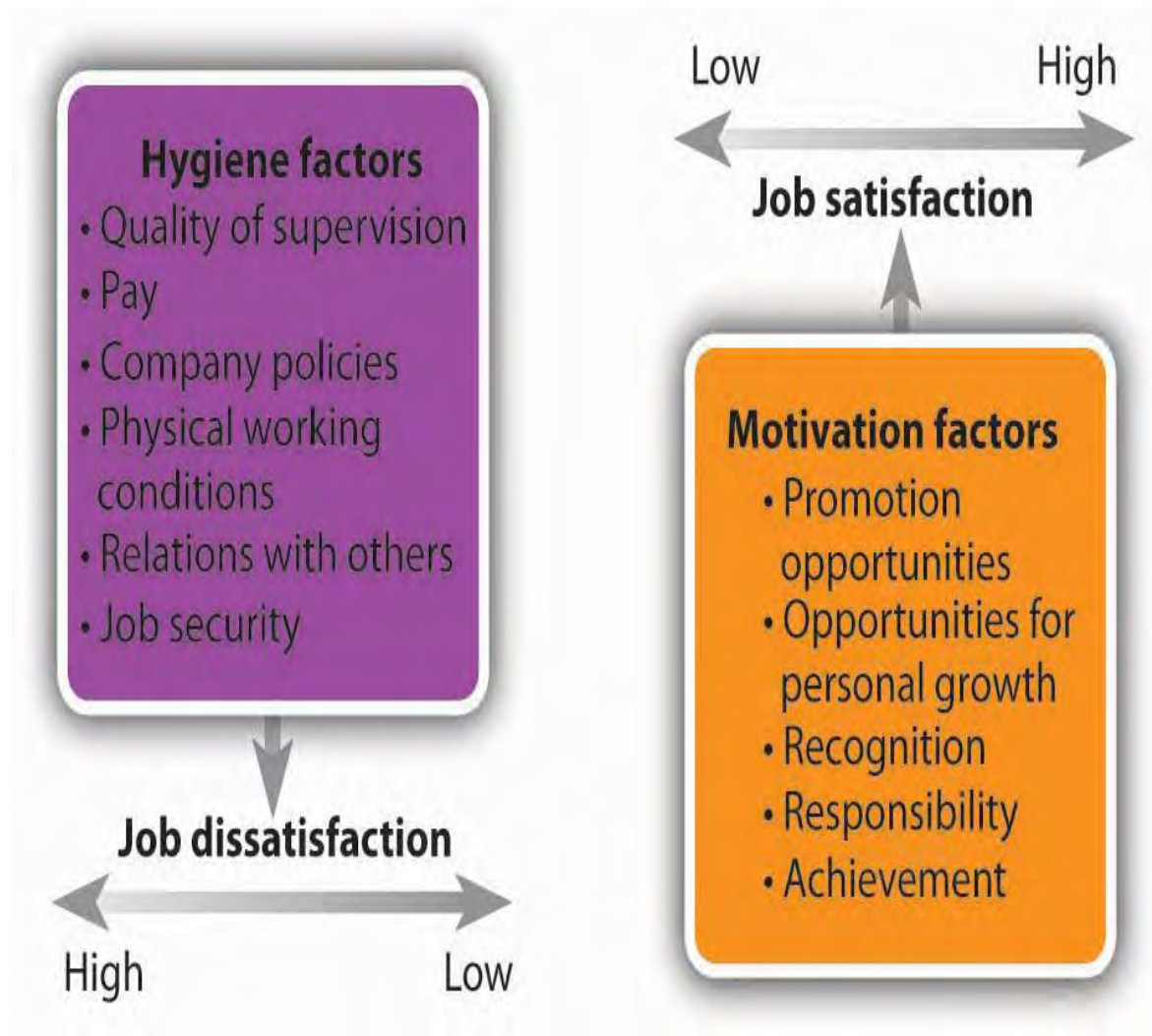
the next higher level of needs isn't activated until the predominant need is satisfied. Hence, a person only moves up the need hierarchy if lower-level need is adequately satisfied. In the contrary, Alderfer's ERG theory proposed that, in addition to the satisfaction-progression process that Maslow proposed, a frustration-regression process is also at work. That is, if a person is continually frustrated in attempts to satisfy growth needs, relatedness needs reemerge as a major motivating force, causing the individual to redirect efforts toward satisfying a lower-order need category.

2.14.1. 3 Herzberg's two-factor model

Herzberg's two-factor model theory states that the factors giving rise to job satisfaction (and motivation) are distinct from the factors that lead to job dissatisfaction. It is sometimes called the motivation-hygiene theory. There are two groups of factors. The first consists of the satisfiers or motivators, which are intrinsic to the job. These include achievement recognition, the work itself, responsibility and growth.

The second group comprises what Herzberg calls the dissatisfaction avoidance or hygiene factors, which are extrinsic to the job and include pay, company policy and administration, personal relations, status and security. These cannot create satisfaction but, unless preventive action is taken, they can cause dissatisfaction. He also noted that any feeling of satisfaction resulting from pay increase was likely to be short-lived compared with the long-lasting satisfaction from the work itself. One of the key conclusions derived from the research is therefore that pay is not a motivator, except in the short term, although unfair payment systems can lead to demotivation (Armstrong 2007)

Fig. 2.2 Herzberg's Two Factor Model



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Herzberg's two-factor model draws attention to the distinction between intrinsic and extrinsic motivators, and his contention that the satisfaction resulting from pay increase does not persist has some face validity. But his research and the conclusions he reached have been attacked – first because it is asserted. The original research is flawed and fails to support the contention that pay is not a motivator, and secondly because no attempt was made to measure the relationship between satisfaction and performance. As David Guests (2004) has written 'many managers' knowledge of motivation has not advanced beyond Herzberg and his generation. This is unfortunate. Their theories are now over thirty years old. Extensive research has shown that as

general theories of motivation the theories of Herzberg and Maslow are wrong. They have been replaced by more relevant approaches (Armstrong 2007)

2.14.1.4. McClelland's learned needs theory

The three basic motivating needs of McClelland that are associated with learning concepts are: the needs for achievement, the need for affiliation, and the need for power. The main subject of McClelland's theory is that these needs are learned through coping with one's environment. Since needs are learned, behavior which is rewarded tends to recur at a higher frequency. As a result of the learning process, individuals develop unique configurations of needs that affect their behavior and performance (Agarwal, 1982).

To sum-up, each of the four content theories try to explain behavior from a slightly different angle. None of the theories has been accepted as the sole basis for explaining motivation; however, each of the theories provides the manager with some understanding of behavior and performance. Each of the content approaches presents the clearest, most-meaningful, and most-accurate explanation of motivation. In reality, each has strengths and limitations that practicing managers need to consider; none is clearly inferior or superior to the others, especially in today's diverse workplace. Smart managers will look to all of these approaches to provide insights that can be applied to specific challenges and problems (Ivancevich and Matteson, 2002).

2.14.2 Process Approaches

The three process theories of motivation: expectancy theory, equity theory, and goal-setting theory are focused on answering the questions of how individual behavior is energized, directed, maintained, and stopped.

2.14.2.1. Expectancy Theory:

The four most important terms of expectancy theory are: first and second level outcomes, instrumentality, valence, and expectancy. First and second level outcomes first-level outcomes resulting from behavior are those associated with doing the job itself and include productivity, absenteeism, turnover, and quality of productivity. The second-level outcomes are those events

(rewards or punishments) that the first-level outcomes are likely to produce, such as merit pay increases, promotion, and termination. Instrumentality: is the perception by an individual that first-level outcomes (performance) are associated with second-level outcomes (rewards). Valence: refers to the preferences for outcomes as seen by the individual. An outcome is positively valiant when it is preferred and negatively valiant when it is not preferred or is avoided.

Expectancy: It refers to the individual's belief regarding the probability that a particular behavior will be followed by a particular outcome. Managers, can use the concepts and principles of expectancy theory to improve performance. It is important to acquire an understanding of the outcomes preferred by employees. Managers should listen, talk and observe employee responses towards the rewards given by the organization such as compensation, incentives, promotions, praise, gift certificates, and time off. Because needs and goals regularly change, employees need today is probably different tomorrow. (Poter et.al 2003)

2.14.2.2 Equity Theory

Equity theory focuses on people's perceptions of the fairness of their work outcomes compared with, or corresponding to, their work inputs. The theory in fact complements expectancy and need theories by shedding light how people perceive the relationship between the outcomes they receive from the organization and the inputs they contribute.

The theory is based on strong social norms about fairness. It postulates that employees are inclined to subjectively weight efforts given to do the job and rewards taken for doing this job and compare rates of the rewards with other people doing the same job. "An employee is most satisfied in situations when the gives and takes are equal. If comparison shows imbalance and unfairness (i.e. an employee thinks his or her co-worker has been paid more or less for the same job), the worker is inevitably brought to psychological tension".

Finally, the model suggests that employees are motivated to perform effectively because of expectations as to perceived rewards arising from that performance. The desirability of these (valence), perception of expectancy, and force of expression are intrinsic to the person. Each one

has their vision of what is challenging or interesting, important to self-esteem and regard for extrinsic rewards.

2.14.2.3. Goal Setting

A goal is a result that a person, team, or group is attempting to accomplish through behavior and actions. Goal setting is a cognitive process of some practical utility. An individual's conscious goals and intentions are the primary determinants of behavior. It has been noted that "one of the commonly observed characteristics of intentional behavior is that it tends to keep going until it reaches completion" (Nelson, 1996). Also, goal setting theory places specific emphasis on the importance of conscious goals in explaining motivated behavior. Harder conscious goals will result in higher levels of performance if these goals are accepted by the individual.

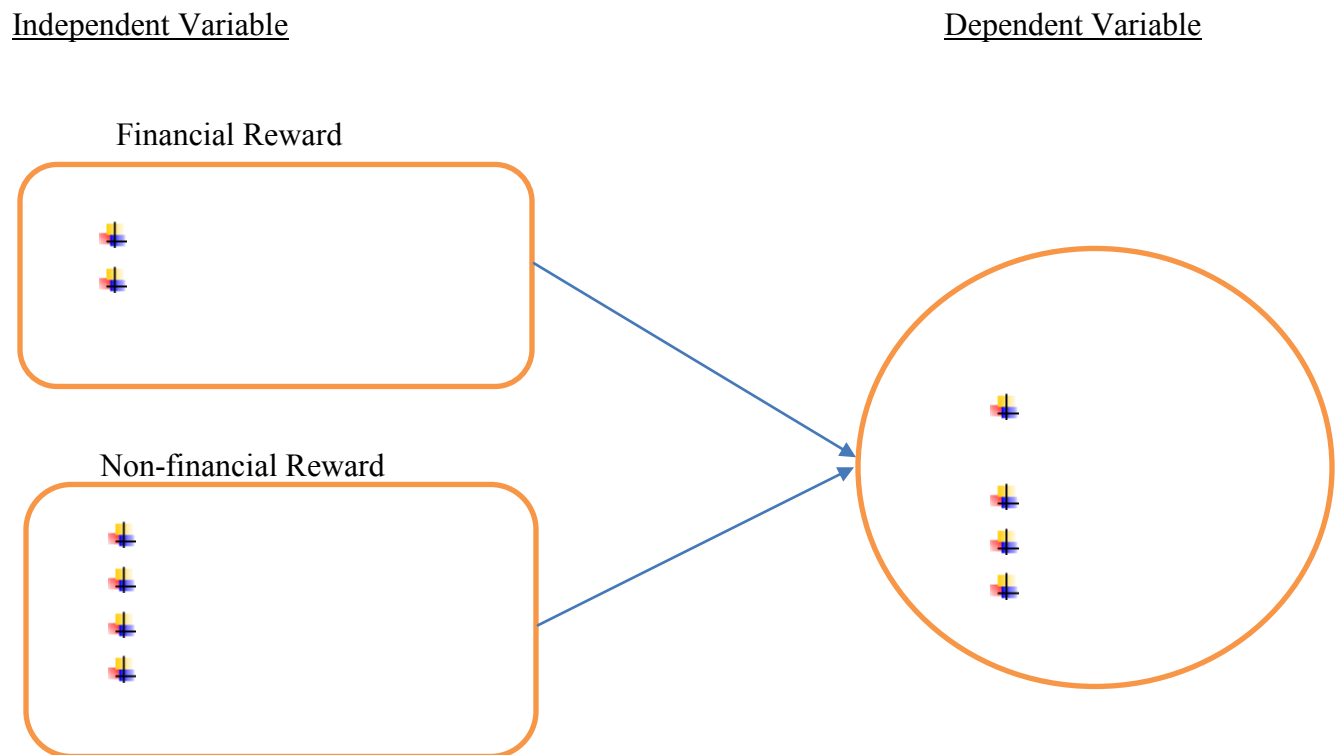
The goal-setting model emphasizes that a goal serves as a motivator. It is important for any goal to be clear, meaningful, and challenging. A person's ability can limit his or her efforts to accomplish goals. If a manager sets a difficult goal and a person lacks the ability to accomplish it, there will not be accomplishment. As goals are accomplished and this performance is evaluated, rewards are distributed. If the rewards are preferred as discussed in expectancy theory, employees are likely to be satisfied and motivated.

2.15 Conceptual framework

The conceptual model formulated to illustrate association of employee motivation and reward program. The model shows reward (financial and non- financial reward) as independent variables and motivation as dependent variables.

While developing the below conceptual model, component of total reward model developed by Armstrong and other motivational theories was used.

Figure: 1.1 Research frameworks



The above framework is adopted from Armstrong and Murlis, 5th edition (2004), components of total reward system.

Chapter Three

Research Design and Methodology

This chapter presents the methodology that was used to carry out this study it includes the research design, population studies and sampling strategy, the data collection process, the instruments used for gathering data, and how data will be analyzed and presented.

3.1 Research Design

This research was conducted to assess reward and employee motivation practice of ECX and recommend the best reward tool that is preferred by Ethiopia Commodity Exchange. To accomplish the specified objectives cross sectional based data solicitation was used. Consequently, data required for the purpose of the study were gathered from different sources.

3.2 Research framework

After careful study of literatures review, the conceptual model formulated to illustrate relationship between employee motivation and reward program. In this study, employees' motivation was taken as dependent variable while financial and non-financial rewards were taken as independent variables. Within financial reward variables: payment and benefits variables included. While in the non-financial reward tools: recognition, working condition, promotion and leadership/supervision included.

3.3 Population and Sampling Design

3.3.1 Population of the study

The population for this study was taken from Ethiopia Commodity Exchange. Since the exchange has manageable number of employees, all who served the organization for more than a year included in the data collection process. According to Jan. 2016 Ethiopia Commodity Exchange Human Resource data, the total numbers of employees is 145 and have five strata i.e. Chief Officers, Managers, Specialist/Supervisor, Associate and Assistants.

It is to be believed that employees who work in an organization for less than one year will not have a full picture to measure the reward package of that given organization. Even literatures support that to fully understand and evaluate a given organization, employee's needs to have more than a year experience. They also added that to clearly adapt with the environment, a minimum of six month is a must. Hence, considering this and other related facts, the research didn't encompass staffs who served the organization less than a year and the total number of respondents was 107, only those who served the organization for more than a year)

3.3.2 Sampling design

For selecting the sampling units – regarding questionnaire respondents – the researcher employed census frame. According to the data gained from the exchange, respondents are diversified in terms of educational qualification, job's variety and other parameters. The perception of job satisfaction issue like reward practice is expected to be varied accordingly. Thus, the researcher classified the respondents while making analysis to clearly identify the major reward and motivation factors of employees based on demographic factors.

3.3.3 Frame of respondents

The study used descriptive research method that engaged all the staffs those who served more than a year. The management staff members include all Chief Officers and Managers whereas the non-management staffs includes: Specialist, Associate and Assistant. In short the following detailed frame used to designate the number of participants based on their position.

Population	Chief Officers	Managers	Specialists	Associates	Assistants	Total
Population size	7	11	54	16	24	107

3.4 Data Collection Procedures

Generally, the study had both primary and secondary sources. The primary data was collected from the responses using structured questionnaire quantitatively measured on a five point Likert scale. Secondary data was collected through document review from existing information available in books, company magazines, organizational reports, brochures, journals, published and unpublished researches, internet and other materials.

In preparing the questionnaire, the reward related variables questions has adopted from R.C Schwab, (1993) whereas questions related with motivation were self-designed with reference of different literatures and reliability of the measurement were tested.

3.5 Study Instruments

In making appropriate and valuable study, researcher applied self-administered questionnaire that was prepared based on tested sample research questions. The questionnaires were distributed personally to every staffs of the exchange that were selected to be included in the research.

The first part of the questionnaire asked about the demographic information of the participants whereas the second part measure three different dimensions such as financial, non-financial and overall job motivation. All items were anchored on a 5-point motivation scale (1 = strongly disagree to 5 = strongly agree).

3.6 Method of Data Analysis

The data that were collected from employees through questionnaire is analyzed by the help of SPSS software version 16.0. Demographic variables description, reliability, descriptive statistics, correlation analysis, multiple regression analysis were conducted to analyze the collected quantitative data. First, demographic information about the participants in this study was reported; it included the frequency distribution of all demographic variables in this study such as gender, age, position, service year, education, length of service year, etc. Second, Cronbach's alphas were calculated for testing the reliability of the scales used in this study. Third, descriptive statistics were calculated to get information about the means and standard deviations

for each of the variables of interest. Fourth, to answer the questions, correlation analysis and regression analysis were conducted. Though the correlation analysis, the researcher tried to give answer for the research questions. Correlation analysis was interpreted through checking the direction and magnitude of each two variables in terms of the 'r' value. Doing multiple regressions helped the researcher to further understand the relationship among variables.

ANOVA was applied to analyze whether there are differences in work motivation based on the biographic characteristics of the respondent. In addition, Regression Analysis was used to measure the relative strength of independent variables on dependent variable. The regression equation is:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6$$

Where: Y = Employee Motivation,

β_0 = is the Y intercept or constant,

$\beta_1, \beta_2, \beta_3, \beta_4, \beta_5, \beta_6$ = coefficient of regression which measures how each independent variable influences the dependent variable that is employee motivation,

X1 = Payment, X2 = Benefit, X3 = Promotion, X4 = Working Condition, X5 = Recognition, X6 = Leadership

3.7 Validity and Reliability

Validity: is the strength of our conclusions, inferences or propositions. It involves the degree to which you are measuring what you are supposed to, more simply, the accuracy of your measurement Adams et al, (2007). To raise the validity of the research, questionnaires have been distributed and collected by the researcher himself in order to maintain its validity.

Reliability: estimates the consistency of the measurement or more simply, the degree to which an instrument measures the same way each time it is used under the same conditions with the same subjects. Reliability is essentially about consistency Adams et al, (2007). To make sure that the data collection methods were error free and to minimize the instruments' biases the researcher undertook the following:

- 1 Some important questions have re-asked in different place in a different order.
- 2 The researcher, when collecting the questionnaires, has tried to make sure that it is the respondents who have complete the questionnaire through having an informal conversation where ever possible.
- 3 Sample test has made for a total of 15 representatives to check the reliability.

3.8 Research Ethics

The researcher has obtained the consent of the organization for the study. Employees who have completed the questionnaire have been informed about the purpose of data collection, analysis and the covenant to maintain privacy of their responses. Participants have been informed about the purpose of the study and their privacy and dignity also maintained. Confidential information of the Exchange has not disclosed and the collected data have used for the purposes of the study only. Regarding published and unpublished materials used in the literature review and throughout all part of the study, all citations from copy right holder has been made properly.

Chapter Four

Data Presentation, Analysis and Interpretation

4.1 Descriptive Statistics for General Information

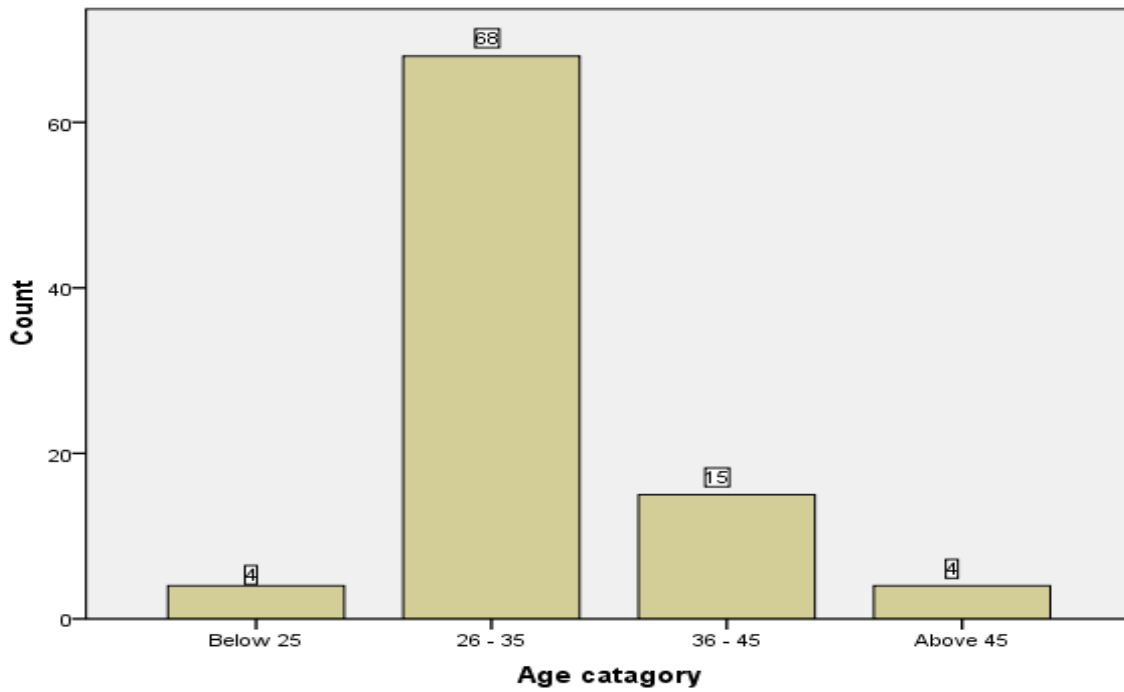
Table 4.1 Biographical Information of Respondent

Item		Frequency	Percent
Gender	Male	62	68.1
	Female	29	31.9
	Total	91	100.0

Marital Status	Single	61	67.0
	Married	29	31.9
	Divorce	1	1.1
	Total	91	100.0

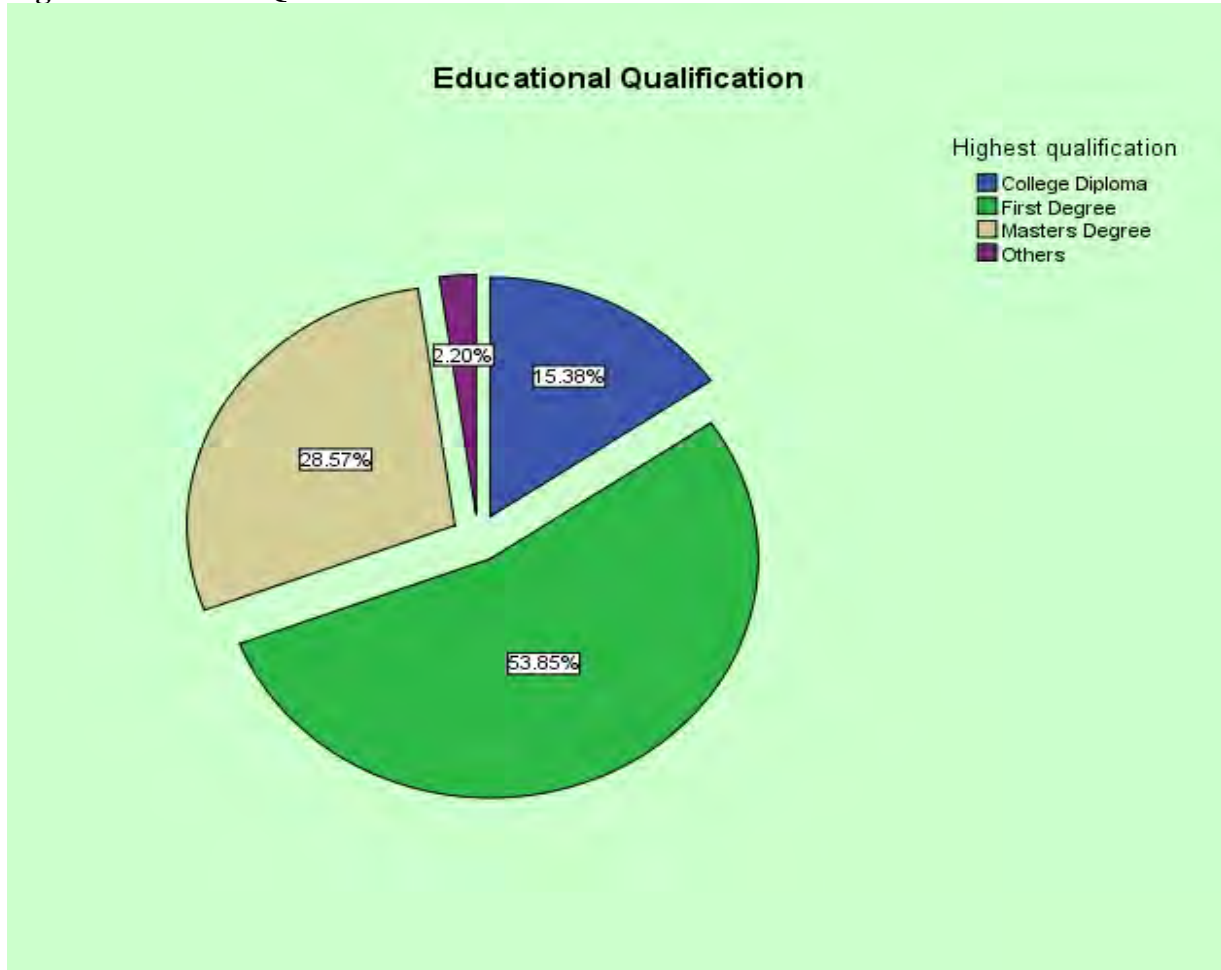
As shown in table 4.1, of the total respondents 68.1 % (62) were male and the remaining 31.9% (29) were female. This indicates that the number of proportions between male and female employees in the organization is not proportional. With regard to respondents' of marital status, 67.0% (61) of the respondents are single, 31.9% (29) of the respondents are married and 1.1% (1) of the respondent is divorced. This implies that most of the respondents are single, therefore the organization is said to have an employee's mobility problem due to singles are more sensitive to mobility than job security

Fig.4.1 Age of respondents



With regard to respondents' age category, the highest group of respondents' i.e 68 (74.7%) fall under age category of 26 – 35. This implies that most of the employees are youngsters. The next higher group 15 (16.5%) fall under age category of 36 – 45. The remaining groups of respondents are below 25 and above 45 years which each of them accounts 4% of the total respondents.

Fig. 4.2 Education Qualification



In relation to employee level of qualification the above chart clearly indicates that majority of the work forces (53.85%) acquired their first degree. Masters holders constitute of 28.57%, Diploma Holders constitutes of 15.38% and the rest 2.20% do not have higher level education. This implies that employees of Ethiopia Commodity Exchange are fairly educated.

Table 4.2 Employee Years of service in ECX

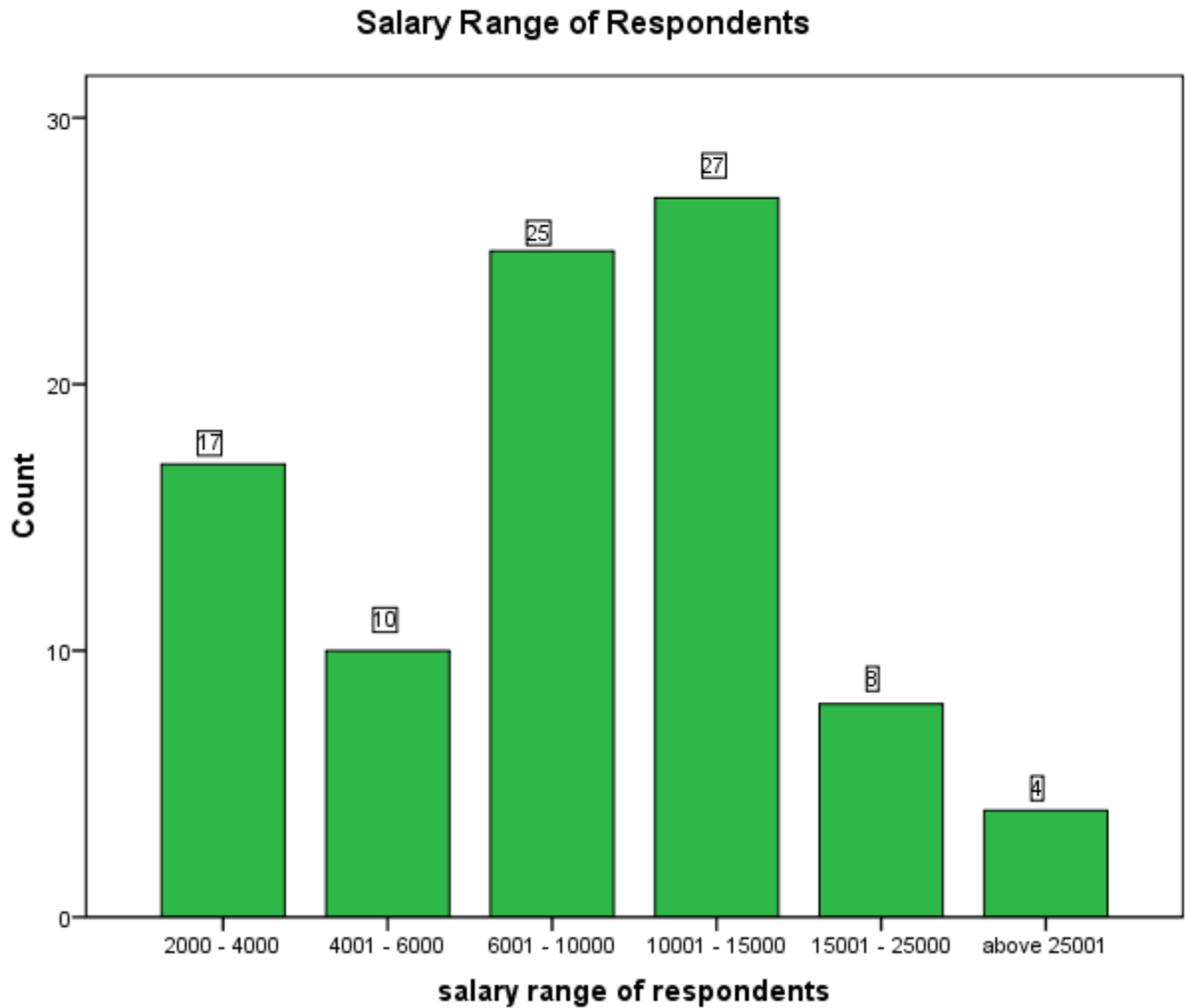
	Service Year	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	More than a year	13	14.3	14.3	14.3
	2 - 4 years	24	26.4	26.4	40.7
	4- 6 years	24	26.4	26.4	67.0
	More than 6 years	30	33.0	33.0	100.0
	Total	91	100.0	100.0	

Out of 91 respondents, 14.3% had worked for a period of more than a year, 26.4% for a period of between 2 and 4 years, 26.4% had been employed for 4 to 6 years while the rest 33.0% had been in service for more than 6 years. It may be concluded that majority of the employees had been with the Exchange for more than 6 years.

Table 4.3: Current position of respondents					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Chief Officers	3	3.3	3.3	3.3
	Managers/Deputy	15	16.5	16.5	19.8
	Specialist/Supervisor	42	46.2	46.2	65.9
	Associate	15	16.5	16.5	82.4
	Assistant	16	17.6	17.6	100.0
	Total	91	100.0	100.0	

Under job classification, the participants were classified in to categories based on the job grades of the Exchange. Table 4.3 illustrates that majority, 46.2% of participants, were drawn from the Specialist/Supervisor position of the organization. The other categories were Assistants, 17.6%, Associate, 16.5%, Managers/Deputy Managers 16.5% and Chief Officers which constitute 3.3%. The table shows that most of the employees are found in the position of Specialist/Supervisor which needs more supervision and coaching to make them ready for managerial positions.

Fig. 4.3 Salary Range of Respondents



Under salary classification, the participants were classified in to six categories based on the salaries held at the time of study. Fig. 4.3 illustrates that the majority, 29.7% of participants, were categorized under 10,001 – 15,000. The second higher categories were 6001 – 10,000, 27.5%. The third categories were classified as 2000 – 4000, 18.7%. The other categories were 4001 – 6000 which constitutes 11.0%, 15,001 – 25,000 constitute 8.8% and finally salary categorized above 25,000 constitutes 4%.

4.2 Data Analysis

The data collected from employees of Ethiopia Commodity Exchange through questionnaire is analyzed and presented in the below sections with the help of tables. The descriptive statistics on the data analysis and procedures are presented on the basis of questions included in the employee motivation among factors of the independent variables i.e rewards and dependent variable i.e motivation.

In section two of the questionnaire, research related questions were covered such as financial rewards, non-financial rewards and motivation. In order to assess reward effects on employee's motivation, six variables were selected as reward and four variables also selected to measure the level of motivation and included in the questionnaires; 26 questions in six sub sections from reward and 16 questions to assess motivation. Accordingly, the analysis of each reward variables and job motivation is as follows:

Survey scale: 1=strongly disagree, 2=disagree, 3=neutral, 4=agree and 5=strongly agree.

4.2.1 Reliability

Cronbach alphas were calculated to examine the reliability of each variable of the study. The three variables in the study were financial (10 items), non-financial (16 items) and employee motivation (12 items).

Usually reliability coefficients should be at least '.70' and the higher the better (Frankel and Wallen 1996, p 163). Furthermore, as suggested by Churchill (1979), if scale item were to exhibit an item -to- total correlation of 0.25 or less the item should not be included in further analysis. All items used in this study have greater than 0.25 an item total correlation. Reliability coefficient for items in each variable (Cronbach's alpha) is also greater than .7 which showed higher reliability of the items used in measurement of the variables. Accordingly Cronbach alpha for financial is found to be .794 and for motivation .874.

Table 4.4 Cronbach alpha for measures of the variables

Variables	Cronbach's alpha
Reward	.794
motivation	.874

As it was stated in the methodology part the items used to measure the reward variables were adopted from previous research works R.C. Schwab (1992) and the motivation part was developed considering different literatures prepared in the area.

Table 4.5 Mean Values of variables

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Motivation	91	1.25	4.19	2.52	.58451
Payment	91	2.20	5.00	3.84	.67664
Benefit	91	2.00	4.80	3.52	.65039
Promotion	91	1.25	4.75	3.32	.83739
Working condition	91	1.00	5.00	2.57	.72732
Recognition	91	1.25	5.00	2.91	.73603
Leadership	91	1.25	4.25	2.72	.66317
Valid N (list wise)	91				

Table 4.5 shows the mean and standard deviation of reward variables such as; Payment, Benefit, Promotion, Working Condition, Recognition and Leadership/Supervisions rated by respondents. The result indicates that the level of motivation among ECX employees are 2.52 mean with 0.58 SD. Based on the fact that a mean of 2.5 is indicative of the average level of motivation on this scale, it can't be possible to concluded respondents are either motivated or demotivated with the overall job.

Financial Reward question on this research has a mean value ranging from 3.52 to 3.84 which shows that most of the respondents are agreed with fairness of the current payment and benefit package of the organization. However, there are some who are not agreed the fairness which might be the result of the existing competitiveness of the labor market that provides a better payment and benefit packages that are good enough to attract, satisfy and retain potential employee.

Non-financial reward questions on this research have a mean value ranging from 2.57 to 3.32. The lowest mean result was perceived by Working Condition (M=2.57, SD.727). This result implies that working condition of the Exchange is not as expected by staff of the exchange and it needs focus to make some amendments in order to enhance employee's motivation for better performance. The highest mean scoring variable of Non-financial reward is promotion (M=3.32, 0.837) which implies that the promotion management system as a whole is major contributing factor for employee's motivation.

In general, the above finding implied that employees are agreed with the fairness of the payment, benefit and promotion given for their effort and productivity but working condition of the exchange missed its objective.

4.2.2 Inferential Statistics

4.2.2.1 Bivariate Analysis

The bivariate analysis includes the correlation and regression analysis which was used to investigate the effect of financial and non-financial rewards on employee motivation, and the relationship between rewards and motivation. Using Pearson correlation with two tailed test of significance, the correlation analysis was made to investigate the relationships. Using the regression analysis, the impact of the variables was investigated.

4.2.2.2 Correlation Analysis

Correlation analysis was applied to test the "interdependency" of the variables. In this section, the direction and degree of the strength of the relationship among the variables were determined by multicollinearity test (table 4:6) below, it is possible to examine the correlation among all dimensions of the independent variables of distributive, informational, interpersonal and

procedural fairness with the dependent variables of motivation. The correlation results provide initial evidences for further analysis of the hypotheses of study.

Correlation analysis is useful way of exploiting relation (association) among variables. the value of the coefficient (r) ranges from -1 up to +1. The value of coefficient of correlation (r) indicates both the strength and direction of the relationship. If $r = -1$ there is perfectly negative correlation between the variable. If $r = 0$ there is no relationship between the variable and if $r = +1$ there is perfectly positive relationship between the variables. For values of r between + and 0 or between 0 and -1, different scholars have proposed different interpretation with slight difference. For this study diction rule given by Bartz (1999) was used Bartz (1999) described the strength of association among the variables as follows.

Table 4.6 Interpretation of r value

Value of r	Description
0.80 or higher	Very high
0.6 to 0.8	Strong
0.4 to 0.6	Moderate
0.2 to 0.4	Low
0.20 or lower	Very low

Source; Bartz (1999)

The following table depicts the results of correlation analysis between variables

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Table 4.7: Correlation coefficient result of relationships between rewards and job motivation

		motivation	payment	benefit	promotion	Working condition	recognition	leadership
motivation	Pearson Correlation	1						
	Sig. (2-tailed)							
payment	Pearson Correlation	.333**	1					
	Sig. (2-tailed)	.001						
benefit	Pearson Correlation	.429**	.474**	1				
	Sig. (2-tailed)	.000	.000					
promotion	Pearson Correlation	.601**	.469**	.617**	1			
	Sig. (2-tailed)	.000	.000	.000				
workingcondition	Pearson Correlation	.611**	.133	.201	.387**	1		
	Sig. (2-tailed)	.000	.209	.056	.000			
recognition	Pearson Correlation	.620**	.168	.368**	.413**	.630**	1	
	Sig. (2-tailed)	.000	.111	.000	.000	.000		
leadership	Pearson Correlation	.514**	.126	.274**	.402**	.594**	.555**	1
	Sig. (2-tailed)	.000	.234	.009	.000	.000	.000	
** . Correlation is significant at the 0.01 level (2-tailed).								

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The above table 4.7 shows that Recognition ($r = .620^{**}$, $p < 0.01$), Working Condition ($r = .611^{**}$, $p < 0.01$), Promotion ($r = .601^{**}$, $p < 0.01$) and Leadership ($r = .514^{**}$, $p < 0.01$), have high degree of positive relationship with employees motivation. Whereas, Benefit ($r = .429^{**}$, $p < 0.01$) and Payment ($r = .333^{*}$, $p < 0.01$) have moderate correlation with employee motivation.

Hence, correlation analysis only shows the existence of positive and significant relationship between the Independent and Dependent Variables. Based on the above preliminary test results, the assumption of the multiple linear regression analysis model have been met. Thus, the subsequent analysis results are depicted below.

4.2.2.3 Multiple Regression Analysis

Multiple regressions analysis helps in order to measure the relative strength of independent variables i.e. determine the effect of rewards on motivation of ECX employees as depicted in table 4.8 below, the result revealed R^2 value of .557. This indicates that 55.7% of variance that explained the motivation of ECX employees in terms of Payment, Benefit, Promotion, Working Condition, Recognition and Leadership.

Table: 4.8 Multiple Regression Analysis Results between Rewards and Employee Motivation

R	.766			
R square	.586			
Adjusted R Square	.557			
Standard Error	.389			
F. Ratio	19.822			
Sign F	.000			
Variables	Unstandardized Coefficient (B)	Beta (β)	T	Sig T
Constant	.094		.311	.757
Payment	.083	.089	1.068	.288
Benefit	.031	.034	.361	.719
promotion	.208	.298	2.992	.004
Working condition	.219	.273	2.738	.008
recognition	.207	.261	2.652	.010
leadership	.059	.067	.722	.472

a. Predictors: (Constant), leadership, payment, benefit, working condition, recognition, promotion

b. Dependent Variable: motivation

In the above table 4.15: the value R^2 (.586) can be interpreted as the model is fit since it is greater than the acceptable value. The variation of R^2 and Adjusted R^2 (.557): (0.29%) implies that there is insignificant change which in turn tell us that the result can be generalized beyond the sample, i.e., to the population.

Table: 4.9 Linear Regression Analysis Results of Rewards and Motivation

Variables	R	R ²	t-value	F – value	P – value
Payment	.333	.111	3.332	11.106	.001
Benefit	.429	.184	4.483	20.100	.000
Promotion	.601	.361	7.090	50.274	.000
Working Condition	.611	.373	7.279	52.982	.000
Recognition	.620	.385	7.464	55.710	.000
Leadership	.514	.264	5.656	31.991	.000

a. Predictors: (Constant), leadership, payment, benefit, working condition, recognition, promotion

b. Dependent Variable: motivation

4.2.2.4 Testing Hypothesis

Hypothesis No. 1

H1 Payment is correlated positively and significantly with work motivation

Regarding the first hypothesis, the p-value less than 0.01 and the value of R² is .111 which shows that 11% variance in employee motivation is due to Payment. F-value is 11.106 at p = 0.001 showing that model is good fit. The t-value as shown in the table (3.332) should be greater than +2 thus making it a useful predictor and thus concludes that payment has significant relationship with employee motivation. Therefore, this hypothesis is accepted

Hypothesis No. 2

H 2 Benefit is correlated positively and significantly with work motivation

Hypothesis number two is also accepted because the p-value is less than 0.01 and the value of R² is .184 which shows that 18% change in employee motivation is due to Benefits. F-value is 20.100 at p = 0.000 showing that the model is good fit. The t-value as shown in the table (4.483)

should be greater than +2 thus making it a useful predictor and thus concludes Benefit has significant relationships with motivation. Therefore this hypothesis is accepted.

Hypothesis No. 3

H 3 the promotional opportunities are correlated positively and significantly with work motivation

Similarly, Hypothesis number three is accepted because the p-value is less than 0.01 and the value of R^2 is .361 which shows that 36% change in employee motivation is due to Promotion. F-value is 50.274 at $p = 0.000$ showing that the model is good fit. The t-value as shown in the table (7.090) should be greater than +2 thus making it a useful predictor and thus concludes Benefit has significant relationships with motivation. Therefore this hypothesis is accepted.

Hypothesis No. 4

H 4 The recognition is correlated positively and significantly with work motivation

Hypothesis number four is also accepted because the p-value is less than 0.01 and the value of R^2 is .385 which shows that 38% change in employee motivation is due to Recognition. F-value is 55.710 at $p = 0.000$ showing that the model is good fit. The t-value as shown in the table (7.464) should be greater than +2 thus making it a useful predictor and thus concludes recognition has significant relationships with motivation. Therefore this hypothesis is accepted.

Hypothesis No. 5

H 5 work condition is correlated positively and significantly with work motivation

Regarding Hypothesis number five is also accepted because the p-value is less than 0.01 and the value of R^2 is .373 which shows that 37% change in employee motivation is due to Work Condition. F-value is 52.982 at $p = 0.000$ showing that the model is good fit. The t-value as shown in the table (7.279) should be greater than +2 thus making it a useful predictor and thus concludes recognition has significant relationships with motivation. Therefore this hypothesis is accepted

Hypothesis No. 6

H 6 Supervision or leadership is correlated positively and significantly with work motivation

Moreover, Hypothesis number six is also accepted because the p-value is less than 0.01 and the value of R^2 is .264 which shows that 26% change in employee motivation is due to Leadership. F-value is 31.991 at $p = 0.000$ showing that the model is good fit. The t-value as shown in the table (5.656) should be greater than +2 thus making it a useful predictor and thus concludes recognition has significant relationships with motivation. Therefore this hypothesis is accepted

According to Zikmund (2000) standard multiple regression analysis measures the simultaneous investigation of the effect of the independent variables and dependent variable. In this study, financial and non-financial rewards are the independent variables while motivation is the dependent variable. The effect of rewards on employee’s motivation level was examined using linear regression analysis.

Table 4.10: Regression Analysis of Financial, non-financial reward and employee motivation

Dependent Variable	Independent Variable	R^2	Adjusted R	F Value	Sig.	β	Standard Error	T	Sig.
Employee Motivation	Financial Rewards	.198	.189	22.004	.000	.445	.526	4.691	.000
	Non-financial Rewards	.561	.556	113.713	.000	.749	.389	10.664	.000

a. Predictors: (Constant), financial, nonfinancial

b. Dependent Variable: motivation

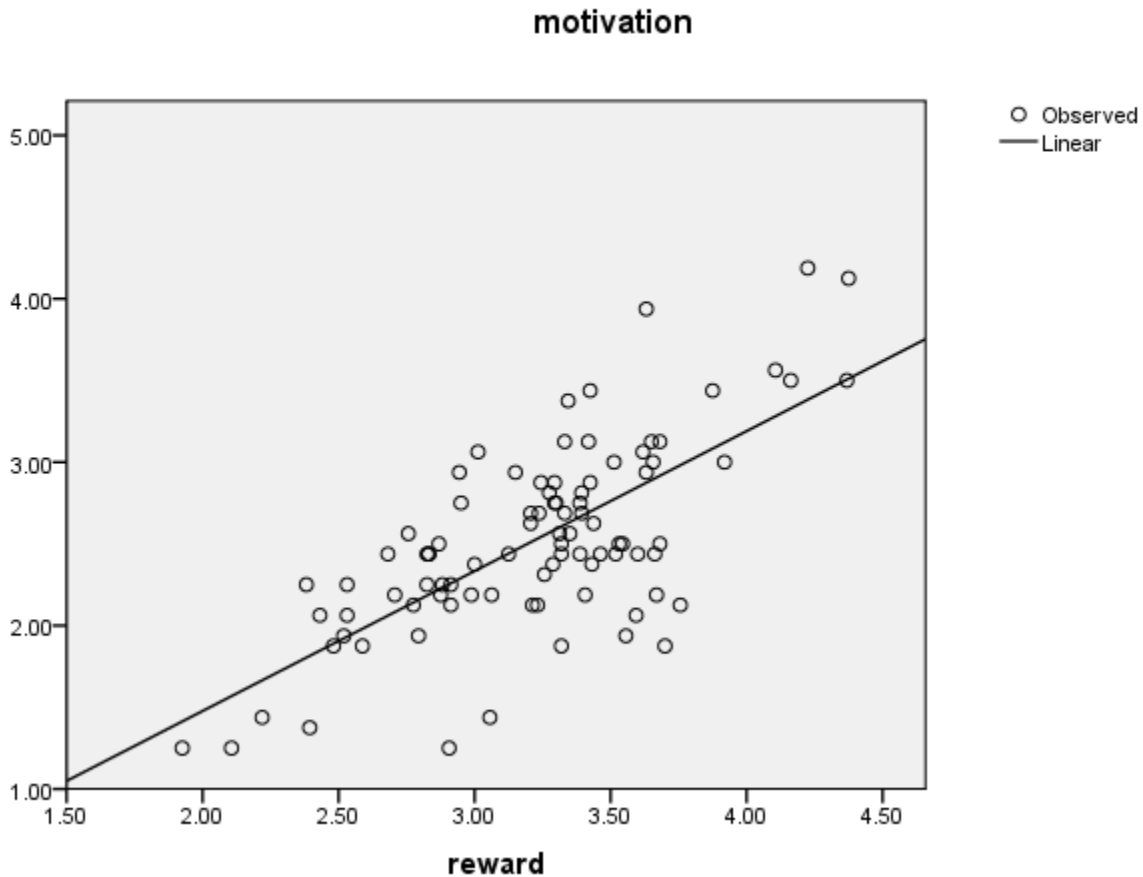
The results shown in the above table 4.17 indicates a relatively high percentage of employee motivation which can be described by the variables of non-financial rewards. The coefficient of relationship illustrates that the value of R^2 for financial reward is .198; which means 20% of the

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variance in motivation was described by financial rewards. Whereas R^2 for non-financial reward is .561; which implies that 56% of the variance in employee motivation was described by non-financial rewards.

The column labeled Beta (β) value of standardized coefficients indicates the variables that contribute to the dependent variable. The regression analysis for this study indicates that employee motivation is positively and significantly related with financial rewards ($\beta=.445$, $p < 0.01$). Consistent with theoretical framework significant positive relationship between non-financial and employee motivation has also existed as it is shown in the table ($\beta = .529$, $p < 0.01$).

Scatter plot of the regression analysis in the below graph shows that there is a linear relationship among reward variables



4.2.2.5 Multicollinearity Diagnosis

Multi collinearity exists is predictors are highly correlated. The listed table shows the tolerance level of the predictors.

Table 4.11 Multicollinearity test

Coefficients'			
Model		Collinearity Statistics	
		Tolerance	VIF
1	financial	.793	1.262
	nonfinancial	.793	1.262
a. Dependent Variable: motivation			

As the above table shows the tolerance level is below 0.2 and VIF is less than 10. Thus it can be concluded that the variables are highly correlated since the results of both variables meet the criteria. According to Menard (1995) tolerance should be more than 0.2 and Myers (1990) VIF should be less than 10.

Summary of the above, results indicates that all hypothesis in this research formulated are in agreement with their respective theories. However in some variables there exist positive but less significant relationships which require other researchers to re-check it indifferent sector.

4.2.2.6 ANOVA Analysis

It is used for testing the differences between the means of more than two independent groups. In this research, it is applied to test whether there were differences in work motivation based on position, age, experience, level of education and income.

- Work Motivation variance analysis based on position

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Table 4. 12 ANOVA: Differences in Work Motivation Based on gender

		Sum of Squares	df	Mean Square	F	Sig.
Motivation level	Between Groups	.034	1	.034	.099	.754
	Within Groups	30.714	89	.345		
	Total	30.748	90			

In the ANOVA table above, $F= 0.99$, $p > 0.01$ it is found out that there was no statistically significant differences in the level of motivation of employees based on their gender.

Table 4.13 ANOVA: Differences in work motivation based on marital status

		Sum of Squares	df	Mean Square	F	Sig.
Motivation level	Between Groups	.670	2	.335	.980	.379
	Within Groups	30.078	88	.342		
	Total	30.748	90			

In the ANOVA table above, $F= 0.980$, $p > 0.01$ it is found out that there was no statistically significant differences in the level of motivation of employees based on their marital status.

Table 4.14 ANOVA: Differences in work motivation based on Age

		Sum of Squares	df	Mean Square	F	Sig.
Motivation level	Between Groups	.990	3	.330	.965	.413
	Within Groups	29.758	87	.342		
	Total	30.748	90			

In the ANOVA table above, $F= 0.980$, $p > 0.01$ it is found out that there was no statistically significant differences in the level of motivation of employees based on their age.

Table 4.15 ANOVA: Differences in work motivation based on position

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		Sum of Squares	df	Mean Square	F	Sig.
Motivation level	Between Groups	7.500	4	1.875	6.936	.000
	Within Groups	23.249	86	.270		
	Total	30.748	90			

In the ANOVA table above, $F = 0.980$, $p > 0.01$ it is found out that there was no statistically significant differences in the level of motivation of employees based on their position.

Table 4.16 ANOVA: Differences in work motivation based on Salary range

		Sum of Squares	df	Mean Square	F	Sig.
Motivation level	Between Groups	8.010	5	1.602	5.989	.000
	Within Groups	22.738	85	.268		
	Total	30.748	90			

In the ANOVA table above, $F = 0.980$, $p > 0.01$ it is found out that there was no statistically significant differences in the level of motivation of employees based on their salary range.

The demographic factors considered for this research were gender, marital status, age, educational background, position and salary range and in the analysis above none of the factors were identified as statistically significant case of the means difference of motivation level between employees. Therefore, demographic factor is not the reason for variation in motivation level of employees.

4.2.2.7 Analysis on rank order questionnaire

Participants ranked the following motivational factors according to their preference from their 1st to their 6th choice payment, benefit, promotion, recognition, working condition, and leadership.

Table 4.17 Ranking of Motivation Factors

			Participant's ranking			Participant's ranking
			First	Second	Third	
Statistical ranking	First	Motivational factor	P and WC	R	B	L
		Frequency	21	19	12	30
		Percentage	23.1%	20.9%	13.2	33.0
	Second	Motivational factor	P	R	B	WC
		Frequency	28	20	15	18
		Percentage	30.8%	22.0%	16.5%	19.8%
	Third	Motivational factor	PR	WC	L	R
		Frequency	26	17	15	17
		Percentage	28.6%	18.7%	16.5%	18.7%

Where: P- Payment, WC-Working Condition, R-Recognition, B-Benefit, PR-Promotion and L-Leadership.

The table above shows that payment followed by Recognition then Working Condition is the prime motivational choices of the respondents whereas; Leadership is the last from the given list. Hence, from the result it is possible to conclude that most of the employees can motivated if there is noticeable change in their payment system while leadership can be considered as the least motivating factors in the exchange.

Chapter Five

Findings, conclusions and Recommendation

5.1 Summary of Findings

Descriptive statistics in the form of arithmetic mean and standard deviations for the respondents were computed for the multiple dimensions that have been assessed throughout the questionnaire are presented in Table 4.13. With respect to the dimensions of employee motivation assessed by the questionnaire, the result indicates that the mean values for the payment, benefit, promotion, working condition, recognition and leadership rated by respondents with their motivation level ranged from a low of 2.72 to a high of 3.84.

It therefore appears that it is not possible to conclude whether respondents motivated or not; however, the mean values for working condition, leadership and recognition are the lowest. The following mean values indicating those areas where employees were most likely to be demotivated. The result thus showing that staff in the current sample is most likely to be motivated with their payment, benefit and promotion. But they are least satisfied by working condition.

The Pearson's Product Moment correlation Coefficient was computed for the purpose of determining the relationships: (a) The relationship between the different dimensions of the reward variables and employee's motivation and (b) the relationship between rewards and employee motivation. In order to delineate the relationship between the various facets of rewards on employee motivation, the sub-dimensions of the questionnaire were correlated. There is statistically positive and significant relationship exists between all variables of rewards and employee motivation. However, non-financial reward has high degree of positive relationship with employee motivation than financial reward variables in this study. The values of correlation coefficient in case of significant relationship vary from lowest (0.333**) to highest (0.620**). The lowest value corresponds with payment while highest value is recognition. Working condition, promotion and leadership are also important variables in this study.

Financial and non-financial rewards

There is statistically direct significant and positive relationship between non-financial reward and employee motivation ($r = .749$, $p < 0.01$). Hence if rewards being offered to employees were to be altered, then there would be a corresponding change in employee motivation. The results also indicates that there is a statistically positive significant and direct existing relationship between financial reward and employees motivation ($r = .445$, $p < 0.01$) but this relationship is less as compared to the non-financial rewards. However, if the change in financial rewards accorded to employees is experienced, then there would be a corresponding change in employee's motivation.

Generally, the Regression Analysis for this study confirmed that financial and non-financial rewards have influential factor on motivation of employees at ECX. The results of regression analysis shows that; 11% variance in employee motivation is explained by Payment, 18% change in employee motivation is due to Benefits, 36% change in employee motivation is due to Promotion, 38% change in employee motivation is due to Recognition, 37% change in employee motivation is due to Work Condition and 26% change in employee motivation is due to Leadership. The ANNOVA analysis which is made to check the relationship of biographic data with motivation, none of them have direct and significant relation with motivation.

5.2 Conclusion

Based on the findings the following main conclusions are drawn

The aim of the study was to explore the effect of rewards on employee motivation. For organizations to be productive enough, creation of motivated and energetic employees is mandatory. Because organizations will be productive if and only if their employees are productive and this can happen in bringing a better reward management system that always considers and meets employee's expectations.

The Analysis has shown significantly positive relationship between all dimensions of reward variables and employee motivation and it is also supported by the results of regression analysis.

The results of this study are quite according to our hypothesis. Furthermore, the result of this study suggests that both financial and non-financial rewards are important factors that the exchange need to focus to keep employee motivated. Neglecting this factors causes to build demotivated employees which are subject to lower performance or even worse to leave the exchange.

In conclusion, the major findings of this research show that reward is considered important factor for motivation of the exchange employees.

5.3 Recommendation

The main reason behind the existence of organizations is to attain the objective behind their establishment through their employees. However, this can be attained when organizations able to motivate their employees and make them to focus towards the goals of their respective organizations. On the other hand, employees have their own demands that are supposed to be fulfilled by their employers. This is the logic behind the establishment of reward programs in many organizations. The major concern of this section is to give recommendation for Ethiopian Commodity Exchange and it is made based on the findings of the whole research work.

If rewards offered are not competitive, it will be difficult to recruit staff since potential employees can obtain better rewards from competitors. Existing staff may also be tempted to leave the organization if they are aware that their reward system is uncompetitive. High staff turnover can lead to higher costs of recruitment and training of new staff. Losing existing employees may also mean that some of the organizations accumulated knowledge is lost forever. The conclusion to be gained from this is that;

- Design strategic Total Reward system – the current market is full of competition and Rewards also go far beyond cash compensation and payments. Monetary compensation alone is insufficient to motivate employees. Other factors such as giving greater recognition, creating conducive work environment and establishment of better leadership system have the greatest impact on employee motivation

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- ECX shall continuously conduct analysis on the inflation and rewarding system competitiveness and make corresponding decisions taking in to consideration market change trends and financial capacity of the exchange
- ECX should specifically work to improve reward strategies by considering welfare of employees, goals and values, allowing employees to learn with an acceptable degree of learning errors and allow flexibility in the recognition process and involving employees in the process
- Employee satisfaction survey which has been made at the exchange should be continuous since it helps the exchange to Measure satisfaction survey and take action on survey results.
- Career management plan to exploit the potential of employees and provide opportunities to develop their abilities and careers is also another important factor to sustain the human capital.
- Conducive work environment: the exchange must try to create supportive, pleasant full working environment internally, in order to satisfy the staff and work with efficiency.
- Recognize small and large accomplishment: employees should be rewarded when they meet large goals as well as smaller milestones.
- The study also recommends that future research be directed towards investigating how variables like work balance, task autonomy, responsibility, working relationship and the work itself can influence employee motivation and to expand the scope to cover unaddressed variables.

If ECX can implement these recommendations, they will gain the benefits of more motivated employees willing to invest more discretionary effort to make their organization successful. Coupling this discretionary effort with enabling work environments will enable them to win in the talent marketplace.

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Appendices

APPENDIX A-QUESTIONNAIRE

Addis Ababa University

School of Commerce

Masters of Arts Program in Human Resource Management

Questionnaire to be filled by staffs of Ethiopia Commodity Exchange

Dear Respondents:

I am conducting a research on “The effect of Reward on Employee Motivation: a case in Ethiopia Commodity Exchange” for partial fulfillment of the requirements for masters of Arts Degree in Human Resource Management. The study intends for academic purpose only, besides the outputs of the study will help as input for the company’s decision makers.

Directions for filling the questionnaire

There is no right and wrong answer of the options provided. Therefore, you are kindly requested to fill your real opinion regarding each question. Your response is utilized only for the purpose of this survey.

► Please put an “✓” mark on your choice in the space provided

► No need of writing your name

I would like to appreciate your kind cooperation to fill this questionnaire in advance.

Yared Kebede

Part one: General Information

Gender	Male		Female	
Marital Status	Single	Married	Divorced	others
Age category	Below 25	26 - 35	36 - 45	Above 45
Highest qualification	College Diploma	First Degree	Master Degree	others

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Years of service in ECX	More than a year	2 - 4 years	4 - 6 years	More than 6 years

1. Current Position? _____

2. In which of the following salary ranges fall your salary?

2000 – 4000	<input type="checkbox"/>	4001 – 6000	<input type="checkbox"/>
6001 – 10,000	<input type="checkbox"/>	10,001 –15,000	<input type="checkbox"/>
15,001 – 25,000	<input type="checkbox"/>	above 25,001	<input type="checkbox"/>

Part Two: Research Related Questions:

The following questions are presented on a five point likert scale. If the item strongly matches with your response choose 5 (strongly agree), if you moderately agree on the idea choose 4 (agree), if you can't decide on the point choose 3 (neutral), if you don't agree with the idea choose 2 (disagree) and if you completely disagree with the point choose 1 (strongly disagree).

The purpose of this questionnaire is to give you a chance to tell how you feel about your present job, what things you are motivated with & what things you are not motivated with.

Remember: keep the statement in mind when deciding how motivated you feel about the aspect of your job.

Be frank and honest. Give a true picture of your feelings about your present job.

		Strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly agree (5)
Payment						
1	My salary is satisfactory in relation to what I do					
2	My salary is fair when compared with that of similar jobs in other companies					
3	My salary is enough to satisfy my needs					

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4	Salary increment is managed fairly					
5	Salary adjustment is made according to the current market					
Benefit						
6	There is a good benefit package					
7	My medical scheme is satisfactory					
8	There is a good opportunity for training					
9	Transportation benefit is fair with the current cost of transportation service					
10	The staff loan system is sufficient					
Promotion						
11	The opportunity for promotion exists					
12	My job allows me for rapid promotion					
13	Staffs has promoted in a fair and transparent manner					
14	My job motivated me since it has a return for growth					
Working Condition						
15	The arrangement of office layout is convenient for me					
16	My work has a strong pressure to rush with little time for break					
17	I get the opportunity to discuss with a group of employee and work as a team					
18	I am enjoying the social aspect of my work					
Recognition						
19	The nature of my job helped me to get tangible recognition for my					

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	performance					
20	I get credit for what I do					
21	I get constructive criticism about my work					
22	At the organization, those who deserve recognition don't always get it.					
Leader/Supervisor						
23	Support me in case of problems					
24	Treat me equally with other staffs					
25	keeps me informed about what is going on					
26	The relationship with my boss enables me to be open when discussing work problems					
Organizational Commitment						
27	I feel happy when I am working intensely					
28	I feel I belong to the Exchange					
29	I try to improve ways of doing my job effectively and efficiently					
30	I have a courage to do tasks effectively					
Reputation						
31	I am proud to say what kind of work I do					
32	I recommend others to join the Exchange					
33	I enjoy the physical surroundings where I work					
34	For someone with my professional training and experience, ECx is considered to be the best organization to work for.					

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Extra Effort						
35	I am willing to stretch myself on my job					
36	I am interested in my work					
37	I own a say on my job					
38	I feel inspired on my job					
Engagement						
39	Feel I am part of something meaningful in my position with ECX					
40	ECX inspires me to do my best work every day					
41	I rarely think about leaving ECX to work somewhere else					
42	Given the opportunity, I tell others great things about working at ECX					

Part Three

Here below six reward factors that affect your motivation are presented. Therefore, please give rank from No. 1 up to 6. No. “1” is the reward factor that affects your motivation very much while No. “6” the least affect your motivation.

Items	Rank
➤ Recognition	
➤ Leadership and Supervision	
➤ Payment	
➤ Benefit	
➤ Promotion	
➤ Working Condition	

Thank you for completing the questionnaire!!!

Appendix B

አዲስ አበባ ዩንቨርሲቲ

የንግድ ስራ ት/ቤት

የአርት ማስተርስ ዲግሪ በሰው ሀብት ስራ አመራር

በኢትዮጵያ ምርት ገበያ ስራተኞች የሚሞላ

ውድ መላሾች:

“የወርታ ውጤት በተቀጣሪ ስራተኞች ላይ የሚያመጣው ለውጥ” በሚል አርዕስት ጥናት እያደገኩ ነው። “የኢትዮጵያ ምርት ገበያ “ መስሪያ ቤትን በተመለከተ ስለ መስፈርቶችን ለሰው ኃይል አስተዳደር ማስተርስ ዲግሪ ላይ ከፊል ሟሟያ። ጥናቱ የትምህርት ዓላማ የታሰበ ብቻ ነው፤ የጥናቱ ውጤት የምርት ገበያው ውሳኔ ስጪዎች እንደ ግብዓት ይረዳሃል።

መጠይቁን ለመሙላት ማመላከቻ

ካሉት አማራጮች ውስጥ ምንም ትክክለኛ እና የተሳሳተ መልስ የለም። ስለዚህም እያንዳንዱን ጥያቄዎች ትክክለኛ አስተያየቶን እንዲሞሉ በትህትና አጠይቃለሁ። ምላሽ በዚህ የዳሰሳ ጥናት ጥቅም ላይ ነው ብቻ የሚውል ነው።

- ▶ እባኩን በቀረበው ምርጫ ቦታ ላይ “✓” ምልክት ያድርጉ
- ▶ የአርሰዎ ስም መጻፍ አስፈላጊነት አይደለም

ይህንን መጠይቅ ለመሙላት ፍቃደኛ ስለሆኑ በቅድሚያ ላመሰግን እፈልጋለሁ።

ያፊድ ከበደ

ክፍል አንድ፡ ጠቅላላ መረጃ

የታ	ወንድ		ሴት	
	የላገባ	የገባ	የፈታ	ሌላ
የዕድሜ ሁኔታ	ከ 25 በታች	ከ26 - 35	ከ36 - 45	ከ 45 በላይ
የከፍተኛ የት/ደረጃ	ዲፕሎማ	የመጀመሪያ ዲግሪ	ማስተርስ	ሌላ
በኢምገ ያገልግሎት ጊዜ	ከአመት በላይ	2 - 4 አመታት	4 - 6 አመታት	ከ 6 አመታት በላይ

3. የስራ መደብዎ? _____

4. ደመወዝዎ በየትኛው በየትኛው ውስጥ ይካተታል?

2000 – 4000	<input type="checkbox"/>	4001 – 6000	<input type="checkbox"/>
6001 – 10,000	<input type="checkbox"/>	10,001 – 15,000	<input type="checkbox"/>
15,001 – 25,000	<input type="checkbox"/>	ከ 25,001 በላይ	<input type="checkbox"/>

ክፍል ሁለት: ምርምር ተዛማጅ ጥያቄዎች:

የሚከተሉት ጥያቄዎች በአምስት ነጥብ ሊከርት ልኬት ላይ ይቀርባሉ። ምላሽዎ በጣም ጠንካራ የሚል ከሆነ ቁጥር 5 (በጣም እስማማለሁ) የሚለውን ይምረጡ፤ መጠነኛ መስማማት ከሆነ 4 (እስማማለሁ) ይምረጡ ፤ 3 ምረጥ ሆሳቡ ላይ ምርጫዎን መወሰን ካቃትዎ 3 (ገለልተኛ) ይምረጡ ፤ በሀሳቡ ካልተስማሙ 2 (አልስማማም) ይምረጡ እና ሙሉ ለሙሉ ነጥብ ጋር የማይስማሙ ከሆነ (አጥብቄ እቃወማለሁ) 1 ይምረጡ.

የዚህ መጠይቅ ዓላማ እርስዎ አሁን ባሉበት ስራ ላይ የሚሰማዎን ስሜት እንዲያንፀባርቁ ፤ ምን እዲሰሩ እንደሚያነቃቁት እና ምን እንዲሰሩ እንደማያነቃቁት እድል ለመስጠት ነው።

ያስታውሱ: ስለሥራዎን ተነሳሽነት ያሉዎትን ሁኔታ ሲገልፁ የጥናቱን ሃሳብ ግምት ውስጥ ያስገቡ።

ግልጽ እና እውነተኛ ይሁኑ። አሁን ስላለው የስራ ሁኔታ ትክክለኛ ስሜትዎን ያሳዩ።

		አጥብቄ እቃወማለሁ (1)	አልስማማም (2)	ገለልተኛ (3)	እስማማለሁ (4)	በጣም እስማማለሁ (5)
ክፍያ						
1	የእኔ ደመወዝ ከምስራው ስራ አንፃር አጥጋቢ ነው					
2	ከሌሎች ኩባንያዎች ውስጥ ተመሳሳይ ስራዎችን ጋር ሲነጻጸር የእኔ ደምዘ ፍትሐዊ ነው					
3	የእኔ ደመወዝ የእኔን ፍላጎት ለማርካት በቂ ነው					
4	የደመወዝ ጭማሪ በአግባቡ የሚተዳደር ነው					

Effect of Reward on employee motivation (ECX)

5	ደመወዝ ማስተካከያ የአሁኑን ገበያ መሠረት ያደረገ ነው					
ጥቅማጥቅም						
6	ጥሩ ጥቅል ጥቅማጥቅም አለ					
7	የእኔ የሕክምና ሽፋን አጥጋቢ ነው					
8	ጥሩ የሥልጠና ሁኔታ አለ					
9	የትራንስፖርት አበል አሁን ካለው የትራንስፖርት አገልግሎት ወጪ ጋር ፍትሐዊ ነው					
10	የሰራተኞቹ የብድር ስርዓት በቂ ነው					
እድገት						
11	የማደግ እድሉ አለ					
12	ስራዬ በፍጥነት እንዳደግ ያስችለኛል					
13	ሠራተኞችና ፍትሃዊ እና ግልጽነት ባለው መንገድ አድገዋል					
14	ስራዬ የማደግ ተስፋ ስላለው ያነሳሳኛል					
የስራ ሁኔታ						
15	የቢሮ አቀማመጥ ዝግጅት ለእኔ ምቹ ነው;					
16	ስራዬ አጣጣሪ ስለሆነ ትንሽ የአረፍት ጊዜ ነው ያለኝ					
17	ስለስራዬ ከቡድን ለመወያየት እና ለመስራት እድሉ አለኝ					
18	በስራዬ ቦታ ያለውን ማህበራዊ ሁኔታ እወደዋለሁ					
እውቅና						
19	የእኔ የሥራ ተፈጥሮ የእኔ አፈጻጸም ሁኔታ እውቅና ለማግኘት ረድቶኛል					
20	ለምስራው ስራ ምላሹን አገኛለሁ					
21	ስለስራዬ ተገቢውን ጠቃሚ አስተያያት አገኛለሁ					
22	በመ/ቤቱ እውቅና የሚገባቸው ሰራተኞች አያገኙም					

Effect of Reward on employee motivation (ECX)

አመራር /አለቃ						
23	ትግር ሲገጥሙኝ ይደግፈኛል					
24	ከሌሎች ስራተኞች እኩል ያዩኛል					
25	ስላሳው ነገር መረጃ ይሰጠኛል					
26	ከአለቃዬ ጋር ያለኝ ግንኙነት ስለሰራ ስንወያይ ነፃ ሆኜ እንድናገር ይረዳኛል					
ተቋማዊ ኃላፊነት						
27	ስራ በበዛበት ሁኔታ ስሰራ ደስተኛ እሆናለሁ					
28	የምርት ገበያው አካል እንደሆንኩ ይሰማኛል					
29	ስራይን ውጤታማ እና ስኬታማ ለማድረግ መንገድ እፈልጋለሁ					
30	ስኬታማ ስራን ለመስራት እጥራለሁ					
ተቋማዊ ገፊታ						
31	ምንአይነት ስራ እንደምሰራ ስናገር እኮራለሁ					
32	ሌሎች ስራተኞችም ምርት-ገበያውን እንዲቀላቀሉ እመክራለሁ					
33	በስራ ቦታዬ ያለውን የአካባቢ ሁኔታ እወደዋለሁ					
34	እኔ ባለኝ የትምህርት እና የሰልጠና ዝግጅት ለኢምግ መስራት የተሻለው አማራጭ ነው					
ተጨማሪ ጥረት						
35	ተጨማሪ ስራን ለመስራት ፍቀዳለሁ ነኝ					
36	በስራዬ እመሰግናለሁ					
37	በስራዬ ላይ ተደማጭነት አለኝ					
38	ስራዬ ላይ ተነሻሽነት አለኝ					
ተሳትፎ						
39	በኢምግ ባለኝ የስራ ድርሻ ጠቃሚ እንደሆንኩ ይሰማኛል					
40	ኢምግ በእየዕለቱ በስራዬ እንድትጋ ያነሳሳኛል					
41	ኢምግን ትኛ ሌላ ቦታ የመስራት ሃሳብ እምብዛም የለኝ					
42	ኢምግ በሰጠኝ እድል ለሌሎች መ/ቤቱ ውስጥ ስላሉ ጥሩ ነገሮችን እናገራለሁ					

ክፍል ሶስት

ከዚህ በታች ስድስት የተዘረዘሩ የሥራ ተነሳሽነትን የሚነካ የወርታ አይነቶች ቀርበዋል. ስለሆነም፣ ከተ.ቁ “1” እስከ “6” ድረስ ደረጃ ይሰጡ. የሥራ ተነሳሽነትን በጣም የሚነካ ከሆነ ተ.ቁ “1” ሲሆን የመጨረሻ ተነሳሽነትን የማይነካው ደግሞ “6” ይሆናል።

አይነት	ደረጃ
➤ እውቅና	
➤ አመራር እና ቁጥጥር	
➤ ክፍያ	
➤ ጥቅማጥቅም	
➤ እድገት	
➤ የሥራ ሁኔታ	

ጥያቄዎቹን ሞልተው ስለጨረሱ አመሰግናለሁ!!!

APPENDIX C-Mean and Standard Deviations for Financial and Non-Financial Rewards

Item	N	Minimum	Maximum	Mean	Std. Deviation
Financial Reward					
Payment	91	1.60	4.80	3.5912	.62248
Benefit	91	2.00	4.80	3.5209	.65039
Non-financial Reward					
Promotion	91	1.25	4.75	3.3297	.83739
Working condition	91	1.00	5.00	2.5797	.72732
recognition	91	1.25	5.00	2.9176	.73603
leadership	91	1.25	4.25	2.7280	.66317
Motivation					
commitment	91	1.00	4.00	2.1731	.64409
reputation	91	1.00	4.25	2.6154	.65649
Extra effort	91	1.00	4.50	2.3956	.70520
engagement	91	1.25	4.75	2.9121	.73350
Valid N (listwise)	91				