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ADDIS ABABA UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS
DEPARTMENT OF MANAGEMENT

**THE EFFECT OF REWARD ON EMPLOYEES
MOTIVATION: THE CASE OF COMMERCIAL BANK OF
ETHIOPIA ADDIS ABABA AREA**

BY: ADDISU TEMESGEN

FEBRUARY, 2018
ADDIS ABABA, ETHIOPIA

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ADVISOR: ABDURAZAK MOHAMMED (PHD)

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Approved by Board of Examiners

Research Advisor	Signature	Date
Dr. <u>Abdurazak Mohammed</u>	-----	-----
External Examiner	Signature	Date
-----	-----	-----
Internal Examiner	Signature	Date
-----	-----	-----
Department Head:	Signature	Date
-----	-----	-----

CERTIFICATION

This is to certify that ADDISU TEMESGEN JEMBER has done the study on the topic “The Effect of reward on employee’s motivation: The case of Commercial bank of Ethiopia Addis Ababa area”. This study is authentic and has not been done before by any other researcher.

Confirmed by:

Advisor: Dr. ABDURAZAK MOHAMMED

Signature: _____

Date : _____

DECLARATION

Here I, Addisu Temesgen Jember, declare that the research project entitled “The Effect of Reward on Employees Motivation: The case of commercial bank of Ethiopia Addis Ababa area” is my original work that is done under the guidance and advice of my advisor, Abdurazak Mohammed (PhD).

This research project is done as partial fulfillment for Masters of Business administration. This research has not been done before and all sources of materials used for the study have been appropriately acknowledged.

Name: Addisu Temesgen

Signature: _____

Date: February, 2018

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ACRONYMS

CBE:	Commercial Bank of Ethiopia
HRM:	Human Resource Management
SPSS:	Statistical Package for Social Science
SD:	Standard Deviation

ABSTRACT

Dynamic and conducive organizational climate is mandatory for the contemporary organizations to have motivated and productive employees under the intense of global competition. realizing this, the main aim of this research is to identify the effect of reward on employees motivation in the case of commercial bank of Ethiopia Addis Ababa area with the reward dimensions of payment, benefit, promotion working condition, recognition, employees autonomy and career development opportunities. The study was done based on primary and secondary data sources. A self-administered questionnaire was designed to collect relevant information from the selected 291 respondents. Among this 247 questionnaires are returned and analyzed. The collected data was analyzed by SPSS version 21 using descriptive statics and multiple regressions. Descriptive research design was followed to describe what it is or what the situation looks like and correlation analysis also used in this study to show the relation between dependent and independent variables. Based on this all reward variables have positive relationship or correlation with employee's motivation. Based on the result of multiple linear regression variables like payment, benefit, recognition and employees autonomy have positive and significance effect on employee's motivation but promotion, working condition and career development opportunity have no significance impact on employee's motivation. Since the relation between rewards and motivation exist the management of commercial bank of Ethiopia should clearly state well-articulated reward policy by involving some employees in the process of developing it in order to increase the employee's motivation and to achieve its own goal.

Key words: Reward, motivation, Payment, Recognition, Working Condition, Promotion, employees autonomy and career development opportunity

CHAPTER ONE

1. INTRODUCTION

1.1. Background of the Study

Currently Human resource is considered as the most important asset of every organization. In the age of global competition, acquiring right workforce and retaining it becomes the most important challenge of all organizations. At a minimum the organization expects employees to perform reliably the tasks assigned to them and at the standards set for them, and to follow the rules that have been established to govern the workplace. And on the other side employees will give their maximum and will be highly engaged with the organization when they have a feeling or trust that their efforts will be properly and equitably rewarded by the management.

Reward management, as Armstrong and Murlis (2004) described, is the development, implementation, maintenance, communication and evaluation of reward processes. The concept of reward management does not simply refer to the payroll function. It also covers the formulation and implementation of the strategies as well as the practice of pay system. Importantly, rewards management is also concerned with the development of appropriate organizational cultures, underpinning core values and increasing the motivation and commitment of employees.

Reward, of which can be in terms of monetary or non-monetary, is the key factor to attract or retain talents and to motivate employees to become good performers. Reward management in business organizations not only consists of financial rewards such as pay but they also consist of non-financial rewards such as employee recognition, employee training/development and increased job responsibility, Armstrong and Murlis (2004). The main aim of reward management in a business organization is to reward the employees fairly for the work that they have completed and to motivate the employees in that particular organization to work hard and try their best to achieve the goals which are set out by the business.

Nowadays the biggest task of the human resource manager in every business organization is to motivate and retain employees. Today's competitive environment requires a workforce that is motivated and committed to reaching work related goals. Motivation is the force that makes people choose a particular job, stay with the job, and work hard with the job. A well-managed organization can motivate and retain employees and hence has the following advantages: reduce turn over, reduce absenteeism, increase productivity and improve performance.

Motivations contribution to productivity in organizations is highlighted by Armstrong (2001) who asserts that issues regarding motivation should be closely monitored in organizations because they affect the sustenance of high levels of performance through people; from whom management expects results that are in accordance with organizational goals and objectives. Performance involves employees 'application of their abilities and efforts; that is why employee motivation is so vital to overall performance of any organization. An organization becomes successful when its leadership is strong, engaged and promotes motivation.

Employee motivation is a complex process because as Armstrong (2005) described that it depends on several factors. Like, individual needs and aspiration, expectation about the reward, equity and fairness (the felt fair principle) and other factor. Generally speaking motivation is a life blood of an organization and therefore it is important for managers to understand the factors that motivate their employees to perform to the best of their ability. And as motivation concerns, reward system is an important tool for management use as the channel of employees' motivation. Therefore when the reward strategy designed and implement the mentioned employee motivation factor should be taken in to consideration and also in order to motivate employees at work the company should implement desirable total reward strategy.

In the past, it has seemed simplistic to assume that it is only the extrinsic motivators in the form of pay that create long-term motivation. But the total reward concept emphasizes the importance of non- financial rewards as an integral part of a complete package. The intrinsic motivators, which can arise from the work itself and the working environment may have a deeper and longer – lasting effect (Armstrong, 2009). Unfortunately most

managers tend to believe, rather erroneously, that they can adequately motivate their workers by offering rewards such as higher pay, bonuses, and paid vacations.

According to Malik Muhammad (2011) reward system is a very important tool that all banks can use to strait employees motivation in different ways. In other words, banks give rewards to employees; and reward system seeks not only to attract new employees to join the bank but also to keep existing employees and also motivate them to perform at high level. This study is therefore attempts to show the overall reward management system at the commercial bank of Ethiopia and tries to show the effect of reward on employee's motivation.

1.2. Background of the Organization

Commercial Bank of Ethiopia (CBE) is the leading and Pioneer bank to introduce modern banking to the country which was established in 1942. Since its establishment it has made a lot of improvements and currently it has more than 1187 branches stretched across the country. It is the leading African bank with assets of 384.6 billion Birr and total deposit of Birr 288.5 billion as of June 30, 2016. It is Pioneer Bank in Ethiopia to introduce modern banking technologies to its customers. CBE plays a catalytic role in the economic progress & development of the country. It is the first bank in Ethiopia to introduce ATM service for local users and currently it has more than 13.3 million account holders. CBE has strong correspondent relationship with more than 50 renowned foreign banks and a SWIFT bilateral arrangement with more than 700 financial institutions with capital of 12billion and 28467 employees. CBE is the Pioneer to introduce Western Union Money Transfer Services in Ethiopia early 1990s and currently working with other 20 money transfer. It has opened four branches in South Sudan and has been in the business since June 2009. (All figures are taken from annual report of CBE as june30, 2016).

The vision of CBE is: "To become a world-class commercial bank by the year 2025". And its mission is " Being committed to best realize stakeholders' needs through enhanced financial intermediation globally and supporting national development priorities, by deploying highly motivated, skilled and disciplined employees as well as state-of-the-art

technology. They strongly believe that winning the public confidence is the basis of our success”

1.3. Problem Statement

All employees have personal objectives, which they strive to obtain. There is a risk that the employees’ individual aspirations and objectives are not in line with the objectives of the business management (Arvidsson, 2005). To get the maximum from these resources and in order for an organization to meet its obligations to shareholders, employees and society, top management must develop a relationship between the organization and employees that will fulfill the continually changing needs of both parties. One way of doing so is motivating employees. Baron (1983) describes motivation as, “an accumulation of different processes which influence and direct our behavior to achieve some specific goal”. Since unmotivated employees value their own objectives more than those of the company, this discrepancy may lead to a conflict of aims so the management should design reward systems that strengthen the connection between employees’ goals and motivation factors with the objectives of the organization.(Arvidsson, 2005)

Employee reward management programs range from a spontaneous and private thank-you to widely publicized formal programs in which specific types of behavior are encouraged and the procedures for attaining recognition are clearly identified. Numerous studies have proved that rewarding employees is one of the best ways to keep the work force motivated. Different types of rewards affect the motivation of employees which can be classified into two categories, financial and non-financial rewards. Although financial rewards are important for employee motivation in third world countries, where the inflation rate is so high that people are struggling hard to retain their social status but the importance of non-financial rewards cannot even be discriminated (Latif, 2014). Mikander (2010) also supports the assumption that a well-developed and functional reward system can increase employee motivation and satisfaction. It is therefore important for a company to find out what motivates its employees so that, it can plan a suitable reward system and gain better results.

Commercial bank of Ethiopia provides different packages of financial and non-financial reward for employees. However 2015/16 Annual Performance Review Report study of the bank indicates that many challenges and weaknesses like attitude problem, poor performance, failed to keep or maintain customers, employees' turnover, knowledge gap, which most of them arises from employees lack of motivation, had been put as a threat that will hinder the bank from achieving its vision and mission. And from the human power perspective the banks Business Development Process survey (June, 2016) shows that the motivation and satisfaction of bank employees is diminishing as compared to previous years. And according to 2016/17 half year performance review the banks turnover is double of the expected turnover rate and also as the HR exit interview report study on 2015/2016 shows some employees' reveal that even though the bank services are the same among other commercial banks in Ethiopia the reward given to employees is very low as compared with other private banks. In addition to this other financial and non-financial rewards provided by the bank like, transport, loan, housing and hardship allowances are said to be not enough and not equivalent with the cost of living. The health service and the educational opportunity provided by the bank are also not adequate. If those problems are not solved, the bank may face more challenges, like Customer dissatisfaction, reduction of revenue, and losing of highly skilled and potential employees and customers, which are key for the banks success and achievement of mission and vision.

Bearing those problems in mind this research tries to relate and show the effect of reward on employee's motivation. In Ethiopian context researchers like Mengistu Kefelegn, Ephrem Temtime and Yared Kebede undertaken study on the effects of reward on employee's motivation in different Ethiopian organizations. However up to the researcher's consideration little research was undertaken regarding the effect reward on motivation of employees of CBE. *So the researcher tries to fill this gap* by investigating the effects of different reward dimensions on employee's motivation in commercial bank of Ethiopia and set to answer the following questions.

1.4. Research Question

- 1) What motivates the employees of commercial bank of Ethiopia (CBE)?
- 2) What types of rewards are practiced in CBE?
- 3) What is the level of employee's motivation in CBE?
- 4) Which reward system does the employees of CBE perceive the most motivating?

1.5. Research Objective

1.5.1. General Objective

The main objective this study is to investigate the effects of reward on employee motivation at commercial bank of Ethiopia.

1.5.2. Specific Objective

This research is intended to achieve the following specific objectives:-

- 1) To evaluate if there is a relationship between reward and employee motivation in CBE.
- 2) To identify what kinds of rewards employees under CBE consider most beneficial.
- 3) To examine the reward management practice of CBE.
- 4) To propose a reward model that will fit in the organization reward system.

1.6. Hypothesis of the Study

Based on the assumed causal relationship given in the conceptual model and by reviewing different motivational theories and literatures on the topic, the following hypotheses are developed for testing.

H1: Payment has a positive and significant effect on employee's motivation.

H2: Benefit has a positive and significant effect on employee's motivation.

H3: Employee's promotion has a positive and significant effect on employee's motivation.

H4: Working condition has a positive and significant effect on employee's motivation.

H5: Employee's recognition has a positive and significant effect on employee's motivation.

H6: Employee's autonomy has a positive and significant effect on employee's motivation.

H7: Employee Career development opportunity has a positive and significant effect on employee's motivation.

1.7. Significance of the Study

The finding of this research is expected to have the following importance:

- This research helps us to understand the relationship between reward and employee motivation in commercial bank of Ethiopia (CBE).
- This study will be beneficial for the management of CBE to know the significance of intrinsic and extrinsic as well as financial and non-financial rewards on employee's motivation which highly affects employee's performance and also the Management can get a better idea while developing its reward system as what kind of reward would be given the most importance and at what stage it should be given.
- The findings of this research will give an outlook for the level of motivation of employees and helps to regularly review its reward and pay systems based on market information.
- This study will support other researchers by adding a literature on reward systems and employees motivation.

1.8. Scope of the Research

The study focuses on the effect of motivation in improving employee's Motivation in the commercial bank of Ethiopia Addis Ababa area by using a mixed research approach. Despite the fact that, the researcher has recognized the need to cover all employees of commercial banks of Ethiopia, resource limitation, unmanageable population size, difference in cost of living and reward package (which highly affects the results of the study) forced the study to focus on commercial bank of Ethiopia Addis Ababa area. So geographically this study delimited to four (south, north, east and west) districts of Addis Ababa.

The study involve as a target population of all permanent employees of CBE in Addis Ababa area. The rest non clerical employees are not included in the study because they are employed by agencies and are not Permanent employees of CBE.

Even if reward management covers a wide bundle of ideas and concepts, only payment, benefits, promotion, recognition, working condition, employee's autonomy and career development opportunity are discussed.

1.9. Limitation of the Study

To conduct this study there were some challenges that affect the quality of the paper and hinder the progress of the research. The researcher challenged by lack of cooperation on the side of few respondents in filling out and returning back questionnaires due to time constraint and work load in addition to social desirability bias. The other limitation of this study was missed to address all reward variables that have impact on motivation which may have some impact on the outcome of the study as the dependent variable is subject to other reward variables.

1.10. Organization of the Study

The research report is organized in to five parts. Chapter 1 presents the background of the study and explains the research problem. It also addresses the research question to be answered, the research objective to be achieved and the scope of the study. Chapter 2 focuses on the literature review of the theoretical arguments from secondary sources such as journal, articles and books etc. The empirical studies will be assessed in this chapter to enable the construct of the conceptual framework of the research. Chapter 3 describes how the research is carried out in terms of research design, sample and sampling procedures, methods of data collection and the methods of data analysis. Chapter 4 documents the results of the research generated form data analysis procedures set in chapter 3. Chapter 5 finally concludes the overall findings of the study and provides recommendations.

1.11. Definition of Key Words and Variables

Recognition: acknowledgement for a job well done or it is non-financial reward that increases job satisfaction (Armstrong, 2004).

Reward: is something given or received for a deed or service rendered it is the combination of financial and non-financial or extrinsic and intrinsic rewards available to employees (Armstrong, 2004).

Working condition: Working condition refers to the working environment and all the existing

circumstances affecting labor in the work place, including job hours, physical aspects, legal rights and responsibilities or it is about providing healthy, safe and so far as practicable pleasant working environment for employees (Armstrong, 2006).

Payment: all compensations which are given to an employee against his work (Dessler 2008).

Extrinsic rewards: Benefits provided by the employer, usually money, promotion, or benefits (Hertzberg, 1957).

Employee benefits: are elements of remuneration given in addition to the various forms of cash pay (Armstrong, 2003).

Financial reward: rewards that enhance employee's financial well-being (Armstrong, 2004).

Motivation: Internal and external factors that stimulate desire and energy in people to be committed to a job or make an effort in attaining a goal.

Intrinsic reward: Satisfactions derived from the job itself, such as pride in one's work, a feeling of accomplishment, or being part of a team (Hertzberg, 1957).

Nonfinancial rewards: are internal feelings not involving money such as from praise and job autonomy

Promotion: Heery and Noon (2006) define promotion “getting high status in workplace by doing effective work, generally increase the status, position and remuneration of employee in the organization”.

Career development opportunity: is the process of improving an individual’s abilities in anticipation of future opportunities for achieving career objectives.

Employee’s autonomy: According to Wilkinson (1998) empowerment/autonomy is the extents to which employees“ are encouraged to take firm decisions by employees without consultation with their managers

CHAPTER TWO

2. LITERATURE REVIEW

2.1. Introduction

A very large contextual body of literature supports and paves a way that a sound reward management practice contributes a great deal to correlate with employee's motivation. This chapter will review both theoretical and empirical literature by various scholars on the relationship of reward and employees motivation.

In addition, it tries covers the concept of reward management, reward system, reward strategy, total reward, and types of rewards, motivation, motivational theories , the relationship between reward management and employees motivation and factors that explain variation of employees motivation.

2.2. Theoretical Foundations

2.2.1. Concept of Reward Management

Reward management refers to the strategies, policies and processes that are required to ensure that the contribution of people in an organization is recognized by both non-financial and financial means (Armstrong, 2007), fairly and consistently so as to ensure the achievement of organization goals. This implies that rewards management encompasses the design, implementation and maintenance of reward systems which target both the organization and its stakeholders. Reward management consists of analyzing and controlling employee remuneration, compensation and all of the other benefits for the employees.

Reward structure usually consists of pay policy and practices, salary and payroll administration, total reward, minimum wage, executive pay and team reward. According to Karami, (2012), a reward system should be effective and efficient in order to enable an organization achieve its goals and it should be designed in a way that creates maximum returns to both the corporation and its employees. Therefore, reward management is concerned with ensuring that people in the organization are rewarded equitably,

Armstrong (2007) also notes that rewards management does not only involve employee pay and benefits but also concerned with non-financial rewards such as learning and development, recognition, praise and increased job responsibility. Njanja (2013) emphasizes that recognition and appreciation are other integral components of rewards management. According to Karami (2012), maintaining attention to the main needs of employees and ensuring fair distribution of rewards both inside and outside the organization are the main ideologies in any reward system. Carnellus (2001) observes that reward management is important because it contributes to the achievement of corporate goals through motivating workers of that organization. Consequently, the reward management strategy of a company should be designed in a way that it attracts and retains the right employees by ensuring that there is a direct relationship between rewards and efforts.

2.2.2. The Aims of Reward Management

The aim of reward management is to ensure that business goals are supported and achieved by developing and stimulating a culture of performance. Reward management aims to create and efficiently operate a reward structure for an organization. Generally Armstrong (2009) listed aims of reward management as to,

- Reward people according to what the organization values and wants to pay for.
- Reward people for the value they create.
- Reward the right things to convey the right message about what is important in terms of behaviors and outcomes.
- Develop a performance culture.
- Motivate people and obtain their commitment and engagement.
- Help to attract and retain the high quality people the organization needs.
- Develop a positive employment relationship and psychological contract.
- Align reward practices with both business goals and employee values; the alignment of organizations reward practices with employee values and needs is every bit as important as alignment with business goals, and critical to the realization of the latter.

- Operate fairly – people feel that they are treated justly in accordance with what is due to them because of their value to the organization
- Apply equitably – people are rewarded appropriately in relation to others within the organization, relativities between jobs are measured as objectively as possible and equal pay is provided for work of equal value.
- Function consistently – decisions on pay do not vary arbitrarily and without due cause between different people or at different times.
- Operate transparently – people understand how reward processes operate and how they are affected by them.

Appropriate timely and effective reward enhances employees' motivation which in turn leads to improved commitment as well as achievement of organizational goals as Karami (2013) noted. Wang and Feng (2003) observe that reward management is one of the most important and significant variable influencing organizational ethics and job performance. This is because it directs the general attitudes of an employee to the job.

2.2.3. Reward Strategy

Reward strategy is a declaration of intent that defines what the organization wants to do in the longer term to develop and implement reward policies, practices and processes that will further support the achievement of its business goals and meet the needs of its stakeholders. It provides a sense of purpose and direction and a framework for developing reward policies, practices and processes. It is based on an understanding of the needs of the organization and its employees and how they can best be satisfied. It is also concerned with developing the values of the organization on how people should be rewarded and formulating guiding principles that will ensure that these values are enacted. Reward strategy is underpinned by a reward philosophy, which expresses what the organization believes should be the basis upon which people are valued and rewarded. Reward philosophies are often articulated as guiding principles.

2.2.4. Why Reward Strategy?

In the words of Duncan Brown (2001), ‘Reward strategy is ultimately a way of thinking that you can apply to any reward issue arising in your organization, to see how you can create value from it.’ More specifically, there are four arguments for developing reward strategies:

1. You must have some idea where you are going, or how do you know how to get there, and how do you know that you have arrived (if you ever do)?
2. Pay costs in most organizations are by far the largest item of expense – they can be 60 per cent and often much more in labor-intensive organizations – so doesn’t it make sense to think about how they should be managed and invested in the longer term?
3. There can be a positive relationship between rewards, in the broadest sense, and performance, so shouldn’t we think about how we can strengthen that link?
4. As Cox and Purcell (1998) write, ‘the real benefit in reward strategies lies in complex linkages with other human resource management policies and practices’. Isn’t this a good reason for developing a reward strategic framework that indicates how reward processes will be linked to HR processes so that they are coherent and mutually supportive?

2.2.5. Total Reward

Total reward ‘includes all types of rewards indirect as well as direct, and intrinsic as well as extrinsic’. Each aspect of reward, namely base pay, contingent pay, employee benefit and non-financial rewards, which include intrinsic rewards from the work itself, are linked together and treated as an integrated and coherent whole. Total reward combines the impact of the two major categories of reward: 1) transactional rewards: tangible rewards arising from transactions between the employer and employees concerning pay and benefit, and 2) relational rewards: intangible rewards concerned with learning and development and the work experience (Manus and Graham (2003).

Table 2.1 The components of total reward adapted from Armstrong, 2009

Transactional reward	Base pay	Total Remuneration	Total reward
	contingent pay		
	employee benefit		
Relational reward	learning and development	Non-financial intrinsic rewards	
	The work experience		

The benefits of a total reward includes as Armstrong listed:

- ❖ Greater impact – the combined effect of the different types of rewards will make a deeper and longer-lasting impact on the motivation and commitment of people.
- ❖ Enhancing the employment relationship – the employment relationship created by a total rewards approach makes the maximum use of relational as well as transactional rewards and will therefore appeal more to individuals.
- ❖ Flexibility to meet individual needs – as pointed out by Milkovich and Bloom (1998): ‘Relational rewards may bind individuals more strongly to the organization because they can answer those special individual needs’.
- ❖ Talent management – relational rewards help to deliver a positive psychological contract and this can serve as a differentiator in the recruitment market which is much more difficult to replicate than individual pay practices. The organization can become an ‘employer of choice’ and ‘a great place to work’ thus attracting and retaining the talented people it needs.

2.2.6. Types of Rewards

There are a number of ways to classify rewards. Two of the more typical dichotomies are: Intrinsic versus extrinsic rewards, financial versus non-financial rewards. These categories are far from being mutually exclusive.

2.2.6.1. Intrinsic Versus Extrinsic Rewards

According to McCormick and Tiffin (1979), the system of rewards can be classified as intrinsic or extrinsic. Intrinsic reward system is those that are inherent in the job and which the individual enjoys as a result of successfully completing the task or attaining his goals. Intrinsic reward concerns with psychological development of employees. They are intangible benefits and include the characteristics such as autonomy, feedback and decision making participation. The intrinsic reward system are created purposely to appreciate employees in form of self-esteem and related to their feeling of achievement and growth with organization. Employees are feel satisfy when they have accomplished something worth in work and orally appreciated by the organization.

On the other hand extrinsic reward comes from external and it is tangible in order to appreciate the task performed by employee. Extrinsic rewards are external to the task of the job, including pay, work condition, fringe benefits, security, and promotion, contract of service, salary, incentives, bonuses, payments and job security the work environment and conditions of work(Akanbi, 2008).An extrinsic reward is outcomes supplied by the organization, and includes salary, status, job security and fringe benefits. One can compare these rewards to the job context items that Herzberg called hygiene factors.

Thus, if an employee experiences feelings of achievement or personal growth from a job, we would label such rewards as intrinsic. If the employee receives a salary increase or a write up in the company magazine, we would label those rewards as extrinsic. While we have stressed the role of extrinsic rewards in motivation, we should point out that intrinsic and extrinsic rewards may be closely linked.

2.2.6.2. Financial versus Nonfinancial Rewards

Financial versus nonfinancial rewards may or may not enhance the employee's financial well-being. Those that do, do so directly. For instance, through wages, bonuses, or profit sharing, or indirectly, through employer-subsidized benefits such as retirement plans, paid vacations, paid sick leaves, and purchase discounts.

Nonfinancial rewards present a variety of desirable extras for organizations. These do not directly increase the employee's financial position, but rather add attraction to life on the job. The creation of these rewards is limited only by HRM's ingenuity and ability to use them to motivate desirable behavior (Armstrong and Muris, 2004).

Financial Rewards

According to Armstrong and Muris, 2004, Financial rewards need to be considered from three points of view:

1. The effectiveness of money as a motivator;
2. The reasons why people are satisfied or dissatisfied with their rewards;
3. The criteria which should be used when developing a financial reward system.

❖ Money as a motivator

Money is important to people because it is instrumental in satisfying a number of their most pressing needs. It is significant not only because of what they can buy with it but also as a highly tangible method of recognizing their worth, thus improving their self-esteem and gaining the esteem of others. Pay can often be the key to attracting people to join an organization, although job interest, career opportunities and the reputation of the organization will also be factors. Satisfaction with pay among existing employees is mainly related to feelings about equity and fairness.

As a tangible means of recognizing achievement, pay can reinforce desirable behavior. Pay can also deliver messages on what the organization believes to be important. But to be effective, a pay-for-performance system has to meet very stringent conditions as defined by expectancy theory. But to achieve lasting motivation, attention has also to be paid to the non-financial motivators.

❖ Causes of satisfaction or dissatisfaction with pay

Reactions to reward policies and practices will depend largely on the values and needs of individuals and on their employment conditions. It is therefore dangerous to generalize about the causes of satisfaction or dissatisfaction. However, it seems reasonable to believe

that, as mentioned above, feelings about external and internal equity (the ‘felt-fair’ principle) will strongly influence most people.

One reason for the reduced degree of satisfaction with reward has to do with the number of possible comparisons. That is individuals seek comparison from internal and external sources and in order to increase this lower level of satisfaction with pay organizations have to develop a compensation system that incorporates the equity concerns of all participants. This is achieved by establishing a system that includes both external and internal comparisons in setting pay levels.

Financial rewards criteria

The criteria for assessing the effectiveness of financial reward practices as means of motivation are that:

- They are, as far as possible, internally equitable as well as externally competitive (although there will always be a tension between these two criteria – paying market rates may upset internal relativities);
- Pay-for-performance or contribution 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 measures, if employees understand what they have to achieve, and if their expectations on the likelihood of receiving the reward are high;
- Employees understand how the financial reward system operates, how they benefit from it, and how the organization will help them to develop the skills and competences they need to receive the maximum benefit.

Non-Financial Reward

According to Armstrong and Murlis (2004), Non-financial rewards can be focused on the needs most people have, although to different degrees, these non-financial rewards can be based on employees need for achievement, recognition and responsibility.

Achievement: The need for achievement is defined as the need for competitive success measured against a personal standard of excellence. Achievement motivation can be

increased by organizations through processes such as job design, performance management, and contributing skill or competency-related pay schemes.

Responsibility: People can be motivated by being given more responsibility for their own work. This is essentially what empowerment is about and is in line with the concept of intrinsic motivation based on the content of the job. It is also related to the fundamental concept that individuals are motivated when they are provided with the means to achieve their goals.

Recognition: Recognition is one of the most powerful motivators. People need to know not only how well they have achieved their objectives or carried out their work but also that their achievements are appreciated.

2.2.7. Concepts of Motivation

High performance in organization is achieved by well-motivated people who are prepared to exercise discretionary effort to achieve their tasks. Even in fairly basic roles, Hunter (1990) found that the difference in value added discretionary performance between 'superior' and 'standard' performers was 19 percent. For highly complex jobs it was 48 percent.

The effects of motivation on performance are dependent on the level of ability of the worker, and the relationship of ability to performance is dependent on the motivation of the worker. The effects of ability and motivation on performance are not additive but interactive. The data presently available on this question suggest something more closely resembling the multiplicative relationship depicted in the formula:

Performance = f (Ability \times Motivation). Vroom (1964)

Different authors define motivation in different ways. Torrington (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) describes motivation as the force that energizes, directs and sustains behavior. Motivation, in the context of work, is a psychological process that results from the interaction between

an employee and the work environment and it is characterized by a certain level of willingness

According to Arnold (1991), motivation consists of three components:

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. 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).

2.2.8. Types of Motivation

2.2.8.1. Intrinsic Motivation

Intrinsic motivation refers to the motivation that comes from inside an individual and is not created by external incentives. This motivation is generated through satisfaction or pleasure that one gets in completing or even working on a task. It can take the form of motivation by the work itself when individuals feel that their work is important, interesting and challenging and provides them with a reasonable degree of autonomy (freedom to act), opportunities to achieve and advance, and scope to use and develop their skills and abilities.

Factors that influence on intrinsic motivation include responsibility, freedom to act, scope to use and develop skills and abilities, interesting work and opportunities for advancement. These motivators, which are concerned with the quality of work life, tend to have a long-term effect since they are inherent in individuals and not imposed from outside (Armstrong 1988).

2.2.8.2. Extrinsic Motivation

Extrinsic motivation occurs when things are done to or for people to motivate them. It arises from factors outside an individual, such as incentives, increased pay, praise, promotion, punishments such as disciplinary action, withholding pay, or criticism. These rewards provide satisfaction and pleasure that the task itself might not provide.

Extrinsic motivators can have an immediate and powerful effect, but will not necessarily last long. The intrinsic motivators, which are concerned with the ‘quality of working life’ (a phrase and movement that emerged from this concept), are likely to have a deeper and longer-term effect because they are inherent in individuals and their work and not imposed from outside in such forms as incentive pay.

2.2.9. Motivation Theories

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. 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)

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. What distinguish between content and process motivation theories are Content theories focus on what factors within a person that energize, direct, sustain and stop behavior, while process theories focus on how behavior is energized, directed, sustained and stopped. For the purpose of this study we will see some of these theories that are related to the subject matter

2.2.9.1. Content Theories of Motivation

Maslow's hierarchy of needs

One of the earliest works in employee motivation and job satisfaction was presented by Maslow (1954). This work is considered pioneer in motivation theories and has served as a basis for many other theories. Maslow's work provided valuable notions, concepts, and ideas related to organizational behavior and job satisfaction. According to the theory of Maslow's there some most basic level of needs of a human that must be met before a person develops a strong desire or get motivated for higher level needs . He presented the five tier hierarchy of needs in 1942 to a psychoanalytic society and identified that the most basic need emerges first and the most sophisticated need last. The most powerful employee motivator is the need which has not been satisfied.

According to Maslow, physiological needs are the things we require for survival, like food, clothing, shelter, and sleep. In corporate world, adequate wages represent such type of needs. Next level is of safety needs, which are necessary for physical and emotional security. Through job security, health insurance, retirement benefits, and safe working environments, these needs are satisfied. Moving up to the third level is the social need, where people seek for love, affection and belonging. Relationships in the work environment and in the informal organization, as well as in social networks with family and friends outside the organization are good examples of social needs. Next level is the esteem need, where we urge for respect, recognition, accomplishment and worth. The management can fulfill such needs by matching the skill and ability of the employee to the job, by showing workers that their work is appreciated. Finally, the self-actualization needs, which are the desires to grow and develop up to ones fullest

He suggested that people start on the bottom and put efforts to go up to needs hierarchy. When one need is fulfilled, it loses its strength and the next level of needs is activated. A satisfied need is longer a motivator. The term "metamotivation" was coined by Maslow to describe the level of motivation of a person who attempts to go beyond the basic needs and strives for improvement constantly the human brain is complex and there are various processes running parallel and simultaneously, and these processes affect the motivation

level of a person. Maslow made clear statements and relations regarding these levels and their impact on the satisfaction of a person.

Maslow theory is important for this study as it highlights the most basic fact that meeting basic needs of a person does not guarantee motivation. Instead motivation occurs when a person is willing to aim for improvement. In corporate context, Maslow's theory suggests that meeting basic needs such as salary does not guarantee motivation in employees to improve and maximize performance. Instead there must be some higher level needs that the management must target to motivate employees for constant improvement. In context of reward system, the management must aim to provide incentives for employees to pursue continuous improvement in terms of their performance so that management can realize constant improvement in organizational performance

Herzberg Two-Factor Theory

One of the most prominent theories establishing relationship between employee performance and motivation is the Herzberg's two-factor theory. According to Herzberg, there are various factors that motivate employees to excel at their jobs. Fredrick Herzberg based his theory on the works of Maslow and Porter and concluded that it is not possible to keep employee satisfied by meeting their low level needs. In fact, the basic benefits such as salaries and other facilities for example an adequate working space, do not necessarily ensure that employees are happy and motivated

Thus based on Herzberg's theory, managers should seek to meet the higher needs of the employees, particularly psychological needs such as appreciation and recognition. This theory argues that managers should seek job improvements by planning personal and professional development of employees in order for them to be satisfied that they have significant personal and professional growth in future in their current employment (Herzberg, 1966).

Herzberg in his two-factor theory identified motivation and hygiene factors that tend to maximize the performance of employees. Motivation factors motivate employees to excel at their jobs and tasks and hygiene factors typically ensure that the staff remains happy and satisfied. Thus it can be inferred that the factors that influence job satisfaction (i.e.

motivation factors) are different than those factors that lead to dissatisfaction among employees. Thus the author developed the motivation-hygiene theory explain the effect of these factors. The factors that increase satisfaction are called the satisfier factors or the motivators, and the factors that lead to dissatisfaction, are called the dissatisfiers or the hygiene factors (Herzberg, Mausner, and Snyderman, 2011). Herzberg also theorized that people have different requirements that must be fulfilled to keep them satisfied. People firstly have physiological requirements that are typically met by financial gains out of the job such as the salary. Secondly, there are also some psychological requirements that must be met so that they feel driven to improve and grow.

This theory is relevant to this study as rewards can act both as satisfiers and dissatisfiers and cater both motivation and hygiene factors (Ahmed 2010). There is another aspect of Herzberg's theory. He believed it is also possible for managers to improve job performance by using threat, punishment, or similar stimuli however, he concluded that these factors have a short time influence and overall have negative impact on employee motivation. This study highlights that the motivation and hygiene factors theory should be considered in formulating reward system and to make sure that reward system distinguishes satisfiers and dissatisfiers and cater them both to maximize job satisfaction among employees.

Within the context of corporate world, Herzberg theory suggests that managers need to identify satisfaction factors and dissatisfaction factors both. They must improve the former and discourage the later to maximize employee satisfaction and motivation. Within the context of reward system, this theory suggests that reward system should be underpinned on the notion that it must improve motivation factors and discourage hygiene factors (Tooksoon, 2011).

Furthermore, since there are intrinsic and extrinsic motivation factors therefore reward system must also be based on rewards and incentives that cater the extrinsic and intrinsic needs and motivations of employees. There have been several studies that show that reward system is based on extrinsic and intrinsic factors. Typically these factors are addressed by balancing financial (monetary) and non-financial (non-monetary) rewards.

ERG Theory

This theory is published in 1972 by Alderfer who argues that there are three groups of core needs: existence, relatedness, and growth. In contrast to the hierarchy of needs theory, the ERG theory demonstrates that (1) more than one need may be operative at the same time, and (2) if the gratification of a higher level need is stifled, the desire to satisfy a lower-level need increases. Maslow's need hierarchy follows a rigid, step like progression (Robbins, 1998). Maslow's physiological and safety needs belong together to existence needs. Relatedness can be harmonized to belongingness and esteem of others. Growth is the same as Maslow's self-esteem plus self-actualization. Both Maslow and Alderfer tried to describe how these needs, these stages of needs become more or less important to individuals.

2.2.9.2. Process Theories of Motivation

Theory of Expectancy

The underlying motive behind the reward system is to motivate employees to perform at a higher level when attractive rewards are offered (Jacobsen & Thorsvik, 2002). The core of the expectancy theory is relying on employees' willingness to perform a certain activity. This is depending on the extent to which a specific target is rewarded, which for example could be a higher salary or a promotion within the organization. If the employee within the organization perceives the reward as valuable, the performance will be greater. On the other hand, if the rewards are demotivating the employee, the performance will be poorer (Alvesson & Sveningsson, 2008). It is essential that the reward is of a nature which is preferred by employees. The higher degree of an actual desire for the reward, will affect to which extent the employees are motivated to put down greater effort to perform. It is fundamental that there is a clear-cut connection between a higher degree of effort, and that these actions are leading to the preferred reward. This is the expectancy parameter, which summarizes the individual employee's degree of expectancy to put down the effort in alignment with the organization. The achieved results are depending on factors such as roles, ability to perform a certain action and other human resources, which affect the ability to reach the result. Therefore, employees within the organization are often to a great extent

motivated to act in a certain way. Hence, not all of the employees have the ability to perform actions that leads to the preferred result. (Jacobsen &Thorsvik, 2002)

To conclude, the expectancy theory suggests that employees will put down greater effort if:

- The rewards are of a nature of which the employee prefers.
- The results easily can be connected with the reward the employees will achieve.
- That there is a clear connection between the reward and the result. (Jacobsen &Thorsvik, 2002)

Instrumentality Theory

‘Instrumentality’ is the belief that if we do one thing it will lead to another. In its crudest form, instrumentality theory states that people only work for money. The theory emerged in the second half of the 19th century with its emphasis on the need to rationalize work and on economic outcomes. It assumes that people will be motivated to work if rewards and penalties are tied directly to their performance; thus the awards are contingent upon effective performance.

Instrumentality theory has its roots in the scientific management methods of Taylor (1911), who wrote: ‘It is impossible, through any long period of time, to get workmen to work much harder than the average men around them unless they are assured a large and permanent increase in their pay.’ Motivation using this approach has been and still is widely adopted and can be successful in some circumstances. But it is based exclusively on a system of external controls and fails to recognize a number of other human needs.

Reinforcement Theory

Reinforcement theory as developed by Hull (1951) suggests that successes in achieving goals and rewards act as positive incentives and reinforce the successful behavior, which is repeated the next time a similar need emerges. Conversely, failures or punishments provide negative reinforcement, suggesting that it is necessary to seek alternative means of achieving goals. This process has been called ‘the law of effect’.

The associated concept of operant conditioning (Skinner, 1974) explains that new behaviors or responses become established through particular stimuli, hence conditioning – getting people to repeat behavior by positive reinforcement in the form of feedback and knowledge of results. The concept suggests that people behave in ways they expect will produce positive outcomes

The degree to which experience shapes future behavior does, of course, depend, first, on the extent to which individuals correctly perceive the connection between the behavior and its outcome and, second, on the extent to which they are able to recognize the resemblance between the previous situation and the one that now confronts them. Perceptive ability varies between people as does the ability to identify correlations between events. For these reasons, some people are better at learning from experience than others, just as some people are more easily motivated than others.

Goal-Setting Theory

Latham and Locke (1979) argue that setting goals are a fundamental aspect in achieving motivational effectiveness. In addition, the authors emphasize that those goals, which are unrealistic and arbitrary, could become a demotivating aspect for the Organization's employees. According to their analysis, goals that are designed to a slightly difficult approach are the ones that to a greater extent are motivating the employees to greater productivity. On the other hand, goals that are too hard to achieve or too easy to reach is resulting in a less productive action by the employees. According to Locke and Latham (2002) goals are mainly serving four different mechanisms. Firstly, the goals serves as a distinct directive function, which allows the employee to, at a greater extent, focus on goal-oriented activities, instead of focusing on activities that is beyond the goals. This mechanism provides the fact that the firm can align the employees with the organization's overall targets, when well-designed goals are used. The second aspect that Locke and Latham points out is that goals allow employees to take on greater effort and is functioned as a stimulating function. If the organization had tougher goals, the employees would to a larger extent put more effort in comparison with low-setting goals, which provide less effort by the employees. Thirdly, goals are providing persistence affection to the employees, which imply that employees that control their own time to reach the goal

increase their effort in the task. Finally, the authors describe that goals are encouraging employees to use their overall knowledge and expertise to solve the task. To reach goals, commitment is essential in the sense that the employees are dedicated to reach the goals. This is especially important when the goals are more complex, since greater complexity requires higher efforts in comparison with lower level of complex tasks.

Another vital aspect in reaching more effective goals is to provide employees with constant feedback from the managers. This feedback is fundamental since it allows the employee to receive comments on progress to reaching the goal. This feedback can enhance the effort, since unaware low-performing employees is more likely to enhance their effort to achieve the goal if they are well aware of that they are below the current goal level. Goal effectiveness is also depending on the task's complexity, which implies that it is of great importance that the goals are designed properly to suit the task. (Locke & Latham, 2002) The motivational effect is underpinning that the goals need to be achieved, and a potential threat can occur when employees is taking shortcuts to achieve the goals, which results in performance that is less qualitative (Heedgard Hein, 2012).

The goal-setting theory is presented in order to generate a wider picture of how organizations use goals and feedback to improve the motivation within the organization. The researcher will have used this theory in the formation of the surveys and interviews as well as in the analysis of the empirical findings.

Equity Theory

Equity theory (Adams, 1965) is concerned with the perceptions people have about how they are being treated as compared with others. To be dealt with equitably is to be treated fairly in comparison with another group of people (a reference group) or a relevant other person. Equity involves feelings and perceptions and it is always a comparative process. It is not synonymous with equality, which means treating everyone the same, since this would be inequitable if they deserve to be treated differently. Equity theory states, in effect, that people will be better motivated if they are treated equitably and demotivated if they are treated inequitably. It explains only one aspect of the processes of motivation and job satisfaction, although it may be significant in terms of morale.

There are two forms of equity: distributive equity, which is concerned with the fairness with which people feel they are rewarded in accordance with their contribution and in comparison with others; and procedural equity, which is concerned with the perceptions employees have about the fairness with which company procedures in such areas as performance appraisal, promotion and discipline are being operated.

McGregor's Theory X and Y

Douglas McGregor (1960) produced his analysis of the different views about people and how they should be motivated. Theory X is the traditional view that the average human dislikes work and wishes to avoid responsibility and that, therefore, 'most people must be coerced, controlled, directed, threatened with punishment to get them to put forward adequate effort towards organizational objectives'. In contrast, theory Y emphasizes that people will exercise self-direction in the service of objectives to which they are committed and that commitment to objectives is a function of the rewards associated with their achievement.

2.2.10. Relating Rewards with Motivation and Performance

In corporate world, reward system is considered to be critical for high level performance as it helps to maximize performance and also helps to retain high performers. In fact, reward system and strategies lie at the foundation of attracting, retaining, and inspiring skilled, competent, and capable staff that can contribute to the prosperity of the company. The importance of high performers is reflected by the fact that human resource is considered to be a unique and inimitable resource that has ability to provide long term competitive advantage. Thus if a company is able to attract talented and high performing employees and also succeeds to retain them and keep them loyal to the company then in long term the company maintains a competitive advantage over its competitors (Liu and Tang, 2011). According to Fareed and associates (2013), the relationship and connection between rewards, employee motivation, is critical to the success of an organization either public or private sector. .

Motivated employees are needed in our rapidly changing workplaces. Employees are the sole strategic assets that make organizations alive. To be effective, managers need to

understand what motivates employees within the context of the roles they perform. Managers have to play different functions but motivating employees is arguably the most complex. This is due, in part, to the fact that what motivates employees changes constantly (Bowen & Radhakrishna, 1991).

Organizations can motivate the workforce most through introducing appropriate reward and recognition programs and other benefits. Bishop (1987) suggested that, pay is directly related with productivity and reward system depends upon the size of an organization. Firm's reward system plays a critical role in motivating employees to perform creatively. Effective reward and recognition system can be a good motivator but lack of rewards demotivates employees and thereby efforts of employees towards excelling in their tasks diminish. Thus the main objective of rewards is to attract and retain employees, by motivating them to pursue higher performance levels (Peters, 2010). Employees' motivation in a workplace is one of the central determinants of organizational behavior. Several organizations have succeeded to boost their progress enormously implementing strategies that aim to provide appreciation programs that recognize and acknowledge high performers.

Research concludes that employees are expected to offer their best efforts if they perceive that the management would value their efforts and reward them appropriately. There are several factors that influence employee job performance other than financial reward such as good working conditions, relationship between worker and employer, opportunities for training and development, the level of job security in employees, and the policies of the management in terms of recruitment and hiring process. A company can very well increase its productivity by hiring more efficient and effective workers in the first place. Among all the factors that affect employee performance, the most effective is the self-motivation of the employee. If employee is motivated to perform higher, he/she will find innovative ways to maximize performance in existing working condition and other factors remaining the same. Thus motivation is the most favorable behavioral factor for organizations (Armstrong, Brown, and Reilly, 2011).

According to the arguments presented by Armstrong, Brown, and Reilly, (2011), the fundamental types of rewards are financial and non-financial and the former are more

related to the extrinsic rewards and later are related to intrinsic rewards. It is important that management must keep a balance between both types of rewards to positively influence the performance behaviors among employees. Financial rewards typically are related to the notion of pay-for-performance and include job promotion, performance bonus, tips, gratuities gifts, commission, among others. Non-financial rewards are non-monetary or non-cash rewards and examples of such rewards are social recognition through appreciation letters or certificate, acknowledgement, and public praises among others. Another term used for nonfinancial rewards is non-materials rewards (Georgellis, Iossa, and Tabvuma, 2011). In order to achieve desired performance of employees with high efficiency and effectiveness, management must develop a sense of mutual gain among employees in order to keep them motivated enough to keep performing at optimal level. This mutual gain motivates the employee to perform higher because he/she can contribute to organizational success by excelling at his/her job in achieving defined target or goal.

Employees in an organization want both financial and nonfinancial rewards. The nature of reward also has impact on the level of motivation of an employee. There are some employees that are more motivated by monetary rewards or cash rewards while there are others that are more motivated by non-monetary rewards such as promotion. Employees feel valued when management gives them reward for their performance and they create a perception among themselves that the management is serious about their professional development and career. This way they become loyal to the company (Dewhurst, Guthridge, and Mohr, 2009).

However some managers are more focused in extrinsic rewards as compared to intrinsic rewards but the success lies in balancing both types of rewards. Intrinsic are intangible or psychological rewards and aim to provide appreciation and recognition for high performers and thus play critical role in motivating employees to seek further improvement. In fact, the commitment of employees towards task performance improvement as well as loyalty of employees towards organization is highly dependent on rewards that they receive for their work (Cerasoli, Nicklin, and Ford, 2014).

Although employees get salaries and other benefits for the job and work they perform for the company however, reward are paid to acknowledge and recognize extra efforts that an

employee puts in for the company. This is called high performance and the employee who is a high performer expects something extra from the management. On the other hand, instead of laying off low performers and hire new employees managers use rewards system as an incentive for low performers. One of the intentions of management to pay rewards to high performers is to inspire low performers to strive towards high performance. This way organization can create a perception among employees that the management values its employees and in return employees develop loyalty towards organization (Nyberg, 2010).

2.3. The Effect of Rewards on Employees' Motivation (Empirical Review)

Rewards that an individual receives are very much a part of the understanding of motivation. Carraher (2006) advocates that there should be an effective reward system to retain the high performers in the organization and reward should be related to their productivity. A lot of work has been done on evaluating the relationship between rewards and employee motivation and there exist a large number of studies in the literature describing effect of reward on employee motivation.

In order to maximize the performance of the employees organization must make such policies and procedures and formulate such reward system under those policies and procedures which increase employee satisfaction and motivation. Research undertaken by Kovach (1987) suggested that, as employees' income increases, money becomes less of a motivator. Also, as employees get older, interesting work becomes more of a motivator. As an effort to stimulate employees' creativity, many managers have used extrinsic rewards (e.g. monetary incentives) to motivate their employees (Fairbank and William 2001)

While empirical research has shown that extrinsic rewards help enhance individuals' creative performance. Sometimes management pays more attention to extrinsic rewards but intrinsic rewards are equally important for employee motivation. Andrew (2004) concludes that commitment of employees is based on rewards and recognition. Lawler (2003) argued that prosperity and survival of the organizations is determined through how they treat their human resources. It also depends on how they communicate their rewards and recognition programs to their employees and whether these rewarding strategies are clear to the employees.

Employee motivation can be increased not only by imposing a single factor; rather it can be enhanced by the combination of several factors. A study conducted by Puwanenthiren Pratheepkanth on reward system and its impact on employee motivation in Commercial Bank of Sri Lanka Plc. used 100 samples to know the above relationship by using statistical techniques such as samples, percentage analysis, correlation analysis, means analysis and diagrams. And correlation co-efficient measurement between those variables There is positive relationship between the rewards and employee motivation of the staffs of this bank that is (+0.7550) and between the intrinsic reward system and the motivation is also positive that is (+0.5831). Extrinsic reward system and motivation (0.7280) and therefore, as a whole, there is a considerable positive relationship between the total reward system and the employee motivation of the employee of the bank.

Nadia SajjadHafiza, Syed Sohaibshah, Humera Jamsheed(2011) also had undertaken a research on the relationship between rewards and employee's motivation in the non-profit organizations of Pakistan. They used spearman's correlation to study the size and magnitude of the relationship between extrinsic, intrinsic rewards and motivation. The finding of this study shows that significant and positive relationship between extrinsic rewards and employee motivation but it has been observed that organizations are not offering right amount of financial rewards (extrinsic rewards) to their employees in this sector. Pay is a significant factor which affects employee motivation. In addition Fringe benefits are very important in motivating employees according to this study. This implies organizations must have to provide all the essential fringe benefits to their employees, it also increase their job efficiency.

A case study conducted on Kenyan deposit taking micro finance institution by Nyandema (2014), found out that career development management and coaching/mentoring have great impact on employee motivation, that good work environment is the most important component of employee motivation. The study also concluded that intrinsic reward affecting employee motivation and that many organizations offer intrinsic reward to appreciate employees in form of self-esteem and appreciation for work done and to ensure there is a favorable working environment for employees in the organization.

A study aimed at investigating the effect of reward management on employee motivation in Ethio-Telecom by Ephriem Temitime(2016) was undertaken on the total population of 324 respondents. According to descriptive statistics of this study, mean result, the mean value of Motivation is 3.54 this shows that employees in ethio telecom moderately motivated. Results from Pearson's product moment correlation Coefficient revealed that, there is moderately strong and statistically significant relationship between total reward and employee motivation. The model summary of multiple regression analysis also showed that the proportion of the variation in employee motivation explained by the liner combination of intrinsic and extrinsic reward is 60% (from R squared value) which is statistically significant at 99% confidence level. More over providing career growth opportunities to the employees yield moderate motivating effect up on employee motivations.

Nwachukwu (1994) found the productivity of Nigerian workers depend on several factors, among them is employer's failure to provide adequate compensation and the indiscipline of the privileged class that arrogantly displays their wealth, which is very demoralizing to working class and consequently reduced their productivity .

Judging from all these empirical research and findings, one may generally conclude that a good remuneration package, which ties financial rewards to individual performance, can be expected to result in higher productivity.

2.3.1. Dimensions of Rewards under Study

From the above literatures it can be observed that the total reward of an organization is composed of both financial and non-financial rewards and intrinsic and extrinsic rewards. And for the purpose of this research, only payment, benefits, recognition, working condition, promotion, autonomy and Career development opportunities are discussed.

Payment

Pay is defined as, what an employee gets against his work after fulfilling his duty. Payment include basic salary, bonuses, pay for doing extra work and incentives.

According to Herzberg's motivation-hygiene theory, salary is one of those hygiene factors which eliminate job dissatisfaction. Salary is a factor which leads employees from dissatisfaction to no dissatisfaction. On the other hand Expectancy theory described that people do effort because they want some rewards in term of money, promotion etc. People expect that if they work well in the workplace then their performance will increase and automatically their pay will increase and they will be promoted. This will cause increase in their job satisfaction and motivation level.

Benefits

Employee benefits are elements of remuneration given in addition to the various forms of cash pay. They provide a quantifiable value for individual employees, which may be deferred or contingent like a pension scheme, insurance cover or sick pay, or may provide an immediate benefit like a company car (Armstrong, 2007)

Recognition

Recognition is one of the most powerful methods of rewarding people. Recognition is the acknowledgement of an individual or team's behavior, effort and accomplishments that support the organization's goals and values. According to (Oosthuizen, 2001) recognition is the acknowledgement of an individual contribution showing appreciation and to reward the individual for an accomplishment of a task or sound performance. Recognition is the component that is used to strengthen the relationship between organization and people. Through the recognition employee feel rewarded and motivated. Employees become more loyal to their organization if organization recognizes their work.

Recognition can be provided by positive and immediate feedback from managers and colleagues that acknowledge individuals and team contributions. It is also provided by managers who listen to and act up on the suggestion of their team's members. Other actions that provide recognition include acknowledge contribution, allocation to a high-profile project, and enlargement of the job to provide scope for more interesting and rewarding work (TezeraMisganaw, 2006).

Autonomy

According to Wilkinson (1998) empowerment/autonomy is the extents to which employees are encouraged to take firm decisions and (Carless, 2004) also add it is the decision made by employees without consultation with their managers so that it can enhance employees decision participation. This aspect concerns the decision of the leadership behavior (Lee & Koh, 2001), and therefore can be defined as the strengthening of the building, which has delegated management by providing employees with authority and autonomy over their tasks (Hsieh & Chao, 2004). Autonomy enhances self-belief, gives people more opportunity to achieve and provides an opportunity to develop skills. This increases the motivation of workers to a greater extent (Kalleburg, 1977).

Promotion

Promotion is defined as “getting high status in workplace by doing effective work, generally increase the status, position and remuneration of employee in the organization” (Heery and Noon, 2001). Graham (1986) defines promotion as “shifting from lower designation to high designation within an organization and usually increases in pay package”. If organizations are not giving promotion to their employees then employees will be dissatisfied and their turnover rate will be high (De Souza, 2002).

Several researchers focused on the correlations between motivation and promotion. Locke (1976, p.1323) advocates that the wish to be promoted stems from the desire for psychological growth, the desire for justice and the desire for social stays. Management should therefore bear in mind, that promotion can serve as a very positive motivating tool in ensuring that the employee attains goals at a higher level. The importance of promotion appears to be different for people that belong to different social classes and who perform at different skill levels. For professional and managerial people, work is part of their career and promotion is the highest reward. For semi-skilled and unskilled people, promotion is less important (Tezera Misganaw, 2006).

Working condition

Working conditions is about providing healthy, safe and so far as practicable pleasant working environment for employees(Michael Armstrong, 2006). It is the conditions in which an individual or staff works this includes the relationships with colleagues, working hours, work load, availability of resources and the like.

Career development opportunities

Career development is the process of improving an individual's abilities in anticipation of future opportunities for achieving career objectives. A formal approach taken by an organization to help its employees acquire the skills and experiences needed to perform current and future jobs is termed as career development. Company's policies especially policies regarding promotion, counseling the employees, opportunities to excel in future help employees to develop their career. Career development consists of skills, education and experiences as well as behavioral modification and refinement techniques that allow individuals to work better and add value. Career development is an ongoing organized and formalized effort that recognizes people as a vital organizational resource. It differs from training in that it has a wider focus, longer time frame, and broader scope. Recently, career development has come to be seen as a means for meeting both organizational and employee needs, as opposed to solely meeting the needs of the organization as it had done in the past. Now, organizations see career development as a way of preventing job burnout, providing career information to employees, improving the quality of work lives and meeting affirmative action goals. That is, career development must be seen as a key business strategy if an organization wants to survive in an increasingly competitive and global business environment.

2.4. Conceptual Framework of the Study

Based on the overall review of related literatures and the theoretical framework, the following conceptual model was developed for this specific study. As explained in the literature, rewards have significant impact on employee's motivation. Rewards like payment, benefits, recognition, working condition, promotion and autonomy and career

development opportunity has been taken as independent variables while, employees motivation as dependent variable. Then the following framework is developed.

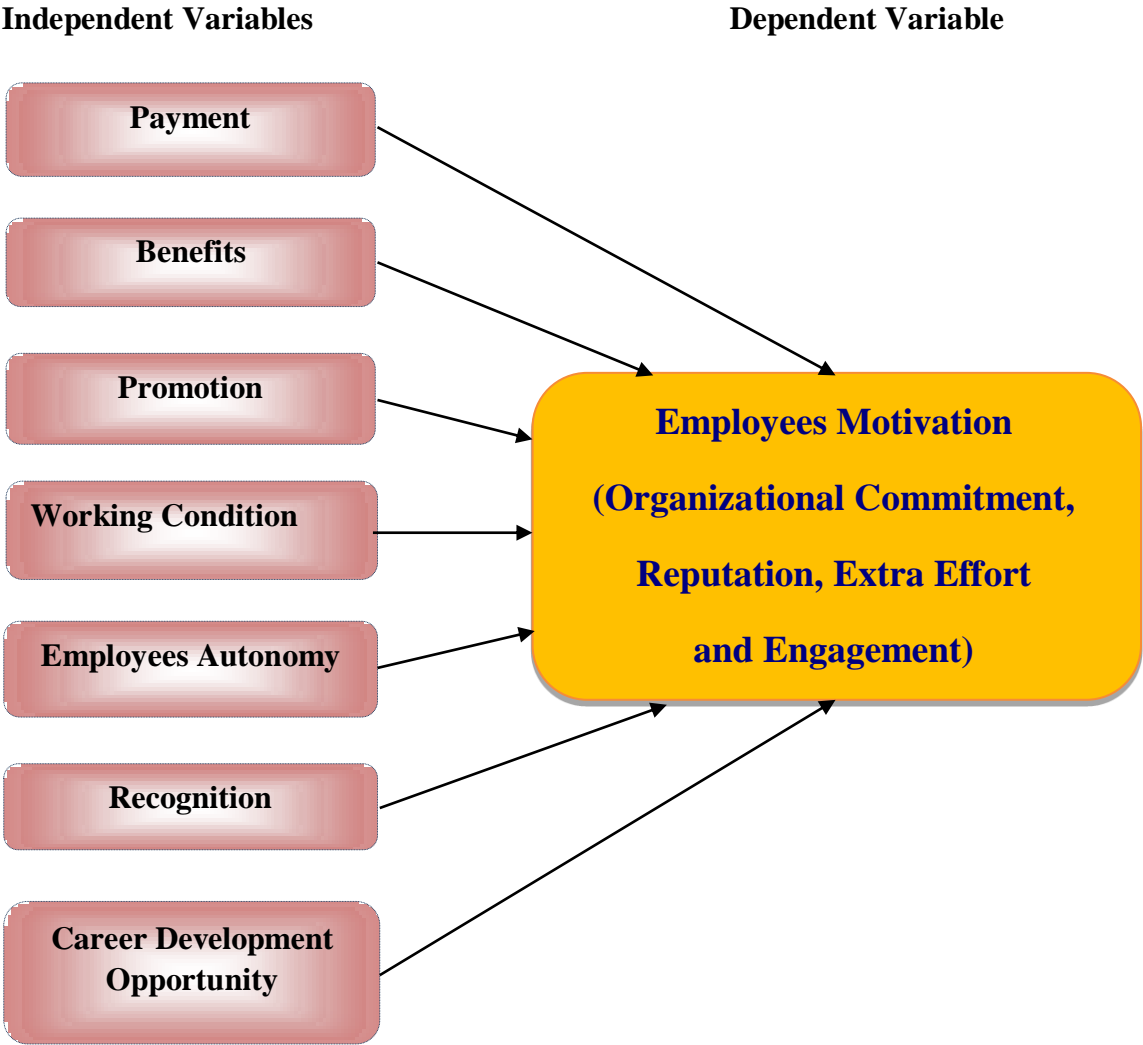


Figure 2.1 Conceptual Framework of the Study

Adopted from Armstrong and Murlis, 5th edition (2004), components of total reward system with little modification

CHAPTER THREE

3. RESEARCH METHODOLOGY

3.1. Introduction

This chapter briefly discusses the methodology used in this research. It tried to cover explanations of the research approach, research design, data sources, population and sampling techniques, data collection methods and instruments, mode of data analysis and ethical considerations of the research.

3.2. Research Approach

For this study both qualitative and quantitative research approach are used. Quantitative research answers questions through a controlled logical process, allowing for the collection of numerical data, the prediction, and the measurement of Variables. And qualitative approach used to analyze open-ended questions and triangulate in explaining and interpreting the finding of quantitative study. According to Creswell (2003), mixed method approach is a relatively new approach which makes use of different forms of data that enable researchers to create understandable design out of complex data and analysis.

3.3. Research Design

The research designs for this study are descriptive research type to describe what it is or what the situation looks like based on the information, different facts and factors regarding the problem during the time of the study. And explanatory research design to explain, understand and predict the cause and effect relationship between variables that is reward dimensions (independent variables) and motivation (dependent variable).

The study also used cross- sectional design and survey method. The reason behind using cross- sectional design is that it is a reasonable strategy to prefer cross-sectional to obtain relevant information from cross section of population at a single point of time. And survey method to provide a quantitative description of the population and determine the relationship that exists between the identified variables.

3.4. Data Types, Collection Instrument and Method Of Analysis

3.4.1. Data Type

For the purpose of this research both primary and secondary sources of data are utilized in order to generate both quantitative and qualitative data for its successful accomplishment. Considering that using primary data instead of secondary data is more credible, researcher will collect primary data by distributing structured questionnaire for the employees of Commercial Bank of Ethiopia. On the other hand the secondary data were collected from sources like prior researches, journals, articles, books, internet websites and different manuals and documents of the bank. Even if secondary data are less reliable, they are less time consuming and costly compared to primary data. The researcher collected secondary data for complementing the data obtained from the primary source.

3.4.2. Data Collection Instrument

The main data collection instrument utilized in this study was questionnaire. According to Leary (2004), Questionnaire is usually inexpensive, easy to administer a large number of employees and less time-consuming and normally gets more consistent and reliable results than other instruments.

The questionnaires employed in this research contain three parts. Demographic characteristics of respondents, the work satisfaction and motivation questions as set out by Beer, (1987) and reward questions adopted from Schwab, (1993) with some modification to fit the study under investigation and finally some open ended questions are included in order to strengthen the finding.

The questions on the second part were mainly close-ended by which the respondents was asked to indicate their level of agreement using a five Likert rating scale measurement where: Strongly disagree (SD) = 1; disagree (D) = 2; Neutral (N) =3, agree (A) = 4; and strongly agree (SA) = 5.

3.4.3. Method of Data Analysis

The data that were collected from employees through questionnaire will be analyzed mainly by the help of SPSS version 21. After the collected data was rearranged, edited and calculated in order to become complete, it was analyzed using descriptive statistics, and multiple linear regression analysis. The descriptive statistics (mean, frequency, percentage and standard deviations) was used to analyze the general trends of the data. The descriptive statistics was analyzed using the Statistical Package for Social Sciences (SPSS 21). And Multiple Linear regression employed to know cause and effect of the relationship between variables and to assess the impact different types of rewards on job motivation. In Addition to those Pearson correlation was used to determine the relationship between the independent and dependent variables by the help of SPSS.

3.5. Population, Sample Size and Sampling Technique

3.5.1. Population

Among the 15 districts of commercial bank of Ethiopia only 4 districts(east, west, north, south) are found in Addis Ababa with the total population of 9750 employees working under them.(according to the 3rd quarter report of 2016/17) The branches under the four districts in Addis Ababa region are both city branches and outlying branches. Two hundred fifty five (255) branches are only found in the city and the rest are found in the outlying branches. Because of the remoteness of the outlying branches and the reward difference given by the bank between the outlying branches and city branches, sample frame was narrowed to permanent employees of CBE in city branches only. This was done to undertake the study on homogenous population and to get valuable findings.

Even if the researcher believes that it would more reliable if the study population includes all branches in Addis Ababa the researcher again reduced the target population to total number of employees of selected grade 4 branches from each of the four districts (three branches from each districts). This was done due to the geographical dispersion of the branches, the homogeneity of structure, homogeneity of the service provided and demographic similarity of the employees. The reason behind choosing grade four branches is that this branches are the highest grade branches in terms of their number of employees

and number of customers, amount of deposit, number of transaction and the contribution they make for the profitability of the bank. The researcher thought that they are good representatives of other branches.

Therefore the total population of this study thus will be presented in the following table

Table 3.1 Total population of the study

Branch	Total no of employees	District
Africa Avenue	77	East
Andinet	69	East
Megenagna	70	East
Addis Ababa	205	North
Arada Giorgis	102	North
Arat Kilo	98	North
Finfine	105	South
Lideta	70	South
Nifas Silk	80	South
Addis Ketema	70	West
Mehalgebeya	60	West
Teklehaymanot	73	West
Total	1079	

Source, CBE HRM department (3rd quarter report of 2016/17)

3.5.2. Sample Size

The number of target population that used for the study is then 1079. Using Taro Yamane (1967), sample selection method with a probability of 95 % free error, a total of 291 samples would be drawn from the total target population.

$$n = \frac{N}{1 + N(e)^2}$$

Where n is the required sample size, N is the population size and e is the level of precision. The formula was developed by Taro Yamane (1967). BY applying the above formula

$$n = 1079/1+1079(0.05)^2$$

$$n = 1079/3.6975$$

$$n= \mathbf{291}$$

So from the target population of 1079 employees the researcher selected 291 employees as sample to distribute the questionnaires. Since the number of people in each branch is not the same, the number of samples for each branch is taken based on their proportion of number of employees.

3.5.3. Sampling Technique

For this study the researcher used both probability and non-probability sampling techniques. The non-probability sampling technique is used to select the 12 branches from four Addis Ababa districts. But the homogeneity of the population of under city branch of CBE supports the purposive sampling method the researcher employed and makes the findings more generalizable to the CBE employees found in Addis Ababa.

The researcher also used simple random sampling technique to distribute the questionnaires for respondents. The rationale behind using simple random sampling technique for this study is to give each member of the study population equal chance of being selected.

3.6. Reliability and Validity

According to (Cerri, 2012) reliability test is used to assess consistency in measurement items. The researcher, when collecting the questionnaires, tried to make sure that it is the respondents who have complete the questionnaire through having an informal conversation where ever possible and sample test was made for representatives to check the reliability.

In addition to this Cronbach's alpha is used to measure the internal consistency of the measurement items. Higher Alpha coefficients indicate higher scale reliability. Eze et al, (2008) suggests that scales with 0.60 Alpha coefficients and above are considered acceptable.

Table 3.2 Reliability Analysis

Dimensions	Number of attributes	Cronbach's alpha
Payment	5	0.868
Benefit	5	0.836
Promotion	5	0.864
Working condition	5	0.899
Recognition	4	0.633
Employees autonomy	4	0.820
Career development opportunity	4	0.875
Reliability of Total Scale		0.916

Source own survey 2017

As shown in the above table, Scale Reliability Cronbach Alphas coefficients for different dimensions item range from 0.633 to 0.899. And the overall Cronbach alpha coefficient for all items is 0.916. Therefore, the expected scales used in this study demonstrate high reliability.

Validity refers to the extent to which measurement of instrument actually measure what is intended to measure. It 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, 2007).

Therefore, pilot test was conducted and this validation was made to get some evidence on whether the content of the items was relevant in helping to answer the research questions as well as to check the clarity of the questions.

3.7. Ethical Considerations

Participants of the study were informed to participate voluntarily and their privacy and anonymity would be kept in secret and would be used for only academic purpose. According to Creswell (2012), “as the researcher anticipate data collector, the need to respect the participants and sites for the research”. In the study there should be maintain objectivity, courtesy and no falsification, alteration or misrepresentation of data for political or other purposes. Moreover, the use of offensive, discriminatory or other unacceptable languages were avoided in the formulation of questionnaires.

CHAPTER FOUR

4. DATA PRESENTATION ANALYSIS AND INTERPRETATION

Introduction

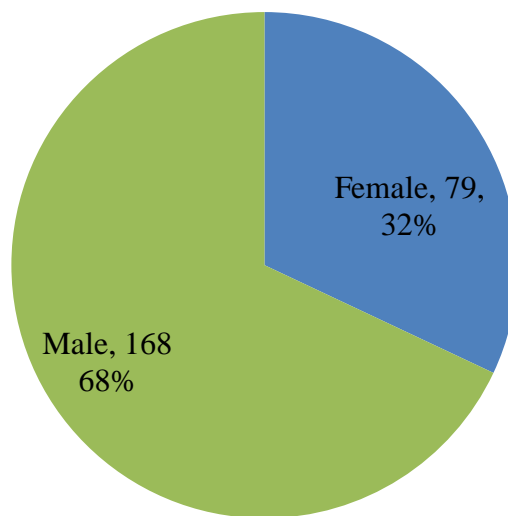
This chapter presents a discussion of the final results and the process through which the Results were obtained. In addition to this, background information of respondents is presented. Finally, the statistical methods of analysis were discussed, which included a descriptive analysis, a correlation analysis, and a regression analysis through SPSS version 20 computer software program.

4.1. Response Rate

A total of 291 questionnaires were distributed to the randomly selected employees of 12 selected branches of CBE found in Addis Ababa. Out of these questionnaires, 247 were filled properly and collected. As a result, the overall response rate was 85.1 percent which is acceptable for data analysis and discussion of the study.

4.2. Demographic Characteristics of Respondents

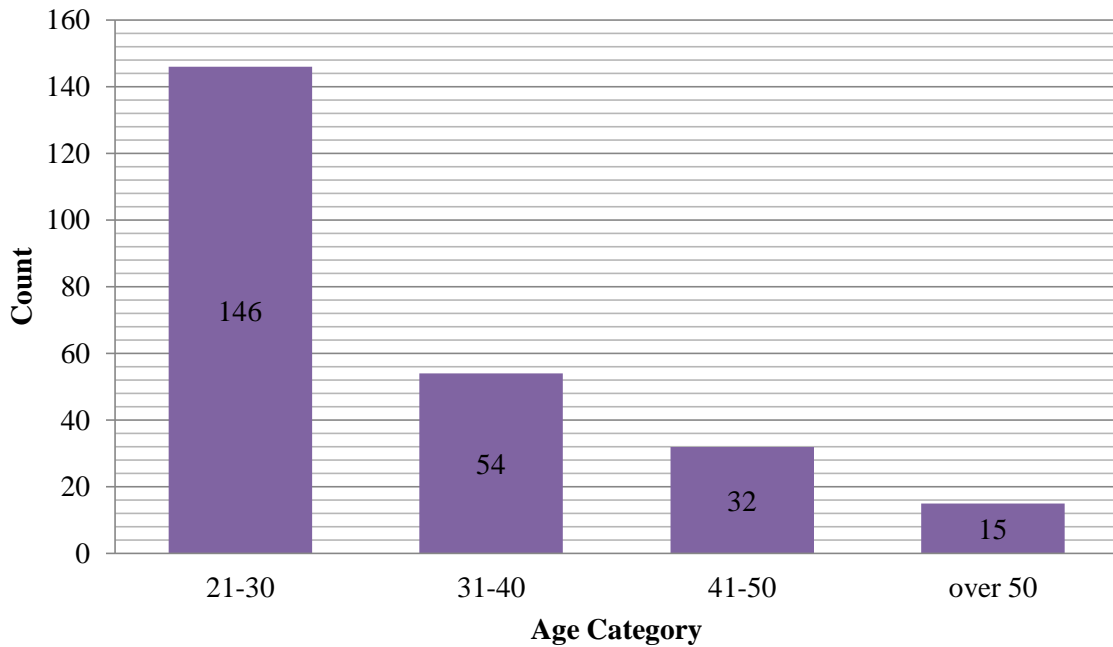
The demographic information of respondent gathered for this study were gender, age, marital status, education level, years of service and monthly income



Source own survey 2017.

Figure 4.1 Gender of Respondent

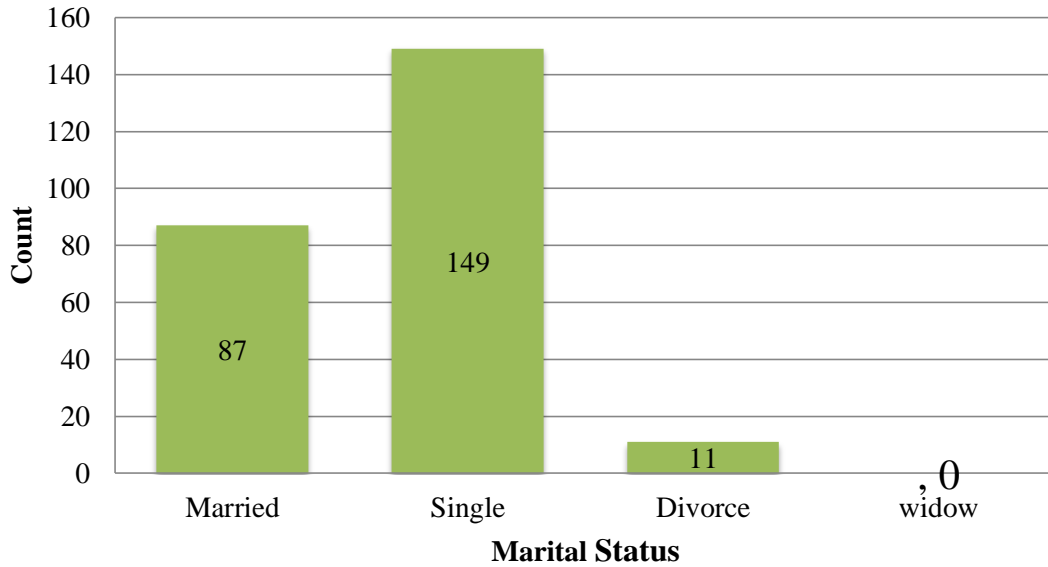
Figure 4.1 presents the gender distribution of the respondents. Out of 291 respondents 168(68%) were male while 79(32%) were females. This indicates that majority of the commercial bank of Ethiopia are male. This implies that the male population of the bank has the chance to be represented in every matter.



Source own survey 2017

Figure 4.2 Age of Respondents

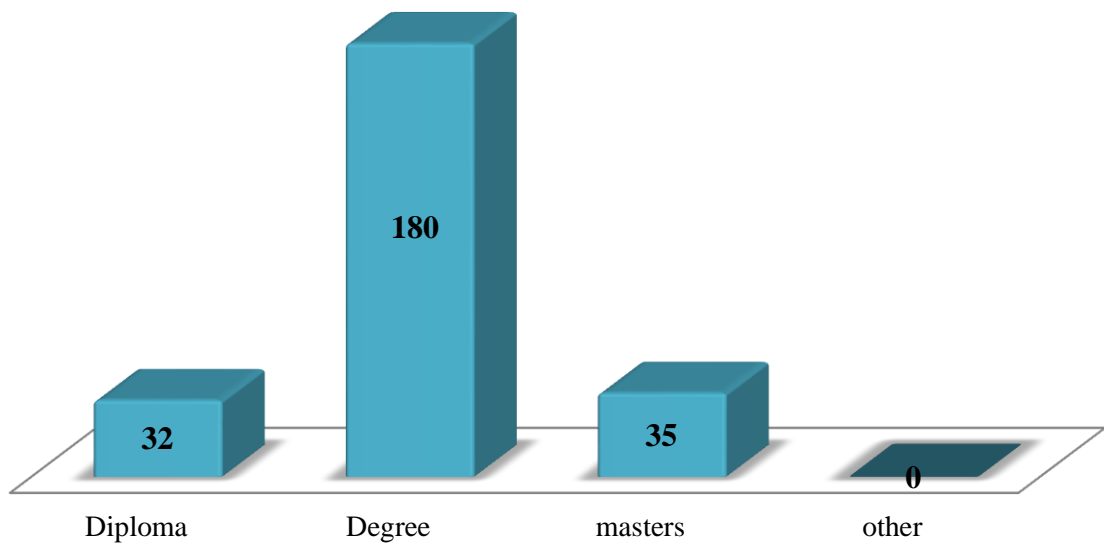
When we look at the age group of respondents, the larger no of employees is between the ages of 21-30 which adds to 146 respondents representing to 59.1 % of the total respondents followed by 31-40 age categories which accounts 21.9% of the respondents. The rest age category (41-50 and over 50) will cover 13% and 6.1% of the population respectively. From this result we can observe that the majority of employees of the CBE are at the young and productive age group. Hence the CBE does not face the problem of aged employees. Therefore, the company the reward package design should accommodate its workforce age composition. Since, youngsters are more volatile for turnover, cash and other differentials.



Source own survey 2017

Figure 4.3 Marital Status of the Respondent

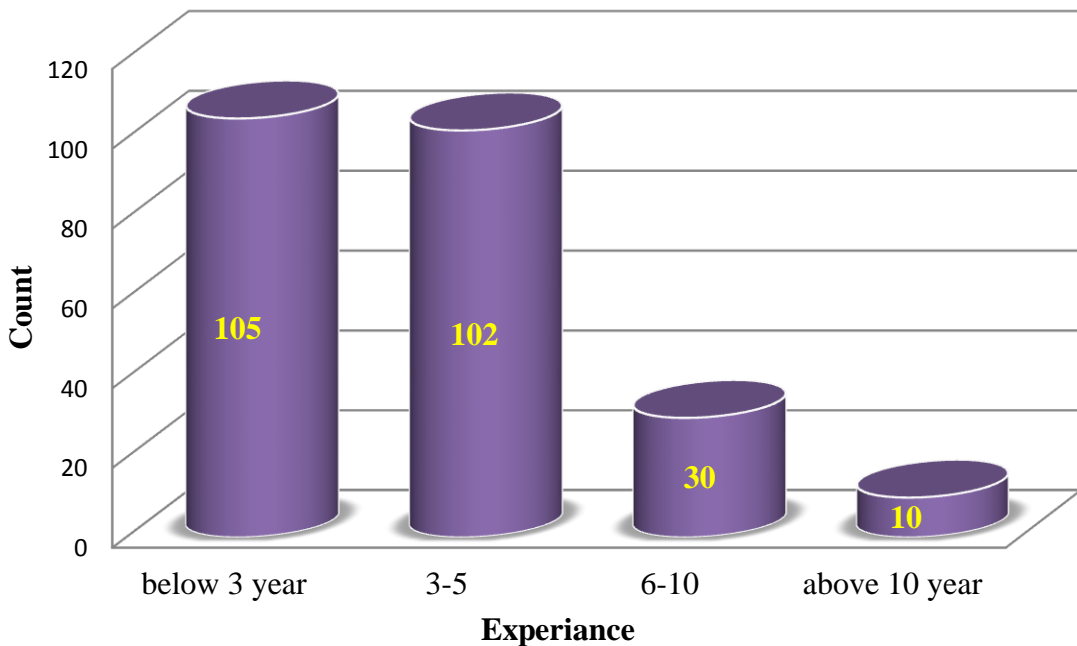
As we can see in the above figure of those respondents majority are single which account 60.3% followed by married and divorced one with percentage of 36.2% and 4.5% respectively. No widowed employees are found



Source own survey, 2017

Figure 4.4 Educational Qualifications of Respondents

As the above graph clearly shows diploma holders have the lowest count with 13% of the respondent following the master’s degree holders (14.2%). Degree holders have the largest percentage (72.9%). From this we can see that most of employees of CBE are degree holders. Since most of the respondents are degree holders, they would have the ability to fill the questionnaire by having know-how about reward management and employees motivation.



Source own survey 2017

Figure 4.5 Experience of the Respondents

With regard to service years of respondents in CBE the majority of the respondents are with in less than five year experiences. Those with less than three year experience have the largest count with 42.5% followed by employees worked in CBE within 3-5 year of experience which is 41.3 % of the respondents. 12.1% of the respondent has the experience of 6-10 years. However, only 4% of the respondents are worked in CBE for more than 10year service with 32%. The largest groups of the respondents are employees with less than 3 years of experience. From this we can conclude that most employees in CBE are with less than five year experience.

4.3. Descriptive Analysis

In this section, the collected data was entered and reported using SPSS. Frequency and percentage of level of agreement of the respondents with regard to questions asked in each of the reward dimensions and mean value motivation with respect to respondents' category is analyzed and presented.

The following tables (table 4.1-4.7) summarize the frequency and percentage of respondents with their level of agreement with regard to questions asked in each of the reward dimensions.

Table 4.1.Ffrequency and percentage of respondent on payment items

Items	The payment system is clearly stated and communicated to all employees.		The basics of payment, for example, over time payment are reasonable.		My salary is satisfactory in relation to what I do.		I earn the same as or more than other people on a similar job.		The current salary is adequate to cop up with the ongoing cost of life	
	Count	%	Count	%	Count	%	Count	%	Count	%
SD	95	38.5	56	22.7	94	38.1	97	39.3	118	47.8
D	72	29.1	118	47.8	100	40.5	89	36.0	74	30.0
N	7	2.8	18	7.3	26	10.5	39	15.8	6	2.4
A	54	21.9	39	15.8	20	8.1	6	2.4	48	19.4
SA	19	7.7	16	6.5	7	2.8	16	6.5	1	0.4
Total	247	100	247	100	247	100	247	100	247	100

Source own survey, 2017

Table 4.2 Frequency and Percentage of Respondents on Benefit Items

Items	The benefit system of the organization treats each employee reasonably.		My medical scheme is satisfactory.		My pension benefits are good.		I never have problem with my leave arrangements		The organizations insurance scheme enhances the satisfaction of employees.	
Level of agreement	Count	%	Count	%	Count	%	Count	%	Count	%
SD	33	13.4	60	24.3	71	28.7	57	23.1	40	16.2
D	81	32.8	88	35.6	76	30.8	75	30.4	106	42.9
N	19	7.7	29	11.7	21	8.5	57	23.1	46	18.6
A	94	38.1	22	8.9	66	26.7	54	21.9	47	19.0
SA	20	8.1	48	19.4	13	5.3	4	1.6	8	3.2
Total	247	100	247	100	247	100	247	100	247	100

Source own survey, 2017

Table 4.3 Frequencies and Percentage of Respondents on Promotion Items

Items	The opportunity for promotion exists in this organization.		The criteria for promotion are acceptable.		Everyone has equal chance to be promoted		Staffs are promoted in a fair and transparent way.		Clear promotion criteria's are available in the organization	
Level of agreement	Count	%	Count	%	Count	%	Count	%	Count	%
SD	96	38.9	63	25.5	73	29.6	129	52.2	89	36.0
D	62	25.1	109	44.1	120	48.6	85	34.4	60	24.3
N	56	22.7	52	21.1	31	12.6	5	2.0	64	25.9
A	33	13.4	15	6.1	15	6.1	26	10.5	18	7.3
SA	-	-	8	3.2	8	3.2	2	.8	16	6.5
Total	247	100	247	100	247	100	247	100	247	100

Table 4.4 Frequencies and Percentage of Respondents on Working Condition Items

Items	My working hours is reasonable.		The office layout is convenient to do my job.		I get the opportunity to mix with my colleagues and to communicate on aspects of our work.		Basic resources are available for my work.		I am satisfied with the way my co-workers get along with each other.	
	Count	%	Count	%	Count	%	Count	%	Count	%
SD	111	44.9	76	30.8	60	24.3	57	23.1	72	29.1
D	49	19.8	74	30.0	80	32.4	97	39.3	83	33.6
N	1	.4	46	18.6	19	7.7	8	3.2	1	.4
A	70	28.3	30	12.1	80	32.4	65	26.3	73	29.6
SA	16	6.5	21	8.5	8	3.2	20	8.1	18	7.3
Total	247	100	247	100	247	100	247	100	247	100

Source own survey, 2017

Table 4.5 Frequencies and percentage of respondents on recognition items

Items	I am praised regularly for my good work.		I receive constructive criticism about my work.		I get credit for what I do.		I am always told when I am making progress.	
	Count	%	Count	%	Count	%	Count	%
SD	90	36.4	48	19.4	68	27.5	33	13.4
D	91	36.8	116	47.0	85	34.4	187	75.7
N	14	5.7	34	13.8	73	29.6	2	.8
A	47	19.0	46	18.6	19	7.7	7	2.8
SA	5	2.0	3	1.2	2	.8	18	7.3
Total	247	100	247	100	247	100	247	100

Source own survey, 2017

Table 4.6 Frequencies and Percentage of Respondents on Employee’s Autonomy Items

Items	I have the authority to correct daily problem when they occur.		I am encouraged to handle daily problems by myself.		I have control over how I solve daily problems.		I am able to control the social contact with others.	
	Count	%	Count	%	Count	%	Count	%
SD	88	35.6	67	27.1	83	33.6	99	40.1
D	101	40.9	136	55.1	71	28.7	95	38.5
N	20	8.1	9	3.6	37	15.0	6	2.4
A	27	10.9	15	6.1	25	10.1	15	6.1
SA	11	4.5	20	8.1	31	12.6	32	13.0
Total	247	100	247	100	247	100	247	100

Source own survey, 2017

Table 4.7 Frequencies and Percentage of Respondents on Career Development Opportunity Items

Items	My direct supervisor takes interest in my career development.		I have good access to development opportunities in my current job.		I see a future for myself in a higher-level role in this organization		My organization has a formal mentoring Program for jobs like mine.	
	Count	%	Count	%	Count	%	Count	%
SD	109	44.1	108	43.7	87	35.2	33	13.4
D	43	17.4	44	17.8	104	42.1	128	51.8
N	30	12.1	29	11.7	2	.8	29	11.7
A	60	24.3	60	24.3	8	3.2	54	21.9
SA	5	2.0	6	2.4	46	18.6	3	1.2
Total	247	100	247	100	247	100	247	100

Source own survey, 2017

Types of Rewards and level of Employee Work Motivation

Table 4.8 below shows the means and standard deviations of reward variables such as payment, benefits, promotion, working condition, recognition, employees autonomy and career development opportunity rated by respondents.

Table 4.8 Mean value of variables

	N	Minimum	Maximum	Mean	Std. Deviation
Payment	247	1.00	4.20	2.1206	.94989
Benefit	247	1.00	4.60	2.5154	.94919
Promotion	247	1.00	4.20	2.2762	.93582
Working condition	247	1.00	4.80	2.3183	1.06691
Recognition	247	1.25	4.25	2.2085	.70894
Employee autonomy	247	1.25	4.75	2.1832	1.00638
Career development opportunity	247	1.00	4.25	2.3010	1.04739
Motivation	247	1.00	4.52	2.2343	1.09051
Valid N (listwise)	247				

Source own survey 2017.

As we can see in the table relatively better mean result for benefit was found (M=2.51, SD=.0.94). Relatively moderate mean value for other variables like working condition (M=2.31,SD=1.06), career development opportunity(M=2.30,SD=1.04) and less mean scoring variables such as promotion (M=2.27 , SD=0.93) , recognition((M=2.20 , SD=0.70),employee autonomy(M= 2.18, SD=1.00)and payment(M=2.12,SD=0.94) was also found.

From this we can see that among those reward packages given by the bank benefit is relatively acceptable by the employees of commercial bank of Ethiopia but other like promotion, recognition, working condition, employees autonomy and career development have mean value of below the average of five likert scale which implies the employees are not satisfied by these packages especially with payment given by the bank which have the lowest mean value with mean 2.12 and SD 0.94.

Descriptively, the average or mean level of work motivation in commercial bank of Ethiopia is 2.23 (SD = 1.09) on a five-point Likert Scale. This implies that, on the average, the employees of commercial bank of Ethiopia are not that much motivated with overall job. From the above result we can notice that the management of the bank should review and improve the reward packages given to employees in order to bring motivation level higher.

4.4. 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. The Pearson’s Product Movement Correlation Coefficient was computed to determine the relationships between payment, benefits, promotion, recognition, working condition, employee’s autonomy and career development opportunity and work motivation.

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 decision rule given by Bartz (1999) was used to describe the strength of association among the variables as follows.

Table 4.9 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
0.2 or lower	Very low

Table 4.10 Correlation Coefficient Result of Relationships between Rewards and Job Motivation

		Payment	Benefit	Promotion	Working condition	Recognition	Employee autonomy	Career development opportunity	Motivation
Payment	Pearson Correlation	1							
	Sig. (2-tailed)								
Benefit	Pearson Correlation	.603**	1						
	Sig. (2-tailed)	.000							
Promotion	Pearson Correlation	.398**	.457**	1					
	Sig. (2-tailed)	.000	.000						
working condition	Pearson Correlation	.454**	.504**	.653**	1				
	Sig. (2-tailed)	.000	.000	.000					
Recognition	Pearson Correlation	.599**	.514**	.577**	.761**	1			
	Sig. (2-tailed)	.000	.000	.000	.000				
Employee autonomy	Pearson Correlation	.129*	.117	.489**	.299**	.357**	1		
	Sig. (2-tailed)	.043	.066	.000	.000	.000			
Career development opportunity	Pearson Correlation	.009	.260**	.507**	.311**	.228**	.542**	1	
	Sig. (2-tailed)	.882	.000	.000	.000	.000	.000		
Motivation	Pearson Correlation	.669**	.560**	.558**	.599**	.721**	.466**	.284**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	

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

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

As we can see from the above table independent variables like payment($r=0.669$, $p<0.01$) and recognition ($r=0.721$, $p<0.01$) have strong and significant correlation with the dependent variable (motivation) while benefit($r=0.56$, $p<0.01$), promotion($r=0.558$, $p<0.01$), working condition($r=0.599$, $p<0.01$) and employees autonomy($r=0.466$, $p<0.01$) have moderate and significant correlation with motivation. Among those explanatory variables career development opportunity($r=0.284$, $p<0.01$) have the lowest correlation coefficient.

The above table also tells us that payment and recognition have the largest correlation coefficient which implies that they have great positive impact on employee's motivation as compared to other variables and generally for all explanatory variables the sign of correlation is positive meaning that an increase or decrease in the above explanatory variables will have the same increase or decrease effect in employee's motivation..

Generally this positive relation between reward and motivation can be shown in the following scatterplot.

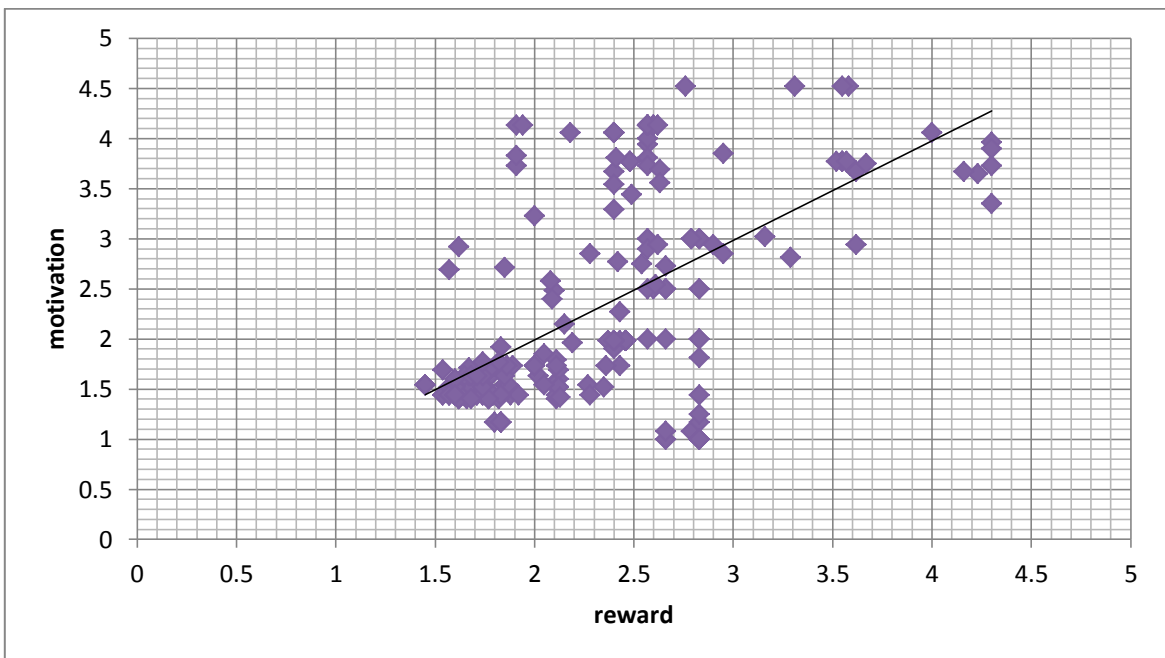


Figure 4.6 Correlations between Reward and Motivation

From the above scatterplot most of the distribution falls below 2.5 from the five likert scale questioner meaning that the reward package given by the bank and the motivation level of the employees are low.

In research high, either positive or negative, correlation between dependent and independent variables means that independent variables have greater impact on independent variables. However higher correlation between independent variables means that there is high multicollinearity problem and the result of the study will also be invalid.

Correlations and multicollinearity

To ensure that the regression results are reliable and unbiased, the assumptions underlying a regression analysis are examined. Hence, before presenting the regression models, it should be inspected for none existence of excessive correlations between the independent variables in the model. The correlation matrix in conjunction with co linearity statistics can be scanned as a preliminary look for multi co linearity in this case. To avoid multi co linearity in the research variables, there should be no substantial correlations ($R > 0.9$), tolerance value below 0.1 and variable inflation factor over 5.

Table 4.11 Collinearity Table

Collinearity Statistics		
	Tolerance	VIF
(Constant)	0.474	2.109
Payment	0.514	1.947
Benefit	0.415	2.412
Promotion	0.339	2.954
Working condition	0.318	3.14
Recognition	0.584	1.711
Employees autonomy	0.552	1.813
Career development opportunity	0.474	2.109

Source own survey(2017)

A VIF of greater than 5 is generally considered the evidence of multicollinearity. However the VIF of every independent variable in the above collinearity statistics table is less than

5. Thus, it can be concluded that all variables have low correlation power; as a result there is no multicollinearity problem in the independent variables.

Normality test

Normality is used to describe a symmetrical, bell-shaped curve, which has the greatest frequency of scores around in the middle combined with smaller frequencies towards the extremes. Normality test is used to determine whether the error term is normally distributed. Therefore, normality test for the data used in this study shown by the following histogram which we can clearly see that error terms are normally distributed.

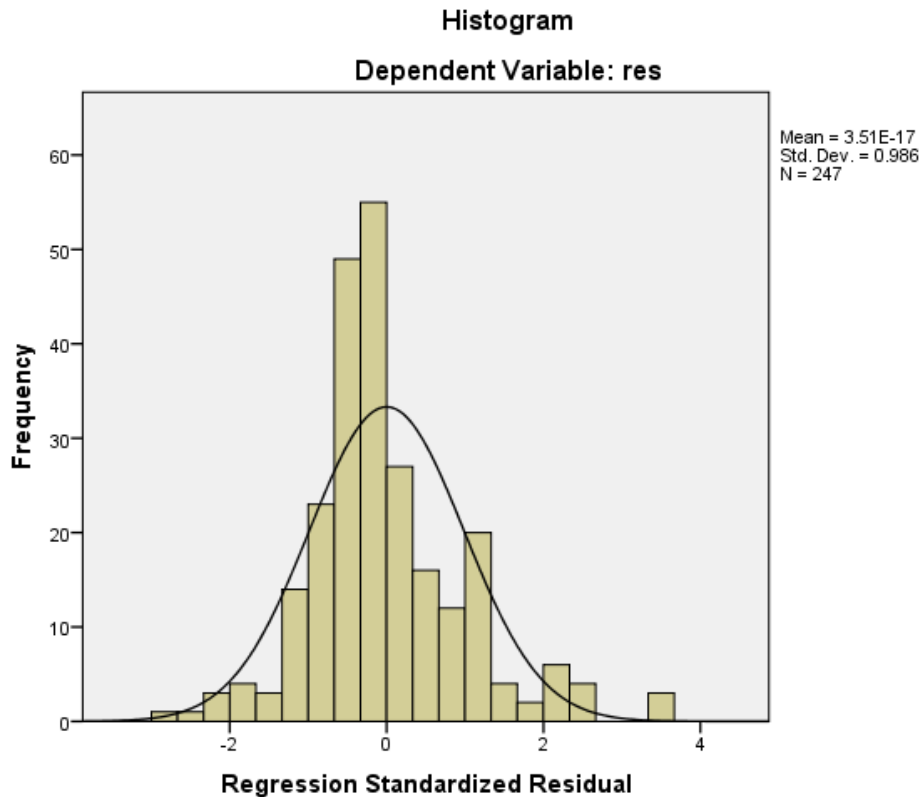


Figure 4.7 normality test

4.5. Regression Analysis

Multiple regression analysis applied to find out whether there was statistically significant relation surfaced between work motivation and the seven reward dimensions or not. Moreover, it helped to devise a formula that shows the relation between the dependent

variable (work motivation) and the independent variables (payment, benefit, promotion, recognition, working condition, employee’s autonomy and career development opportunity

This part of analysis includes a regression model to test the hypothesis. Seven extracted dimensions were taken as independent variables against motivation of employees as dependent variable in a multiple regression model. For all the hypothesis of the study below 95% confidence interval was used.

The impact of reward on employee’s motivation

To know about the impact of individual dimensions of reward variables on the employee’s motivation multiple regressions using the following model was run:

$$y = a + b_1x_1 + b_2x_2 + b_3x_3 + b_4x_4 + b_5x_5 + e$$

$$\text{motivation} = a + b_1(\text{payment}) + b_2(\text{benefits}) + b_3(\text{promotion}) + b_4(\text{recognition}) + b_5(\text{working condition}) + b_6(\text{employee’s autonomy}) + b_7(\text{career development opportunity}) + e$$

Table 4.12 Summery of Regression Model

Model summery

Model	R	R squared	Adjusted R squared	Std. Error of the Estimate	Durbin Watson
1	.831 ^a	.690	.681	.61615	2.139

a) Predictors, (constant), payment, benefits, promotion, recognition, working condition, employees autonomy and career development opportunity

As indicated in the model summery table the linear combination of the independent variable was significantly related to the dependent variable, R=.831, R square= 0.690 adjusted R square=0.681 , F=75.94 (p=0.000).

R value tells that the overall reward dimensions such as payment, benefits, promotion, recognition, working condition, employees autonomy and career development opportunity have strong effect on the dependent variable(motivation).

R-square value 0.690 indicates that 69 % of variation on dependent variable (motivation) is explained by the above Reward dimensions (payment, benefits, promotion, recognition, working condition, employee’s autonomy and career development opportunity). And other factors that are not included in the model may explain the remaining (31%) variation in employee’s motivation.

Table 4.13 Significance of the Regression Model

ANOVA

Model		Sum of squares	Df	Mean square	F	Sig
1	Regression	201.813	7	28.830	75.942	.000 ^b
	Residual	90.734	239	.380		
	Total	292.547	246			

- a) Predictors, (constant), payment, benefits, promotion, recognition, working condition, employees autonomy and career development opportunity
- b) Dependent variable, motivation

The above ANOVA table indicates the statistical significance of the regression model that was run. Here, p is less than 0.05, and indicates that, overall, the regression model statistically significantly predicts the outcome variable (i.e., it is a good fit for the data).

Table 4.14 Coefficients of Regression Model

		Unstandardized coefficients		Standardized coefficient	T	Sig
		B	Std error	Beta		
1	(Constant)	-.826	.152		-5.418	.000
	Payment	.396	.060	.345	6.593	.000
	Benefit	.150	.058	.131	2.603	.010
	Promotion	.020	.065	.017	.309	.757
	Working condition	.058	.063	.056	.912	.362
	Recognition	.455	.098	.296	4.638	.000
	Employees autonomy	.296	.051	.274	5.805	.000
	Career development opportunity	.004	.051	.004	.084	.933

- a. Predictors, (constant), payment, benefits, promotion, recognition, working condition, employees autonomy and career development opportunity

The regression coefficients explain the average amount of change in the dependent variable due to a unit change in the independent variable holding other explanatory variables constant.

Testing hypothesis

Based on the above regression result the hypothesis of the study are tested and presented as follows

Payment

H0: there is no significant relationship between payment and employee's motivation.

H1: payment has a positive and significant effect on employee's motivation.

As we can see in the above coefficient table payment has a b value .396 ($p < 0.05$). Therefore we can say that payment has a positive and significant effect on employee's motivation. This implies we reject the null hypothesis and accept the alternate one.

Benefit

H0: there is no significant relationship between benefit and employee's motivation.

H2: benefit has a positive and significant effect on employee's motivation.

The beta value of benefit shows .15 ($p < 0.05$) tells us that there is positive and significant relationship between payment and employees motivation. Therefore we reject the null hypothesis and accept the alternate hypothesis of existence of significant relationship with motivation.

The expected positive coefficient estimates of pay and benefits are consistent with Moncarz et al., (2009) and Chiu et al., (2002). According to these papers it can be explained that salary was the prime factor for the motivation of salaried employees. In addition, benefits are a motivator for employees' commitment within an organization, which results in attraction and retention.

Promotion

H0: there is no significant relationship between promotion and employee's motivation.

H1: Employee's promotion has a positive and significant effect on employee's motivation.

The regression result tells us to accept H0 since there is a no significant relationship between promotion and employees motivation. The beta value of promotion is .020 however the p value is .757 which is greater than 0.05. therefore we fail to reject the null hypothesis

This finding is consistent with Azim and Sharma (2012) Study finding suggesting that satisfaction with promotion opportunities do not have a direct and positive impact on motivation. And inconsistent with Peterson, (2003), Kreitner and Kinicki (2004). According to these papers it can be explained that opportunities for promotion has a great connection with motivation.

Working condition

H0: There is no significant relationship between working condition and employee's motivation.

H1: Working condition has a positive and significant effect on employee's motivation.

Working condition also found to be insignificant relationship with motivation with beta value of .058 and p value .362 which is higher than 0.05. Therefore we accept the null hypothesis and reject the alternate one.

This positive and insignificant coefficient of working condition is consistent with Baron and Greenberg (1995) and Robbins (2001). According to these papers absence of working conditions such as good temperature, lighting, ventilation, hygiene, noise, working hours, staff relation and resources can impacts poorly on the worker's mental and physical well-being which leads to lower motivation.

Recognition

H0: There is no significant relationship between recognition and employee's motivation.

H1: Employee's recognition has a positive and significant effect on employee's motivation.

With regard to recognition statistically significant and positive relationships was also absorbed between recognition and employee's motivation as hypothesized. Recognition has beta value of .455 and p value less than 0.05. Therefore, the alternate hypothesis is accepted

Employee's autonomy

H0: There is no significant relationship between employee's autonomy and employee's motivation.

H1: Employee's autonomy has positive and significant effect on employee's motivation.

When we come to employees autonomy, the alternate hypothesis which states employee's autonomy has positive and significant effect on employee's motivation is supported with coefficient of .296 and sig value less than 0.05. Therefore we reject the null hypothesis.

Career development opportunity

H0: There is no significant relationship between career development opportunity and employees motivation

H1: Career development opportunity has positive and significant effect on employee's motivation

The regression result shows Career development opportunity has positive but insignificant Effect on employees motivation with the coefficient of .004 and sig. value = .933 which is greater than 0.05.

Generally based on the above analysis the researcher concludes that payment, recognition, employees autonomy and benefit variables have the highest positive and significant impact on employees' motivation. But working condition, promotion and career development opportunity have positive but insignificant effect on employee's motivation.

4.6. Comparison of Mean Scores across Demographic Factors

Independent sample t-test and Analysis of Variance (ANOVA) were applied to test whether there are differences in work motivation due to differences in the groups of

gender, age, marital status, educational level and service year of employees. That is, in this section, independent sample t- test was applied to compare equality of mean scores of motivation across the two groups of gender (male, female) and the F-test was applied to compare the same mean scores but across demographic factors of more than two classes.

Table 4.15 Independent t-test table for gender

Item	Gender		T-test for equality of means		
	Male	Female	T	Df	Sig. (2-tailed)
Motivation	1.6757	6182	.619	245	.537

Source own survey, 2017

Gender was the first demographic factor considered to determine motivation. As shown in the table perception of male and female workers on motivation is not significantly different. Since the p value of the independent t- test tables is greater than 0.05 we can say that there was no statistically significant differences in the level of motivation of employees based on their gender.

Table 4.16 Summary of One Way ANOVA Table for the Difference in Motivation Based on Demographic Factors

Items	Sum of squares	Df	Mean square	F	Sig.
Age					
Between Groups	.634	3	.211	.455	.714
Within Groups	112.865	243	.464		
Total	113.499	246			
Marital status					
Between Groups	.265	2	.133	.286	.752
Within Groups	113.234	244	.464		
Total	113.499	246			
Education level					
Between Groups	.025	2	.012	.027	.974
Within Groups	113.475	244	.465		
Total	113.499	246			
Service year					
Between Groups	.336	3	.112	.240	.868
Within Groups	113.164	243	.466		
Total	113.499	246			

Source own survey 2017

As we can see in the above one way ANOVA table, the p value for all the demographic factors is higher than the 0.05 significance level. Meaning that, there was no statistically significant difference in the level of motivation of employees based on their demographic factor.

The demographic factors considered for this research were gender, age, marital status, educational background and service year. 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.

4.7. Descriptions and analysis from Open Ended Questions

In the first open ended question employees were asked to specify the rewards available in their organization. Most of CBE respondents respond that in addition to the basic payment other rewards like Medical plan, life insurance, bonus, transport allowance, staff loan, housing loan and educational fee programs will be provided by Commercial Bank of Ethiopia.

When asked what are the major problems that the bank is facing with respect to reward, Most of CBE respondents noted that, in recent times problems like very high employees' turnover, lack of proper communication with managers as well as customers, poor service given to customers, customer dissatisfaction and unable to hold them due to poor service given by the bank. Respondents noted that this poor service comes from lack of employees motivation arise from poor reward policy.

On the other hand they were also asked about what the bank should do to bring and improve employees motivation. Employees who participated in this study also give their solution that the bank should do to bring motivation. Firstly respondents point out that the bank should have better at least competitive reward package (the salary, fuel, transport, loan, housing and hardship allowance) with other local private banks. They said their salary payments are not enough to match with the ongoing cost of living due to the banks failure to revise it for more than five years. In addition to this the respondents also suggested that the bank should fulfill every resource that is functional in operation.

According to the respondents Unfair Promotion criteria, problems with regard to career development opportunity and unacceptable mortgage facility should also be revised in order to bring employees motivation.

Finally CBE respondent's give comment on the overall reward programs of Commercial Bank of Ethiopia. Most of the respondents comment that there is low payment and poor benefit packages when compared to its work load, so there must be an adjustment and try to balance. Moreover, they noted the available benefit packages should be practiced as intended. According to respondents the current rewards didn't bring motivation to its employees and reward program changes should take into consideration the current market condition and employees' interest. Additionally the bank should create conducive working environment which is very essential to facilitate the day to day activities of employees. CBE should periodically update their reward policy and should be communicated to employees. In addition to this they also pointed that management has to raise awareness among employees about the issue of rewards and should assess the interest of employees then provide appropriate benefits.

To go further with the research the author suggests investigating the relationship between employee motivation and reward systems on a more particular level. This could be done by analyzing motivation and rewards according to demographical, sociographical or geographical factors. The author also believes that it would be interesting to conduct a research on this topic with emphasize on cultural differences. Especially now, when large companies are becoming more and more international it is important to manage and understand the cultural differences of the employees in order to motivate them.

CHAPTER FIVE

5. SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1. Introduction

This chapter comprises of the summary of findings, conclusions, and recommendations of the research study.

5.2. Summary of Findings

This study aimed to investigate the effect of reward on employee's motivation in commercial bank of Ethiopia Addis Ababa area by distributing questionnaire for randomly selected 291 employee of CBE. From the distributed questionnaire 247 were returned and the response rate was 85.1 percent which is acceptable for data analysis and discussion of the study.

The background information of CBE respondents indicates that the majority of the respondents are male which account 168 (68%) of the total respondent. The age distribution shows that most of respondents are aged in the range of 21-30 with 59.1% of the total respondents. Most of respondents (60.3%) are single, (72.9%) are degree holders, and 42.5% of respondents have tenure of less than three years

The results of the descriptive analysis indicated that employees were satisfied relatively with the benefit package of the bank which has the highest mean value (2.5154, SD=.0.94) out of five likert scale. Other reward variables like as payment, promotion, recognition, working condition, employees autonomy and career development opportunity are below the average. Of the above variables payment has the lowest mean (2.1206, SD=0.94). Average or mean level of work motivation in commercial bank of Ethiopia is 2.23 (SD = 1.09) which shows employees of commercial bank of Ethiopia are not that much motivated with their job.

The result of correlation shows that payment ($r=0.669$, $p<0.01$) and recognition ($r=0.721$, $p<0.01$) have strong and significant correlation with the dependent variable (motivation) while benefit($r=0.56$, $p<0.01$), promotion($r=0.558$, $p<0.01$), working condition($r=0.599$, $p<0.01$) and employees autonomy($r=0.466$, $p<0.01$) have moderate and significant correlation with motivation. Among those explanatory variables career development opportunity($r=0.284$, $p<0.01$) have the lowest correlation coefficient.

The model summary of multiple regression analysis revealed that the R square value of .690. This demonstrates that 69% of variation in motivation is explained by the reward dimensions included in this model. The F-Statistic suggests that all the independent variables together significantly predict the variation in motivation at 95% confidence level. Regression Analysis to see the effect of different reward types on work motivation revealed that rewards such as payment, benefits, recognition, and employee's autonomy have positive and significant effect on motivation but rewards such as promotion, working condition and career development opportunity do not have significant effect on employee's motivation.

5.3. Conclusion

The main objective of this research was to see the effect of reward on motivation the case of commercial bank of Ethiopia in Addis Ababa area. As stated in the literature the seven explanatory variables of motivation were; payment, benefits, promotion, recognition, working condition, employee's autonomy and career development opportunity.

The result of descriptive analysis shows that all explanatory variables except benefit have the mean value of below the average. This implies that employees attitude towards the reward programs given by the bank is very low. In addition to this mean value of motivation shows that the level of motivation in commercial bank of Ethiopia is very low.

From the positive correlation between motivation and reward dimensions presented in the analysis, we can conclude that reward such as payment, benefits, promotion, recognition, working condition, employee's autonomy and career development opportunity have positive relationship with employees motivation

From the regression result we can conclude that that payment, benefits, recognition, and employee's autonomy have positive and significant effect on motivation but rewards such as, promotion, working condition and career development opportunity do not have significant effect on employee's motivation.

5.4. Recommendations

Based on the findings and conclusions of the research the following recommendations were forwarded to the bank managements.

- ❖ The level of work motivation of employees in commercial bank of Ethiopia is below the average. Since the relation between rewards and motivation exist the management of commercial bank of Ethiopia should clearly state well-articulated reward policy by involving some employees in the process of developing it in order to increase the employee's motivation and to achieve its own goal.
- ❖ Since payment and recognition reward variables have higher positive and significant impact on employees' motivation The bank should redesign its salary scale and payment structure based on the inflation rate and market condition and hence the highest influential factor for job motivation will be controlled
- ❖ Supervisors and managers have to acknowledge employees deeds on a daily/weekly/monthly basis. Furthermore implementing a formal program to recognize top achievers in every job category is important. In addition, healthy competition can boost morale, encourage hard work and increase satisfaction and retention
- ❖ In general 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 employees autonomy and establishment of better leadership system have the greatest impact on employee motivation
- ❖ The study also recommends that future research be directed towards investigating how variables like work balance, responsibility, working relationship and the work itself can influence employee motivation and to expand the scope to cover unaddressed variables.

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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).

STATEMENTS		LEVEL OF AGREEMENT				
	Reward measurement variable	1	2	3	4	5
1	Payment					
1.1	The payment system is clearly stated and communicated to all employees.					
1.2	The basics of payment, for example, over time payment are reasonable.					
1.3	My salary is satisfactory in relation to what I do.					
1.4	I earn the same as or more than other people on a similar job.					
1.5	The current salary is adequate to cop up with the ongoing cost of life					
2	Benefits					
2.1	The benefit system of the organization treats each employee reasonably.					
2.2	My medical scheme is satisfactory.					
2.3	My pension benefits are good.					
2.4	I never have problem with my leave arrangements.					
2.5	The organizations insurance scheme enhances the satisfaction of employees.					
3	Promotion					
3.1	The opportunity for promotion exists in this organization.					
3.2	The criteria for promotion are acceptable.					
3.3	Everyone has equal chance to be promoted					
3.4	Staffs are promoted in a fair and transparent way.					
3.5	Clear promotion criteria's are available in the organization					
4	Working Condition					

4.1	My working hours is reasonable.					
4.2	The office layout is convenient to do my job.					
4.3	I get the opportunity to mix with my colleagues and to communicate on aspects of our work.					
4.4	Basic resources are available for my work.					
4.5	I am satisfied with the way my co-workers get along with each other.					
5	Recognition					
5.1	I am praised regularly for my good work.					
5.2	I receive constructive criticism about my work.					
5.3	I get credit for what I do.					
5.4	I am always told when I am making progress.					
6	Employee autonomy					
6.1	I have the authority to correct daily problem when they occur.					
6.2	I am encouraged to handle daily problems by myself.					
6.3	I have control over how I solve daily problems.					
6.4	I am able to control the social contact with others.					
7	Career development opportunity					
7.1	My direct supervisor takes interest in my career development.					
7.2	I have good access to development opportunities in my current job.					
7.3	I see a future for myself in a higher-level role in this organization					
7.4	My organization has a formal mentoring Program for jobs like mine.					
	Motivation measure variables					
8	Organizational Commitment					
8.1	I feel I belong to the CBE					
8.2	I try to improve ways of doing my job effectively and efficiently					
8.4	I have a courage to do tasks effectively					
9	Reputation					
9.1	I am proud to say what kind of work I do					
9.2	I recommend others to join my office					
9.3	I enjoy the physical surroundings where I work					
10	Extra Effort					

10.1	I am willing to stretch myself on my job					
10.2	I am interested in my work					
10.3	I feel inspired on my job					
11	Engagement					
11.1	I Feel like I am part of something meaningful in my position with in my office					
11.2	my office inspires me to do my best work every day					
11.3	I rarely think about leaving CBE to work somewhere else					
11.4	Given the opportunity, I tell others great things about working at CBE.					

Part III: Open-ended questions

1. Please, specify the rewards available in your organization (CBE)?

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2. What are the major problems that your bank is facing with respect to reward?

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3. What do you think the bank should do to improve employee’s motivation?

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4. Any comment/suggestion about the reward systems of Commercial Bank of Ethiopia

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Thank you for completing the Questionnaire!!!