



**THE EFFECT OF REWARD MANAGEMENT ON EMPLOYEE MOTIVATION:  
(A CASE STUDY OF BUNNA INTERNATIONAL BANK S.C.)**

**BY ABENET AZEMERA**

**A THESIS SUBMITTED TO ADDIS ABABA UNIVERSITY SCHOOL  
OF COMMERCE IN PARTIAL FULFILMENT OF THE  
REQUIREMENTS FOR THE DEGREE OF MASTERS OF ARTS IN  
HUMAN RESOURCES MANAGEMENT.**

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**JUNE, 2020**



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APPROVED BY THE BOARD OF EXAMINERS

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## Declaration

I, **Abenet Azemera**, declare that this thesis entitled “ The effect of reward management on employees motivation in the case of Bunna international bank S.C”. is my original work. I have carried out the present study independently with the guidance and support of the research advisor, **Wubshet bekalu (PHD)**. I further confirm that this paper has never been submitted to any other university for any degree, or diploma program in this or any other institution. Finally, I declare that all source materials used in this research have been duly recognized and acknowledged.

**Abenet Azemera**

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Date**

### Statement of Certification

This is to certify that **Abenet Azemera** has carried out his research work on entitled “The effect of reward management on employees motivation in the case of Bunna international bank S.C.” for the partial fulfillment of masters of arts in human resource management at Addis Ababa university school of commerce. This work is original and it is suitable for submission of masters of arts in human resource management.

**CONFIRMATION BY ADVISOR:** \_\_\_\_\_

**Wubshet Bekalu (Phd)**

**Signature**

**Date**

## Acknowledgement

First and foremost I would like to thank God for making everything possible, then I acknowledge that I could not have completed this work without the support of many people around me. I owe a special recognition and appreciation to my research advisor, **Wubshet Bekalu (Phd)**, who supervised me in conducting this research and gave me his unreserved and professional assistance as well as encouragement. I am very grateful to all my family for their moral encouragement and support in all my academic achievements. Herts felt and special thanks go to my uncle, **Engida Gebregizabher**, for what he did to the whole family. **Engida**, you are not only “Uncle”, you have also been the father, mother of the whole family. Furthermore, I am also thankful for the bank’s employees who willingly, thoughtfully, and generously shared their experiences, ideas and values. My heartfelt appreciation also goes to my best friends who have supported me directly and indirectly during the study.

Thank you!

**Abenet Azemera**

## List of Abbreviations and Acronyms

|      |  |
|------|--|
| BIB  | Bunna International Bank S.C.          |
| NBE  | National Bank of Ethiopia              |
| SPSS | Statistical Package for Social Science |
| HRMD | Human Resource Management Directorate  |
| POS  | Point Of Sale                          |
| VIF  | Variable Inflation Factor              |
| DW   | Durbin Watson                          |

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### *Abstract*

*The purpose of this research was to investigate, the effect of reward Management on Employee Motivation in Bunna International Bank S.C. The study used both primary and secondary sources of data. A quantitative research approach of data collection was used and 299 questionnaires were distributed out of which 260 of them were returned. Probability sampling (stratified) method was used and employees were selected from each stratum with a random sampling technique. Among the major findings, the overall perception of respondents towards the current reward practices was moderately satisfied in terms of Payment, Benefits package and Promotion. On the other hand, the result also indicated that, there were a satisfaction towards, Supervision, Working conditions, Appreciation and Challenging & Interesting task. The result of correlation shows that, there exist positive and significant relation between payment, promotion, benefit package, recognition , supervision, working conditions, Interesting & Challenging task and employee motivation. It was also indicated that, employees were moderately motivated with the independent variables. Meanwhile, the result of regression analysis indicates, 37.4% of variance explained the employee motivation in terms of reward practices dimensions (independent variables).*

*It is recommended that, the Bank is to review its both extrinsic & intrinsic reward practices which are the factor that affect employee motivation. The study, also, recommends that further research should be done on the relationship between the reward system and employee motivation in private banks in Ethiopia.*

***Key Words: Reward, Motivation, Intrinsic Reward and Extrinsic Reward***

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## Chapter One

### 1.1 Background of the Study

Financial sector is one of the most important and significant business all over the world and it plays a very essential role in strengthening the entire financial structure of the economy. it also contributes towards the development of overall economy of a country (Mikander, 2010).

Andrew (2007) highlights that banking institutions operate in a very dynamic and highly competitive environment, and to remain relevant in the market, they have to be able to respond quickly to ever-changing customer demands. it thus becomes critical for banking institutions to retain trained and skilled personnel to avoid the negative effects of employee turnover.

the fundamental goal of the organization is to trade profitably and for it to achieve its ultimate goal, it needs motivated employees. therefore making employees feel motivated and satisfied with their work remains a complex but an important role of the management.

It is noted that different banks employ different techniques of motivating their employees. such may include promotion, recognition, monetary rewards, paid holidays are among others.

rewarding people concerned with the design, implementation and maintenance of rewards systems that are geared to the improvement of organizational, team and individual performance. it concerned with the formulation and implementation of strategies and policies in order to reward people fairly, equitably and consistently in accordance with their value to the organization (Armstrong, 2009). it is argued that there is a relationship between rewards, motivation and job satisfaction in the banking sector (Jehanzeb, Rasheed, Rasheed&aamir, 2012). in order for employees to maximize their performance, motivating them is imperative. it is acknowledged that there exists various ways of motivating them which revolve around the reward system.

therefore, this study is designed to examine the effect of reward management on employees motivation of Bunna international bank S.C.

## 1.2 Historical Background of Bunna International Bank S.C

Bunna international bank S.C. has joined the banking industry of Ethiopia following the favorable economic developments witnessed in the country during the last decade and the incessantly growing needs for financial services.

the bank has obtained its license from the National Bank of Ethiopia (NBE) on June 25, 2009 in accordance with licensing & supervision of banking business proclamation no. 592/2008 and the 1960's commercial code of Ethiopia. the bank officially commenced its operation on October 10, 2009 with subscribed & paid up capital of 308 million birr and 156 million birr, respectively.

Bunna international bank S.C. (BIB) is uniquely established as the largest number of shareholders' bank in the country. it has more than 14,500 shareholders that put the bank on a strong base. the paid up capital of the bank is more than one billion birr. The number of branches as March, 2020 has reached 225, of which 124 is located in regional part of Ethiopia and the rest 101 in Addis Ababa. as per the bank's human resource management directorate (HRMD) record, the total number of permanent employees of the bank as at march, 2020 reached 2, 017. bib has deployed more than 50 ATM and many POS terminals. it continues product and service innovations along with technology adoptions to the satisfaction of its customers.

The vision of the bank is “to become one of the top three commercial banks in Ethiopia by the year 2030” and the mission of the bank is “to provide commercial banking services to enhance values of key stakeholders and win public trust using professional employees and state- of – the art technology”

### 1.3 Statement of the Problem

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). Well performing employees have been incentivized with monetary compensation, which historically has been the most used and accepted way to motivate and encourage employees to perform better (pink, 2011).

Although the correlation between work performance and motivation has been studied in depth, many organizations and reward systems still seem to be designed to decrease motivation and performance. Both pink (2011) and Whiteley (2002) state that ,motivation is crucial to obtain high performing employees. Understanding what motivates employees is a complex process, and to inspire and guide them to perform in alignment with the interest of the organization, managers should pay great attention to examine how and which rewards that perceives as motivating. (pink, 2011) designing an optimal reward scheme is almost impossible, due the fact that all individuals have different personal drivers, and hence behave differently. Consequently, managers should carefully consider which factors and elements that should be included in the reward system to enhance desirable employee motivation.

Employee's satisfaction opinion survey was conducted by the bank's HRMD to gather information on employee's satisfaction. This survey is not officially published and released by the bank. The survey was focused on how the bank's employees feel about their company salary, benefits, working environment, relationships with colleagues, relationships with supervisors, career development and advancement opportunities. In this survey the finding indicated that, on average 45 % of the respondents expressed their disagreements with the existing salary and benefit while 34% in the position of agreement. The major dissatisfaction areas included banks transport or fuel allowance and per diem. About 41% of the respondents expressed their disagreement which

responded to questions related to career development, agree or strongly agree with the existing career development while 34% are opposing it. The respondent's dissatisfaction predominantly lies on allocation of training opportunities among staffs. Similarly, 53% of respondents agree or strongly agree with the existing work environment in the bank while 27% of the respondents disagree or strongly disagree. The respondent's dissatisfaction is around fair treatment of employees, allocation of appropriate man power proportional to work load of the work unit, slow network system and shortage of required resources to the work units. In case of communication, 62% responded their agreement or strong agreement. Meanwhile, the reverse holds for 18%. The main area of disagreement encompass the recognition of employees for their good jobs by supervisors, flow of information in the bank and common understanding in the values of the bank. In addition to the survey report, the researcher further made personal observation and had conducted a mine survey on selected employees of the bank about the current salary and benefit package, career development and promotion, working environment, recognition. This mine survey and my own observation, employees are dissatisfied on these factors and as a result of this, employees are leaving to other same industry to look for better opportunities.

Therefore, the purpose of this study was to investigate the effect of reward management on employees motivation at Bunna international bank S.C. and shows the practice gaps that exist in the bank. specific, to the impact of intrinsic and extrinsic rewards on employee motivation.

#### **1.4 Research Question**

- How do employees perceive reward management practice in the bank?
- What is the level of employee motivation in the bank?
- How do reward practices affect employee motivation in the bank?

## 1.5 Objectives of the Study

### 1.5.1 General Objective

The main objective of this study is to investigate the effect of reward management on employee motivation at Bunna International Bank S.C. (BIB).

### 1.5.2 Specific Objective

- To assess employees perception of reward management practice in the bank.
- To assess the level of employee motivation in the bank.
- To investigate the impact of reward practices on employee motivation in the bank.

## 1.6 Hypothesis

H1: positive and significant relationship between payment and motivation.

H2: positive and significant relationship between benefit and motivation.

h3: positive and significant relationship between promotion and motivation.

H4: positive and significant relationship between supervision and motivation.

H5: positive and significant relationship between working condition and motivation.

H6: positive and significant relationship between challenging & interesting job and motivation.

H7: positive and significant relationship between recognition and motivation.

## 1.7 Significance of the Study

This study would benefit Bunna international bank SC. (BIB) in many ways. It may assist the bank to improve or amend its reward system to survive in today's tough business environment. A thorough understanding of the nature and significant sources of motivation and performance, in so far as these concepts are related to rewards, will enable the bank to effect the required positive strategic changes towards optimal employee loyalty and retention. Since the bank is desirous of and committed to ensuring that it has a hardworking and loyal workforce, it would serve a useful

purpose to know whether the latest systems of incentive schemes will have the desired results in the long run; namely, a motivated workforce and satisfied clients. The study will assist the bank in this regard.

This study will assist any individual who desires to obtain a further understanding of this topic of a person who is looking to write on this topic in the future.

### **1.8 Scope of the study**

This study is delimited to employees of Bunna international bank S.C. even though it's very important to cover all area banks across the country, yet due to the wide geographical dispersion of branches as well as time and money constraints, outlined branches were not included; the study included only branches & head office at Addis Ababa. The study focused on the group of respondents from clerical and managerial employees. Lower level employee like security guards or messengers were not included. Questionnaire was used as data collection tools on the study. The analysis technique employed in this study restricts the inclusiveness of detail items in the questionnaire and limits the respondents to elaborate their answers.

### **1.9 Limitations**

Employee motivation is a challenging area in human resource management and is also subject to other considerations. Moreover, the outcome of the study entirely will depend on responses of the respondents included in the study. The study only includes rewards system items extrinsic and intrinsic rewards while extrinsic rewards listed as payment, benefit, promotion, working condition and supervision/leadership that the employee receives as part of their job. On the other hand an intrinsic reward associated with the satisfaction that comes from actually performing challenging and interesting job, recognition . This study will be carried out with closed ended questions based on a survey questionnaire.

## 1.10 Definition of Terms

**Reward:** Are all the monetary, non-monetary and psychological payment that an organization provides for its employees in exchange for the work they perform Bratton, j. & gold, j. (2007).

**Extrinsic Rewards:** are the physical benefits provided by the organization such as pay, bonus, fringe benefits and career development opportunities Jehanzeb, j. Et.al. (2012).

**Intrinsic Rewards:** Refer to the rewards that come from the content of the job itself, and encompass motivational characteristics of the job such as autonomy, role clarity and training Jehanzeb, j. (2012)

**Motivation:** May be defined as the complex of forces inspiring a person at work in an organization to intensify his desire and willingness to use his potentialities for achievement of organizational objectives singh, n. (2007).

## 1.11 Organization of the Study

This work is organized into five chapters. Chapter one deals with the introduction. This takes a look at the background to the study, statement of the problem, purpose of the study, research questions, significance of the study, methodology, scope of the study, and limitations of the study as well as the organization of the study. Chapter two deals with reviewing existing literature that primarily deals with discussions and review of literature related to the concepts of the research. The third chapter describes the methodology . This includes the research design, area of study, population, sample and sampling techniques, research instrument, administration of the questionnaire, and data analysis procedure. Chapter four comprises compilation, analysis and discussion of data collected. Chapter five also looks at the summary of the findings, conclusions and recommendations.

## Chapter Two

### 2 Literature Review

#### 2.1 Introduction

Saunders (2007) refers to a 'literature review' as the detailed and justified analysis and commentary on the merits and faults of the literature within a chosen area, which demonstrates familiarity with what is already known about the current research topic. Accordingly, this chapter examines the existing literature that has contributed, empirically and theoretically, towards understanding the relationship between rewards and motivation.

#### 2.2 Theoretical Framework

##### 2.2.1 The Concept of Motivation

Different authors define motivation in different ways. Motivation is the desire to achieve beyond expectations, being driven by internal rather than external factors, and to be involved in a continuous striving for improvement (Torrington, hall, taylor & atkinson, 2009).

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.

Motivation is the force that energizes, directs and sustains behavior. Motivation theory explains how motivation works and the factors that determine its strength. It deals with how money and other types of rewards affect the motivation to work and levels of performance, what creates job satisfaction, and the link between job satisfaction and performance. It therefore influences decisions on how people should be valued, the choice and design of financial rewards and the use of non-financial rewards. A distinction is made between extrinsic and intrinsic motivation. Extrinsic motivation occurs when things are done to or for people to motivate them. These include rewards, such as incentives, increased pay, praise, or promotion, and punishments, such as

disciplinary action, with- holding pay, or criticism. Intrinsic motivation is provided by the work itself.( Armstrong, 2010).

## **2.3 Types of Motivation**

There are two types of motivation as originally described by Herzberg et al (2):

### **2.3.1. Intrinsic Motivation**

This was defined by Herzberg as ‘motivation through the work itself’. It takes place when people feel that the work they do is intrinsically interesting, challenging and important and involves the exercise of responsibility (having control over one’s own resources), autonomy or freedom to act, scope to use and develop skills and abilities and opportunities for advancement and growth. Armstrong (2007).

### **2.3.2. Extrinsic Motivation**

What is done to or for people to motivate them? This includes rewards such as increased pay, recognition, praise or promotion, and punishments such as disciplinary action, withholding pay, or criticism. (Armstrong, 2007).

Extrinsic motivators can have an immediate and powerful effect, but it will not necessarily last long. The intrinsic motivators, which are concerned with the notion of the ‘quality of working life’ (a phrase promoted by advocates of the notion of intrinsic motivation but little used today), are likely to have a deeper and longer-term effect because they are inherent in individuals and not imposed from outside. But it should not be assumed that intrinsic motivation is good and extrinsic motivation is bad. They both have a part to play.( Armstrong, 2007)

## **2.4 Theories of Motivation**

Theories of motivation stress different factors that contribute to job satisfaction. Both intrinsic and extrinsic motivated behavior reflect the various theories that can be adopted in an attempt to

understand motivation behavior.

Satisfaction of needs or the elimination or reduction of inner tension. It focuses on the rewards of the individual. Armstrong (2007) stated that Taylor's theory of motivation to work is related to rewards and penalties which are directly connected to performance.

### **2.4.1 Content Theories of Motivation**

They are group of theories about work motivation that focuses on employees needs as the sources of motivation. A need is a requirement for survival and well-being and motivation of a person depends on the strength of their needs.

Alderfer (1972) reorganizes Maslow's needs hierarchy into three levels: existence (physiological and safety), relatedness (social) and growth (esteem and self- actualization). Alderfer (1972) maintains the higher and the lower order needs who agree with Maslow (1946) that satisfied needs motivate individuals. Therefore, based on Maslow (1946) work managers or leaders are expected to meet the lower- level needs of their employees so that they will not dominate the employee's motivational process. Management should get to know the people's needs and to meet them as a means of increasing performance.

### **2.4.2 Process Theories of Motivation**

They are group of theories about work motivation that attempt to identify the relationships among the dynamic variables which make up motivation and actions required to influence behavior and actions. The three known theories are: equity, expectancy and goal-setting theory. Adams (1965) formulated the equity approach as an appropriate way to effective supervision and the equity approach is another important means of ensuring motivation of workers. Workers tend to believe in it if the organizational reward system is fair. The principles for this theory are, if workers discover that the company does not properly reward them, they will feel dissatisfied and their morale will be lower. The outcome is that they will not work hard anymore or they may choose to

depart from the current company. If workers believe that they are adequately rewarded for what they do, they will maintain the same level of output and performance. On the other hand, if workers perceive the rewards as more than they consider fair, then they will most likely work even harder in the organization.

### **2.4.3 The Reinforcement Theory of Motivation**

Reinforcement theory describes specifically how people learn behaviour and learn how to act. Reinforcement “is a term in operant conditioning and behaviours analysis for process of increasing the rate or probability of a behaviours in the form of response by delivery either immediately or shortly after performing the behaviour”. Reinforcement theory of motivation highlights the state of mind of each person, that is; his emotion and feeling. Reinforcement theory concentrates generally on changes which occur in each person when he or she goes through in the course of some actions or acting some behaviour. So, based on skinner: “the external environment of the organization must be designed effectively and positively so as to motivate the employee”. Reinforcement theory of motivation is a powerful way to control the process of action and behaviour in each person. (Skinner, 2014).

### **2.5 Reward Management Defined**

Reward management is concerned with the strategies, policies and processes required ensuring that the value of people and the contribution they make to achieving organizational, Departmental And Team Goals Is Recognized And Rewarded. It is about the design, implementation and maintenance of reward systems (interrelated reward processes, practices and procedures) that aim to satisfy the needs of both the organization and its stakeholders and to operate fairly, equitably and consistently. These systems will include arrangements for assessing the value of jobs through job evaluation and market pricing, the design and management of grade and pay structures, performance management processes, schemes for rewarding and recognizing

people according to their individual performance or contribution and/or team or organizational performance, and the provision of employee benefits. It should be emphasized that reward management is not just about financial rewards, pay and employee benefit. It is equally concerned with non-financial rewards such as recognition, learning and development opportunities and increased job responsibility. (Armstrong, 2010)

## **2.6 Definition of Rewards**

Reward can serve the purpose of attracting prospective job applicants, retaining valuable employees, motivating employees, as well as assist in achieving human resource objectives and obtaining competitive advantage (Bratton & gold, 2007).

## **2.7 Reward System**

A reward system consists of the integrated policies, processes and practices and administrative procedure for implementing the system within the framework of the human resources (HR) strategy and the total organizational system. Bratton & Gold (2007).

## **2.8 Reward Strategy**

According to Velnampy (2009) reward strategy is the deliberate utilization of the pay system as an essential integrating mechanism through which the efforts of various sub units and individuals are directed towards the achievement of an organization strategic objective, subject to internal or external constraints. Velnampy (2009) continue states that modern compensation administration frequently embraces a strategic approach where the mix and level of direct pay and benefits are chosen to reinforce the organization's overall strategic objectives (integration among four basis policy decisions is required in the design of a consistent compensation system. These decisions involve the comparison of jobs within an organization(internal equity/internal consistency, setting pay levels relative to competitors

(external equity/external competitiveness), adjusting pay for individual employees (pay for performance, rewards systems, skill based pay design), and the administration of the compensation function (Benefits Administration, And Benefits Communication).

## **2.9 Total Reward**

According to Armstrong, (2009) total reward is the combination of financial and non-financial rewards available to employees. It includes base pay, contingent pay, employee benefits and rewards from the work itself.

### **2.10 Types of Reward**

#### **2.10.1 Intrinsic Reward**

Intrinsic rewards are intangible in nature. We cannot touch them with our hands but only feel them such as appreciation, caring attitudes from employer and job rotation. Intrinsic rewards are the rewards within the job itself such as satisfaction from completing a task, appreciation from employer. There are different kinds of intrinsic rewards as explained by Mottaz (1985).

#### **2.10.2 Extrinsic Reward**

Extrinsic rewards are external to the job itself. They comprise such elements as pay, fringe benefits, job security, promotions, private office space, and the social climate. Other examples include competitive salaries, pay raises, merit bonuses, and such indirect forms of payment as compensatory time. (Ozutku, 2012).

### **2.11 Impact of Extrinsic Rewards on Employee Motivation**

If employees are not motivated to perform, the effectiveness of their skill is likely to be limited. In order to enhance employee motivation and performance one of the means that organizations can use is to provide performance related compensation (Zuller (2006).

As further defined by, Zuller (2006), rewards systems as “a reward mechanism that comes from the allocation, conversion, and transfer of a portion of the revenue of an organisation to its employees and staff for their monetary and in-kind claims on goods and services. According to Zuller (2006), the various needs and expectations at work can be categorised in a number of ways which is the simple divisions into physiological and social motives or into intrinsic and extrinsic rewards. The latter is related to “tangible” rewards such as salary and fringe benefits. Nokoks (2010) points out that a clear and well thought-through compensation policy is needed in organisations. The objective of any compensation function is to create a system of rewards that meets the needs of the employer and employee alike. The desired outcome is an employee who is attracted to work and motivated to do a good job. Khunda (2008) advises that a compensation system aimed at motivating employees should be equitable, taking into account internal, external and individual equity factors. Donna (2008) agrees, and equally highlights the importance of fairness in the allocation of performance-based increases and bonuses. He warns that if unfairness is perceived in the compensation system, employees become negative and rebellious and the opposite of motivation is achieved.

As mentioned by de wee (2012), employees always compare their remuneration to that of fellow employees and/or the market, and have an idea of their worth. If they feel underpaid, they might quit their jobs for better paying ones. Kuzunda (2007) emphasises that once someone is employed by an organisation, the job of a manager is to effectively utilise this human resource. The rewards sought are not only material (wages, salaries, and fringe benefits) but also spiritual (self-development, self-actualisation, sense of achievement) and social (the need to belong). Zuller (2006) asserts that there should be an effective reward system to attract, retain and motivate the top performers in the organisation and reward should be linked to productivity. There is a rising need for organisations to develop reward

systems that motivate staff to work harder and be creative. Robbins (2009) strongly believes that an effective reward system would trigger high performance. He further asserts that monetary incentives remain the most effective tool to reward workers for their excellent job performance. Non-monetary reward incentives, on the other hand, describe a reward system for workers aimed at generating excellent job performances through employee recognition programmes, empowerment, autonomy and pleasant working environment. According to Nokoks (2010), implementing a non-monetary reward programme can build loyalty, culture, and communication between internal networks while reducing conflict and conflict-related competitiveness between management and staff - all at little cost to the company.

Odendaal (2009) believes that despite the intuitive appeal of pay for performers, merit pay plans have several limitations. According to him, such plans are based on an annual performance appraisal and therefore, the merit pay is as valid or invalid as the performance ratings on which it is based.

## **2.12 Impact of Intrinsic Rewards on Employee Motivation**

Strovall (2003) argues that non-financial rewards motivate workers, which enhances job satisfaction, and an effective reward package could have a significant impact on the employee's performance. Dzuaranin (2012) suggests that organizations that focus only on financial incentives to motivate their employees must also introduce non-financial rewards to their performance rewards systems to increase the motivation level of their employees, since many people prefer the former over the latter. In his study Dzuaranin (2012), suggests that organizations using effective reward programs better achieve their organizational objectives and also influence employee behaviour. In the same vein, Diote (2011) found that recognition in various forms is an excellent motivational and retention strategy for any

organization. He argues that it is cost-effective for any organization to implement strategies to motivate their talented employees by recognizing their hard work. A study conducted by Angelo in 2013 found that 39% of people quit their work because they feel unappreciated, and management fails to handle this huge turnover because of the absence of proper employee rewards and recognition programs.

Welch (2011) emphasizes the importance of intrinsic reward, and advises companies to build recognition programs into their reward systems. According to him, recognition and appreciation of employees contribute significantly towards employee job satisfaction. He notes that intrinsic rewards are related to ‘psychological’ satisfaction such as opportunity to use one’s ability, a sense of challenge and achievement, receiving appreciation, positive recognition, and being treated in a caring and considerate manner. The psychological rewards are those that can usually be determined by the actions and behaviour of individual managers. Kelly (2010) highlights that recognition is an important factor that managers must identify in motivating their employees. Recognition can come in many forms, most of them with little or no real cost to a company. A simple “thank you” goes a long way in motivating employees, or it can be more formal such as an “employee of the month” award. The value of recognition is the attention they receive.

Employees and people in general want to feel like they are individuals and that they can distinguish themselves by doing an exceptional or outstanding job. This concept would relate to the level of “ego” in Maslow’s theory on the hierarchy of needs, which deals with independence, achievement, freedom, status, recognition, and self-esteem. By acknowledging the excellence and well-performed activities of employees, managers can determine the type of recognition required. The level of appreciation from recognition rises if it is an honest and well-deserved recognition because “if employees believe you are a fair, honest and caring boss, most of them will remain loyal and respond in kind”

(Wiscombe, 2002).the general belief is that all people can be motivated, but people are not motivated by the same things and at the same intensity. This is why it is important for managers to understand the different motivational theories and how they apply in different situations and to different individuals.

### **2.13 Discussing the Variables**

The variance in the dependent variable, motivation of employees can be explained by the seven independent variables conditions, payment, benefits, promotion, leadership/supervision, working conditions, recognition and challenging and interesting tasks .each of the variables is discussed as follows;

#### **Payment**

An extensive review of the literature indicates that important work- related variables leading to job satisfaction include challenging work, interesting job assignments, equitable rewards, competent supervision, and rewarding careers (Condly and De-pietro, 2001). It is doubtful, however, whether many employees would continue working were it not for the money they earn. Employees desire compensation systems that they perceive as being fair and commensurate with their skills and expectations. Pay, therefore, is a major consideration in human resource management because it provides employees with a tangible reward for their services (Bohlander, Snell, and Sherman, 2001).

#### **Benefits**

These are benefits given to employees in addition to their salary/wage. Such benefits are those monetary and non-monetary benefits given to the employees during and post-employment period which are connected with employment but not to the employee's contribution to the organization. They are also known by the name fringe benefits.

Employee benefit is one of powerful motivator factors and it is element of remuneration

given in addition to the various forms of cash pay. They also include items such as annual holidays, pension sick leave insurance cover, company cars, home, and transportation (Armstrong & Murlis, 2005). It also taking into account, market stance is that internal rate of pay and compare with market rates.

### **Promotion**

Promotion can be referred to as a progress of an employee's rank or position in a hierarchical structure. Which means an increase of employee in a field to a better job, compared with previously? In a promotion, the responsibility is greater; achievement, facilities, status, demand proficiency is higher; and the addition of wages or salaries as well as other allowances. Promotion means to assign more responsibility and authority to employees. In simple words, promotion is to transfer an employee to a higher position. Job promotion has several indicators, namely loyalty, qualification, and achievement. Promotion is the most common form of internal mobility of personnel in an organization. According to Gupta (2011) promotion refers to a higher post carrying greater responsibilities, higher status, and better salary. It is the upward movement of an employee in the organization's hierarchy.

### **Leadership/Supervisor**

Leaders play a vital role in reward management. They exist to get things done through people, ensuring that the task is achieved but also building and maintaining constructive and supportive relationships between themselves and members of their team and between the people within the group (Armstrong , 2005).

### **Working Conditions**

In (2012), Jung and Kim stated that good work environment and good work conditions can increase employee job satisfaction and an employee organizational commitment. So the employees will try to give their best which can increase the employee work performance.

Similarly, Cheng et al. (2013) concluded that there were evidences of moderating effects of age on the associations between psychosocial work conditions and health. Now the importance and the need of working condition is so describing or defining the physical environment by identifying those elements or dimensions of the physical environment. Employees having poor working conditions will only provoke negative performance, since their jobs are mentally and physically demanding, they need good working conditions.

## **Recognition**

Recognition is a continuation of the efforts and dedication of workers in the workplace. Intrinsic rewards such as appreciation and recognition are important and have their own functions in stimulating employee attitudes and improving their performance. Employees assume that recognition is a valuable value in a career. Manzoor (2012) concludes that recognition has a significant impact on employee motivation. Most of the managers prefer to order their employees rather than give them recognition and support. This will make the employees feel frustrated and demotivated. The employees will feel that their effort is hardly appreciated. When the spirit is low, almost every aspect of the employee's contribution shows a negative impact. High spirits tend to inspire productivity, creativity, and overall satisfaction. Thus, recognition is a valuable response to the contribution of the worker and a good way to boost the spirit. In the public sector, there are several forms of recognition created such as federal and state medals, excellent service medal, excellent service award, public servants staff bonus, long service award and so on. This is to enhance the competence of the performance, productivity, and innovation of public servants who need to be supported by a good recognition system so that the achievement of high-performance work culture among public servants can be achieved. Hence, this recognition is expected to increase motivation among public servants and to improve the quality of productivity of the Malaysian public service.

## **Challenging & Interesting Task**

This includes the condition or environment in which the specific activities involved in the job take place. It identifies the actual duties and responsibilities associated with job. They are the factors which are externally controlled by the organization and include company policy, supervision, and relationships with supervisions, work conditions, relationship with peers, salary, personal life, relationships with subordinates, status and job security (Ruthankoon& Ogunlana,2003).

### **2.14 Empirical Review**

Zuller (2006) asserts that financial motivation has become the most common concern in today's organizations, and tying to Maslow's basic needs, non-financial motivation only comes in when financial motivation has failed.

Marriott (2010) observes that motivation can be intrinsic and extrinsic. Extrinsic motivation concerns behaviour influenced by obtaining external rewards in the form of money and other tangible financial rewards such as vouchers, shares and paid holidays.

Gebeyaw Adugna (2019), conducted a research on the impact of rewards management system on employees satisfaction in case of Debre brehan university administrative staffs'. The objective of this research was to determine the impact of reward management system on employees' satisfaction in Debre brehan university administrative staffs in Ethiopia. In this study, the researcher found that reward management system collectively have significant effect on employee satisfaction.

Meanwhile, Rijalu Negash, Shimeli Zewudw, and Reta megersa (2014), conducted a research on 'the effect of compensation on employee's motivation in Jimma university academic staff'. The objective of this study was to investigate the role of compensations toward employee motivation in Jimma university academic staffs. The result revealed that

there is relationship between compensation and its components and employee work motivation. Recognition is the most motivating factors and benefits as the least motivating factor.

Naeem, shahzad, zahid, saqib and muhammed (2014) , conducted a research on factor affecting employees motivation in banking sector of Pakistan .the aim of this study was to find out the relationship between the different factors (financial rewards, personal traits, high salary plans, job design and supervision) and employees motivation. In this study financial reward, high salary plans, job design, personal traits and supervision are the independent variables and employee's motivation is dependent variable. The result of the analysis revealed that, the factors mentioned have positive effect on employee motivation.

Selamawit Mulatu (2015), conducted a study on the effect of financial and non-financial rewards on employee motivation in case of Dashen bank S.C. the aim of this study was to examine the effect of financial and non-financial rewards with respect to overall levels of employee motivation in Dashen bank. The study confirmed financial rewards are important for employee motivation but the importance of non -financial rewards cannot be discriminated. It is also found out that salary is most motivating factor and while retirement benefit is the least one from financial reward. Job security and career advancement are also found to be highly motivating non- financial factors. This research can be helpful for the banking sector specifically to Dashen bank.

On the other hand, Biruk Abera (2017), studied the effect of reward practice on employee motivation in Dashen bank s.c. the purpose of this research was to investigate, the effect of reward practices on employee motivation in Dashen bank S.C. among the major findings, the overall perception of respondents over current reward practices were not happy, not enough, not competitive and not attractive. On other side the ranking orders as respondents

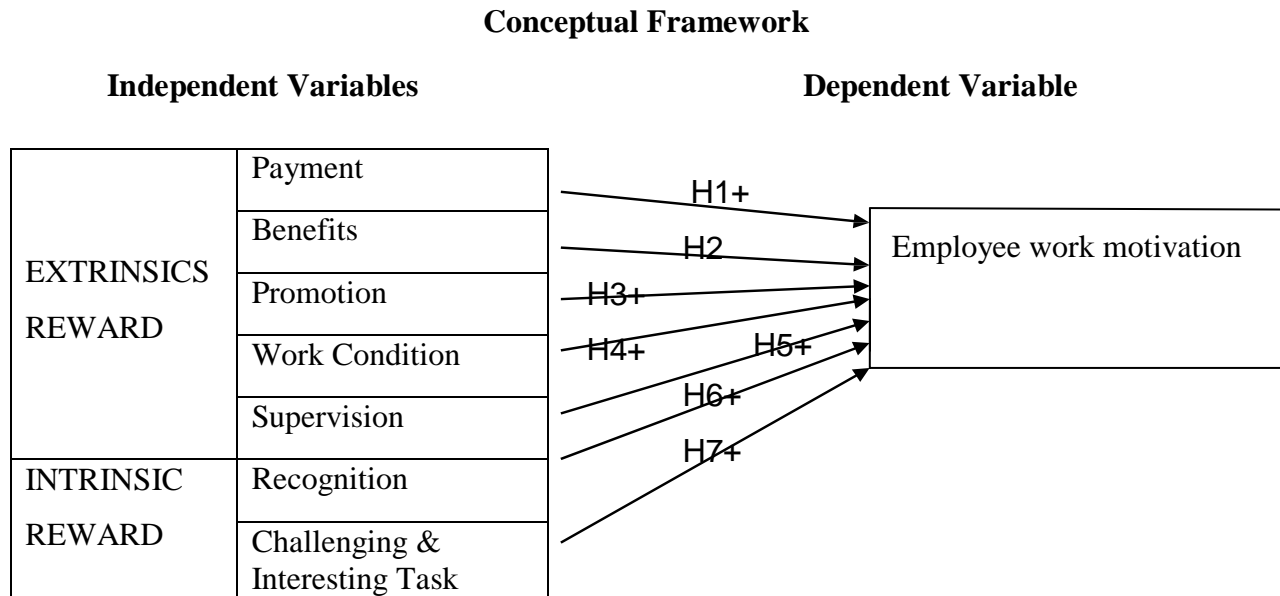
choice of the most motivator factors from the list, payment is the highest influential factor for employee motivation followed by benefit, promotion, recognition and working condition respectively, but according to respondents choice work content and supervision have the least motivational factors respectively. The result of correlation shows that; there exist positive and significant relation between payment, promotion, benefit, recognition & supervision and employee motivation. On other side, the result of regression analysis shows that; payment and promotion is high explanatory of employee motivation. On top of that, a significant portion of employees considered the reward practices in Dashen Bank S.C. as less motivating, unfair, not competitive and attractive and hence employees seemed to be less responsibility, less loyalty and belongingness and less committed to the organization.

Yewubdar Mamo (2017), had conducted a research on “effect of reward on employee motivation: the case of united bank. In this study, the regression analysis result indicated that payments, benefit, promotion, supervision, working condition challenging job and recognition have significant positive effect on employee motivation. The result of the regression analysis shows that extrinsic and intrinsic rewards have significant and positive effect on employee motivation in the united bank.

## **2.15 Conceptual Framework**

After the study of literature review, the following conceptual model is formulated to show the effect of rewards (intrinsic and extrinsic rewards) on employee motivation.

In this study employee work motivation is considered a dependent variable and intrinsic and extrinsic rewards are taken as independent variables. The major variables are, intrinsic variable; work content and recognition, and within extrinsic variables are; payment, employee benefits, promotion, leadership/supervision and work condition.



**Figure 2-1**

Conceptual framework taken from previously done research by Biruk Abera (2017) which was adapted from **de: beer(1987)**

## Chapter Three

### 3 Research Methodology

This chapter presents the methodological concerns used in conducting this study. It comprises the research design, population and sampling techniques, data source and tools of data collection, data collection procedures, the methods used to undertake the analysis, ethical considerations, and reliability and validity assurance. The details are discussed in the following sections.

#### 3.1 Description of the Study Area

Bunna International bank S.C. has joined the banking industry of Ethiopia following the favorable economic developments witnessed in the country during the last decade and the incessantly growing needs for financial services. the bank has obtained its license from the national bank of Ethiopia (NBE) on June 25, 2009 in accordance with licensing & supervision of banking business proclamation no. 592/2008 and the 1960's commercial code of Ethiopia. the bank officially commenced its operation on October 10, 2009 with subscribed & paid up Capital Of 308 Million Birr And 156 Million Birr, Respectively. ([ww.Bunnabanksc.Com](http://www.Bunnabanksc.Com))

Today, Bunna international bank S.C. is a full flagged service bank that offers its customers a wide range of commercial banking services. the number of branches as at march, 2020 has reached 225, of which 124 is located in regional part of Ethiopia and the rest 101 in Addis Ababa. as per the bank's human resource management directorate (HRMD) record, the total number of permanent employees of the bank as at march, 2020 reached 2, 017. therefore, this study area is assessing the effects of reward management and employee motivation in Bunna international bank S.C. it is mainly focus on examining the employee motivation with respect to both intrinsic and extrinsic rewards.

### 3.2 Research Design

It is the blueprint for conducting the study that maximizes control over factors that could interfere with the validity of the findings. designing a study helps the researcher to plan and implement the study in a way that will help the researcher to obtain intended results, thus increasing the chances of obtaining information that could be associated with the real situation (burns & grove 2001:223). This research paper is explanatory in nature since its purpose is to identify how intrinsic and extrinsic reward impact on motivation.

In order to achieve the objective of this study and answer the research questions, quantitative research approaches is used through survey study. a survey design provides a quantitative or numeric description of trends, attitudes, or opinions of a population by studying a sample of that population. from sample results, the researcher generalizes or makes claims about the population (Creswell, 2004).

Since the purpose of explanatory research design is explaining and interpreting relationships between two or more aspects of a situation or phenomenon, it is used to explain and interpret the relationship between reward and motivation in the current study (Creswell, 2004). with this respect, the main objective of the study is to investigate the effects of reward management on employee motivation in Bunna international bank S.C. Therefore, inferential statistics which included both correlation & regression analysis were used to assess the relationship that exists between the variables, i.e. independent variables (payment, benefit, and promotion, recognition, working condition, supervision and challenging & interesting task) and dependent variable (motivation).

### 3.3 Population and Sampling Techniques

#### 3.3.1 Population

*Polit and Hungler (1999:37) refer to the population as an aggregate or totality of all the objects, subjects or members that conform to a set of specifications. The population of this study is included employees of Bunna international bank S.C at head office and Addis Ababa district offices. The total number of permanent employees of the bank based on Addis Ababa, as at 31 March 2020 was, 1200. In order to maximize the response rate and to avoid biasness among the respondents, non-clerical staffs are excluded from the total permanent employees. Excluding these employees, the population size was become 950.*

#### 3.3.2 Sample Size

It is a general rule of thumb to always use the largest sample possible. The larger the sample, the more representative is going to be. Smaller samples produce less accurate results because they are likely to be less representative of the population (Lobiondo-wood & Haber 1998:263-264). In this study the total sample population is 282 from the population size of 950. The sample size is calculated based on the formula developed by Yammane (2009), at +/- 5% Level of Precision.

$$N = \frac{N}{1 + (N * E^2)}$$

N-Total Population

N- Sample Population

$E^2$  -The Desired Level Of Precision

$$950/1 + 1,038*(0.05)^2 \quad \underline{N= 282}$$

### 3.3.3 Sample Frame

A sample frame is the set of source materials from which the sample is selected. the definition also encompasses the purpose of sampling frames, which is to provide a means for choosing the particular members of the target population.

The total sample frame or population size was 950. employees and sample sizes were 282. as per the bank's categorizations, all professionals' staffs are categorized under clerical positions. so that, this study was encompassed only clerical and managerial permanent employees of the bank. The sampling technique used here was stratified sampling technique. In this the employees were grouped per their location in different district offices and at head office level due to gain proportionate. So that, the gathered data were comprehensive as it was represented well the staff per districts and at head office. thus, the researcher believes grouping them in to something that is a common factor to a certain team and analyze the data accordingly make the information more precise and obtain a representative sample per each group. based on these classifications, the study only considered Addis Ababa district offices and at head office employees as a stratum due to administrative convenience. to achieve this, simple random sampling with constant sampling fraction methods were used in order to determine the actual respondent's rate to be a 95% confidence level of measurement and a 5% margin of error.

**Sample Frame:**      **Sample Size=  $\frac{\text{Number Of Staffs In Each Strata} \times 282}{\text{Total Population}}$**

**Table 3:1** Sample Size of Each Stratum

| Type                             | Total Number Of Staffs | Sample Size |
|----------------------------------|------------------------|-------------|
| Head Office                      | 300                    | 89          |
| East Addis Ababa District Office | 288                    | 85          |
| West Addis Ababa District Office | 212                    | 64          |
| South Addis Ababa District       | 150                    | 44          |
| Total                            | 950                    | 282         |

### 3.4 Sampling Design

It is selection method from elements of population in order to be precise and to draw reliable conclusion for population, lagers and Pureto (2014).

Probability sampling is the one in which each sample has the same probability of being chosen while, stratified sampling is used when adequate representation from sub sample is desired for more precise information inside sub sample about the variables lagers and Pureto (2014).

Therefore, this study was used probability sampling technique of stratified sampling, within each stratum employees were selected using a sample random method. the stratum of the sample was established based on head office and Addis Ababa district offices.

### **3.5 Data Sources and Types**

The main sources of data are used from both primary and secondary in order to determine the effect of reward management on employee motivation, and to meet the study Objectives.

### **3.6 Data Collection Instrument**

Structured questionnaire was used to collect data. According to various scholars, it is advisable to employ research questionnaires in collection of data in survey studies (Mathers, fox & Hunn,2009).

Due to constraints of time and external challenging factors, the questionnaire is not self-developed but, taken from previously done research on effects of reward on employee motivation which was adopted from Schwab (1993). And according to Armstrong (2006) the level of employee motivation can be measured by using attitude survey, methods like structured questionnaire, interview or a combination of questionnaire and focus group. primarily data were gathered using questionnaire from respondents and questionnaire incorporated with closed-ended questions. secondary data were collected from the bank's, annual reports, from different human resource management records like exist interview questionnaires, published and unpublished information about the study area, books and journals from library and internet.

### **3.7 Data Collection Procedures**

Warner (1965) developed a data collection procedure, the randomized response technique that allows researchers to obtain sensitive information while guaranteeing privacy to respondents. This method encourages greater cooperation from respondents and reduced their motivation to falsely report their attitudes. After obtaining the consent of the bank's human resource directorate willingness, the questionnaires were distribute and collected from the employees of the bank in person using simple random selecting method.

### 3.8 Data Analysis

The questionnaire (likert scale type, since it is easier to generate statistical analysis on a larger number of participants using a 5 (five) points) is used. The data was analyzed by using software called statistical package for the social sciences (SPSS) version 20.0. quantitative type of inferential statistics analysis method is used to present the association between the variables. these variables would be use the form of dependent (effect) and independent (cause). the employee motivation is the effect factor and the reward management of the bank is the independent or cause variable. While, descriptive statistics are used to determine mean and standard deviation of are the independent variables (reward) and the dependent variable (employee motivation). data are presented in the form of statements and tables.

The regression equation model to be used involves:

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + \beta_6X_6 + \beta_7X_7 + \varepsilon$$

Whereby: **Y** = Employee Motivation (EM);

**X1** = **Payment** (PA);

**X2**= **Benefits** (BT);

**X3**= **Promotion** (PR);

**X4**= **Supervision** (SU);

**X5**= **Working Condition** (WC);

**X6**= **Challenging & Interesting task** (CIT); and

**X7**= **Appreciation** (AP);

**B0, β1, β2, β3, β4, β5, β6, β7, β8** =Regression model coefficients.

**ε** = Error Term.

### 3.9 Validity Testing

To assure the validity of the instrument, the questionnaires were adapted from previous researches. further the validity of the instrument was checked by first doing face validity with few co-workers, then 15 questionnaires has been distributed to made a pilot testing that helped the researcher to check on the gaps and adjusted the questionnaire and acceptance was obtained after it was checked by professionals in the field.

### 3.10 Reliability Testing

Reliability is a measure of internal consistency of a research instrument .in order to ensure reliability of instruments and increase confidence that the instrument would yield acceptable results, reliability analysis of the scale in the research instrument was carried out. The reliability level was determined using cronbach's alpha. The alpha value for extrinsic and intrinsic rewards exceeded 0.7(values<=0.7) and this is considered acceptable for further analysis. According to Mathers et al (2009), reliability entails the extent to which a given measure returns consistent results; and it is also a prerequisite for validity.

**Table 3:2 Cronbach's Alpha Reliability Analysis**

| <b>Variables</b>        | <b>Cronbach's Alpha</b> | <b>No. Of Items</b> |
|-------------------------|-------------------------|---------------------|
| <b>Extrinsic Reward</b> | <b>.885</b>             | <b>24</b>           |
| <b>Intrinsic Reward</b> | <b>.854</b>             | <b>8</b>            |
| <b>Motivation</b>       | <b>.903</b>             | <b>5</b>            |

*Source: Researcher's Own Compilation of Survey Data 2020*

### 3.11 Ethical Considerations

Respondents were assured that the confidentiality and anonymity of their response and informed purpose and objectives of the study on the cover letter attached with each questionnaire. which made the respondents feel secured and understand that responding the questionnaire won't cause

any harm or threat on their job. appropriate time were selected to distribute and collect questionnaire. in order to increase respondents' rate and accuracy of responses busy office hours were not used. participants' willingness were requested before delivering the questionnaire. all data were treated in a way that respects and protects the confidentiality and anonymity of participants involved in the study. language used in any part of the paper and to disclose findings humble and convey in a way that are not insult the participant or the reader of an account.

## Chapter Four

### 4 Data Presentation, Analysis and Interpretation

#### 4.1 Introduction

Under this chapter data gathered through survey was analysed and interpreted. Accordingly, the section contains respondents' profiles, data presentation, data analysis and interpretation. As indicated in the subsequent chapters, this research study tried to examine the effect of reward on employee motivation in Bunna international bank S.C. under this chapter data gathered through survey was analysed and interpreted. In addition to these, methodology part of this thesis explained, for 950 populations, 282 sample sizes were taken and accordingly, questionnaire was distributed to 290 employees. However, out of the 290 questionnaires distributed, 260 questionnaires were collected and used for further analysis which makes the response rate of 92.2%. 12 of the questionnaires were not returned and 10 questionnaires were discarded because they were not filled properly. To analyse the data, statistical package for social science (SPSS) version 20.0 was used.

#### 4.2 Respondents' Profile

In this section the respondents profile is presented. It includes age, sex, educational background, marital status, job category, and experience of employees.

**Table 4:1 Demographic Profile of Participants.**

| Variable | Type   | Frequency | Percent | Valid Percent | Cumulative Percent |
|----------|--------|-----------|---------|---------------|--------------------|
| Age      | 18-30  | 164       | 63.1    | 63.1          | 63.1               |
|          | 31-45  | 94        | 36.2    | 36.2          | 99.2               |
|          | 46-60  | 2         | .8      | .8            | 100.0              |
|          | Total  | 260       | 100.0   | 100.0         |                    |
| Sex      | Male   | 187       | 71.9    | 71.9          | 71.9               |
|          | Female | 73        | 28.1    | 28.1          | 100.0              |
|          | Total  | 260       | 100.0   | 100.0         |                    |

|                        |                 |     |       |       |       |
|------------------------|-----------------|-----|-------|-------|-------|
| Educational Background | Diploma         | 6   | 2.3   | 2.3   | 2.3   |
|                        | First Degree    | 186 | 71.5  | 71.5  | 73.8  |
|                        | Master's Degree | 68  | 26.2  | 26.2  | 100.0 |
|                        | Total           | 260 | 100.0 | 100.0 |       |
| Marital Status         | Single          | 144 | 55.4  | 55.4  | 55.4  |
|                        | Married         | 114 | 43.8  | 43.8  | 99.2  |
|                        | Widowed         | 2   | .8    | .8    | 100.0 |
|                        | Total           | 260 | 100.0 | 100.0 |       |
| Job Category           | Clerical        | 198 | 76.2  | 76.2  | 76.2  |
|                        | Managerial      | 62  | 23.8  | 23.8  | 100.0 |
|                        | Total           | 260 | 100.0 | 100.0 |       |
| Experience             | <1 Year         | 63  | 24.2  | 24.2  | 24.2  |
|                        | 1-2 Years       | 45  | 17.3  | 17.3  | 41.5  |
|                        | 3-4 Years       | 58  | 22.3  | 22.3  | 63.8  |
|                        | >=5years        | 94  | 36.2  | 36.2  | 100   |
|                        | Total           | 260 | 100   | 100   |       |

*Source: Own Survey Questionnaire, 2020*

As indicated in the above **Table (4:1)**, some important demographic information, among those- , age, sex, educational background, marital status, job category and years of experience, were considered. Respondent's ages lies between 18 to 60 years. Average age was 39 years. The demographic characteristics also shown a gender composition, majority of the respondents were males, i.e. 71.9% represented by a bigger part of the sample group. However, 28.1% percent of the respondents were female. with respect to the level of education, (2.3%) were college diploma holders, (71.5%) first degree holders and (26.2%)master's degree holders. when we were looking at the marital statuses, 55.4% were not married and 43.8% married.

With regard to job category of the respondents which were clerical, and managerial, (76.2%) were clerical and 23.8% were in managerial position. Work experience that respondents have in the bank. (24.2%) have been working in the bank less than 1 year, (17.3%) are between 1 to 2 years, (22.3%) are between three to 4 years, and (36.2%) were more than or equal to 5 years.

Bunna bank had been working in the past ten years focussing on valuing its employees. The bank has launched a new strategic plan which will be used for the coming five years to bring operational excellence. To meet its strategic plan, the bank is expected to retain its skilled man power and motivated employees. This is to be entertaining their skilful employees in tact through rewards.

Although there is no clearly standardized measures to evaluate the mean value results, Pihie (2009) was applied the following mean score measurement to describe the mean score of the participants.

- If The Mean Score  $<3.39$  Considered As Low.
- If The Mean Score Of  $3.4-3.79$  As Moderate And,
- If The Mean Score  $>3.8$  Conceded As High.

Referring to the bank's employee regulation manual (2010), the average value of performance rating points were stated as:

- 1.00 To 1.99 – Poor
- 2.00 To 2.49-Unsatisfactory
- 2.50 To 3.49 Satisfactory
- 3.50 To 3.99 Very Good
- 4.00 To 5.00- Excellent

Having gone through both the above scenario, the researcher has established his own decision rule so as to evaluate the respondent's perception about their satisfaction level. Both Pihie (2009) mean score measurement level, and the banks employee regulation performance evaluation rating scale were considered as a bench mark and finally the researcher regarded the following as important.

- 1.00 To 2.99 As Poor
- 3.00 To 3.49 As Moderately Satisfied
- 3.5 To 3.99 As Satisfied
  
- 4.00 To 5.00 As Highly Satisfied

### 4.3 Perception of Respondents towards Payment Practice of the Bank

This part of the paper describes the finding of the respondent's perception towards payments practice of the bank. Descriptive statistics was done in the form of frequency, mean and standard deviation for seven dimensions and it is presented in the following table.

**Table 4:2 Frequency, Mean and Standard Deviation for Measures of Respondent's Perception of Payment Practice (N=260)**

| S.N   | Variables   | Frequency |           |           |            |           | Mean | S.D   |
|---|---|-----------|-----------|-----------|------------|-----------|------|-------|
|   |   | 1         | 2         | 3         | 4          | 5         |      |       |
| 1   | The pay system is clearly stated and communicated to me       | 14(5.4%)  | 34(13.1%) | 46(17.7%) | 121(46.5%) | 45(17.3)  | 3.57 | 1.086 |
| 2   | The basis of pay for performance is reasonable                | 21(8.1%)  | 43(16.5%) | 67(25.8%) | 107(41.2%) | 22(8.5%)  | 3.25 | 1.086 |
| 3   | My salary is satisfactory in relation to the job I do         | 28(10.8%) | 61(23.5%) | 46(17.7%) | 99(38.1%)  | 26(10.0%) | 3.13 | 1.198 |
| 4   | I earn same salary with others doing the same job in the bank | 45(17.3%) | 69(26.5%) | 54(20.8%) | 60(23.1%)  | 32(12.3%) | 2.87 | 1.292 |
| 5   | Salary increments are decided in a fair manner                | 22(8.5%)  | 34(13.1%) | 72(27.7%) | 110(42.3%) | 22(8.5%)  | 3.29 | 1.072 |
| 6   | Pay scale of the bank treats each employee equitable          | 19(7.3%)  | 54(20.8%) | 66(25.4%) | 94(36.2%)  | 26(10.0%) | 3.22 | 1.119 |
| 7   | Performance related incentives improve my work motivation     | 22(8.5%)  | 40(15.4%) | 68(26.2%) | 93(35.8%)  | 37(14.2%) | 3.32 | 1.150 |
| <b>Over All Perception Of Employees Towards Payment</b> |   |           |           |           |            |           | 3.24 | 1.143 |

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

Source: Own Survey, 2020

As depicted in the above **Table 4:2** , out of the total ,18.5% believed that they were strongly disagreed or disagreed with clear communication of the pay system, while 17.7% said they were neutral, 46.5% said they were agreed and the rest, 17.3% responded they were strongly agreed. Excluding the neutral respondents, on aggregate 18.5% has shown their disagreements and 63.8% of the respondents were in agreement position towards the clear communication of the pay system.

The reasonability of the basis for pay of performance , 8.1 %said they were strongly disagreed, 16.5% said disagreed, 25.8% said they were neutral, 41.2% they were said agreed and 8.5% of the respondents were said strongly agreed . Excluding the neutral respondents, on aggregate 24.6% expressed their disagreement while 49.7% of the respondents in the position of agreement towards the pay for performance are reasonable.

Similarly, when employees were asked about their salary satisfaction in relation to the job they were doing, 10.8% said strongly disagreed, 23.5% said disagreed, 17.7% said neutral and 38.1% of the respondents said that were agreed and the rest of 10% of the respondents were strongly agreed. Excluding the neutral respondents, on aggregate 43% of them revealed their disagreement and where as 48% of the respondents were expressed their agreements towards their salary satisfaction in relation to the job they were doing.

Regarding the response on the question of earning the same salary with others doing the same job in the bank, 7.3% of the respondents were said that, they were strongly disagreed, 26.5% of the respondents were said, disagreed, 20.8% of the respondents were said, neutral, 23.1% said that, they were agreed and the rest 12.3% of the respondents were strongly agreed. Excluding the neutral respondents, on aggregate 43.8% shown their disagreement while 35.4% of the respondents were in agreement position.

Employees were also asked about, whether salary increments are decided in a fair manner, and they responded that, 8.5% of the employees were strongly disagreed, 13.1% disagreed, 27.7% neutral, 42.3% agreed and 8.5% of the respondents were strongly agreed. Excluding the neutral respondents, on aggregate 21.67% were shown their disagreement where as 50.8% of the respondents were expressed their agreements.

The response obtained from the question, pay scale of the bank treats each employee equitably, 7.3% of the respondents were strongly disagreed, 20.8% of the employees, disagreed, 25.4% of the employees neutral, 36.2% of the respondents were agreed and 10% of the respondents were strongly agreed. Excluding the neutral respondents, on aggregate 28.1% of the respondents was in disagreeing while 46.2% of the respondents were in agreement.

The response obtained on the question whether performance related incentives improve their motivation, 8.5% of the respondents said that, they were strongly disagreed, 15.4% disagreed, 26.2% are neutral, 35.8% were agreed and 14.2% of the respondents were said strongly agreed. Excluding the neutral respondents, on aggregate 23.9% shown their disagreement while 50% of the respondents were in agreement position.

The total perception of employees towards the payment practice of the bank had shown a mean of 3.24. Therefore, employees of the bank were moderately satisfied with the existing payment of the bank.

#### 4.4 Reaction of Respondents towards the Benefits Package in the Bank

**Table 4:3 Frequency, Mean And Standard Deviation Of Respondents For Benefit Packages Of The Bank.(N=260)**

| S.N | Variables  | Frequency |           |           |            |           | Mean | S.D   |
|-----|--|-----------|-----------|-----------|------------|-----------|------|-------|
|     |  | 1         | 2         | 3         | 4          | 5         |      |       |
| 1   | There is equal treatment of each staff in the benefit policy of the bank | 26(10%)   | 43(16.5%) | 65(25%)   | 91(35%)    | 35(13.5)  | 3.25 | 1.181 |
| 2   | The medical and insurance scheme are attractive                          | 9(3.5%)   | 23(8.8%)  | 55(21.2%) | 115(44.2%) | 57(22.3%) | 3.75 | 1.064 |
| 3   | I never faced problems of leave arrangements                             | 18(6.9%)  | 55(21.2%) | 75(28.8%) | 83(31.9%)  | 29(11.2%) | 3.19 | 1.105 |
| 4   | The bank's loan policy is attractive                                     | 40(15.4%) | 56(21.5)  | 79(30.4%) | 64(24.6%)  | 21(8.1%)  | 2.88 | 1.180 |
|     | Over all perception of employees towards the benefit package             |           |           |           |            |           | 3.27 | 1.130 |

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

Source: Own Survey, 2020

As indicated in the **Table 4:3** above, when employees were asked about as there is equal treatment of each staff in the benefit policy of the bank, 10% said they were strongly disagreed, 16.5% said disagreed, 25% said neutral, 35% said agreed and 13.5% of the respondents were said strongly agreed . Excluding the neutral respondents, on aggregate 26.5% disagreed and 48.5% of the respondents were agreed.

Similarly, when employees were asked about whether the medical and insurance scheme are attractive, 3.5% said they were strongly disagreed, 8.8% disagreed, 21.2% neutral and 44.2% of the respondents were agreed and the rest of 22.3% agreed. Excluding the neutral respondents, on aggregate 12.3% disagreed and 66.5% of the respondents were agreed.

Regarding the response on the question on if they are faced problems of leave arrangement, 6.9% of the respondents were strongly disagreed, 21.2% disagreed, 28.8% of the respondents said, neutral, 31.9% agreed and the rest 11.2% of the respondents were strongly agreed. Excluding the neutral respondents, on aggregate 28.1% disagreed and 43.3% agreed.

Employees were also asked about, whether the bank's loan policy was attractive, and they responded that, 15.4% of the employees were strongly disagreed, 21.5% disagreed, 30.4% neutral, 24.6% agreed and 8.1% of the respondents were strongly agreed. Excluding the neutral respondents, on aggregate 36.9% disagreed and 32.7% of the respondents were agreed.

The majority reaction of respondent's total mean for all dimensions under current benefit package shows a mean of 3.27. Therefore, employees of the bank were moderately satisfied with the existing benefits package of the bank.

#### 4.5 Response of Respondents towards the Promotion Practices of the Bank

**Table 4:4 Frequency, Mean and Standard Deviation for Measures of Promotion Expectation**

| S.N | Variables  | Frequency |            |            |             |             | Mean | S.D   |
|-----|--|-----------|------------|------------|-------------|-------------|------|-------|
|     |  | 1         | 2          | 3          | 4           | 5           |      |       |
| 1   | There exists an opportunity for promotion in the bank          | 12 (4.6%) | 38 (14.6%) | 50 (19.2%) | 123 (47.3%) | 37 (14.2%)  | 3.52 | 1.052 |
| 2   | Promotion is an important factor in my work motivation         | 9 (3.5%)  | 12 (4.6%)  | 25 (9.6%)  | 111 (42.7%) | 103 (39.6%) | 4.10 | .991  |
| 3   | The criteria for promotion are acceptable                      | 12(4.6%)  | 40(15.4%)  | 76(29.2%)  | 98(37.7%)   | 34(13.1%)   | 3.39 | 1.043 |
| 4   | Staffs are promoted in a fair & honest way                     | 21(8.1%)  | 39(15.00%) | 94(36.2%)  | 73(28.1%)   | 33(12.7%)   | 3.22 | 1.103 |
| 5   | Everyone has equal chance to be promoted                       | 19(7.3)   | 46(17.7%)  | 86(33.10%) | 75(28.8%)   | 34(13.1%)   | 3.23 | 1.111 |
|     | <b>Over All Perception Of Employees Towards The Promotion.</b> |           |            |            |             |             | 3.49 | 1.060 |

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

*Source: Own Survey, 2020*

When employees were asked about if there are opportunities for promotion in the bank, as depicted in the **Table 4:4**, 4.6% said they were strongly disagreed, 14.6.5% said disagreed, 19.2% said neutral, 47.3% said agreed and 14.2% of the respondents were strongly agreed. Excluding the neutral respondents, on aggregate 19.2% shower their disagreement while 61.5% of the respondents were expressed their agreements.

When employees were asked about whether promotion is an important factor for their motivation, 3.5% said they were strongly disagreed, 4.6% disagreed, 9.6% neutral and 44.7% of the respondents said that they were agreed and the rest of 39.6% of the respondents Were Strongly

Agreed. Excluding the neutral respondents, on aggregate 8.1% showed their disagreement while 82.3% of the respondents expressed their agreement.

Asked about if the criterion for promotions are acceptable, 4.6% of respondents were strongly disagreed, 15.4% were said, disagreed, 29.2% were said, neutral, 37.7% agreed and the rest 13.1% of the respondents were strongly agreed. Excluding the neutral respondents, on aggregate 20% disagreed and 50.8% of the respondents were agreed.

On the other hand, employees were also asked if they are promoted in a fair and honest way, they responded that, 8.1% of them are strongly disagreed, 15% disagreed, 36.2% neutral, 28.1% agreed and 12.7% of them are strongly agreed. Excluding the neutral respondents, on aggregate 23.1% disagreed and 40.8% of the respondents were agreed.

The response obtained on the question rose on if they have equal chance for promotion, 7.3% of the employees were strongly disagreed, 17.7% disagreed, 33.1% neutral, 28.8% agreed and the rest 13.1% of them were strongly agreed. Excluding the neutral respondents, on aggregate 25% was expressed their disagreements and 41.9% of the respondents were shown their agreements.

The total mean for all dimensions under promotion shown as a mean of 3.49. Therefore, employees of the bank were moderately satisfied with the existing promotion practice of the bank.

#### 4.6 Reply of Respondents towards Supervision/Leadership of the Bank

**Table 4:5 Frequency, Mean and Standard Deviation for Measures of Supervision (N=260)**

| S.N | Variables                               | Frequency |         |           |             |           | Mean | S.D  |
|-----|---|-----------|---------|-----------|-------------|-----------|------|------|
|     |   | 1         | 2       | 3         | 4           | 5         |      |      |
| 1   | My Supervisor Is Satisfied With My Work | 3(1.2%)   | 15(5.8) | 56(21.5%) | 143(55.00%) | 43(16.5%) | 3.80 | .823 |

|   |  |              |                |                |            |                |      |       |
|---|--|--------------|----------------|----------------|------------|----------------|------|-------|
| 2   | My Supervisor Is Cooperative                               | 5(1.9%)<br>) | 18(6.9%)<br>)  | 36(13.8%)<br>) | 133(51.2%) | 68(26.2%)<br>) | 3.93 | .921  |
| 3   | I Receive Adequate Guidance And Support From My Supervisor | 7(2.7%)<br>) | 26(10.0%)<br>) | 48(18.5%)<br>) | 109(41.9%) | 70(26.9%)<br>) | 3.80 | 1.030 |
| <b>Over All Perception Of Employees Towards Supervision Of Bank</b> |  |              |                |                |            |                | 3.84 | 0.920 |

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

Source: Owen Survey, 2020

Referring to the above **table 4:5**, the response of the employees towards whether their supervisors were satisfied with their job, 1.2% said strongly disagreed, 5.8% said, disagreed, 21.5% were neutral, 55% are said agreed and 16.5% are strongly agreed. Excluding those respondents who said neutral, the combination result of indicated that 7% of the employees were shown their disagreement while 71.5% of them were expressed their agreement.

When employees were also asked about the cooperativeness of their supervisors, 1.2% responded as strongly disagreed, 5.8% of the responded as disagreed, 21.5% neutral, 55% are agreed and the rest 16.5% of the respondents were strongly agreed. On average 3.5% of the respondents were shown their disagreement where as 35.75% expressed their agreement.

Employees attitude towards obtaining an adequate guidance and support from their supervisor were expressed as 2.7% of the respondent said, they were strongly disagreed, 10% of them disagreed, 18.5% are neutral, 41.9% of the respondents were agreed and the rest 26.9% strongly agreed. Excluding the neutral respondents, 12.7% of the respondents shown their disagreement while, 68% of the respondents expressed their agreements.

The average mean of the respondents towards the supervision indicated as 3.84. Therefore, employees of the bank were satisfied with the existing supervision of the bank.

#### 4.7 Reply of Respondents toward Work Conditions of the Bank

**Table 4:6 Frequency, Mean and Standard Deviation for Measures of Working Condition (N=260)**

| S.N   | Variables  | Frequency     |                |                |                 |                | Mean | S.D       |
|---|--|---------------|----------------|----------------|-----------------|----------------|------|-----------|
|   |  | 1             | 2              | 3              | 4               | 5              |      |           |
| 1   | My working hours are reasonable                    | 13(5.0%)<br>) | 27(10.4%)<br>) | 33(12.7%)<br>) | 128(49.2%)<br>) | 58(22.3%)<br>) | 3.89 | 2.66<br>1 |
| 2   | The office layout is convenient to do my job       | 22(8.5)<br>)  | 52(20.0%)<br>) | 50(19.2%)<br>) | 92(35.4%)<br>)  | 44(16.9%)<br>) | 3.32 | 1.21<br>3 |
| 3   | I'm free to be with my colleagues                  | 2(8%)<br>)    | 18(6.9%)<br>)  | 45(17.3%)<br>) | 134(51.5%)<br>) | 61(23.5%)<br>) | 3.90 | .864      |
| 4   | All the necessary resources for work are available | 12(4.6%)<br>) | 62(23.8%)<br>) | 58(22.3%)<br>) | 99(38.1%)<br>)  | 29(11.2%)<br>) | 3.27 | 1.08<br>6 |
| 5   | I have good communication with my co-workers       |               | 3(1.2%)<br>)   | 21(8.1%)<br>)  | 137(52.7%)<br>) | 99(38.1%)<br>) | 4.28 | .658      |
| <b>The Overall Perception Of Employees Of The Banks Towards Work Conditions</b> |  |               |                |                |                 |                | 3.73 | 1.30<br>0 |

Source: Owen Survey, 2020

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

Employees were asked about if the working hour is reasonable, as shown in **table 4:6** above, 5% said they were strongly disagreed, 10.4% said disagreed, 12.77% said neutral, 49.2% said agreed and 22.3% of the respondents were said strongly agreed. Excluding the neutral respondents, on aggregate 15.4% of the respondents was shown their disagreements and 71.5% of the respondents were shown their agreements.

The response obtained from the question raised on if the office lay out is convenient to do their job, 8.5% said strongly disagreed, 20% said disagreed, 19.2% said neutral and 35.4% of the respondents said that they were agreed and the rest 16.9% of the respondents were strongly agreed.

Excluding the neutral respondents, on aggregate 28.5% shown their disagreement where as 52.3% of the respondents were on the agreement side.

Regarding the relationship of employees with their colleagues, 8% of the respondents were said strongly disagree, 6.9% of the respondents are said, disagreed, 17.3% of the respondents are said, neutral, 51.5% said that, they were agreed and the rest 23.5% of the respondents were strongly agreed. Excluding the neutral respondents, on aggregate 14.9% shown their disagreements and the rest 75% of the respondents were expressed agreements about their relationships with their colleagues.

Employees were also asked about, whether the necessary resources for work are available to them, they responded that, 4.6% of the employees are strongly disagreed, 23.8% disagreed, 22.3% neutral, 38.1% agreed and 11.2% of the respondents are strongly agreed. Excluding the neutral respondents, on aggregate 28.4% strongly disagrees or disagrees and 49.3% of the respondents were strongly agreed or agree.

The respondents were also asked about their communication with co-workers, the response indicated that, 1.2% of the respondents were disagreed, 8% neutral, 52.7% of the respondents were agreed and the rest 38.1% strongly agreed. Excluding the neutral respondents, on aggregate 1.2% of the employees shown their disagreements and on the other hand, 90.8% of the respondents were expressed their agreements towards the communication they have with co-workers.

The overall mean value of the respondents in all variables indicated that, it was 3.73. Therefore, employees of the bank were satisfied with the existing working conditions of the bank.

#### 4.8 Reaction of Respondents towards Challenging and Interesting Task

**Table 4:7: Frequency, Mean And Standard Deviation For Measures Of Towards Challenging And Interesting Task.**

(N=260)

| S.N  | Variables  | Frequency |          |           |            |           | Mean | S.D  |
|--|--|-----------|----------|-----------|------------|-----------|------|------|
|  |  | 1         | 2        | 3         | 4          | 5         |      |      |
| 1  | I Am Interested In My Work                       | 8(3.1%)   | 15(5.8%) | 21(8.1%)  | 124(47.7%) | 92(35.4%) | 4.07 | .970 |
| 2  | I Perform Challenging Work And It Makes Me Happy | 4(1.5%)   | 12(4.6%) | 31(11.9%) | 143(55.0%) | 70(26.9%) | 4.01 | .845 |
| 3  | My Work Consists Of Varieties Of Tasks           | 4(1.5%)   | 18(6.9%) | 27(10.4%) | 144(55.4%) | 67(25.8%) | 3.97 | .883 |
| 4  | I Am Happy Of The Work I Am Working              | 6(2.3%)   | 14(5.4%) | 37(14.2%) | 133(51.2%) | 70(26.9%) | 3.95 | .914 |
| <b>The Overall Employees Perception Towards Challenging And Interesting Task</b> |  |           |          |           |            |           | 4.00 | 0.90 |

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

Source: Owen Survey, 2020

When employees were asked about if they are interested with their work, the **Table 4:7** above indicted that, 3.1% said they were strongly disagreed, 5.8% said disagreed, 8.1% said neutral, 47.7% said agreed and 35.4% of the respondents said strongly agreed. Excluding the neutral respondents, on aggregate 8.9% of the respondents were shown their disagreements. On the hand, 83.1% of the respondents were expressed their agreements towards their interests of the work.

The response obtained from the question on whether performing challenging work makes them happy, 1.5% said they are strongly disagreed, 4.6% said they are disagreed, 11.9% they said neutral and 55% of the respondents said that they were agreed and the rest 26.9% of the respondents are strongly agreed. Excluding the neutral respondents, on aggregate 6.1% of the

respondents was on the disagreement position where as 81.9% of the respondents in contrary in the agreement side.

Employees were also asked about, whether the their work consists of varieties of tasks, 1.5% of the employees were strongly disagreed, 6.9% disagreed, 10.4% neutral, 55.4% agreed and 25.8% of the respondents were strongly agreed. excluding the neutral respondents, on aggregate 8.4% of the respondents were in disagreement and the rest 81.2% of the respondents were shown their agreements as their work consists of varieties of tasks.

The respondents were also asked about if they are happy with the work they are performing, 2.3% of the respondents were strongly disagreed, 5.4% of the respondents were disagree, 14.2% of the respondents were neutral, 51.2% of the respondents were agreed and the rest 26.9% strongly agreed. Excluding the neutral respondents, on aggregate 7.7% expressed their Disagreements meanwhile 78.1% of the respondents shown their agreements as they are happy with the work they were performing.

The overall mean value of the respondents in all variables indicated that, it was 4.00. Therefore, employees of the bank were satisfied with challenging & interesting tasks.

#### 4.9 Reaction of Respondents towards Appreciation and Recognition

**Table 4:8 Frequency, Mean and Standard Deviation for Measures of Appreciation and Recognition (N=260)**

| S.N | Variables  | Frequency |          |           |            |           | Mean | S.D   |
|-----|--|-----------|----------|-----------|------------|-----------|------|-------|
|     |  | 1         | 2        | 3         | 4          | 5         |      |       |
| 1   | The feeling of accomplishment I get from the job | 5(1.9)    | 20(7.7%) | 62(23.8%) | 134(51.5%) | 39(15%)   | 3.7  | 0.884 |
| 2   | I receive constructive criticisms about my work  | 5(1.9%)   | 26(10%)  | 75(28.8%) | 127(48.8%) | 27(10.4%) | 3.56 | 0.879 |

|   |                                     |          |           |           |            |           |      |       |
|---|-------------------------------------|----------|-----------|-----------|------------|-----------|------|-------|
| 3   | I get credit for what i do          | 12(4.6%) | 39(15.0%) | 78(30.0%) | 108(41.5%) | 23(8.8%)  | 3.35 | 0.993 |
| 4   | I am told that I am making progress | 2(.8%)   | 21(8.1%)  | 67(25.8%) | 130(50.0%) | 40(15.4%) | 3.71 | 0.851 |
| <b>The Overall Perception Of Employees Towards Appreciation And Recognition</b> |                                     |          |           |           |            |           | 3.58 | 0.90  |

Source: Owen Survey, 2020

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

When employees were asked about the feeling of accomplishment which obtained from the job, as depicted above in the **table 4:8**, 1.9% said strongly disagreed, 7.7% said disagreed, 23.8% said neutral, 51.5% said agreed and 15% said strongly agreed. Excluding the neutral respondents, on aggregate 9.6% of the respondents was in the position of disagreement where as 66.5% of the respondents were in the position of agreements towards the feeling of accomplishments obtained from the job.

The response obtained from the question whether employees received constructive criticism about their work, 1.9% said strongly disagreed, 10% said disagreed, 28.8% said neutral and 48.8% of the respondents said agreed and the rest 10.4% of the respondents were strongly agreed. Excluding neutral respondents, on aggregate 11.9% shown their disagreements while 59.2% of the respondents were shown their agreements about as they are receiving constrictive criticism from about their job.

Employees were also asked about, whether they were getting credit for what they do, 4.6% of the employees were strongly disagreed, 15% disagreed, 30% neutral, 41.5% agreed and 8.8% of the respondents were strongly agreed. Excluding the neutral respondents, on aggregate 19.60 % of the respondents expressed their disagreements and where as 50.30% of the respondents shown their agreements towards the credit getting from what they were doing.

The overall mean value of the respondents in all variables indicated that, it was 3.58. Therefore, employees of the bank were satisfied with the recognition given from the bank.

#### 4.10 Reaction of Respondents towards Motivation

**Table 4:9** Frequency, Mean And Standard Deviation For Measures Of Motivation.(N=260)

| S.N   | Variables  | Frequency    |               |                |                |              | Mean | S.D       |
|---|--|--------------|---------------|----------------|----------------|--------------|------|-----------|
|   |  | 1            | 2             | 3              | 4              | 5            |      |           |
| 1   | The intrinsic reward practice of the bank makes me competent and motivated.            | 14<br>(5.4%) | 45<br>(17.3%) | 86<br>(33.1%)  | 97(37.3%)      | 18(6.9)      | 3.23 | .994      |
| 2   | The extrinsic reward practice of the bank makes me competent and motivated             | 15<br>(5.8%) | 39<br>(15.0%) | 99<br>(38.1%)  | 93(35.8%)      | 14<br>(5.4%) | 3.20 | .958      |
| 3   | I feel encouraged by my organization effort to reward and motivated me                 | 12(<br>4.6%) | 46<br>(17.7%) | 79<br>(30.4%)  | 111<br>(42.7%) | 12<br>(4.6%) | 3.25 | .956      |
| 4   | I feel motivated by the organization effort to improve employee reward                 | 18<br>(6.9%) | 39<br>(15.0%) | 78 (30%)       | 105<br>(40.4%) | 20<br>(7.7%) | 3.27 | 1.03<br>4 |
| 5   | overall i am motivated both intrinsic and extrinsic reward practice of my organization | 18<br>(6.9%) | 35<br>(13.5%) | 87(33.5%)<br>) | 106<br>(40.8%) | 14<br>(5.4%) | 3.24 | .990      |
| <b>The Overall Perception Of Employees Towards Levels Employee Motivation</b> |  |              |               |                |                |              | 3.24 | 0.99      |

Cronbach's Alpha=.9031=Strongly Disagree, 2= Disagree, 3= Neutral, 4= Agree, 5=Strongly Agree

The response of the employees if the intrinsic reward practices of the bank made them competent and motivating, **Table 4:9** above shown, 5.4% of the respondents were strongly disagreed, 17.3%

of the employees are disagreed, 33.1% of the employees were neutral, 37.3% of the employees were agreed and the rest 6.9% of the employees were strongly agreed. excluding the neutral respondents, on aggregate 22.7% of the respondents were in disagreement and 44.2% of the respondents were in the position of agreements as the intrinsic reward practice of the bank made them competent and motivated them.

On the other hand, employees were also asked about whether the extrinsic reward practice of the bank is made them competent enough and motivated. the result of the respondents shown that, in aggregate 20.8% of the respondents were in the position of disagreement and whereas are either 41.2% of the respondents were in the contrary shown their agreements as extrinsic reward practice of the bank made them competent enough and motivated.

The response obtained from the question whether employees are encouraged by the bank's effort to reward and motivate them, the result of the respondents shown that, in aggregate 22.3% of the respondents were in the position of disagreements while 47.3% of the respondents were in the contrary in agreement with the bank's effort to reward and motivate the employees.

Similarly, the aggregate result indicated that, 21.9% of the respondents were in disagreement and whereas 48.4% of the respondents were in agreement towards the efforts of the organization to improve employees' rewards which made them to feel motivated.

Finally, the employees were asked if they were motivated with both intrinsic and extrinsic reward practice of the bank, the result indicated that the aggregate response which was 21.9% are in the position of disagreement while 48.4% expressed their agreements as both intrinsic and extrinsic rewards of the bank motivating them.

The overall mean for all dimensions under levels of employee motivation shown a mean of 3.24. Therefore, employees of the bank were moderately satisfied with the overall motivation level of the bank.

#### 4.11 One Way ANOVA

Analysis of variance (abbreviated as ANOVA) is an extremely useful technique concerning researches in the fields of economics, biology, education, psychology, sociology, and business/industry and in researches of several other disciplines. The comparison of the group's differences is made by computing with f-ratio. The ratio is calculated by dividing the 'between treatment variance' by 'within treatment variance'. By using this technique, one can draw inferences about if the samples have been drawn from populations having the same mean (Kothari, 2004).

**Table 4:10 Mean Response Under Education On Employee Motivation**

| S.N | Qualification   | N   | Mean |
|-----|-----------------|-----|------|
| 1   | Diploma         | 6   | 3.83 |
| 2   | First Degree    | 186 | 3.18 |
| 3   | Master's Degree | 68  | 3.32 |
| 4   | Total           | 260 | 3.23 |

**Table 4:11 The Effect Of Highest Qualification On Employee Motivation**

| Item 1: One Way ANOVA Computed For Education With Employee Motivation |                |     |             |       |      |
|---|----------------|-----|-------------|-------|------|
|   | Sum Of Squares | Df  | Mean Square | F     | Sig. |
| Between Groups  | 3.293          | 2   | 1.646       | 1.673 | .190 |
| Within Groups   | 252.861        | 257 | .984        |       |      |
| Total   | 256.154        | 259 |             |       |      |

*Source: Own Survey, 2020*

*One Way ANOVA Computed For Education*

The above **Table 4:11** shows the significance level and relation using the respondents profile (education) have with the dependent variable (employee motivation), thus the significance level taken for all is 0.05 and p value above 0.05 demonstrates not statistically significant and vice versa. As shown in the table above ( **Table 11**), there is no statistically significant difference on the rating of the effect of reward practices on employee motivation among the different educational level of the respondents ( $f=1.673$ ,  $p=0.190$ )

**Table 4:12 Mean Response Under Job Category  
On Employee Motivation**

| S.N | Position   | N   | Mean |
|-----|------------|-----|------|
| 1   | Clerical   | 198 | 3.16 |
| 2   | Managerial | 62  | 3.32 |
| 3   | Total      | 260 | 3.2  |

*Source: Own Survey, 2020*

**Table 4:13 , One Way ANOVA Computed for Job Category**

|                | Sum Of Squares | Df  | Mean Square | F     | Sig. |
|----------------|----------------|-----|-------------|-------|------|
| Between Groups | 1.223          | 1   | 1.223       | 1.335 | .249 |
| Within Groups  | 236.377        | 258 | .916        |       |      |
| Total          | 237.600        | 259 |             |       |      |

As shown in the **Table 14:3**, there is no statistically significant difference on the rating of the effect of reward practices on employee motivation among the different job categories of the respondents ( $f=1.335$ ,  $p=0.249$ ).

**Table 4:14 ,Overall I Am Motivated Both Intrinsic And Extrinsic Reward Practice Of My Organization**

|           | N   | Mean | Std. Deviation | Std. Error | 95% Confidence Interval For Mean |             | Minimum | Maximum |
|-----------|-----|------|----------------|------------|----------------------------------|-------------|---------|---------|
|           |     |      |                |            | Lower Bound                      | Upper Bound |         |         |
| <1 Year   | 63  | 3.19 | 1.030          | .130       | 2.93                             | 3.45        | 1       | 5       |
| 1-2 Years | 45  | 3.22 | .876           | .131       | 2.96                             | 3.49        | 1       | 5       |
| 3-4 Years | 58  | 3.12 | 1.077          | .141       | 2.84                             | 3.40        | 1       | 5       |
| >=5years  | 94  | 3.36 | .960           | .099       | 3.17                             | 3.56        | 1       | 5       |
| Total     | 260 | 3.24 | .990           | .061       | 3.12                             | 3.36        | 1       | 5       |

**ANOVA**  
**Table 4:15 , Overall I Am Motivated Both Intrinsic And Extrinsic**  
**Reward Practice Of My Organization**

|                | Sum Of Squares | Df  | Mean Square | F    | Sig. |
|----------------|----------------|-----|-------------|------|------|
| Between Groups | 2.385          | 3   | .795        | .810 | .489 |
| Within Groups  | 251.349        | 256 | .982        |      |      |
| Total          | 253.735        | 259 |             |      |      |

From the above ANOVA **Table 4:15** , it is possible to said that, there is no statistically significant difference on the rating of the effect of reward practice on employee motivation among the different work experience of the respondents since  $p > 0.05$  ( $f = 0.810$ ,  $p = 0.489$ ).

#### 4.12 Inferential Statistics

In this section the results of the inferential statistical techniques used in the study are presented. Pearson product moment correlation coefficient was calculated to see the relationship between the independents and dependent variables, and multiple regressions were applied to see that which among the independent variables is most important.

**Table 4:16. Pearson Correlation Analysis For Independent And Dependent Variables**

| Variables  |                            | Pay<br>ment | Prom<br>otion | Super<br>vision | Working<br>Conditions | Challe<br>nging<br>Task | Apprecia<br>tion And<br>Recognit<br>ion | Benef<br>its | Motiva<br>tion |
|--|----------------------------|-------------|---------------|-----------------|-----------------------|-------------------------|---|--------------|----------------|
| <b>Payment</b>   | Pearson<br>Correlatio<br>n | 1           | .368**        | .206**          | .331**                | .276**                  | .351**                                  | .506**       | .454**         |
|  | Sig. (2-<br>Tailed)        |             | .000          | .001            | .000                  | .000                    | .000                                    | .000         | .000           |
|  | N                          | 260         | 260           | 260             | 260                   | 260                     | 260                                     | 260          | 260            |
| <b>Promotion</b>                                       | Pearson<br>Correlatio<br>n | .368*       | 1             | .442**          | .405**                | .465**                  | .513**                                  | .526**       | .424**         |
|  | Sig. (2-<br>Tailed)        | .000        |               | .000            | .000                  | .000                    | .000                                    | .000         | .000           |
|  | N                          | 260         | 260           | 260             | 260                   | 260                     | 260                                     | 260          | 260            |
| <b>Supervision</b>                                     | Pearson<br>Correlatio<br>n | .206*       | .442**        | 1               | .394**                | .373**                  | .433**                                  | .373**       | .293**         |
|  | Sig. (2-<br>Tailed)        | .001        | .000          |                 | .000                  | .000                    | .000                                    | .000         | .000           |
|  | N                          | 260         | 260           | 260             | 260                   | 260                     | 260                                     | 260          | 260            |
| <b>Work<br/>Conditions</b>                             | Pearson<br>Correlatio<br>n | .331*       | .405**        | .394**          | 1                     | .375**                  | .373**                                  | .419**       | .377**         |
|  | Sig. (2-<br>Tailed)        | .000        | .000          | .000            |                       | .000                    | .000                                    | .000         | .000           |
|  | N                          | 260         | 260           | 260             | 260                   | 260                     | 260                                     | 260          | 260            |
| <b>Challengin<br/>g &amp;<br/>Interesting<br/>Task</b> | Pearson<br>Correlatio<br>n | .276*       | .465**        | .373**          | .375**                | 1                       | .562**                                  | .329**       | .390**         |
|  | Sig. (2-<br>Tailed)        | .000        | .000          | .000            | .000                  |                         | .000                                    | .000         | .000           |
|  | N                          | 260         | 260           | 260             | 260                   | 260                     | 260                                     | 260          | 260            |
| <b>Appreciati<br/>on And<br/>Recognitio<br/>n</b>      | Pearson<br>Correlatio<br>n | .351*       | .513**        | .433**          | .373**                | .562**                  | 1                                       | .362**       | .504**         |
|  | Sig. (2-<br>Tailed)        | .000        | .000          | .000            | .000                  | .000                    |   | .000         | .000           |
|  | N                          | 260         | 260           | 260             | 260                   | 260                     | 260                                     | 260          | 260            |
| <b>Benefits</b>  | Pearson<br>Correlatio<br>n | .506*       | .526**        | .373**          | .419**                | .329**                  | .362**                                  | 1            | .372**         |
|  | Sig. (2-<br>Tailed)        | .000        | .000          | .000            | .000                  | .000                    | .000                                    |              | .000           |
|  | N                          | 260         | 260           | 260             | 260                   | 260                     | 260                                     | 260          | 260            |
| <b>Motivatio<br/>n</b>                                 | Pearson<br>Correlatio      | .454*       | .424**        | .293**          | .377**                | .390**                  | .504**                                  | .372**       | 1              |
|  |                            |             |               |                 |                       |                         |   |              |                |

|  |                 |      |      |      |      |      |      |      |     |
|--|-----------------|------|------|------|------|------|------|------|-----|
|  | n               |      |      |      |      |      |      |      |     |
|  | Sig. (2-Tailed) | .000 | .000 | .000 | .000 | .000 | .000 | .000 |     |
|  | N               | 260  | 260  | 260  | 260  | 260  | 260  | 260  | 260 |
| <b>** Correlation Is Significant At The 0.01 Level (2-Tailed). Source Owen Survey,2020</b> |                 |      |      |      |      |      |      |      |     |

### 4.13 Correlation

The results in **Table 14.16** above shows that, there is positive and significant relationship between payment and employee work motivation ( $r = .454, p < 0.01$ ), promotion and employees work motivation ( $r = 0.424, p < 0.01$ ), supervision and employees work motivation ( $r = 0.293, p < 0.01$ ), work conditions and employees work motivation ( $r = 0.377, < 0.01$ ), challenging & interesting tasks and employee work motivation ( $r = 0.390., p < 0.01$ ), appreciation & recognition and employee work motivation ( $r = 0.504, p < 0.01$ ), benefits and employee work motivation ( $r = 0.372, p < 0.01$ ).

The finding on **Table 14.16** above further indicates that the highest relationship is found between appreciation & recognition and employee work motivation ( $r = 0.504, p < 0.01$ ).

**Table 4:17: Pearson Correlations Extrinsic And Intrinsic Reward And Motivation.**

| Variables        |                     | Extrinsic Reward | Intrinsic Reward | Motivation |
|------------------|---------------------|------------------|------------------|------------|
| Extrinsic Reward | Pearson Correlation | 1                | .595**           | .549**     |
|                  | Sig. (2-Tailed)     |                  | .000             | .000       |
|                  | N                   | 260              | 260              | 260        |
| Intrinsic Reward | Pearson Correlation | .595**           | 1                | .505**     |
|                  | Sig. (2-Tailed)     | .000             |                  | .000       |
|                  | N                   | 260              | 260              | 260        |

|            |                     |        |        |     |
|------------|---------------------|--------|--------|-----|
| Motivation | Pearson Correlation | .549** | .505** | 1   |
|            | Sig. (2-Tailed)     | .000   | .000   |     |
|            | N                   | 260    | 260    | 260 |

\*\* . Correlation Is Significant At The 0.01 Level (2-Tailed). **Source: Owen Survey 2020**

The above **table 4:17** shows that, there is positive and significance between extrinsic reward and employee motivation at ( $r=.549$ ,  $p<0.01$ ) 99% level of significance. On other hand there is also positive and significance relation between intrinsic reward and employee motivation a( $r=.505$ ,  $p<0.01$ ), but extrinsic rewards are highly correlated with motivation than intrinsic reward.

#### 4.14 Linearity Test

Multiple regression analysis was conducted to determine the relationship between rewards and work motivation. Both homoscedasticity and multicollinearity were accounted for when conducting multiple regressions, homoscedasticity refers to the variance around the regression line remaining the same for all predictor (independent) variables (Tabachnick and Fidell, (2007).

According to Tabachnick and Fidell (2007), multicollinearity refers to two or more predictors variables being highly correlated with one another .with in regression analysis, each independent variables was analysed to determine whether each construct was able to predict motivation ( $p<0.05$ ).

Multicollinearity exists when tolerance is below .1; and VIF is greater than 10 or an average much greater than 1.another statistic sometimes used for multicollinearity is the variance inflation factor, which is just the reciprocal of the tolerance statistics. a VIF of greater than 5 is generally considered evidence of multicollinearity (Marczyk, Dematteo & Festinger, 2005).

**Table 4:18: Multicollinearity Test**

| Variables                       | Collinearity Statistics |       |
|---------------------------------|-------------------------|-------|
|                                 | Tolerance               | VIF   |
| Payment                         | .575                    | 1.739 |
| Appreciation And Recognition    | .562                    | 1.780 |
| Challenging & Interesting Tasks | .621                    | 1.609 |
| Working Conditions              | .704                    | 1.421 |
| Supervisor/Leadership           | .693                    | 1.443 |
| Benefits                        | .696                    | 1.436 |
| Promotion                       | .555                    | 1.802 |

Source: Own Survey, 2020

Accordingly, there is no multicollinearity between payment, appreciation and recognition, challenging & interesting tasks, working conditions, supervision, benefits and promotion, , since there tolerance is  $>0.1$  and  $VIF <5$ . Further to this it was also tested with homoscedasticity and the predictors variables were found ( $p < 0.05$ ).

#### 4.15 Test of Independent of Residuals

The Dubin - Watson (DW) statistics is a test for autocorrelation in the residuals from a statistical regression analysis. The Durbin-Watson statistics will always have a value between 0 and 4. The residuals are not correlated if the Durbin-Watson statistic is approximately 2, and an acceptable range is 1.50 - 2.50.

**Table 4:19 Test Of Independence Of Residuals**

| Model | R                 | R Square | Adjusted Square | Std. Error Of The Estimate | Durbin-Watson |
|-------|-------------------|----------|-----------------|----------------------------|---------------|
| 1     | .611 <sup>a</sup> | .374     | .357            | 3.35719                    | 1.758         |

A. Predictors: (Constant), Payment, Supervision, Challenging Task, Working Conditions, Promotion, Benefits, Appreciation

b. dependent variable: motivation

From the above **Table4:19**. There was no independent of residuals as assessed by Durbin-Watson of 1.758.

#### 4.16 Regression Analysis

Regressions analysis helps in order to measure the relative strength of independent variables of intrinsic and extrinsic rewards to determine the effect of reward on employee motivation in Bunna bank, as depicted in the **Table 14.20** below, the result revealed that, R2 value of .374, This indicates that 37.4% of variance that explained the employee motivation of Bunna international bank S.C. in terms of payment, benefit, promotion, working condition, recognition and appreciation, supervision and challenging & interesting task.

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + \beta_6X_6 + \beta_7X_7 + \varepsilon$$

**Table 4:20: Regression Analysis**

| Model Summary |                   |          |                   |                            |
|---------------|-------------------|----------|-------------------|----------------------------|
| Model         | R                 | R Square | Adjusted R Square | Std. Error Of The Estimate |
| 1             | .611 <sup>a</sup> | .374     | .357              | 3.35719                    |

#### Anova<sup>a</sup>

| Model        | Sum Of Squares | Df  | Mean Square | F      | Sig.              |
|--------------|----------------|-----|-------------|--------|-------------------|
| 1 Regression | 1696.158       | 7   | 242.308     | 21.499 | .000 <sup>b</sup> |
| Residual     | 2840.226       | 252 | 11.271      |        |                   |
| Total        | 4536.385       | 259 |             |        |                   |

A. Dependent Variable: Motivation

B. predictors: (constant), appreciation & recognition, payment, working conditions, supervisor/leadership, challenging & interesting task, benefits, promotion.

Coefficients<sup>a</sup>

| Model                           | Unstandardized Coefficients |            | Standardized Coefficients | T     | Sig. |
|---------------------------------|-----------------------------|------------|---------------------------|-------|------|
|                                 | B                           | Std. Error | Beta                      |       |      |
| (Constant)                      | -.195                       | 1.468      |                           | -.133 | .894 |
| Payment                         | .201                        | .048       | .253                      | 4.229 | .000 |
| Benefit                         | .029                        | .090       | .021                      | .325  | .745 |
| Promotion                       | .104                        | .070       | .100                      | 1.499 | .135 |
| Supervisor/Leadership           | -.002                       | .105       | -.001                     | -.024 | .981 |
| Working Conditions              | .120                        | .062       | .116                      | 1.953 | .052 |
| Challenging & Interesting Tasks | .100                        | .090       | .070                      | 1.106 | .270 |
| Appreciation                    | .406                        | .099       | .274                      | 4.120 | .000 |

A. Dependent Variable: Motivation Source: Owen Survey 2020

From the regression analysis, the following model was established:

$$Y = -.195 + .201 X_1 + .029 X_2 + .104 X_3 - 0.02 X_4 + 0.120 X_5 + 0.1 X_6 - 0.406 X_7$$

The beta value in the above table indicates the extent of effect of independent variables on the dependent variable (work motivation). Accordingly, appreciation reward has a significant effect on employees' motivation and it is followed by payment, work conditions. On the other hand, benefits, promotion, supervision and challenging and interesting task have an insignificance effect on employees work motivation.

**Table 4:20** also above displays the estimates of the multiple regression of impact of rewards against its variables for the sample of 260 respondents. All independent variables accounted for about 37.4% of the variance in employee work motivation. Thus, about 37.4% of the variation in employee work motivation can be explained by the variables and other unexplored variables may explain the variation in employee motivation which accounts for about 62.6%.

#### 4.17 Testing Hypothesis

**Table 4:21 One Sample Hypothesis Testing**

| <b>One-Sample Test</b>              |                |     |                 |                 |   |         |
|-------------------------------------|----------------|-----|-----------------|-----------------|---|---------|
|                                     | Test Value = 0 |     |                 |                 |   |         |
|                                     | T              | Df  | Sig. (2-Tailed) | Mean Difference | 95% Confidence Interval Of The Difference |         |
|                                     |                |     |                 |                 | Lower                                     | Upper   |
| Motivation                          | 62.386         | 259 | .000            | 16.19231        | 15.6812                                   | 16.7034 |
| Appreciation                        | 81.820         | 259 | .000            | 14.31923        | 13.9746                                   | 14.6639 |
| Challenging Task Working Conditions | 87.843         | 259 | .000            | 15.99615        | 15.6376                                   | 16.3547 |
| Supervision                         | 74.509         | 259 | .000            | 18.66154        | 18.1683                                   | 19.1547 |
| Promotion                           | 77.655         | 259 | .000            | 11.53077        | 11.2384                                   | 11.8232 |
| Benefit                             | 70.012         | 259 | .000            | 17.46538        | 16.9742                                   | 17.9566 |
| Payment                             | 68.608         | 259 | .000            | 13.07692        | 12.7016                                   | 13.4523 |
|                                     | 69.470         | 259 | .000            | 22.65385        | 22.0117                                   | 23.2960 |

| <b>Model Summary</b>   |                   |          |                   |                            |                   |          |     |     |               |
|--|-------------------|----------|-------------------|----------------------------|-------------------|----------|-----|-----|---------------|
| Model  | R                 | R Square | Adjusted R Square | Std. Error Of The Estimate | Change Statistics |          |     |     |               |
|  |                   |          |                   |                            | R Square Change   | F Change | Df1 | Df2 | Sig. F Change |
| 1  | .611 <sup>a</sup> | .374     | .357              | 3.35719                    | .374              | 21.499   | 7   | 252 | .000          |
| A. Predictors: (Constant), Payment, Supervision, Challenging Task, Working Conditions, Promotion, Benefits, Appreciation |                   |          |                   |                            |                   |          |     |     |               |

As shown in the **Table 4:21** above, one sample t-test and regression analysis was used to test the alternative hypothesis (h1 to h7). The result of the test indicated that, that there exists a positive and significant relationship between employee rewards (payment, promotion, benefits, supervision, and recognition/appreciation, working conditions, challenging & interesting task) with the dependent variable motivation.

Since  $p$  (0.000) is less than  $\alpha$  (.05), we accept the alternative hypothesis and concluded that with the obtained data, there is evidence of positive and significant relationship between all the independent variables, (payment, promotion, benefits, supervision, recognition/appreciation, working conditions, challenging & interesting task) with motivation ( $f$  (21.5,  $df=7$ , and  $p<0.05$ ).

*Further to the above test of hypothesis, the correlation result as depicted above in **Table 4:16** also indicated that, as there is positive and strong relationships between the independent variables (payment, benefit, promotion, working conditions, appreciation/recognition and challenging and interesting task and supervision) with the dependent variable (motivation)*

*The finding of this result is, also well supported with the findings of previously research done by Yewubdar Mamo(2017), in united bank with a tittle “ effect of reward on employee motivation. In her study, the regression analysis result indicated that, as there were strong and positive relationships between the independent variables (payment, promotion, benefits, supervision, recognition, working conditions, challenging & interesting task) with the independent variable motivation.*

## Chapter Five

### 5 Major Findings, Conclusions, and Recommendation

#### 5.1 Major Findings

The main objective of this study is to investigate the effect of reward management on employee motivation at Bunna international Bank S.C. (BIB). Specific objectives include assessing employees' perception of reward management practice, to assess the level of employee motivation, and to investigate the impact of reward practices on employee motivation in the bank.

- The overall perception of respondents towards the rewarding practice of the bank in terms of payment, benefits package, and promotion dimension, the mean values of these independent variables indicates ( $m=3.24$ ), ( $m= 3.27$ ) and ( $m=3.49$ ) respectively. Accordingly, these values are fall under 3.00 to 3.49 which was set as a decision rule. The mean measurement values of these variables revealed that an employee of the bank is moderately satisfied concerning payment, benefit package, and promotion.
- On the other hand, the perception of respondents towards supervision/leadership, working conditions, challenging & interesting tasks and appreciation/recognitions, overall average mean result shown as ( $m= 3.84$ ), ( $m=3.73$ ), ( $m=4.00$ ) and ( $m=3.58$ ) respectively. Accordingly, as per the decision rule set, these values are categorized between 3.5 -3.99. Therefore, employees of the bank are said to be satisfied with the supervision/leadership style, working conditions, challenging and interesting tasks and appreciation & recognition given

to them. Meanwhile, the average mean value for all dimensions about the motivation level of employees, show a mean value of 3.24. This value indicates that employees of the bank were moderately satisfied with the overall motivation level of the bank.

- A correlation coefficient was done by Pearson's product moment correlation. hence, all the independent variables payment, ( $r=0.454$ ,  $p<0.01$ ), promotion ( $r=0.424$ ,  $p<0.01$ ), supervision, ( $r=.293$ ,  $p<0.01$ ), work condition, ( $r=.377$ ,  $p<0.01$ ), challenging & interesting task ( $r=0.390$ ,  $p<0.01$ ), appreciation and recognition ( $r=.507$ ,  $p<0.01$ ) and benefits ( $r=.372$ ,  $p<0.01$ ) are positively and significantly related to employee motivation. There are positive and significant between extrinsic reward and employee motivation ( $r=.549$ ,  $p<0.01$ ). On the other side, there are also positive and significant relation between intrinsic reward and employee motivation ( $r=.505$ ,  $p<0.01$ ). With a 95% level of significance.
- Results from regression analysis indicate that .374 of variance explained employee motivation of the bank, are in terms of the independent variables i.e. payment, promotion, supervision, work condition, challenging & interesting task, appreciation and recognition, and benefits. The remaining 62.8% of the variance is explained by other variables.

## 5.2 Conclusion.

Employee motivation is a very crucial issue that affects every business organizations in today's competitive environment. To provide an excellent service for their customers and to foster the development and to successfully to meet is the vision, mission of the banks, it should consider the issue of motivation to satisfy its employees and grasp success. As all we know managing human resources and motivating them equally is hard because of their heterogeneous entity. Even though it is too hard to motivate all employees equally there must be a strategic plan or policy for this matter.

The study was conducted to examine the effect of reward practices on employee motivation of the bank. Payment, promotion, recognition, benefit, work condition, challenging and interesting tasks, and supervision were the rewards currently given to the employees. Employees of the bank were moderately satisfied with the reward system in the bank with respect to payment, benefits package, and promotion.

Although, the employees were moderately satisfied with the above rewards, but they were also satisfied with the supervision/leadership style, working conditions, challenging & interesting tasks, and the recognition getting from the bank. There are also found a positive relationship between rewards and the bank's employees work motivation. On the other hand, the regression model of the analysis indicates that 37.4% of variance explained the employee motivation in terms of reward practices dimensions (independent variables). The model also indicates that the remaining 62.6% of the variance can be explained by other factors.

### 5.3 Recommendation

The results indicated that rewards are a vital factor in employee motivation. Bunna international bank S.C. should consider a more structured reward system that considers both intrinsic and extrinsic rewards, which in turn will promote a higher performance culture in the bank. Reward is important, but it is not the single most important factor in motivating employees.

To increase the individual performance, the reward system plays a pivotal role. The proficiency of an employee can be enhanced if some working organization entertains its employees by rewards. The management expects from its employees that they should comply with the rules and bring revolutionary change and betterment in order to add new skills to their jobs. on the other hand, employees expect from their organization that their organization provides a fair salary, better and safe working environment. Therefore based on the study findings, the following are the researcher's recommendations:

- To be competitive enough with the current stiff market and to overcome the future challenges as well as to attain the bank's long term strategic objectives, missions, and visions, it is recommended to study a new competitive and attractive salary pay scale to retain and motivate its workforce. This can be administering through surveying the market (developing pay practices on comparable jobs at comparable companies), weighting the value of the positions (outline the expected skill, background, and experience as well as duties and responsibilities), and benchmarking salaries (comparing internal job descriptions with external jobs of similar responsibilities to ensure salary is competitive with the market rate). One of the key factors when designing a salary structure is the balance between internal and external pay equity. In which employees pay compared with those similar positions within the organization and whereas external equity is employees pay compared with those with similar positions outside of the company.

- The benefits package is the one in which employees of the bank were found moderately satisfied. So that, benefits packages like: medical coverage for spouses/children, vehicle and mortgage loan, competitive fuel-based transport allowance, needs to be reviewed. In addition to these, the bank is also advised to introduce life insurance and pecuniary benefits such as recreation facilities, health services, childcare facilities, and food services. This has the potential of motivating employees and contributing to the effectiveness of the organization. When the organization provides essential services to employees, time is saved and more effort and time is spent on work-related aspects. Top management may also consider sharing the costs of employee services with employees in order to ensure affordability. It is vital for top management to communicate the availability of employee services to ensure that they are aware of such initiatives. The current era requires organizations to view pecuniary benefits not as fringe benefits, but as an integral component of the organization's reward package.
- In order to create good working conditions, the bank is advised to promptly reply to the staff requests, supply adequate resources/working materials to work units. Rearrangement of the current office layout, which considered operational activities of the bank in order to the smooth running of activities since some departmental functionalities are located in different buildings. On the other hand, revising and implementing all the policies, like employee policy and management policy which will go along with the five-year strategic plan of the bank.
- The bank also advised to provide adequate opportunities for staff growth and development. A promotion policy should regulate such activities to ensure fairness and transparency in the promotion of employees. Succession planning should be carefully considered and implemented in the bank to ensure a smooth transition of employees into top positions.
- The bank is also advised to develop a policy dealing with intrinsic rewards, which should

build in elements of recognition programs. Employees need to know that their contributions are noticed and valued, and are part of the growth experienced by the bank. this is administered through, by acknowledging the excellence and well-performed activities of employees, by providing awards like to those who served the bank for a long year, verbal praise like saying “thank you” will make the employees to be motivated and also increases the productivity of the bank as well.

### **Recommendations for further studies**

The study has investigated the effect of reward management on employee’s motivation in Bunna international bank. S.C. the study, therefore, recommends that further research should be done on the relationship between the reward system and employee motivation in private banks in Ethiopia. This is because the private banks have a different strategic approach and thus allowing for comparison.

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## 6 APPENDIX



### Addis Ababa University School of Commerce

### Masters of Arts Program in Human Resource Management

### Questionnaire

#### Introduction

This questionnaire is intended to gather primary data on “the effect of reward management on employee motivation in the case of Bunna international bank S.C”. The purpose of the study is to fulfill a thesis requirement for the Master of Arts degree in human resource management at Addis Ababa university school of commerce. Your responses for the questions are very important for the success of completing this study. All information collected through the questionnaire will be used only for the purpose of the study and will be kept confidential. And thus, i would like to thank you in advance for your kind cooperation.

**N.B:** You Don’t Need To Write Your Name.

**Part One:** Biographical Information (Please Use the Right Mark (✓) To Show Your Choice)

1. Age

18-30  31-45  46-60  >60

2. Gender

Male  Female

3. Educational Background

Diploma  First Degree  Master’s Degree

Other  Please Specify \_\_\_\_\_

4. Marital Status

Single  Married  Separated  Widowed  Divorced

5. Please Indicate Your Current Position In BIB.

Clerical  Managerial

6. How Long Have You Been Working With Bunna International Bank S.C.?

7. 1 Year      1-2 Years      3-4 Years       $\geq$  5 Years

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**Part 2: Please Indicate The Extents To Which You Agree Or Disagree With The Statement By Putting Tick (☐) Mark With Corresponding Score Value .List Of Items Are Indicted From Number 1 To 37.**

**Regarding To Extrinsic Reward**

| S.<br>N. | Statement  | Score Values                |                 |                |              |                       |
|----------|--|-----------------------------|-----------------|----------------|--------------|-----------------------|
|          |  | Strongly<br>Disagree(<br>1) | Disagree<br>(2) | Neutral<br>(3) | Agree<br>(4) | Strongly<br>Agree (5) |
|          | <b>Payment</b>   | 1                           | 2               | 3              | 4            | 5                     |
| 1        | The Pay System Is Clearly Stated And Communicated To Me                  |                             |                 |                |              |                       |
| 2        | The Basis Of Pay For Performance Is Reasonable                           |                             |                 |                |              |                       |
| 3        | My Salary Is Satisfactory In Relation To The Job I Do                    |                             |                 |                |              |                       |
| 4        | I Earn Same Salary With Others Doing The Same Job In The Bank            |                             |                 |                |              |                       |
| 5        | Salary Increments Are Decided In A Fair Manner                           |                             |                 |                |              |                       |
| 6        | Pay Scale Of The Bank Treats Each Employee Equitable                     |                             |                 |                |              |                       |
| 7        | Performance Related Incentives Improve My Work Motivation                |                             |                 |                |              |                       |
|          | <b>Benefit</b>   |                             |                 |                |              |                       |
| 8        | There Is Equal Treatment Of Each Staff In The Benefit Policy Of The Bank |                             |                 |                |              |                       |
| 9        | The Medical And Insurance Scheme Are Attractive                          |                             |                 |                |              |                       |
| 10       | I Never Faced Problems Of Leave Arrangements                             |                             |                 |                |              |                       |
| 11       | The Bank's Loan Policy Is Attractive                                     |                             |                 |                |              |                       |
|          | <b>Promotion</b>   |                             |                 |                |              |                       |

|                                      |  |  |  |  |  |  |
|--------------------------------------|--|--|--|--|--|--|
| 12                                   | There Exists An Opportunity For Promotion In The Bank      |  |  |  |  |  |
| 13                                   | Promotion Is An Important Factor In My Work Motivation     |  |  |  |  |  |
| 14                                   | The Criteria For Promotion Are Acceptable                  |  |  |  |  |  |
| 15                                   | Staffs Are Promoted In A Fair & Honest Way                 |  |  |  |  |  |
| 16                                   | Everyone Has Equal Chance To Be Promoted                   |  |  |  |  |  |
|                                      | <b>Supervisor/Leadership</b>                               |  |  |  |  |  |
| 17                                   | My Supervisor Is Satisfied With My Work                    |  |  |  |  |  |
| 18                                   | My Supervisor Is Cooperative                               |  |  |  |  |  |
| 19                                   | I Receive Adequate Guidance And Support From My Supervisor |  |  |  |  |  |
|                                      | <b>Working Conditions</b>                                  |  |  |  |  |  |
| 20                                   | My Working Hours Are Reasonable                            |  |  |  |  |  |
| 21                                   | The Office Layout Is Convenient To Do My Job               |  |  |  |  |  |
| 22                                   | I'm Free To Be With My Colleagues                          |  |  |  |  |  |
| 23                                   | All The Necessary Resources For Work Are Available         |  |  |  |  |  |
| 24                                   | I Have Good Communication With My Co-Workers               |  |  |  |  |  |
| <b>Regarding To Intrinsic Reward</b> |  |  |  |  |  |  |
|                                      | <b>Challenging And Interesting Task</b>                    |  |  |  |  |  |
| 25                                   | I Am Interested In My Work                                 |  |  |  |  |  |
| 26                                   | I Perform Challenging Work And It Makes Me Happy           |  |  |  |  |  |
| 27                                   | My Work Consists Of Varieties Of Tasks                     |  |  |  |  |  |
| 28                                   | I Am Happy Of The Work I Am Working                        |  |  |  |  |  |
|                                      | <b>Appreciation And Recognition</b>                        |  |  |  |  |  |

|                             |  |  |  |  |  |  |
|-----------------------------|--|--|--|--|--|--|
| 29                          | The Feeling Of Accomplishment I Get From The Job                                       |  |  |  |  |  |
| 30                          | I Receive Constructive Criticisms About My Work  |  |  |  |  |  |
| 31                          | I Get Credit For What I Do   |  |  |  |  |  |
| 32                          | I Am Told That I Am Making Progress  |  |  |  |  |  |
| <b>Regarding Motivation</b> |  |  |  |  |  |  |
| 33                          | The Intrinsic Reward Practice Of The Bank Makes Me Competent And Motivated.            |  |  |  |  |  |
| 34                          | The Extrinsic Reward Practice Of The Bank Makes Me Competent And Motivated             |  |  |  |  |  |
| 35                          | I Feel Encouraged By My Organization Effort To Reward And Motivated Me                 |  |  |  |  |  |
| 36                          | I Feel Motivated By The Organization Effort To Improve Employee Reward                 |  |  |  |  |  |
| 37                          | Overall I Am Motivated Both Intrinsic And Extrinsic Reward Practice Of My Organization |  |  |  |  |  |

Thank You!