

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



**THE EFFECT OF REWARD MANAGEMENT PRACTICE ON  
ORGANIZATIONAL PERFORMANCE IN CASE OF TNELA  
CONSTRUCTION PLC**

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**A FINAL RESEARCH SUBMITTED TO THE SCHOOL OF  
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## **DECLARATION**

I, Hanan Munir Ahmed, declare that this research project work entitled “The Effect of Reward Management Practices on Organizational Performance The case of Tnela Construction PLC” submitted to Addis Ababa University for the awards of Master of Arts in Human Resource Management is the outcome of my own effort and study. All sources of information that was used in the study have been properly credited. This study has not been presented for any level of degree in any university.

**Hanan Munir Ahmed**

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

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

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**APPROVAL SHEET**

This is to certify that the research project presented by Hanan Munir Ahmed entitled “The Effect of Reward Management Practices on organizational Performance in the case of Tnela Construction PLC” submitted for partial fulfillment of the requirements for the degree of masters of art in Human Resource Management complies with the regulation of the university and meets the accepted standards with respects to originality and quality.

**Approved By:**

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### **STATEMENT OF CERTIFICATION**

This is to certify that Hanan Munir Ahmed has carried out this project work on the topic entitled “The Effect of Reward Management Practices on organizational Performance The case of Tnela Construction PLC” under my supervision. This work is original in nature and it is sufficient for submission for the partial fulfillment for the award Degree of Masters of Art in Human Resource Management.

**Solomon Markos (PhD)**

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

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

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## **Abstract**

*This study was conducted to examine the effect of reward management practice on Organizational performance the case of Tnela Construction PLC. Explanatory research design was used to gather data from 9 project sites namely weyra, Megenagna, Lancha head office, Betel, Chergos, Torhayloch, Kera, Tero new site, Alem Bank and Lebu Muaz located in Addis Ababa. Census data was used and Primary data was collected through interview and questionnaires. SPSS version 20 Statistical Software was then used for data analysis. The independent variables were intrinsic rewards and extrinsic rewards whereas the dependent variable was organizational performance. Mean, standard deviation and correlation analysis were used to analyze the data. The correlation result indicated that there was a positive and statically significant relationship between all of independent variables (intrinsic and extrinsic rewards) and dependent variable (organizational performance). The regression analysis results shows that 75.1% of the variation in organizational performance is explained by intrinsic and extrinsic rewards factors considered for the present study. This implies that, an increase or decrease in both intrinsic and extrinsic rewards will bring corresponding change in organizational performance. Hence, both should be used together to complement each other in enhancing long-term organizational performance, building and strengthening appropriate reward system to have a holistic effect.*

**Keywords:** *Intrinsic Rewards, Extrinsic Rewards, organizational Performance*

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 BACKGROUND OF THE STUDY**

A reward is anything that recognizes a one's contribution where people are paid for the task they accomplish in the form of basic pay, as well as for their performance, competence, or expertise in the form of contingent or variable pay, or for their time spent on the job in the form of service pay or service-related pay (Armstrong, 2012).

Employees are a company's most valuable asset. Employees have a major role in the organization's success or failure. Employees will be motivated and retained in the organization if they are successful or obtain well-performed jobs or achieve the company's intended goals. The organization's incentive management system is a major tool for these. Employees must have a feeling of mutual advantage for the organization as well as for themselves while achieving a stated objective or goal if desired performance is to be attained quickly and effectively. The company must carefully establish a reward system that analyzes and rewards employee success at all levels, whether or not they are paid for it. In reward system, performance management is raised by placement of needs and goals between organization and employees, as well as extrinsic and intrinsic rewards (Armstrong, 2005)

A well-planned reward management has an impact on the organization's strategy, according to Nyandoro and Goremusandu (2016). Incentives that are well-articulated lead to the achievement of competitive goals. In order to improve organizational performance and ensure that firms can cope with demanding environmental issues, reward management should be encouraged. As a result, this evaluation underlines the benefits that accumulate to an organization that is reward conscious and fairly implements it.

Many Human Resource dispositions and practices, organizations are constantly attempting to grow and encourage their personnel in order to help achieve improved performance. The practice of using a reward management system to help businesses achieve their objectives is very

common (Brian, 2015). Reward practice management can be a strong managerial tool that can enhance increased organizational performance and realization of organizational goals. However organizations especially in Tnela Construction PLC have not alleged so as to enhance its practice for the purpose of attaining organizational goals. It is on the basis of this that the student researcher aimed at inaugurating the effect of reward management practice on organizational performance Therefore, this research paper allures to examine the impact of reward management practice on organizational performance with special reference to Tnela Construction PLC Addis Ababa, Ethiopia.

## **1.2 BACKGROUND OF THE ORGANIZATION**

Tnela Construction P.L.C. is a private construction business that has just arisen and entered the construction era in compliance with Ethiopia's commercial laws (FDRE).The company is established with the purpose of providing various construction services and contributing to the development of the construction industry in the country. The firm is currently registered as a grade VI Water Works contractor meeting all the criteria set by the government. And Grade V Building contractor with all the necessary equipment and machineries

Tnela Construction P.L.C is one of the Grade 5 construction service provider in Ethiopia. The company's core business is in the construction of building for public authorities and private clients.

The company was originally established in Addis Ababa, Ethiopia in the year 2006 E.C as a share company in the name of Tnela Construction P.L.C. To optimize its strong market position, the company is committed to providing quality work and completing its projects on time by hiring qualified professionals. The Company has completed more than eight projects in the last seven years and currently, it is under taking the construction of buildings more than thirteen projects including Real states.

The Company is owned and managed by PLC members who are dynamic young Engineers and other business persons who have all the competence to deliver the intended result. Tnela Construction P.L.C is a well-structured and adequately staffed organization skilled in managing a number of projects at a time. The company uses the collective knowledge and

experience of personnel, from directors to skilled workers, for consistent quality project delivery. The qualified, well-trained and committed workforce also enables it to uphold project schedules, even under adverse circumstances. Entirely the accomplishments of the company have been made potential by the enthusiastic efforts of executives and qualified personals. Having started with regular staff members, it has now been able to create job opportunity for many permanent skilled personals and daily laborers.

## **Mission and Vision**

### **Mission**

The company's mission is to provide systematic and structured construction services in every aspect of quality and excellence, as well as timely completion to meet the needs of our clients, backed by our versatile leadership skills and dedicated teamwork incorporating the latest technologies and innovative engineering solutions.

### **Vision**

The company's vision is to be successful and establish enlightened contractor supported by committed management, skilled professional & modern technologies participating in construction industry internationally.

### **Core values**

- **Excellence** – we constantly track excellence through hard working and teamwork, customer satisfaction, innovation and discreet resource management.
- **Integrity** – we will conduct our work with integrity, honesty and fairness with highest ethical and professional standards.
- **Respects** – we respect the value, excellence, diversity, and importance in every person with legal entity, working with or served by.
- **Responsibility** – we take responsibility for our action and hold our services accountable for the results and outcomes.

- **Trust** – we strive to be reliable in the construction industry and build trust and confidence in our ability to anticipate and respond to the client needs and to what the contract urges on.

### **1.3 STATEMENT OF THE PROBLEM**

Extrinsic reward, according to Charles, attracts and maintains competent individuals who carry out their responsibilities as expected, resulting in improved performance. Armstrong endorsed those formal reward systems in businesses organizations must be connected with the strategic goals. likewise, most organizations view reward as only monetary reward given to employees to compensate them for their performance, whereas, rewards should include non-monetary rewards such as recognition, learning and career development opportunities, and increased job responsibility, for motivating individual employee (Armstrong, 2010).

The overall goal of reward management practice is to reward people fairly, equitably, and consistently in accordance with their value to the organization and their achievement of the organization's strategic goals, regardless of whether their contributions are recognized through financial or non-financial means. Armstrong (2007). According to Armstrong and Murlis (2004), rewards are planned to recruit and retain qualified personnel and ones that provide appealing fringe benefits. Organizations are increasingly required to identify proper reward systems that inspire their staff to achieve grander organizational performance (Vance 2012).

Few researches were conducted on reward management in Ethiopian context. Liben (2017) studied about the impact of reward management system on employee performance indicated that there was a statistically significant relationships between reward management and employee performance. As a result, respondents replied that upgrading the reward system motivates employees to perform harder by providing more incentives or higher compensation, increasing competitiveness both within and beyond the organization. Thus this study ought to study the reward management practice on organizational performance.

A preliminary interview conducted with managers of Tnela Construction PLC indicated that the reward system face several implementation problems. In order to encourage and engage people from various backgrounds and experiences, reward systems are based on concepts of fairness.

scottdow (2010) however, Reward are not fairly distributed in Tnela Construction PLC among employees while accomplishing a certain project, employees who performed well are rewarded whereas, staffs who performed less but have contributed for the success a project are not rewarded. In addition, the employee's monthly salaries are frequently delaying and employees are demotivated to finish their task within the given time.

Therefore, the student researcher was intended to identify the reason why project are delaying and identify the effect of reward management practice on organizational performance, regarding its relationship in Tnela Construction PLC and investigate which reward practice would motivate the employee in order to enhance organizational performance. Therefore, this study was envisioned to solve the current issues.

However, which reward system motivates the employees for higher organizational performance was not well understood in addition, the effect of reward management practice on organizational performance in construction companies has not been yet studied hence to bridge this gap, this study try to assess the practice of existing reward management system and examine its influence on organizational performance by identifying the relationship between dependent and independent variables studied.

#### **1.4 BASIC RESEARCH QUESTIONS**

This study projected to answer these basic research questions below

- How employees of Tnela Construction PLC do perceive about their company's reward management practice?
- What are the employees' perception regarding organizational performance?
- What is the effect of intrinsic rewards (recognition, career advancement, learning opportunity and challenging work) and extrinsic reward (salary, performance pay, bonus and promotion) on organizational performance in Tnela Construction PLC?
- To what extent does reward management system affect organizational performance?

## **1.5 OBJECTIVE OF THE STUDY**

### **1.5.1 GENERAL OBJECTIVE**

The study gave emphasis to the effect of reward management practice on organizational performance in case of Tnela Construction PLC

### **1.5.2 SPECIFIC OBJECTIVE:**

1. To assess the reward management practice in Tnela Construction PLC;
2. To assess the employees' perception towards organizational performance;
3. To examine the effect of extrinsic reward (salary, performance pay, bonus and promotion) and intrinsic reward (recognition, career advancement, learning opportunity and challenging work) on organizational performance in Tnela Construction PLC;
4. To determine the extent (level) to which reward system contributes to organizational performance.

## **1.6 SIGNIFICANCE OF THE STUDY**

The significance of this research is to understand the effect of reward management practice on organizational performance. The data gathering from the study helps in understanding the reward system and reward management on performance of an organization. The study could contribute to the knowledge of the existing current situation in the field of human resource management and allows the management team to understand the use of reward management for the overall work performance and employee job satisfaction which in turn increase the performance of an organization. The intent of the result is to provide knowledge to the management team in order to implement definitive suggestions while determining on which important rewarding system would be appropriate in order to retain potential workforces who lead the organization toward success.

In addition, this study helps the organizational management team to identify the significance of intrinsic and extrinsic reward while developing a reward system and distinguish which kind of reward shall be given, at what stage the reward shall be given hence, employees will receive answers to their queries regarding the research. Finally, this research study will be used as a reference for academic purposes, as well as to help future student researchers obtain additional knowledge and the study can serve as a base for other researchers who want to do further

research on reward management practices regarding factors which could affect the organizational performance.

### **1.7 SCOPE OF THE STUDY**

To address the problem under consideration, this research was delimited to the effect of reward management practice on organizational performance. The study focused on Herzberg theory of reward management i.e. Intrinsic and Extrinsic rewards which are the guiding theory of this research. the study's dependent variable was organizational performance which was evaluated in terms of (job satisfaction, profitability, employee retention, and client satisfaction), whereas the independent variables was the two type of reward system, i.e. intrinsic (recognition, career advancement, learning opportunity and challenging work) and extrinsic reward system (basic pay, bonus, promotion and performance benefit). which has different effect on employee and overall organizational performance.

The geographic area of the study focuses on nine project sites in Addis Ababa, the country's capital, that are currently under construction .i.e project sites which are (weyra, Megenagna, Lancha head office, Betel, Chergos, Torhayloch, Kera, Tero new site, Alem Bank and Lebu Muaz) project sites.

### **1.8 LIMITATION OF THE STUDY**

This research has been conducted in order to assess the reward management practice on organizational performance Tnela Construction PLC. Hence, the study does not include other organization in similar sector. In addition, this study focuses only on reward outfits i.e. intrinsic reward (recognition, career advancement, learning opportunity and challenging work) and extrinsic reward (basic salary, performance pay, bonus and promotion)which will be taken as factors.

Organizational performance has been evaluated in terms of non-financial terms that is Job Satisfaction, Profitability, Employee retention and client satisfaction. Whereas measuring organizational performance in financial terms would help to draw better conclusion.

## **1.9 DEFINITION OF TERMS**

**Reward:** A pay that an employee receives from an organization in exchange for the service that the employee provides or in return for work completed (Lin 2007).

**Reward Management:** is concerned with the strategies, policies, and procedures necessary to ensure that employees' contributions to the business are recognized through both financial (extrinsic) and non-financial (intrinsic) means (Armstrong and Stephens 2005).

**Extrinsic Rewards:** - Monetary values offered by the employer which in turn help us to recruit and retain personnel, as well as, for a limited period, increases strength and minimize dissatisfactions (Armstrong, 2007).

**Intrinsic Rewards:** - Non-monetary intrinsic rewards connected to responsibility, performance, and the work itself may have a longer-term and more profound effect on motivation (Armstrong 2007),

## **1.10 ORGANIZATION OF THE STUDY**

The study is divided into five chapters, the first of which provides the study's background, statement of the problem, objective, basic research questions, significance of the study, scope of the study, limitation of the study, definition of terminology, and organization of the study. The second chapter discusses a survey of related literature as well as a conceptual framework. The third chapter is the research methodology used to accomplish the study. In the fourth chapter, data presentation analysis and discussion has been provided. Finally, chapter five gives summary, conclusion and recommendation based on the data obtained for the study.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 THEORETICAL REVIEWS**

##### **2.1.1 REWARD DEFINED**

Rewards are defined by Siwale, Hapompwe, Kukano & Silavwe (2020) as any physical services or we can say tangible service, benefits/advantages, financial and non-financial rewards that an employee receives as part of their employment contract. Pointed out that all employees expects to receive a benefit as a reward for their hard work and commitment to the company, hence the benefit.

However, Robertson and Kee (2017) describe rewards in the perspective of the employer, stating that “rewards include all packages given to an employee as a result of the individual's performance of specified activities”. Employees were required to accomplish or deliver on defined duties in accordance with the employer's expectations, while employers were expected to pay benefits or remuneration to employees once the assignment was completed. Once an employee has fulfilled a given role or job, they are rewarded.

"An organization's integrated policies, techniques, and practices for compensating its personnel based on their contribution, aptitude, and competence, as well as their market worth," says Armstrong (2001). The reward system encompasses methods, techniques, structures, and procedures for providing and maintaining appropriate types and levels of compensation, perks, and other rewards in accordance with the organization's reward philosophy, strategies, and policies.

There are different types of rewards, each of which has its own set of plans, practices, fundamentals, and magnitudes that define an organization's overall strategy for attracting, encouraging, and retaining people. Compensation, benefits, work-life balance, performance recognition, and skill development are the components (Worldatwork, 2007), and they comprise

the "workbench" from which an organization chooses to deliver and align a value proposition that benefits both the organization and the personnel.

The aim of a reward plan is to design policies and procedures that will attract, retain, and inspire high-quality employees, as well as assist the attainment of corporate goals and offer fair and equitable remuneration for all employees in the firm (Armstrong, 2005). (Armstrong, 2012). Personnel want their work to be recognized, and providing appropriate rewards and benefits packages is an efficient way to meet corporate goals while also ensuring the longevity of relationships with brilliant employees (Sabo, 2011). Organizational components mentioned such as individuals, procedure, instructions, and administrative activities involved in distributing salary and benefits to employees in exchange for their assistances to the organization are included in the reward system (Puwanenthiren, 2011; Nnaji et al 2015). Employees will be motivated to operate as a group if there is a fair and transparent reward structure. The total effectiveness of an organization is largely determined by individual employee performance and, to a slighter extent, teamwork. Individual employee performance, will almost certainly subsidize to the team's performance, resulting in a favorable impact on organizational performance. Managers must struggle to maximize the performance of all employees in order to maximize overall organizational performance by properly rewarding individuals.

### **2.1.2 REWARD PRACTICE**

According to Armstrong(2010), The design and management of grade and pay structures, performance management processes, schemes for rewarding and recognizing people based on their individual performance or contribution and/or team or organizational performance, and the provision of employee benefits will all be part of these systems. Human resource management (HRM) and 'strategic pay' have become increasingly popular as a result of economic and societal development (White and Druker 2000). A significant influence of incentive management on risk-taking of HRM approaches on objectives and organizations that improve organizational performance has been documented in studies.

Employee performance may be increased through various incentive systems that highlight employee engagement in organizational success through innovative HRM strategies to boost employee competency. On the other hand, other researchers say that incentives should first focus

on either improving the quality of the associated with the achievement of previously set personnel's recruited goals and missions, or increasing the expertise and capabilities goals and missions. Incentives are mostly used to motivate current employees or both. Employees can be hired to incentivize them to be more productive in order to improve organizational performance through better recruiting and selection procedures (Iqbal, Lodhi., Saeed, 2013).

Employee motivation is influenced by the compensation and benefits they get. This is especially true when bonuses are tied to an individual's or group's accomplishments. Pay and benefit selections can also help a company's strategy in other ways. For example, in order to recruit and retain the greatest people, a firm that wants to deliver outstanding service or be extraordinarily inventive may be willing to pay much more than competitors. In other firms, a low-cost strategy necessitates familiarity with industry standards in order to avoid spending more than is necessary. Another major role is managing wages and benefits. Organizations must have systems in place to keep track of each employee's pay and perks. Employees require information about their health care, pensions, and other benefits. Keeping track of all of this necessitates meticulous record-keeping and reporting to management, employees, the government, and others (Noe 2011).

### **2.1.3 TYPES OF REWARDS**

Extrinsic and intrinsic incentives were classified by Aimal et al., (2015) and Shanks (2007).

#### **2.1.3.1 INTRINSIC REWARD**

Employees obtain nonmonetary benefits like as promotion, recognition, trust, status, and responsibility as intrinsic rewards. Intrinsic rewards are those that are built into the job and that the employee enjoys as a result of accomplishing the task or achieving his objectives.

Employees' psychological growth may be diminished by intrinsic rewards (Williamson, Burnett & Bartol 2009). Employees' self-esteem is connected to their sense of success and growth within the company, so the intrinsic incentive system has been created with that in mind. Employees are satisfied when they have produced something worthwhile at work and have been verbally recognized by the company (Nawab, Ahmad and Shafi 2011).

According to Shanks (2007), intrinsic reward satisfies employees' intrinsic elements by offering them a challenging assignment, a better position, and involving them in decision-making. The

most effective intrinsic reward for improving employee performance has been determined to be praise and recognition (Bosco, 2014).

Shanks (2007) goes on to say that intrinsic reward boosts one's self-esteem, which leads to job success. The job itself, such as meaningful work, achievement, and challenge, or the task itself, such as responsibility, variety, self-direction, and skill, can provide intrinsic reward (Aimal et.al, 2015). In this study, intrinsic reward element employed are recognition, career development, challenging work and learning opportunity.

### **2.1.3.1.1 RECOGNITION**

According to Armstrong (2010), recognition schemes as part of a whole compensation package allow individuals to be recognized for their accomplishments informally on a daily basis or through formal recognition arrangements. A formal and organization-wide recognition plan can be implemented, allowing for the celebration of accomplishments through presents, rewards, or public acclaim. It places a greater emphasis on employee contributions and efforts than on achieving a person's performance goals, which are both important and useful in motivating employees and enhancing productivity.

Employees consider recognition to be a valuable asset in the job. This improves employee morale and motivates them to increase their productivity within the organization.

Typically, recognition is the most effective non-monetary intrinsic reward given by an employer to celebrate employees' devotion to the firm, and it can increase employee performance. While most organizations do not grant cash prizes, some do. Importantly, managers can give informal recognition by simply saying, "Well done," "Thank you," or "Congratulations" to employees in person or in a brief note of gratitude.

### **2.1.3.1.2 CAREER DEVELOPMENT**

Career development, according to Dubrin (2002), is an activity that helps individuals plan their future careers in a firm so that both the employees and the company can grow to their full potential. Rivai (2004) points out that career development is a process in which an organization improves an individual's ability to achieve the desired career. Watts (2006) stated that Development focus on the long term to help employees prepare for future work demand. This

career development practice is a learning opportunity design to help employees grow, however it is not limited to improving performance on a current job.

A strong reward system, according to Kreitner and Kinicki (2010), should support personal growth and development while also preventing talented individuals from leaving the company. Organizations pay awards to their employees, according to Luthans (2002), in order to inspire their performance and encourage loyalty and retention. This supports Nadia, Syed, and Humera's (2011) statement that employees will give their all if they believe or trust that their efforts will be recognized by the organization.

#### **2.1.3.1.3 CHALLENGING WORK**

For hard work or task complexity, informal learning, particularly on-the-job learning, is essential (Schürmann & Beusaert, 2016). A challenge that encouraged work completion enhanced learning commitment (Eraut, 2004). Furthermore, task autonomy and labor intensity have been demonstrated to be major determinants of informal learning (e.g., Doornbos et al., 2008; Schürmann & Beusaert, 2016; Doornbos et al., 2008). Employees who stated that their job required a lot of analysis were more likely to seek out informal learning opportunities (Nilsson & Rubenson, 2014). Individuals can be motivated by being given more responsibility for their work. People are Impositions of responsibility when they are held to account for what they do. They are in charge of their work and the resources required to do it. Being given more responsibility can satisfy needs for achievement and increase self-esteem. It is also a form of recognition (Armstrong, 2010).

#### **2.1.3.1.4 LEARNING OPPORTUNITY**

Greater job satisfaction influenced the effectiveness of informal learning through learning, which includes workplace learning and development, training, performance management, and career development (Jeon & Kim, 2012), as well as a supportive environment, benefit or compensation, recognition, climate, and contentment (e.g., Rowden & Conine, 2005). Furthermore, the utility of knowledge was significantly higher when employees perceived that their knowledge from a current task was useful because it is assumed as a reward to the employees due to their sense of importance, skills they achieve, and employability when their managers provide planned and intentional instructions. (Sutherland Olsen, 2016; Jeon & Kim, 2012). Individuals are more

accountable for their own professional paths, which often need diverse skill sets and knowledge bases, since the ability to learn and enhance one's skills is becoming a core job competency. This transition has fundamentally altered the learning process, and the ability to consistently acquire new abilities and improve on current ones has become a necessary ingredient for professional success (Maurer & Weiss, 2010).

### **2.1.3.2 EXTRINSIC REWARDS**

Extrinsic rewards are monetary benefits that employees receive as a result of their labor, such as bonuses, wages, allowances, and performance-based compensation. Extrinsic awards, on the other hand, are tangible and come from outside the company to recognize the employee's accomplishments. Extrinsic rewards are those that are not related to the job's task, such as compensation, working conditions, fringe benefits, security, and promotion, as well as contract of service, salary, incentives, bonuses, payments, and job security (Badrinarayan and Tilekar 2011).

Extrinsic rewards span the basic requirements of survival (paying bills), a sense of security and consistency (job security), and recognition (workplace values, skills). Extrinsic rewards are results provided by the company, such as money, working condition, job security, and fringe benefits, according to Hellriegel (1999). These incentives are comparable to "hygiene concerns" at work, as Herzberg phrased it.

#### **2.1.3.2.1 BASIC SALARY**

Salaries are a type of remuneration given to employees on a monthly or annual basis. In general, handling incentives is something that their employers anticipate from them. The expectation is in exchange for the employee's contribution, which the employer expects from them. Workers are compensated in the form of salaries for their contributions to the workplace and the development of their talents. Rewards include not only monetary compensation, but also a variety of other incentives that can boost motivation and accountability in the workplace. One of the extrinsic benefits is a salary. Bullock, Stritch, and Rainey (2015) According to commercial and public sector research, salary plays a critical role in ensuring that employees remain motivated, thorough, loyal, and faithful to their profession.

If employees are paid or given a raise in wage, they will be satisfied and driven. This suggests that an increase in current compensation will also result in an increase in work performance. Employees frequently consider salary as a measure of their contribution to the organization for which they work, and they regard it as a measure of their value to that particular organization. According to Wasiu and Adebajo (2014), when companies pay low salaries and payment procedures are not consistent, employee performance deteriorates. Employee performance will suffer the consequences of their dissatisfaction. Poor performance and a lack of commitment in the workplace are indicators of these issues.

Salary is a sort of response that reflects the importance of employees versus the business, according to Rafiq, Javed, Khan, and Ahmed (2012). Salary is the most essential part of the company, according to Prasetya and Kato (2011). This is because inequitable, disproportionate, and unrelated to performance pay can have a negative impact on the relationship between an employee and his or her employer.

#### **2.1.3.2.2 PERFORMANCE PAY**

Variable and incentive pay are other terms for performance compensation (Kreitner and Kinicki, 2010). Because of the difficulties connected with integrating merit pay with performance, Luthans (2002) suggested that corporations created pay for performance. Pay for performance (Kreitner and Kinicki, 2010) is a concept that refers to a monetary incentive that links a portion of a payment to certain results or achievements. Variable compensation is predicated on the notion that people motivated by money will work more since they will be paid more, according to Adrian et al., (2010). Pay for performance is simply extra pay given to employees by a company above and beyond their standard wages and salaries (Kreitner and Kinicki, 2010).

#### **2.1.3.2.3 BONUS**

Heathfield (2016) defines bonus as compensation over and beyond the base salary or hourly rate of pay earned by employees. One of them is bonus plans. In reward systems, they play a crucial role. This is due to the fact that employees will be granted a bonus. Based on their present work performance Bonuses are a form of compensation, according to Bardot (2014). Payments that

employees should not expect to receive because they are typically discretionary or backwards-looking. It can, however, be thought of as an additional sum of money paid by the company. When staff performance is exceptional throughout the year, an organization is considered successful. This bonus strategy is unique to improve employees' job performance and efficiency. The purpose of this bonus plan is to improve employees' job performance and effectiveness. Bonuses are usually paid at the end of the performance period established by an organization's regulations, which is usually a year (Romanoff, 2008). He emphasized that bonuses are intended to recognize and motivate employees for their great efforts throughout the year. Bonuses also serve as an incentive for employees to outperform low performers in the firm.

According to Sajuyigbe et al (2013), reward aspects have a substantial impact on employee performance. Pay, performance bonuses, recognition, and praise, in particular, were discovered to be instruments that management might use to drive staff to operate effectively and efficiently.

#### **2.1.3.2.4 PROMOTION**

Gupta (2011) defines promotion as a higher position with more responsibility, a higher status, and a higher salary. It is an employee's advancement in the organization's hierarchy. Employees that perform well are rewarded with promotions, which encourage them to put in more effort. One of the extrinsic rewards is promotion.

The advancement of an employee's rank or position in a hierarchical system is referred to as promotion. In a promotion, the responsibilities are increased; achievement, facilities, status, and require proficiency are increased; and wages or salaries, as well as other allowances, are added. Employees are promoted when they are given increased responsibility and authority. Simply put, promotion is the process of moving an individual to a higher position. Job promotion is based on numerous factors, including loyalty, qualification, and accomplishment. Internal mobility of individuals in a company is most commonly achieved through promotion.

In this study, promotion was defined as an opportunity given to an employee based on his or her performance at work. Solely, the promotion will elevate workers' status in the organization's structure and provide them more responsibilities.

## **2.1.4 USE OF INTRINSIC AND EXTRINSIC REWARDS IN COMBINATION**

Pay/bonus reward, Employee recognition and praise, Training and development, and a conducive work environment, according to Muogbo (2013), encourage to boost organizational performance.

The contrast between extrinsic and intrinsic rewards, according to Kreitner (1999), is an alternative typology for organizational incentives, but this does not imply that one form of reward should be adopted at the expense of the other. Organizations should utilize a blend of intrinsic and extrinsic rewards in their reward package in practice.

Although monetary prizes are appreciated by employees, according to Nelson & Spitzer (2002), managers should never use them to inspire their staff to raise their performance levels. If this occurs, there is a chance that the reward's essence will be forgotten. Managers should be mindful of 'non-rewards,' according to a study done by (Bewen, 2000). Such incentives should be used sparingly and not on a regular basis. They are also regarded as passive, and they do not always lead to long-term positive behavior.

Employees who are able to experience and get acknowledgment for their performance have a better perception of their work, their workplace, and the people they work with, according to Shore & Shore (1995). As a result, the employer must make a concerted effort to demonstrate to the employee that his or her well-being (in various aspects) is important to the organization and management, and that the employee's contribution to the company is highly valued. In summary, most researchers and practitioners recommend the concurrent use of both intrinsic and extrinsic rewards.

## **2.1.5 ORGANIZATIONAL PERFORMANCE**

### **2.1.5.1 ORGANIZATIONAL PERFORMANCE DEFINED**

Organizational performance is defined as an organization's actual output or results as compared to its expected outputs (or goals and objectives). Organizational performance, according to Richard et al. (2009), comprises three distinct aspects of business outcomes:

(a) Earnings, return on assets, return on investment, and other financial metrics;

(b) Market performance of a product (sales, market share, and so on); and

(c) Return to shareholders (total shareholder return, economic value added) is a term used to describe the amount of money returned to shareholders, etc.).

For researchers interested in just about every aspect of management, organizational performance is the ultimate dependent variable of interest (Devinney et al., 2010). This broad concept is critical for academics and management to evaluate firms over time and compare them to competitors. In a nutshell, the most significant criterion for evaluating organizations, their activities, and their environments is organizational performance. The widespread use of organizational performance as a dependent variable reflects this relevance.

#### **2.1.5.2 PERFORMANCE MEASUREMENT**

Several approaches for assessing organizational performance at the employee and organizational levels have been proposed. Traditional financial and accounting-based performance measurements were predicated on the notion that an organization's success could only be measured in quantifiable units. Income, sales, return on investment, and residual income are examples of financial measurements (Warren et al., 2008).

Financial experts are increasingly using new upgraded metrics to assess success, such as activity-based costing and economic value added (Beheshti & Beheshti, 2010).

According to Taljaard (2003), performance may be quantified through performance evaluation, which has been expanded to include management tools. Performance can also be quantified in terms of specific outputs like job quality or quantity, job design, and so on (Jalaini, 2013). Furthermore, according to Taljaard (2003), several studies have said that job performance should be created in order to fulfill the organizational goal. Nonetheless, it has been proven that if certain particular conditions are satisfied, reward systems may motivate people to improve their performance (Gerhart and Milkovich, 1992; Lawler, 1990; Jalaini et al., 2013).

In this study, organizational performance of Tnela Construction PLC will be measured at two levels: employee job performance (speed, accuracy and number of transactions completed in given period) and overall organization performance in terms of productivity.

## **2.1.6 THEORIES AND MODELS FOR EXPLAINING REWARDS SYSTEM**

According to Chijioke and Chinedu (2015), the theoretical work that favors the review is the Herzberg's two-factor theory. Organizational policies, interpersonal ties, financial advantages, oversight, and remuneration are examples of extrinsic incentives, which exist alongside intrinsic rewards like performance, development, growth, and acknowledgment. The motivated employee is expected to carry out the following in accordance with the aforementioned.

The relationship between employee reward systems and organizational performance has been explained using a variety of ideas. These include Expectancy theory (Vrom,1964), Two factor theory of Herzberg (Herzberg (1959), Maslow hierarchy of needs (Maslow, 1943) and Fifty-Fifty model (Srivastava, 2005). Since the two factors are intimately related to intrinsic and extrinsic variables, Herzberg's two factor theory was chosen as the guiding theory in this study.

### **2.1.6.1 THE TWO-FACTOR THEORY OF HERZBERG**

The theory suggested that people have two sets of needs.

- (i) The needs as animals to avoid pain.
- (ii) The needs as humans to grow psychologically,

Herzberg's research included a series of interviews aimed at eliciting replies to the questions. Based on the findings, Herzberg concluded that people's responses when they were happy with their work differed dramatically from their responses when they were unhappy.

Herzberg et al. proposed the two-factor model of satisfiers and dissatisfiers in 1957. The analysis focused on the sources of accountants' and engineers' employment happiness and discontent. According to Herzberg, the study's key conclusions are that employees' desires are separated into two categories. One group emphasizes the importance of professional development as a source of personal improvement. The second group is concerned with fair compensation, supervision, working conditions, and administrative procedures, and it serves as a critical foundation for the first. The fulfillment of the second group's demands does not inspire the person to high levels of job satisfaction or additional work performance. To meet this second set of requirements, it is necessary to guarantee that unhappiness and poor work performance shall be avoided.

Since it identifies two aspects that impact work performance, this theory is pertinent to the investigation. That is, there are extrinsic variables like as compensation and advancement, as well as internal considerations such as praise and acknowledgment. Therefore, in this research, rewarding employees of Tnela Construction PLC in terms of both intrinsic and extrinsic rewards would be expected to have effect on work performance of employee work which when aggregated and collectively their performance are extrapolated at company level measures the organizational performance.

## **2.2 EMPIRICAL STUDIES**

Determinant of the impact of reward management practices on organizational performance, related there discussion of several recent studies has been presented;

According to Hamid, Maheen, Cheem, and Yaseen (2017), the purpose of this study is to examine the organizational performance of 200 employees from ufone and Mobilink franchises in Sargodha District (district of Punjab). Better salary management, corporate citizenship behavior, and staff development practices all lead to improved organizational performance, according to the research. They also indicate that salary management, corporate citizenship, and employee development are all linked to organizational performance.

In the manufacturing industry in south-south Nigeria, Agbaeze and Ebirim (2020) investigated the reward system and organizational performance. The purpose of this study was to look into the manufacturing industry's reward system and organizational performance in South-South Nigeria. The study's findings demonstrated that the reward system had a significant impact on the organizational performance.

Oboreh & Arukaroha, (2021) examined the effect of reward on organizational performance in universities in Edo State. The study's purpose was to evaluate how pay raises, cash incentives, recognition, promotion, and career development influenced organizational performance. Six universities were included in the survey: two private universities, two public universities, and two federal universities. Salary increases, cash incentives, promotions, recognition, and career

development all have a significant impact on organizational performance, according to the findings.

Samuel, (2021) studied Reward Management and Organizational Performance of Workers in Delta State. This assessment focuses on rewards management and organizational performance. It was designed to find out what previous reviewers had found out about the reward-performance relationship. The benefits of a reward management system were investigated. The reward mechanism should be either monetary or non-monetary, or both, for a more comprehensive result. According to the studies, organizational reward management has a positive relationship with employee or organizational performance.

Daniel (2019) studied employee rewards policy and its influence on organizational performance. the study has demonstrated that intrinsic rewards (social recognition and appreciation) and extrinsic rewards (salary, bonus and performance promotion) affects employee and organization performance in hospitality firms.

Kitioko (2014) investigated the influence of the reward system on organizational performance in Tanzanian commercial banks in Mwanza. The results of the research revealed that majority of the employees were unhappy with the level of salary increment given to them, but the employees were satisfied with the level of bonuses and the way promotion has been carried out. The intrinsic rewards improved their work performance. Workers recognition had more effect on workers motivation and performance compared to the annual family day. Informal recognition through the use of words such as “thank you”, “well done” and “you are a star in the organization” were powerful motivating strategies used on workers of commercial banks in Mwanza city to increase their work performance.

#### **(i) Intrinsic Reward and Organization Performance**

Individual and organizational performance have been proven to be influenced by intrinsic rewards. Employees at an organization, for example, may have progressed to the esteem stage of development and perhaps to the self-actualization stage as a result of the influence of intrinsic rewards (Mikander, 2010). The intrinsic rewards of being able to push themselves and perform

new tasks while also partnering with others to work in a harmonious environment both stimulate and develop employees and employers (Ong and Teh, 2012).

Employees, on the other hand, may focus better and stay energetic and self-managing with intrinsic rewards (Yasmeen, Farooq & Asghar, 2013). Employees that get high levels of intrinsic rewards behave as informal recruiters and marketers for their firm, referring friends to apply and suggesting products and services to potential customers.

Intrinsic rewards, according to Thomas (2009), create a win-win situation for both the firm and its employees. Employees are pleased and content as a result of their emotions of accomplishment and self-worth, which leads to job satisfaction and enhanced work performance. At the same time, the organization's sales volume and profit grow as a result of greater employee work satisfaction, which has improved the aggregate firm's performance.

#### **(ii) Extrinsic Reward and Organization Performance**

Extrinsic benefits include essential survival needs (bill payment), a sense of stability and constancy (the job is secure), and recognition (workplace values and skills). According to Hellriegel (1999), extrinsic rewards are the outcomes supplied by the organization, such as money, prestige, job stability, and fringe benefits. As Herzberg phrased it, these incentives may be compared to "hygiene (maintenance) factors" in the workplace. Employees' performance is influenced by (extrinsic) financial and social recognition awards, according to Queresh, Zaman, and Ali (2010). Many managers have utilized extrinsic rewards (such as monetary incentives and recognition) to inspire their staff in the past in an effort to promote their employees' creativity (Fairbank and Williams, 2001; Van Dijk and Van den Ende, 2002).

Extrinsic rewards have been demonstrated to improve individuals' creative performance, which in turn contributes to organizational success, according to empirical study. However, the influence of extrinsic incentives on group effectiveness or job performance is unclear, and the models offer little guidance on the specific types of rewards that optimize distinct work group outcomes. On the other side, Sajuyigbe, Bosede, and Adeyemi (2013) found that incentive dimensions had a substantial influence on employee performance. Pay, performance incentives, recognition, and praise, in particular, have been found to be effective tools for motivating

employees to work successfully and efficiently. As a result, the compensation package for employees is quite important and should be a priority for both employers and employees.

In summary, it appears that each study yields somewhat different findings, implying that neither of the incentives can be deemed to have a more effect on job and/or organizational performance.

## **2.3 CONCEPTUAL FRAMEWORK**

A conceptual framework is a collection of related ideas or concepts that are structured in a way that makes them easy to understand for others (Schwartz, 2006). Figure 2.1 is the conceptual framework showing the relationships between independent and dependent variables for the research problem. Intrinsic rewards (recognition, career development, learning opportunity and challenging work) were viewed as independent factors, whereas extrinsic rewards (basic salary and performance pay, bonus and promotion) were regarded as dependent variables (Luthans, 2000)

Quresh, Sachu & Ali, 2012; Sajuyigbe, Bosede and Adeyemi, 2013). The dependent variables, on the other hand, assess organizational performance (such as job satisfaction, profitability, employee retention, client satisfaction) as well as overall organization choice (Taljaad, 2003). The independent factors have been found to have an effect (Ong nad Teh, 2012), for example, each reward aspect in both extrinsic and intrinsic incentive (reward) systems has a considerable impact on employee performance, according to Aktar, Sachu, and Ali (2012).

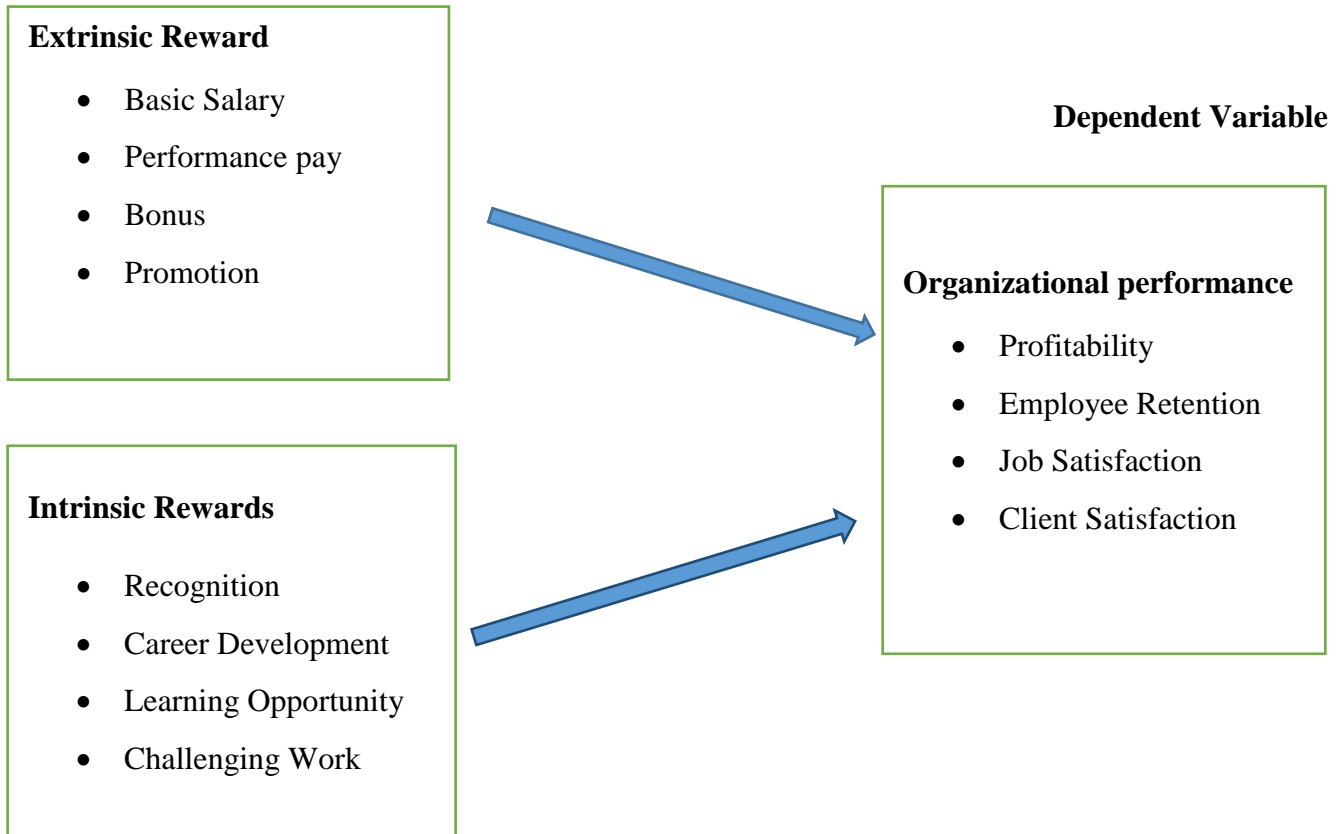
These are intrinsic and extrinsic rewards as independent variables while organizational performance involves employees' output as dependent variable. Organizational performance is a dependent variable that includes the dimensions dependent factors.

The main purpose of this study was to identify the effect of reward management practice on organizational performance, regarding its relationship in Tnela Construction PLC. The study also investigates which reward practice motivate the employee in order to enhance organizational performance. The diagram below depicts the stated purpose of the study.

## FIGURE 2.1 CONCEPTUAL FRAMEWORK

Source: Quresh, Zaman and Shah (2010)

### Independent Variable



## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 INTRODUCTION**

this chapter focuses on the research design and approach, data type, Source and method of data collection, population and sample design, data collection method, data analysis and presentation and ethical considerations of this study.

#### **3.2 RESEARCH DESIGN AND APPROACH**

##### **3.2.1 RESEARCH APPROACH**

The student researcher used mixed approaches, qualitative and quantitative method. The quantitative method to measures and analyzes numerical data. Questionnaires was used as quantitative survey instrument. The reason why this study used quantitative method is to give solutions questions via deductive process, taking into account the gathering of numerical data, the prediction, the size of variables, and the usage of statistical procedures to analyze and develop inferences from that data. Qualitative was used to interpret the interview that was conducted from the general manager of Tnela Construction PLC.

##### **3.2.2 RESEARCH DESIGN**

The research design refers to the frameworks for variable analysis and the data used to examine them (Najeesh, 2017).The research approach allows the study to focus on how variables are measured effectively. For this investigation, an explanatory research design was used.

### **3.3 DATA TYPES, SOURCES AND METHODS OF DATA COLLECTION**

Primary and secondary source used for data gathering and analysis.

#### **3.3.1 PRIMARY DATA SOURCE**

Both qualitative and quantitative types of data collection tools are used to gather data and this study is conducted based on the collection of both primary and secondary data.

Primary data was collected through structured questionnaire that contain relevant questions that helped to answer questions regarding reward management practice in the organization and organizational performance. The qualitative data which is the questionnaire allows the response of respondents in a standard and direct way and interview response from the general manager of Tnela construction PLC.

#### **3.3.2 SECONDARY DATA SOURCE**

Data has been prepared, collected and analyzed from relevant and available sources which include journals, text books, company profile, publications and other sources related to the study.

#### **3.3.3 METHOD OF DATE COLLECTION**

##### **3.3.3.1 QUESTIONNAIRE**

Questionnaire was intended to collect information regarding the effect of reward management practice on organizational performance from employees of Tnela Construction PLC. The questionnaire has been developed from the WorldatWork Total Reward model (Heneman, Mulvey & LeBlanc, (2002) based on research objective in order to address the dependent and independent variable.

To collect data from respondents, structured questionnaires has been used. Closed-ended questions make up the majority of the questionnaires. The questionnaires were brief and basic to assure success, with questions ranging from simple to challenging. Kothari (2004). The questions collect data in accordance with the study objectives of the student researcher. A five point Likert scale has been used, where 1=Strongly Disagree, 2=Disagree, 3 = Neutral 4 = Agree,

and 5=Strongly Agree has been used to capture the respondents view concerning on the current reward management practice.

The dependent variable organizational performance's dimensions are job satisfaction, profitability, retention, employee and client satisfaction which was measured by independent variables (intrinsic and extrinsic rewards). The dimensions used to measure the extrinsic rewards are salary, performance pay, bonus and promotion whereas intrinsic reward is measured by recognition, career development, learning opportunity and challenging work.

To construct the questionnaire firstly, main areas of indicators was developed to measure the relationship between reward management practice and organizational performance based on the research problems and objectives. Then it was translated in to variables of the study. The questionnaire variables has been measured using Likert scale with five response categories, (strongly disagrees, disagree, neutral, agree, and strongly agree).

### **3.3.3.2 INTERVIEW**

This methodology provides the researcher the liberty to probe the interviewee to elaborate or to follow a new line of inquiry introduced by what the interviewee is saying. These interviews allow the student researcher to clarify ambiguous answers and once appropriate, obtain follow-up information. It was simply modifying for student researcher to capture necessary themes on the impact of rewards management practice on organizational performance. This method has been applied to gather data from key informant. The general manager of Tnela Construction PLC was asked to express his views and modify its practice regarding the impact of rewards each intrinsic and extrinsic rewards to organizational performance. Then there was a discussion of the link between reward management practice and organizational performance.

### **3.4 TARGET POPULATION**

The target population selected for this study are employees of Tnela Construction PLC. The preliminary survey that was undertaken by the student researcher before the questionnaire distributed indicates that there are 363 employees in the company from these there are 52 skilled staffs and 311 labor employees. In order to conduct this study census of these skilled staffs has been chosen. The study was conducted on these employees because they are affected

by the reward management practice of the company. Therefore, the student researcher has drawn conclusion and suggestions from those skilled employees.

### **3.5 DATA COLLECTION METHOD**

The questionnaire was used to collect data from Tnela Constution PLC employees to get data regarding the effect of reward management on organizational performance. A questionnaire has been developed from WorldatWork Reward Management Model based on research objective as indicated at appendix I. The research collected primary data for the study using questionnaire and interview method from the respondents. The student researcher informed the employees of Tnela Construction PLC about the purpose of the study and how to fill the questionnaire aside from the instruction that was given on the questionnaire. Clarifications was also given to the respondents so as to avoid doubts and confusions. Finally, the questionnaire has been collected and interview was conducted following the consent of chief executive officer by using the interview guide.

### **3.6 VALIDITY**

Validity refers to the results obtained from the analysis of the data actually assesses or reflect the specific concept that is intended to measure the phenomena under study and therefore ensuring validity of the data collection instrument involved going through the questionnaire in relation to the set objectives and making sure that it contains all the information that can enable answer these objectives (Najanja, M. and Naiagi, 2013).

Internal validity, which clearly indicates the description in research, and external validity, which clearly focuses on the effects of research that may be generalized, are two types of validity. Internal validity was used to examine the impact of reward management practices on organizational performance in this study.

Validity has been enhanced through the pilot study that had been purposely undertaken from labor workers to pre-test the research tools and methods before the study to be undertaken. Certainly enhanced this study validity as interview and questionnaires was clearly checked whether the content of the items were relevant in helping to answer the research question by discussing with advisor for proper guidance, these techniques are constructed basing on the

objectives of the study. In confirming the validity of the instrument, face and content validities will be ensured.

### 3.7RELIABILITY

Reliability was determined by the Cronbach's alpha ( $\alpha$ ) coefficient, which is one of the popular criteria of reliability for quantitative studies. It is measured on a scale of 0 to 1.0, and an instrument was viewed extremely reliable if the instrument has a reliability coefficient statistic of  $x > .80$ . The instrument is considered very reliable if  $x > .70$ , and reliable if  $x > .60$ ; when  $x < .60$ , reliability is considered poor to barely reliable. The validity of an instrument is influenced by its reliability, because a trustworthy instrument measures what it claims to measure (Burg-Brown, 2016). As a consequence, the reliability test was calculated using SPSS version 20.

**TABLE 3.1 RELIABILITY STATISTICS**

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
0.932	0.933	36

Source: own survey, 2022

**TABLE 3.2 RELIABILITY INSTRUMENT FOR DEPENDENT AND INDEPENDENT VARIABLE**

Variables	Constructs	Cronbach's Alpha Based on Standardized Items	No of Items
<b>Extrinsic Reward</b>	<b>Basic Salary</b>	<b>0.913</b>	<b>4</b>
	<b>Performance pay</b>	<b>0.752</b>	<b>3</b>
	<b>Bonus</b>	<b>0.728</b>	<b>3</b>
	<b>Promotion</b>	<b>0.782</b>	<b>3</b>
<b>Intrinsic Reward</b>	<b>Recognition</b>	<b>0.777</b>	<b>6</b>
	<b>Career Development</b>	<b>0.893</b>	<b>3</b>

	<b>Learning Opportunity</b>	<b>0.816</b>	<b>3</b>
	<b>Challenging Work</b>	<b>0.613</b>	<b>3</b>
<b>Organizational Performance</b>		<b>0.806</b>	<b>8</b>
<b>Total reliability</b>		<b>0.932</b>	<b>36</b>

Source: own survey, 2022

### **3.8 DATA ANALYSIS AND PRESENTATION**

The collected data was processed in a meaningful way for easy comprehension and quantitative technique will be employed to analyze the data. The raw data was thoroughly edited and cleaned to remove inconsistencies and errors. After editing to remove mistakes, the data was coded to facilitate for enumeration and addition. The coding enabled the student researcher to group responses in to limited number of categories for easy analysis. The coding process was lowered by tabulation. The data that was collected through questionnaire that was analyzed through quantitative, descriptive statistical tool using Statistical package for social science (SPSS) version 20 Software and then the researcher generated descriptive statistics such as table, mean and standard deviation. The analysis for the study was inferential statistics i.e. Pearson's correlation. The Correlation analysis was used to conduct analysis of the relationship between the two variables reward management practice and organization's performance regression analysis that is simple linear regression was used in this study. This descriptive statistics was used due to the ability to convey information into simple understanding and simple interpretation. The qualitative data was analyzed based on the interview assessment to draw important conclusions and recommendations

### **3.9 ETHICAL CONSIDERATION**

Ethical concerns in this research deal with voluntary participation, no harm to respondents, anonymity and confidentiality, identifying purpose and sponsor, and analysis and reporting. To help eliminate or control any ethical concerns the student researcher was ensured that participation is completely voluntary. However, this can sometimes lead to low response rate which can in turn introduce response bias. To avoid possible harm such as embarrassment or feeling uncomfortable about questions to respondents, the study had not included sensitive questions that could cause embarrassment or uncomfortable feelings. To protect a respondent's identify, anonymity and confidentiality were also used. An anonymous study is one in which a respondent's identity cannot be determined solely based on their response. Participant identification kept confidential and only used in determining who has not responded for follow-up purposes.

## CHAPTER FOUR

### DATA PRESENTATION, ANALYSIS AND INTERPRETATION

#### INTRODUCTION

This chapter mainly covers the analysis and interpretation of the various data collected through the use of questionnaires and interview as per objectives of the study. 52 questionnaire was distributed and collected then it was calculated using the SPSS software package and presented in this chapter. Interview was also analyzed and presented in the chapter. The crucial emphasis of the research was to study the effects of basic salary, performance pay, bonus promotion, recognition, career development, learning opportunities and challenging work on organizational performance the data obtained from the respondents response was to assess the effect of reward management practice on organizational performance.

#### 4.1 DESCRIPTIVE ANALYSIS

##### 4.1.1 BACKGROUND INFORMATION OF RESPONDENTS

The study considered respondents general characteristics and information regarding reward practice of the organization. The respondents' gender, age, marital status, educational qualification, year of experience and position to draw understanding of the effect of reward management practice including intrinsic reward (recognition, career development, learning opportunity and challenging work) and extrinsic reward (basic salary, performance pay, bonus and promotion) on organizational performance of employees at Tnela Construction PLC.

TABLE 4.1 DEMOGRAPHIC CHARACTERISTICS OF RESPONDENTS

No	Items	Category	Frequency	Percentage
1	gender	male	38	73.10%
		female	14	26.90%
		Total	52	100%
2	Age	20-25	10	19.20%
		26-30	29	55.80%

		31-35	9	17.30%
		41-45	2	3.80%
		above 46	2	3.80%
		Total	52	100%
3	Marital Status	Single	38	73.10%
		Married	10	19.20%
		Divorced	2	3.80%
		Widowed	2	3.80%
		Total	52	100%
4	Educational Qualifications	Certificate	2	3.80%
		Diploma	10	19.20%
		BA Degree	38	73.10%
		Masters	2	3.80%
		Total	52	100%
5	Years of experience	Below 1 Year	7	13.50%
		5-Jan	26	50%
		10-Jun	12	23.10%
		15-Nov	6	11.50%
		16 and above	1	1.90%
		Total	52	100%

Source: own survey, 2022

Table 4.1 that shows the demographic character of respondents, the first was the gender distribution of respondents, from the 52 respondents, 38 (73.1%) of them are male while the remaining 14 (26.9%) are female. The data is showing that the male gender is prominent when we compare with females. The second category was age. respondent's age distribution was categorized in a certain range. The table indicates that 19.2% of respondents are between 20-25 accordingly the age 26-30 covers 55.8%. whereas, respondents age between 31-35 were 17.3%. The respondent scale between 41-45 years was 3.8% and other 3.8% are aged above 46 years. These result imply that majority of employees of the Tnela Construction PLC is younger and population who can easily understand the questionnaire to give reliable response for the study related to reward practice. The third category was marital status which shows 73.1% of the respondents single, 19.2% respondents are married and the Remaining 3.8% were scored divorced and widowed respectively. This shows that more than half from a total employees are

single. It was important to establish the education level held by the study respondents in order to discover if they were equipped with relevant knowledge and skills. From the findings, majorities 73.1% of the respondents indicated that they had BA Degree level of education, 3.8% has master's degree and 19.2% of the respondents had diploma while 3.8% of the respondents had certificates but there is no PHD holder in the organization. With regard to service years of respondents of Tnela Construction PLC the table shows that 13.5 % of the respondents served the company less than one years. Those who worked 1-5 years are 50.0% and other 36.5 served for more than six years. With this reference one can say that Tnela Construction PLC poses significant percent of experienced worker. Therefore, the information obtained from the respondents can be trusted to conduct meaningful analysis since they had relevant information needed for this study. The last category represents hierarchic (position level) of respondents. As it can be seen from the table, the majority of the respondents 92.3% were non-management, while the remaining 7.7% are management respondents.

#### 4.1.2 ACTIVE PROJECT SITES

The table shows the place where the data were collected, 7 (13.5%) from Weyra,7 (13.5%) from Megenagna, 6 (11.5%) from Lancha Head Office, 16 (30.8%) from Betel, 3 (5.8%) from Cherqos, 2 (3.8%) from Torhayloch, 2 (3.8%) from Kera, 2 (3.8%) from Tero New Site,2 (3.8%) from Alem Bank and 5 (9.6%) from Lebu Muaz.

TABLE 4.2 PROJECT SITE WORKING

	Frequency	Percent	Valid Percent	Cumulative Percent
Weyra	7	13.5	13.5	13.5
Megenagna	7	13.5	13.5	26.9
Lancha Head Office	6	11.5	11.5	38.5
Valid Betel	16	30.8	30.8	69.2
Cherqos	3	5.8	5.8	75.0
Torhayloch	2	3.8	3.8	78.8
Kera	2	3.8	3.8	82.7
Tero new site	2	3.8	3.8	86.5

Alem Bank	2	3.8	3.8	90.4
Lebu Muaz	5	9.6	9.6	100.0
Total	52	100.0	100.0	

Source: own survey, 2022

#### 4.1.3 CURRENT ORGANIZATIONAL REWARD

Table implies that majority 55.8% of the respondent agreed monthly salary as their reward. 19.2% agreed upon bonus and 25% of the respondents agreed upon holiday incentives. This shows that the majority of the respondents witnessed that monthly salary is given as a financial reward followed by holiday incentives.

TABLE 4.3 CURRENT ORGANIZATIONAL REWARD

	Frequency	Percent	Valid Percent	Cumulative Percent
Salary	29	55.8	55.8	55.8
Bonus	10	19.2	19.2	75.0
holiday incentives	13	25.0	25.0	100.0
Total	52	100.0	100.0	

Source: own survey, 2022

#### 4.1.4 SATISFACTION LEVEL WITH THE FINANCIAL REWARD

3.8% of the respondents responded they are strongly dissatisfied for the financial reward given by the organization, 40.4% of the respondents responded they are dissatisfied for the financial reward provided by the organization, 38.5% of respondents were neutral for the financial reward is granted by the organization, 17.3% of the respondents responded they are satisfied for the financial reward granted by the organization

As a result, the survey clearly indicated that the majority of the respondents' satisfaction level were not met and dissatisfied for financial reward granted to them by the organization.

TABLE 4.4 SATISFACTION LEVEL IN FINANCIAL REWARD

	Frequency	Percent	Valid Percent	Cumulative Percent
Satisfied	9	17.3	17.3	17.3
Neutral	20	38.5	38.5	55.8
Dissatisfied	21	40.4	40.4	96.2
strongly dissatisfied	2	3.8	3.8	100.0
Total	52	100.0	100.0	

Source: own survey, 2022

#### 4.1.5 Non-financial reward used by the organization

Regarding the non-financial reward in Tnela Construction PLC 32.7% of the respondent responded that they are granted a praise from their boss. 19.2% of the respondents respond a formal recognition such as certificates or best employee of the month/year 17.3% of the respondents agreed that the company uses informal recognitions such as thank you, well done, you are a star, extra leaves, flexible working hours and learning opportunities. 1.9% agreed on the existence of conference/ workshop seminars but 28.8% replied that there is no non-financial reward used by the organization. Majority agreed up on the provision of non-Financial rewards.

TABLE 4.4 NON-FINANCIAL REWARD

	Frequency	Percent	Valid Percent	Cumulative Percent
praise from your boss	17	32.7	32.7	32.7
formal recognition	10	19.2	19.2	51.9
informal recognition	9	17.3	17.3	69.2
conference/ workshop/ seminars	1	1.9	1.9	71.2
None	15	28.8	28.8	100.0
Total	52	100.0	100.0	

Source: own survey, 2022

#### 4.1.6 Satisfaction on non-financial rewards

Table 4.9 indicates that majority 34.6% of respondents were neutral and 32.7% were dissatisfied whereas, 11.5% and 15.4% were very satisfied and satisfied by the non-financial reward of the organization. Based on the result

TABLE 4.5 SATISFACTION ON NON-FINANCIAL REWARD

	Frequency	Percent	Valid Percent	Cumulative Percent
very satisfied	6	11.5	11.5	11.5
satisfied	8	15.4	15.4	26.9
neutral	18	34.6	34.6	61.5
dissatisfied	17	32.7	32.7	94.2
strongly dissatisfied	3	5.8	5.8	100.0
Total	52	100.0	100.0	

Source: own survey, 2022

## 4.2 EMPLOYEES' PERCEPTION ON REWARDS AND ORGANIZATIONAL PERFORMANCE

To show the level of agreement among the respondents, descriptive data in the form of mean and standard deviation have been conveyed. The respondents' responses to the variables listed below were graded on a five-point Likert scale ranging from 1 to 5 in different values represented as 1= strongly disagree 2= disagree 3=neutral 4=agree and 5= strongly agree. The data below have been evaluated from the literature of Zaidatol and Begheri (2009) which implies as the mean score below 3.39 is considered low, whereas the mean score ranging from 3.40 up to 3.79 is considered moderate, and mean score above 3.80 is considered high.

### 4.2.1 RESPONSES REGARDING EXTRINSIC REWARD

According to the below table, the first category is basic salary apparently, 61.6% of the respondents have disagreed that they are paid fair and equitable salary. The mean score 2.28 with

standard deviation of 1.16 implies that the salary distribution for employees is dissatisfactory in addition, As per the managing director of Tnela, “the reward strategy is not expected to be fair, employees are not rewarded because they are working in the company more than a year, it is rather their ability to calibrate their performance, and reward is not fair but rather logical”. Employees were then asked whether they are satisfied or not with the monetary benefit they receive from the organization accordingly 42.3% have disagreed this has been validated by mean score of 2.63 and standard deviation of 1.01. The response on satisfaction level on the frequency of increase in salary was strongly dissatisfied by 34.6% and dissatisfied by 30.8% which was assured by mean score of 2.23 with standard deviation of 1.19. The grand mean of the respondents 2.35 were also lower than the other variables. Therefore, based on the information incurred employees are dissatisfied by the basic salary of the organization. Based on the interview result shows that salary increments were used previously before two years, even if this strategy was useful and positive effect the organization’s management did not continue to reward because there was some complaints raised.

The second category is on performance pay and the respondents were asked to react upon the statement in terms of their performance their salary was adequate accordingly, majority of the respondents disagreed by 57.7% which is validated by mean score of 2.36 with standard deviation of 1.18. In order to know if reward is based on performance for achieving specific goal, majority 38.4% of the respondent disagreed and validated through their mean score 2.98 and standard deviation of 1.26. On the other hand, majority 59.6% respondents agreed when they are better remunerated it increase their performance which was ensured by a high mean score of 3.69 which is described by standard deviation value of 1.26.the grand mean score 3.01 was lower which shows dissatisfaction. The study interpreted that the employees are dissatisfied and agreed that their salary is inadequate in relation to their performance but if they are remunerated their job performance. The interview result shows that Employees were used to be rewarded using different performance evaluation criteria’s which is certification by company values and performance evaluation (time of accomplishment, accuracy, customer handling and employees who improves their own performance). the reward system was effective because the employees was working with good potentials and their moral increase but in Tnela the reward system was not consistent due to current situation these rewards has not been implemented. Performance

evaluation has been made using 360 degree appraisal that is from colleague, supervisor and lower management staffs by distributing questionnaires.

Regarding the bonus scheme of the organization, majority 57.7% agreed when they get bonus their job performance increases with a moderate mean score of 3.61 and standard variation 1.35. the satisfaction level of the bonus reward of the organization were 50% have agreed with a low mean value of 3.17 with a standard deviation of 1.39. Majority 69.2% agreed when they receive bonus it encourage them to perform better with a higher mean score of 3.90 with standard variation of 1.20. the grand mean 3.56 which is a moderate value. The study has been interpreted employees were dissatisfied by the bonus scheme of the organization but when employee receive bonus it encourages them to perform better as a result their job performance increases.

The last category of extrinsic reward is promotion in this regard 61.5% have agreed that promotion is given for best performers with a moderate mean score of 3.55 and standard deviation of 1.33. Majority 80.8% have agreed when they are promoted it really motivated them to work harder with high mean score of 4.11 and standard deviation of 1.65. Whereas, 55.7% have agreed that the promotion is equity based with a moderate mean of 3.69 with standard deviation of 1.09. the grand mean 3.78 show that there is a favorable response than other variables. Based on the above information one can conclude that the result is moderate regarding promotion is equity based and promotion is given for best performers hence, when the employees are promoted it really motivates them to work harder. The respondents were also asked by an open ended questionnaire for suggestion on the current extrinsic reward hence giving monetary rewards, increasing salary, Paying salary on time has been suggested in order to make employees increase their performance. Furthermore, providing sufficient material requests from different sites (machinery, equipment, human capital...) helps to run a smooth working environment.

Table 4.6 Responses regarding Extrinsic Reward

	Variables	Frequency and percentage					Mean	Standard Deviation
		SD	D	N	A	SA		
<b>BASIC SALARY</b>	I am paid equitable and fair salary	16 30.8%	16 30.8%	11 21.2%	7 13.5%	2 3.8%	2.28	1.16
	I am satisfied with the monetary benefit I receive	8 15.4%	14 26.9%	20 38.5%	9 17.3%	1 1.9%	2.63	1.01
	salary adjustment is made with reasonable time	16 30.8%	14 26.9%	14 26.9%	8 15.4%	0	2.26	1.06
	I am satisfied with the frequency of increase in salary	18 34.6%	16 30.8%	8 15.4%	8 15.4%	2 3.8%	2.23	1.19
<b>Grand mean for basic salary</b>							<b>2.35</b>	
<b>PERFORMAN CE PAY</b>	in terms of performance my salary is adequate	16 30.8%	14 26.9%	10 19.2%	11 21.2%	1 1.9%	2.36	1.18
	reward is based on my performance for achieving specific goal	6 11.5%	14 26.9%	16 30.8%	7 13.5%	9 17.3%	2.98	1.26
	when I am better remunerated it increase my performance	4 7.7%	5 9.6%	12 23.1%	13 25.0%	18 34.6%	3.69	1.26
<b>Grand mean for performance pay</b>							<b>3.01</b>	
<b>BONUS</b>	when I get bonus my job performance increases	5 9.6%	7 13.5%	10 19.2%	11 21.2%	19 36.5%	3.61	1.35
	I am satisfied with the bonus reward	9 17.3%	9 17.3%	8 15.4%	16 30.8%	10 19.2%	3.17	1.39
	when I receive bonus it encourage me to perform better	4 7.7%	2 3.8%	10 19.2%	15 28.8%	21 40.4%	3.90	1.20
<b>Grand mean for Bonus</b>							<b>3.56</b>	
<b>PROMOTION</b>	promotion is given for best performers	6 11.5%	6 11.5%	8 15.4%	17 32.7%	15 28.8%	3.55	1.33
	when I am promoted it really motivated me to work harder	2 3.8%	6 11.5%	2 3.8%	16 30.8%	26 50.0%	4.11	1.65
	promotion is equity based	2 3.8%	4 7.7%	17 32.7%	14 26.9%	15 28.8%	3.69	1.09
<b>Grand mean for promotion</b>							<b>3.78</b>	

Source: own survey, 2022

#### 4.2.2 RESPONSES REGARDING INTRINSIC REWARD

The first category of intrinsic reward is recognition according to the study the respondents were asked whether they better satisfied with recognition on good performance of the organization majority 75.0% agreed and verified by a high mean score of 4.11 and standard deviation of 0.96. the other statement the respondent reacted was when they get formal recognition their job

performance increases majority 86.5 agree with a mean score of 4.26 and standard deviation result of 0.79. Majority 69.2 of the respondents agreed that informal recognition motivates them to improve performance with mean score of 3.88 with standard deviation of 1.09. Respondents were also asked whether they are better satisfied with the recognition of their contribution in the organization majority 65.4 agreed with a mean of 3.88 and standard deviation value of 1.19. majority 86.6% were encouraged to perform better when they are praised by their supervisor with a mean score of 4.34 with standard deviation of 0.71 finally the respondents were asked the last question regarding recognition to express their feeling on the overall non-financial reward encourage employees to improve organizational performance, majority 71.1% have agreed with a mean of 4.05 with standard deviation of 0.80 and the grand mean score was 4.09. To this end, one can conclude that the respondent are better satisfied with recognition on good performance. When employees get formal recognitions and praises from their supervisors' increases their job performance in addition, informal recognition motivates the employees to improve performance and the recognition of contribution in their organization. Therefore, overall non-financial reward encourages employees to improve organizational performance. The interview result shows that Reward system used by the company was giving certificates but then these systems stopped due to the influence of the current situation. In addition, Praise and recognition has not been implemented but when employees were doing faults they were criticized by the upper managements. Employees were expected to deliver and pushed to deliver but not rewarded.

The second category of this study is career development majority of the respondents 50.0% was satisfied with career development opportunity in the organizational development with a moderate mean score of 3.42 and standard deviation of 1.22. The career development encourages 61.6% of the respondents to put effort for the organizational development with a high mean score of 3.88 with standard deviation of 1.09. Respondents were also asked if further career development given by the organization 42.3% have agreed with a low mean score of 3.15 and standard deviation of 1.24. The grand mean score was 3.48 which is a moderate value. There was high mean score on the career development encourage me to put effort for the organizational development and a moderate on I am better satisfied with career development opportunity in the organizational development and lower on further career development given by the organization.

The third category of this study learning opportunity respondents were asked whether they get learning opportunity at work pace, majority 44.2 % disagreed with mean value of 2.86 and standard deviation of 1.35. Respondents were also asked whether they are satisfied by the learning opportunity they get majority 40.4% were dissatisfied with mean value of 3.00 with standard deviation score of 1.42. Majority 73.1% of the respondents motivates them to work harder when they get learning opportunities with a mean score of 3.84 and standard deviation of 1.14. The grand mean of the respondents were 3.23 which show a lower value. The study interpreted that when employees get learning opportunities, it motivates them to work harder but based on the result, respondents are dissatisfied by the learning opportunities at their work place.

The last category is challenging work so that the respondent were asked whether they get challenging assignment from their supervisor 65.4% agreed by the statement with a moderate mean of 3.53 and standard deviation of 1.12. Respondents were asked whether they are satisfied by the challenging assignments they get accordingly 80.7% agreed which has been validated by high mean score 4.25 and standard deviation of 0.76 finally, majority 88.5% of the respondents agreed that when they get challenging assignments, it motivates them to work harder with a mean value of 4.30 with standard deviation of 0.78. The mean score was 4.02 which was high mean score. Therefore, the result shows that employees are moderately satisfied by the challenging assignments from their supervisor and they are satisfied by the challenging assignments in the organization hence, when the employees get challenging assignments, it motivated them to work harder. Based on the interview assessment, the result for contractual agreement delay was caused due to the decrease of performance of employees therefore; in order to improve organization performance, frequently follow up updates and Rewarding employees has been suggested. The respondents were also asked qualitatively regarding suggestion to any improvements hence the survey result from the response of questionnaire by employees reveals that regarding the intrinsic rewards (receiving challenging assignments, Career development, formally and informally recognize employee's performance and Building good working environments) have been suggested in order to boost organizational performance.

TABLE 4.7: RESPONSE ON INTRINSIC REWARD

	Variables	Frequency and percentage					Mean	Standard Deviation
		SD	D	N	A	SA		
Recognition	I am better satisfied with recognition on good performance	0	4 7.7%	9 17.3%	16 30.8%	23 44.2%	4.11	0.96
	when I get formal recognition my job performance increases	0	2 3.8%	5 9.6%	22 42.3%	23 44.2%	4.26	0.79
	informal recognition motivates me to improve performance	2 3.8%	4 7.7%	10 19.2%	18 34.6%	18 34.6%	3.88	1.09
	I am better satisfied with the recognition of my contribution in the organization	2 3.8%	6 11.5%	10 19.2%	12 23.1%	22 42.3%	3.88	1.19
	praise from my supervisor encourages me to perform better	0	0	7 13.5%	20 38.5%	25 48.1%	4.34	0.71
	overall non-financial reward encourages employees to improve organizational performance	0	0	15 28.8%	19 36.5%	18 34.6%	4.05	0.80
<b>Grand mean for recognition</b>							<b>4.09</b>	
Career development	I am better satisfied with career development opportunity in the organizational development	4 7.7%	8 15.4%	14 26.9%	14 26.9%	12 23.1%	3.42	1.22
	the career development encourage me to put effort for the organizational development	2 3.8%	2 3.8%	16 30.8%	12 23.1%	20 38.5%	3.88	1.09
	further career development given by the organization	6 11.5%	10 19.2%	14 26.9%	14 26.9%	8 15.4%	3.15	1.24
<b>Grand mean for career development</b>							<b>3.48</b>	
Learning opportunity	I get learning opportunity at work pace	10 19.2%	13 25.0%	11 21.2%	10 19.2%	8 15.4%	2.86	1.35
	I am satisfied by the learning opportunity I get	10 19.2%	11 21.2%	11 21.2%	9 17.3%	11 21.2%	3.00	1.42
	when I get learning opportunities, it motivates me to work harder	4 7.7%	2 3.8%	8 15.4%	22 42.3%	16 30.8%	3.84	1.14
<b>Grand mean for learning opportunity</b>							<b>3.23</b>	
Challenging work	I get challenging assignment from my supervisor	4 7.7%	6 11.5%	8 15.4%	26 50.0%	8 15.4%	3.53	1.12
	I am satisfied by the learning opportunity I get	0	0	10 19.2%	19 36.5%	23 44.2%	4.25	0.76

	when I get learning opportunities, it motivates me to work harder	0	2 3.8%	4 7.7%	22 42.3%	24 46.2%	4.30	0.78
<b>Grand mean for challenging work</b>							<b>4.02</b>	

Source: own survey, 2022

#### 4.2.3 RESPONSE REGARDING ORGANIZATIONAL PERFORMANCE

The above data is intended to measure organizational performance, hence, majority 53.8% agreed and 25% strongly agreed whereas, 21.2% were neutral regarding existence of an increased output in their department which has been ensured by high mean score of 4.03 and standard deviation of 0.68. Respondents were then asked to react concerning the decreased rate of employee turnover their department majority 48.1% of them were neutral with a moderate mean value of 3.26 and standard deviation of 0.93. The satisfaction level when Tnela Construction PLC starts new project site has been measured as a result majority 46.2% strongly agreed and 38.5% agreed the other 15.4% were neutral with a high mean score of 4.30 and standard deviation of 0.72. Majority 34.6% strongly agreed and 30.8% agreed that the employees in the organization understand his/her role towards achieving organizational goal with a high mean score of 3.88 and standard deviation of 1.06. Respondents was then asked that the employees were happy to stay in the organization majority 42.3 agreed with a low mean score of 3.03 and a standard deviation of 1.26. respondent were also asked about their opinion whether the organization is profitable as a result, majority 67.3% agreed with a high mean score of 3.9231 and a standard deviation of 0.98. Most of the client are happy to work with Tnela Construction PLC majority 61.5% agreed by a moderate mean score of 3.65 and standard deviation of 1.00. Finally, the respondents were asked regarding the availability of resources; material and employees majority 50.0% agreed with a moderate mean score of 3.46 and standard deviation of 1.09.

TABLE 4.8: RESPONSE ON ORGANIZATIONAL PERFORMANCE

	Variables	Frequency and percentage					Mean	Standard Deviation
		SD	D	N	A	SA		
<b>Organizational performance</b>	There is an increased output in my department	0	0	11 21.2%	28 53.8%	13 25.0%	4.03	0.68
	There is a decreased rate of employee turnover in my department	2 3.8%	6 11.5%	25 48.1%	14 26.9%	5 9.6%	3.26	0.93
	I am satisfied when the organization starts new project site	0	0	8 15.4%	20 38.5%	24 46.2%	4.30	0.72
	In my department employees understand their role towards achieving organizational goal	2 3.8%	2 3.8%	14 26.9%	16 30.8%	18 34.6%	3.88	1.06
	Employees are happy to stay in the organization	8 15.4%	10 19.2%	12 23.1%	16 30.8%	6 11.5%	3.03	1.26
	In my opinion the organization is profitable	2 3.8%	0	15 28.8%	18 34.6%	17 32.7%	3.92	0.98
	Most of the client are happy to work with Tnela	2 3.8%	4 7.7%	14 26.9%	22 42.3%	10 19.2%	3.65	1.00
	There is available resources; material and employees	2 3.8%	8 15.4%	16 30.8%	16 30.8%	10 19.2%	3.46%	1.09
<b>Grand mean of organizational performance</b>						<b>3.69</b>		

Source: own survey, 2022

### 4.3 CORRELATION ANALYSIS

#### 4.3.1 RELATIONSHIP BETWEEN EXTRINSIC REWARDS AND ORGANIZATIONAL PERFORMANCE

Pearson correlation was used to measure the strength of relationship between variables. Correlation coefficients reveal magnitude and direction of relationships (either positive or negative) and intensity of the relationship (-1.0 to +1.0). (Reimann , Filzmoser , Garrett , & Dutter, 2018) described that the sign indicates whether there is a positive correlation (as one variable increases, so does the other) or a negative correlation (as one variable increases, the other decreases), 0 indicates that no systematic relationship exists between the two variables. A perfect correlation of 1 or -1 indicates that the value of one variable can be determined exactly by knowing the value on the other variable. Marczyk, DeMatteo, Festinger (2005) described by Breaking down the strength of the relationship ranging from very low relationship to very high relationship as follows, values of  $r=\pm 0.00$  to  $\pm 0.19$  represent a weak/very low relationship while  $r=\pm 0.20$  to  $\pm 0.39$  represent a low relationship, where  $r=\pm 0.40$  to  $\pm 0.59$  indicate a moderate relationship and  $r=\pm 0.60$  to  $\pm 0.79$  represent a high relationship and finally  $r=\pm 0.80$  to  $\pm 1.0$  represent a very high relationship. i.e. independent variable, extrinsic reward (basic salary, performance pay, bonus and promotion) and intrinsic reward (recognition, career development, learning opportunity and challenging work), whereas, dependent variable (organizational Performance) and the correlation coefficients were presented in the following table 4.13 below.

TABLE 4.9: CORRELATIONS ON EXTRINSIC REWARD

		Basicsalary	Performance Pay	Bonus	Promotion	Organizational Performance
Basic salary	Pearson Correlation	1	.779**	.364**	.631**	.544**
	Sig. (2-tailed)		.000	.008	.000	.000
	N	52	52	52	52	52
Performance pay	Pearson Correlation	.779**	1	.639**	.720**	.565**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	52	52	52	52	52
Bonus	Pearson Correlation	.364**	.639**	1	.711**	.512**
	Sig. (2-tailed)	.008	.000		.000	.000
	N	52	52	52	52	52
Promotion	Pearson Correlation	.631**	.720**	.711**	1	.569**

	Sig. (2-tailed)	.000	.000	.000		.000
	N	52	52	52	52	52
Organizational Performance	Pearson Correlation	.544**	.565**	.512**	.569**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	52	52	52	52	52

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

The above table 4.9 represent the correlation indicated that the relationship between basic salary and organizational performance which was a moderate and statistically significant positive relationship since  $r=0.544$  and  $P=0.01$  Performance pay indicated a moderate and statistically significant positive correlation with organizational performance as  $r =0.565$ , and  $P = 0.01$ . The student researcher also noted that there is positive relationship between bonus and organizational performance which was evidenced with result of  $r = 0.512$  and  $P =0.01$  that shows as there was a moderate and statistically significant relationship as P-value was less than 0.01. The researcher also revealed that, there was a positive correlation between promotion and organizational performance as showed in the above tale as  $r = 0.569$  and  $P = 0.01$  which indicates moderate and spastically significant relationship among variables.

#### **4.3.2 RELATIONSHIP BETWEEN INTRINSIC REWARDS AND ORGANIZATIONAL PERFORMANCE**

Based on the table, it is observed that there is a positive correlation between recognition and organizational performance as exhibited with value of  $r = 0.530$  and  $P =0.01$  that showed the existence of moderate and statistically significant relationship between measured indicators. Moreover, the researcher also revealed out that, the relationship between career development and organizational performance was positive and moderately significant with the value of  $r = 0.551$  and  $P =0.01$  and learning opportunity also positively correlated with organizational performance with  $r = 0.500$  and  $p=0.01$ . There is high and, statistically significant relationship between challenging work and organizational performance with  $r = 0.653$ ,  $p < 0.01$ .

TABLE 4.10 CORRELATIONS ON INTRINSIC REWARD

		Recognition	Career Development	Learning Opportunity	Challenging Work	Organizational Performance
Recognition	Pearson Correlation	1	.563**	.360**	.444**	.530**
	Sig. (2-tailed)		.000	.009	.001	.000
	N	52	52	52	52	52
Career Development	Pearson Correlation	.563**	1	.584**	.311*	.551**
	Sig. (2-tailed)	.000		.000	.025	.000
	N	52	52	52	52	52
Learning Opportunity	Pearson Correlation	.360**	.584**	1	.185	.500**
	Sig. (2-tailed)	.009	.000		.190	.000
	N	52	52	52	52	52
Challenging work	Pearson Correlation	.444**	.311*	.185	1	.653**
	Sig. (2-tailed)	.001	.025	.190		.000
	N	52	52	52	52	52
Organizational Performance	Pearson Correlation	.530**	.551**	.500**	.653**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	52	52	52	52	52

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

\* . Correlation is significant at the 0.05 level (2-tailed).

#### 4.4 REGRESSION ASSUMPTIONS

This is analysis that is almost a continuation of correlation the researcher used linear regression in which one independent variable used to predict one dependent variable. The result of the regression analysis between the independent variable reward management practice of Tnela Construction PLC increases the dependent variable organizational performance. This was predicted effectively. The result has been shown in the table of regression analysis model.

#### 4.4.1 REGRESSION ANALYSIS OF REWARD PRACTICE AND ORGANIZATIONAL PERFORMANCE

Regression can be used to explore the relationship between dependent variable which is organizational performance and independent variables to ensure the appropriateness of the outputs from the regression analysis, the assumption of multiple regression was tested by checking the Standardized Coefficient Beta, Significant and R square.

#### 4.4.2 ANOVA MODEL SUMMARY- MODEL FIT

The aim of the study was to find out the effect of Reward management practices on organizational performance, the study engaged multiple regression analysis to see the contribution of independent variables on dependent variable. The model summary of all the variables included in the study, showed the value of  $R^2$  is 0.790 which indicates that the variation in dependent variable (organizational performance) is explained by the eight variables of reward practices (Basis salary, performance pay, bonus, promotion, recognition, career development, learning opportunity and challenging work).

TABLE 4.11 MULTIPLE REGRESSION RESULT OF REWARD MANAGEMENT PRACTICES AND ORGANIZATIONAL PERFORMANCE

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.889 <sup>a</sup>	.790	.751	.31846

- a. Predictors: (Constant), challenging work, learning opportunity, basic salary, recognition, bonus, career development, promotion, performance pay  
Source: own survey, 2022

#### 4.4.3 ANOVA TABLE SUMMARY

The ANOVA model summary includes the independent variable (Intrinsic rewards and extrinsic rewards) and dependent variable (organizational performance), the linear combination of the independent variable according to the analysis result was significantly related with p value of ( $p < 0.01$ ) to dependent variable,

Table 4.12 ANOVA regression result

ANOVA <sup>a</sup>						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	16.431	8	2.054	20.252	.000 <sup>b</sup>
	Residual	4.361	43	.101		
	Total	20.792	51			

a. Dependent Variable: organizational performance

b. Predictors: (Constant), challenging work, learning opportunity, basic salary, recognition, bonus, career development, promotion, performance pay

Source: own survey, 2022

#### 4.4.4 SUMMARY OF COEFFICIENT TABLE

The table revealed that the path linking basic salary to organizational performance was found to be Significant at  $P < 0.05$  level ( $\beta = 0.307$ ), indicating salary has significant effect on organizational performance. The path linking performance pay to organizational performance was found to be Significant at  $P < 0.05$  level ( $\beta = 0.229$ ), indicating performance pay has significant effect on organizational performance. The path linking bonus to organizational performance was found in significant at  $P > 0.05$  level ( $\beta = 0.095$ ), indicating bonus has in significant effect on organizational performance. The path linking promotion to organizational performance was found to be significant at  $P < 0.05$  level ( $\beta = 0.181$ ), indicating promotion has significant effect on organizational performance. The path linking recognition to organizational performance was found significant at  $P < 0.05$  level ( $\beta = 0.223$ ), indicating recognition has significant effect on organizational performance. The path linking career development to

organizational performance was found in significant at  $P > 0.05$  level ( $\beta = 0.098$ ), indicating career development has in significant effect on organizational performance. The path linking learning opportunity to organizational performance was significant at  $P < 0.01$  level ( $\beta = 0.260$ ), indicating learning opportunity has significant effect on organizational performance. The path linking challenging work to organizational performance was found to be Significant at  $P < 0.05$  level ( $\beta = 0.352$ ), indicating challenging work has significant effect on organizational performance. Therefore, based on the outcome from the regression analysis, basic salary, performance pay, promotion, recognition, learning opportunity and challenging work have significant relationship with organizational performance. On the other hand, bonus and career development have insignificant relationship with organizational performance.

TABLE 4.13 REGRESSION ANALYSIS TABLEAU

**Coefficients**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
<b>(Constant)</b>	.156	.363		-.430	.669	-.887	.574
<b>Basic salary</b>	.243	.075	.377	3.224	.002	.091	.395
<b>Performance Pay</b>	.198	.093	.313	-2.117	.040	-.386	-.010
<b>Promotion</b>	.218	.067	.341	3.265	.002	.083	.352
<b>Recognition</b>	.193	.085	.191	2.276	.028	.022	.364
<b>Learning Opportunity</b>	.202	.043	.356	4.658	.000	.115	.289
<b>Challenging Work</b>	.398	.094	.414	4.240	.000	.209	.587

Source: own survey, 2022

The table revealed that the path linking basic salary to organizational performance was found to be Significant at  $P < 0.05$  level ( $\beta = 0.243$ ), indicating salary has significant effect on organizational performance. The path linking performance pay to organizational performance was found to be Significant at  $P < 0.05$  level ( $\beta = 0.198$ ), indicating performance pay has

significant effect on organizational performance. The path linking promotion to organizational performance was found significant at  $P < 0.05$  level ( $\beta = 0.218$ ), indicating promotion has significant effect on organizational performance. The path linking recognition to organizational performance was found to be significant at  $P < 0.05$  level ( $\beta = 0.193$ ), indicating recognition has significant effect on organizational performance. The path linking learning opportunity to organizational performance was significant at  $P < 0.01$  level ( $\beta = 0.202$ ), indicating learning opportunity has significant effect on organizational performance. The path linking challenging work to organizational performance was found to be Significant at  $P < 0.01$  level ( $\beta = 0.398$ ), indicating challenging work has significant effect on organizational performance.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATION**

#### **INTRODUCTION**

This chapter of the thesis concludes with a summary of the major findings of the study, conclusions, and recommendations that the student researcher believes are useful.

#### **5.1 SUMMARY OF MAJOR FINDINGS**

The purpose of this study was to examine the effect of reward management practices on organizational performance the case of Tnela Construction PLC. This section summarizes the major findings from the study. The data was collected from 9 project sites which are (weyra, Megenagna, Lancha head office, Betel, Chergos, Torhayloch, Kera, Tero new site, Alem Bank and Lebu Muaz).

The majority of the respondents were males. Regarding the respondents' age group, majority of them were Between 26 to 30. This shows that the human resources are populated with young and active age group. Regarding their marital status, majority of them were not married. The survey involved all departments and all level of position. The majority respondents were non-management staffs,. Large proportions of respondents of Tnela Construction employees had first degree followed by diploma employees. Very few employees had master's degree. Most of employees had 1-5 years of working experiences. Hence, one can conclude that the work force was educated and can easily be trained to enhance individual and or corporate performance level provided that there is proper reward system.

The first variable in the category of extrinsic reward that has been assessed was basic salary. Regarding the satisfaction level of financial reward Most of the respondents were dissatisfied. The non-financial reward which implies informal recognition that is praise from their bosses were implemented in their working environment. Some were not rewarded in any non-financial rewards. Therefore, majority of them disagreed that they are paid fair equitable salary hence the managing director declared that the reward strategy is not expected to be fair and equitable, it is rather logical.

Majority of the employees at Tnela Construction PLC were strongly satisfied by the monetary benefit they receive, salary adjustment time and the frequency of increase in salary. Regarding the performance pay of the organization majority of the respondents were dissatisfied by the adequacy of their salary in terms of their performance and reward is based on the performance in achieving a specific goal but the employees declared that when they are better remunerated it increases their performance. The third variable was bonus and employees were dissatisfied by the bonus scheme of the organization but when employee receive bonus it encourages them to perform better as a result their job performance increases. The final category was promotion hence, the result was moderate regarding promotion is equity based and promotion is given for best performers but, when the employees are promoted it really motivates them to work harder.

The second variable in the category of intrinsic reward that has been assessed was recognition, based on the finding, respondent are better satisfied with recognition on good performance. When employees get formal recognitions and praises from their supervisors' increases their job performance in addition, informal recognition motivates the employees to improve performance and the recognition of contribution in their organization. Therefore, overall non-financial reward encourages employees to improve organizational performance. Regarding the career development employees felt encouraged when they get career development opportunities. But employees are moderately satisfied with career development opportunity in the organizational development and on further career development is not given by the organization. Based on the outcome of the SPSS, when employees get learning opportunities, it motivates them to work harder but the result shows that, respondents are dissatisfied by the learning opportunities at their work place. Regarding the challenging work, employees are moderately satisfied by the challenging assignments from their supervisor and they are satisfied by the challenging assignments in the organization hence, when the employees get challenging assignments, it motivated them to work harder.

The extrinsic reward Correlation result indicated that the relationship between basic salary and organizational performance which was a moderate and statistically significant positive relationship since  $r=0.544$  and  $P=0.01$  Performance pay indicated a moderate and statistically significant positive correlation with organizational performance as  $r =0.565$ , and  $P = 0.01$ . there was positive relationship between bonus and organizational performance with correlational result

of  $r = 0.512$  and  $P = 0.01$  that shows as there was a moderate and statistically significant relationship as P-value was less than 0.01. there was a positive correlation between promotion and organizational performance as showed in the above tale as  $r = 0.569$  and  $P = 0.01$  which indicates moderate and spastically significant relationship among variables.

The intrinsic reward Correlation result indicated that there is a positive correlation between recognition and organizational performance with value of  $r = 0.530$  and  $P = 0.01$  that showed the existence of moderate and statistically significant relationship. Moreover, the relationship between career development and organizational performance was positive and moderately significant with the value of  $r = 0.551$  and  $P = 0.01$  and learning opportunity also positively correlated with organizational performance with  $r = 0.500$  and  $p = 0.01$ . There is high and, statistically significant relationship between challenging work and organizational performance with  $r = 0.653$ ,  $p < 0.01$ .

## **5.2 CONCLUSIONS**

The research indicated that the research question that was clearly defined in the first chapter of this study. The study assessed the reward management practice of Tnela Construction PLC Based on the findings of the study, the following conclusion is drawn:

The first research question was to assess the reward management practice in Tnela Construction PLC the finding from the interview and questionnaire shows that the organization's reward practice is extrinsically (salary and holiday incentives) and intrinsically (challenging assignment and recognition). In this regard, according to the data obtained employees were not satisfied by the overall extrinsic reward of the company; salary, performance pay, bonus they received, but declared that when they receive performance related pay, bonuses or promotion it increases their performance. Regarding the intrinsic reward, employees are better satisfied with recognition on good performance. When employees get formal recognitions and praise from their supervisors' increases their job performance. career development encourages the employees to put effort for the organizational development but in Tnela employees are not quite satisfied with career development opportunity in the organizational development hence they are dissatisfied on further career developments given by the organization. The research also concluded that when

employees get learning opportunities, it motivates them to work harder but the result shows that the employees are dissatisfied by the learning opportunities at their work place. The study further concluded that employees are moderately satisfied by the challenging assignments from their supervisor and they are satisfied by the challenging assignments in the organization hence, when the employees get challenging assignments, it motivated them to work harder.

the second basic research question was to assess the employees' perception towards organizational performance the result shows that the employees agrees that there was an increased output in their department and they are satisfied when the organization starts new project site hence, in every department, employees understand their role towards achieving organizational goal therefore, the employee think that the organization is profitable and majority of them are Employees are happy to stay in the organization and also their clients are happy to work with Tnela Construction PLC. But employees were neutral regarding rate of employee turnover in their departments

The third research question was to examine the effect of extrinsic reward (salary, performance pay, bonus and promotion) and intrinsic reward (recognition, career advancement, learning opportunity and challenging work) on organizational performance in Tnela Construction PLC, The extrinsic reward Correlation result indicated that the relationship between basic salary, Performance pay, bonus and promotion with organizational performance was moderate and statistically significant positive relationship. The intrinsic reward Correlation result indicated that there is a positive correlation, moderate and statistically significant relationship between recognition, career development and learning opportunity with organizational performance. The link between challenging work and organizational success (in terms of performance) is strong and statistically significant.

The last objective of this study was to determine the extent to which reward system contributes to organizational performance the result revealed that the employees find salary to be unsatisfactory hence, employees are dissatisfied by the payment practice this is as a result of not paying employees on due time, the reward administration process was not merit based fair and equitable due to this reason employees were dissatisfied and their performance decreased therefore, rewarding employees is essential in order to boost organizational performance.

### **5.3 RECOMMENDATIONS**

Based on the findings and conclusion drawn, the following recommendations are forwarded

The research revealed that the current salary level offered to employees of Tnela Construction PLC is very low and obtains minimum satisfaction as a result of reward provision which led to decreased in performance of the organization. Thus, to alleviate this problem, proper reward system should be established.

The organization should revise the current salary scale in line with prevailing economic environment and set an appropriate and competitive salary scale. This will not only motivate them but also increases the employees performance which in turn enhance organizational performance.

The performance pay of the organization is dissatisfying therefore the company should evaluate the performance of the employees for achieving a specific goal. And reward them accordingly. This approach could encourage poor performers. Thus to reward every employee according to his or her performance, strictly to conducting performance appraisal tasks on time and on regular basis is found to be necessary.

Employees of the organization believed that the reward provided is insufficient, not fair and equitable. To mitigate this problem, Tnela Construction PLC has to set clear reward policy and strategy, able to design a system of accountability for the employees.

It is also recommended to develop innovative bonus plan that recognizes the efforts of employees. This will not only motivate them to work harder but also builds harmony in the organization and encourage team work and overall greater performance in the organization.

The company should develop appropriate incentive plan a mix of extrinsic and intrinsic rewards that will encourage employees to be purposeful and improve their performance.

Tnela Construction PLC practice indicates that there is inadequate and inappropriate provision of Non-financial rewards to employees. To alleviate this problem, the organization should include non-financial reward activities within their plans. The top managements are also expected to monitor and able to evaluate the status of reward provision and its contribution to organizational performance on a regular basis.

This research examined the effect of reward management practice the case of Tnela Construction PLC This study covered the reward management practice of one company. Other researchers should include other construction companies before generating conclusion.

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# APPENDICE

## **APPENDIX I**

**Addis Ababa University  
School of Commerce Graduate Studies  
Business and Economics Department  
Research Questionnaire to be filled by Employees of Tnela Construction PLC**

### **Dear Respondents**

The questionnaire aims to collect information to undertake a study on “**The Effect of Reward Management Practice on Organizational Performance The Case of Tnela Construction PLC.**”

This study is conducted as a requirement of final project to be submitted to the faculty of Business and Economics for the partial fulfillment of Degree of Master’s of art in Human Resource Management at Addis Ababa University.

To achieve this objective, your genuine and timely response to the questionnaire designed for the purpose will have a paramount importance. It is assumed that the questionnaire will take only a few minute to complete, therefore you are requested to complete the questions as honestly as possible.

All information provided will be used for academic purpose only and will be treated in a strict confidential hence, your name and signature is not required. I kindly request your utmost cooperation to fill the questionnaire and return it as soon as possible.

Your honest completion of this questionnaire will assist in generating information that will help organization to improve its reward strategy and enhance organizational performance. I am grateful for your kind cooperation and would like to extend my heart full appreciation for providing me all relevant information’s.

Thank you for your cooperation in advance

**Questionnaire to be filled by Employees of Tnela Construction PLC**

**Instruction:**

**Part one: this part of the questionnaire covers about the respondent's background information. Please respond by ticking on the space provided the represents your personal profile**

**Tick (✓) on the appropriate answer**

1. Gender of respondent    Male                       Female
  
2. Age of respondent  
20-25     26-30     31-35     35-40     41-45     Above 46
  
3. Marital Status  
Single     Married     Divorced     widowed
  
4. Educational Qualification  
Certificate     Diploma     B.A Degree     Master's     PHD
  
5. Total years of experience  
Below 1 year     1-5     6-10     11-15     16 and above years
  
6. What is your position at Tnela Construction PLC  
  
\_\_\_\_\_

**Part Two Reward and Performance related questions**

**INSTRUCTION: please tick (✓) on the space provided on the option which fit your opinion**

1. Which of the following does the organization rewards?  
Salary                       Allowances   
Bonus                       holiday Incentives   
Commission                       Other (please specify) \_\_\_\_\_
  
2. How satisfied are you with the current level of financial rewards?  
Very Satisfied                       Dissatisfied   
Satisfied                       Strongly Dissatisfied   
Neutral/ Not Sure/

3. Which of the following non-financial reward are used by the organization?

Praise from your boss

Formal recognition (certificate, the month's best employee)

Informal recognition

Conferences/Workshop/ seminar

Other (Please Specify) \_\_\_\_\_

4. How satisfied are you with the current level of non-financial reward

Very Satisfied

Dissatisfied

Satisfied

Strongly Dissatisfied

Neutral /Not Sure/

5. Which project site are you currently working on?

Kality/ kilinto

Autobis tera (Sebategna)

Meskel Flower

Bole sub city (Megenagna)

Kera

**Part 3 Please respond to each of the items in this section by ticking (✓) the column that clearly represents your opinion.**

**1= Strongly Disagree, 2= Disagree, 3= Somewhat Agree, 4= Agree, 5= Strongly Agree**

**3.1 As regarding financial (extrinsic) reward system**

<b>Basic Salary</b>						
	<b>Factors</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1	I am paid equitable and fair salary					
2	I am satisfied with the monetary benefits I receive					
3	Salary adjustment/increment is made within reasonable time					

4	I am satisfied with the frequency of increase in salary level					
	<b>Performance pay</b>					
5	In terms of performance, my salary is adequate.					
6	Reward is based on my performance for achieving a specific goal					
7	When I am better remunerated, it increases my job performance					
	<b>Bonus</b>					
8	When I get a bonus, my job performance increases					
9	I am satisfied with the bonus reward in the organization					
10	When I receive bonuses it encourages me to perform better					
	<b>Promotion</b>					
11	Promotion is given for best performers					
12	When I am promoted, it really motivates me to work harder					
13	Promotion is equity based					

### 3.2 Regarding non-financial (intrinsic) reward system

No	Factors	1	2	3	4	5
	<b>Recognition</b>					
1	I am better Satisfied with recognition on good performance					
2	When I get formal recognition such as certificate of appreciation, my job performance increases					
3	Informal recognition such as thank you, well done, you are a star motivates me to improve my performance					
4	I am better Satisfied with the recognition of my contribution in the Organization					
5	Praise from my supervisor for a well done job, encourages me to perform my job better					
6	Overall non- financial (intrinsic) rewards encourages employees to improve organizational performance					
	<b>Career Development</b>					
7	I am better Satisfied with career development opportunities in the Organizations					

8	The career development encourage me to put effort for the organizational development					
9	Further career development given by the organization					
	<b>Learning Opportunity</b>					
14	I get learning opportunity at work place					
15	I am satisfied by the learning opportunity I get					
16	When I get learning opportunities, it motivates me to work harder					
	<b>Challenging Work</b>					
17	I get challenging assignment from my supervisor					
18	I am satisfied with the challenging assignments I receive					
19	When I get challenging assignments I work harder					

### 3.5 Regarding organizational performance.

No	Factors	1	2	3	4	5
1	There is an increased output in my department					
2	There is a decreased rate of employee turnover in my department					
3	I am satisfied when the organization starts new project site					
4	In my department employees understands his/her role towards achieving organizational goal					
	Employees are happy to stay in the organization					
5	In my opinion the organization is profitable					
6	Most of the clients are happy to work with Tnela Construction					
7	There is available resources: material and employees					

Dear respondent, if you have any suggestion to what this organization should mainly do regarding reward management in order to improve its organizational performance

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**APPENDIX II**  
**Addis Ababa University**  
**School of Commerce Graduate Studies**  
**Business and Economics Department**  
**Questionnaire to Management**

**This interview is a part of the research project and your kind help is very important for the successful completion of this research project. Your responses to questions in this interview will be anonymous and data will be combined and analyzed as a whole. Your participation in the study is extremely appreciated.**

**Thank in advance**

1. What kind reward system you use in Tnela Construction PLC.
2. What form of intrinsic/extrinsic reward systems do you use in Tnela Construction PLC?
3. What are the effects of extrinsic rewards (Basic salary, performance pay, bonus, and promotion) on the organizational performance?
4. What is the effect of Intrinsic Rewards (recognition, career development, challenging work and learning opportunity) on Tnela Construction PLC performance?
5. What do you suggest to be the best means of bringing about high job/ organization performance in Tnela Construction PLC?
6. What kind of promotion criteria does the organization use?
7. How fairness is practiced in the promotion process of employees?
8. In what way recognition of achievement of employees are done?
9. Does the organization satisfy its employees using financial reward?
10. Does the organization satisfy its employees using non-financial reward?
11. What other suggestion can you make about the use of extrinsic and intrinsic reward for Improving organization performances?