



**ADDIS ABABA UNIVERSITY  
COLLEGE OF BUSINESS AND ECONOMICS  
SCHOOL OF COMMERCE  
MASTERS OF HUMAN RESOURCE MANAGEMENT**

**EFFECT OF REWARD SYSTEM ON JOB SATISFACTION:  
THE CASE OF ETHIOPIAN SUGAR CORPORATION**

**BY: TARIKU TADESSE**

**Advisor**

**ABEBA BEYENE (PhD)**

**June, 2016**

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

**EFFECT OF REWARD SYSTEM ON JOB SATISFACTION:  
THE CASE OF ETHIOPIAN SUGAR CORPORATION**

**By  
Tariku Tadesse**

**Approved by Board of Examiners**

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**Chair Person, Graduate Studies**

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**Signature**

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**Advisor**

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**Signature**

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**External Examiner**

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

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**Internal Examiner**

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

## **Certification**

This is to certify that TARIKU TADESSE DESSA has done the study on the topic of “Effect of Reward System on Job Satisfaction: The case of Ethiopian Sugar Corporation. This study is authentic and has not been done before by any other researcher on the same topic.

Advisor’s name \_\_\_\_\_

Signature \_\_\_\_\_

## **Declaration**

I, TARIKU TADESSE DESSA, declare that the research project entitled “The Effect of Reward Systems on job satisfaction: The case of Ethiopian Sugar Corporation is my original work that is done under the guidance and advice of my advisor, Abeba Beyene (PhD).

This research project is done as partial fulfillment for Masters of Arts Degree in Human Resource Management.

This research has not been done before and all sources of materials used for the study have been appropriately acknowledged.

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TARIKU TADESSE DESSA

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## **Acknowledgment**

I would like to express my deepest gratitude to my advisor, Abeba Beyene (PhD), for her advice and guidance in the formulation of the M.A. research proposal as well as reshaping of the survey questionnaire until the final stage of the research work. Her invaluable and constructive comments in my thesis work helped me to earn a good experience and knowledge how the research works is performed and conducted in the complex business world.

I also owe my deepest gratitude to Ethiopian Sugar Corporation management and employee for their unreserved collaboration with providing all the necessary information towards the successful completion of this thesis work. Moreover, I would like to thank all respondents who participated in this thesis work and other collaborated individuals deserve special thanks for their unforgettable support.

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## **Abstract**

*The research study achieved its aims of defining and assessing the effect of reward system on job satisfaction in Ethiopian Sugar Corporation Addis Ababa-Ethiopia. The purpose is to examine the effect of reward systems on the dimensions of employees' job satisfaction. This study also attempted to investigate what types of reward system financial or non-financial contribute to the employee job satisfaction.*

*Both qualitative and quantitative research methods were applied. In order to select the respondents from the total population of 380 stratified sampling method were applied the sample size determination come with 171 sample to be taken in to the study. Spector (1997) Employee Job satisfaction survey(JSS) which measure employees' job satisfaction dimensions and Cammann, Fichman, Jenkins Klesh (1979) and The Michigan Organizational Assessment Questionnaire were applied to . Survey data collected from respondents analyzed using descriptive, correlation and regression analysis.*

*The findings of the study indicated that there was a significant relationship between financial and non-financial rewards with employees' job satisfaction. The financial reward component payment positively and significantly influenced job satisfaction of employees' working in the case organization. The findings of the study revealed that nature of the job and working condition has strong effect on employees' job satisfaction as a result.*

*Finally, it is the recommendations of the research study that reward systems have an impact on employees' job satisfaction and we observed that there was a significant difference with payment and nature of the job. The overall result of reward systems shows financial rewards has a great impact on the job satisfaction of employees.*

*Key words: Financial rewards, Non financial rewards, pay, benefit, recognition, promotion, nature of job, working condition and employees' job satisfaction*

# **CHAPTER ONE**

## **INTRODUCTION**

The first chapter introduces the research topic by presenting the background and discussing the research's general and specific objectives, the methodology, the scope, significance, limitation, delimitation, and organization of the study.

### **1.1 Back Ground of the Study**

People management is an important aspect of organizational processes. This is emanated from the recognition that the human resources of an organization and the organization itself are synonymous. A well-managed business organization normally considers the average employees as the primary source of productivity gains. These organizations consider employees rather than capital as the core foundation of the business and contributors to firm development. To ensure the achievement of firm goals, the organization creates an atmosphere of commitment and cooperation for its employees through policies that facilitate employee satisfaction. Satisfaction of human resource finds close links to highly motivated employees. According to Kabir (2011), a motivated employee develops loyalty or commitment to the firm resulting to greater productivity and lower turnover rates.

According to Armstrong(2007) reward management is concerned with the strategies, policies and processes required to ensure that the value of people and the contribution they make to achieving organizational, departmental and team goals is recognized and rewarded. It is about the design, implementation and maintenance of reward systems (interrelated reward processes, practices and procedures) that aim to satisfy the needs of both the organization and

its stakeholders and to operate fairly, equitably and consistently. Munap, Bandrillan & Rahman (2013) define reward system is comprised of financial rewards and non-financial rewards. Selecting the right rewards for the employees has always been an issue in the field of human resource management.

There are different studies done by authors which discussed about reward system and job satisfaction in different parts of the world. According to Ahn and Garcia (2004) study about job satisfaction level in Western Europe countries found that there a substantial difference in satisfaction level across countries. Among the factors which crates job satisfaction are: differences in wage is important factor others like job match quality, contract type and job status are also the major reasons for job satisfaction. From their findings it is observed that payment is a primary factor for most of the countries in Europe which were included under the study.

According Singh (2012) salary and non-financial or financial rewards are the most important determinants of job satisfaction in United Arab Emirates countries. In addition the study identifies the impact of the demographic variables such as Gender, Age, Tenure and Nationality on the job satisfaction of the employees.

In Sub-Saharan Africa countries there are different findings regarding the effect of reward on job satisfaction. As Snelga, Renard and Ventr (2013) found that base pay is deemed to be the most preferred reward component. Base pay is also the most important reward in attracting and retaining employees. Differences between reward preferences and demographic variables, including age, gender and job level, were found in some countries of the continent. According to Kawara (2014) the use of non-financial rewards such as recognition, training, opportunities to handle greater responsibilities, employee promotion and participation in key

decision making and challenging jobs to motivate exemplary performers . The study also shows that the rewards offered as a result of good performance were worthwhile and meaningful. The study concluded that employees reward systems is a source of motivation to the employees.

From different literatures reviewed for the purpose of this study there are variations what type of reward can satisfy employees. These differences happen due to factors like: type of industry/sector, demographic variables, level of development of the country that has been studied.

## **1.2 Back Ground of the Company**

Sugar Agro-industry Development in Ethiopia was initially started in the so-called Wonji plains in the early 1950s. Nearly 60 years after its introduction merely 35,000 hector has been cultivated to sugarcane and 4 small to medium sized sugar factories with a combined daily crushing capacity of 12500 tons were installed in 3 separate locations across the country. Total annual sugar production is about 300000 tons, which only covers 60% of the annual demand for domestic consumption. The difference has to be bridged through importation from abroad. As a result, per-capita consumption of sugar in Ethiopia is one of the lowest in the world with about 5 to 6 kg.

In spite of the above facts, Ethiopia is endowed with favorable climate, enormous land and water resources for large scale irrigated development of sugarcane. The Federal democratic Republic of Ethiopia has launched sugar development program to undertake new and Expansion projects across the country with a clear objective of boosting sugar production

to satisfy the domestic sugar demand as well as for any possible export in the coming three to four years.

Ethiopian Sugar Corporation has been established in line with the 5-year Growth and Transformation Plan for the Federal Democratic Republic of Ethiopia, the Ethiopia Sugar Corporation was established by a Proclamation, dated 2 December 2010 by the Council of Ministers to undertake the responsibility of the entire Ethiopia sugar sector development. The ESC was formed to replace the former Ethiopian Sugar Development Agency. Accordingly, the Corporation is entitled to administer the existing four (Wonji, Fincha, Metehara and Tendaho) sugar factories and the ongoing as well as new sugar development projects. It plays a leadership role in the development, management and marketing of sugar and its byproduct.

Following its establishment the sugar corporation has launched short and long term capacity building programs targeted to support the large scale sugar development in the country. Capacity building shall focus on research and human resource training in sugarcane agriculture, sugar industry and support services related to financial management.

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

In many cases, rewards management is closely related to motivation theories and job satisfaction. The term job satisfaction has become a very significant one, now that managers seek for practices which are likely to make people more satisfied and therefore, more productive.

Ethiopian Sugar Corporation (ESC) has a policy and practice of conducting exit interview for resigned employees. Accordingly, the exit interview reports compiled by Human Resource division during 2013-2015 indicated that, the major reasons for leaving ESC were

found out to be low salary (22.2%) and the rest (77.8%) shared by factors such as better opportunity (15%), lack of good governance (8%), health related problems(10%), relocation (10%), no career structure (12%), low promotional opportunities (14%), need for different roles in other companies and work over load which accounts(8.8%) are identified. From the report it can be implied dissatisfaction with their salary issue the main reason to leave the corporation.

In addition to the above report the data collected through an informal interview with Benefits and Payment Administration Team leader related to the practices and problems of reward, benefit packages and practice initiated the researcher to conduct this study. According to the team leaders' explanation the corporation has a benefit and reward package which is not revised as per the existing market conditions. In addition, to that he refers to mentioned employees had dissatisfaction with the fairness and equitability of the Corporation's reward system. These problems were observed to minimize the motivation and job satisfaction of the employees of the corporation. They were noticed to present complaints on the existing package at different times and left the company.

The corporations' success among other reasons depends on the possibility of retaining its competent and skillful employees for a reasonable number of years. In order to do so, it is believed that there has to be an appropriate reward system that will keep corporations' employees job satisfaction, reduce employees' turnover rate and enhance the degree of employee retention in the corporation.

If the ESC does not solve this issue within a short period of time, talented or skillful employees may continue to leave the corporation and the remaining employees' job satisfaction may be affected, the productivity of employees may decline and the performance of the corporation will be affected.

#### **1.4 Research Objective**

As research is guided by an objective, this section presents the intended results of this study. The formulated main objective and the specific objective that elaborate the research are presented below.

##### **1.4.1 General Objectives**

The main objective of the study is to examine the effect of reward system on job satisfaction at Ethiopian Sugar Corporation.

##### **1.4.2. Specific Objectives**

The specific objectives of the study are to investigate the relationship between the several predictors and outcome variables of job satisfaction. Therefore, the specific objectives of the study are to:

- Investigate the relationships of financial rewards (Base Pay and Benefits given in cash equivalent such as fuel allowance) to job satisfaction.
- Investigate the relationships of non-financial rewards (Promotion, Recognition, Nature of the Job, and Working Conditions) to job satisfaction.
- Examine whether there is statistically significant difference between job satisfaction of female and male respondents.

## 1.5 Research Questions

The major theme of the research is to investigate the effects of reward system (independent variable) on employees' job satisfaction (dependent variable) as per the questions listed below:

- To what extent do financial reward variables contribute to employee job satisfaction?
- To what extent do non-financial reward variables contribute to employee job satisfaction?
- To what extent do gender differences affect job satisfaction?

## 1.6 Significance of the Study

The strategic aim of reward system is to develop and implement the reward policies, processes and practices required to support the achievement of the organization's business goals (Armstrong & Murlis, 2007). In today's competitive environment aligning business strategy with reward management is a key issue for all companies. The findings of the research will benefit the following stakeholders at different levels:

- **For the Corporation:** The findings of this research will give an outlook for the corporation to regularly review its reward and pay systems based on market information. It helps the corporation to tackle problems associated with rewards and job satisfaction.
- **For the Corporations' Human Resource Department:** The Human Resource department of the corporation is also benefited from this research in designing a competitive reward policy and procedures. This can improve reward systems and

practices and job satisfaction in the same and similar environments and ultimately improve productivity and quality of work.

- **For the employees of ESC:** This study will also help employees of ESC to address the problems and potential solutions for the company reward system.
- **Other researchers:** This study will support other researchers by adding a literature on reward systems and job satisfaction of employees.

### **1.7 Scope of the Research**

To make this research manageable, the scope of the project is limited to employees of the Ethiopian Sugar Corporation working in the head office with a working experience of one or more years.

Employees who are located out of Addis Ababa were not included in this study due to inaccessibility and expected rate of return.

### **1.8 Limitation of the Study**

The study focus on ESC head office employees to study the effect reward system on job satisfaction. This will limit the generalizability of the findings to other sugar factories. In addition, shortage of time is another potential limitation of the study.

### **1.9 Organization of the Report**

The paper is organized in five chapters i.e. the first chapter includes an introduction section which consists of background of the study, statement of the problem, objectives, hypothesis, significance, scope, limitation of the study and ethical considerations. Chapter Two include: present review of related literature. Chapter Three: presents research design and methodology the researcher employ to investigate the problem under study while data collected from respondents are also presented, analyzed, interpreted and discuss in the fourth chapter of the study. The last section chapter five of the thesis will contain summary of results, concluding remarks and recommendations used for the corporation.

## **CHAPTER TWO**

### **REVIEW OF RELATED LITERATURE**

This section reviews what the extant research papers found out about the areas of reward system and job satisfaction. The subsections include theoretical literature, empirical studies and conceptual frame work of the study.

#### **2.1 The Concept of Reward Management**

Reward management is concerned with the formulation and implementation of strategies and policies that aim to reward people fairly, equitably and consistently in accordance with their value to the organization (Armstrong & Murlis, 2004). According to Armstrong & Murlis(2004) Reward Management deals with the design, implementation and maintenance of reward processes and practices that are geared to the improvement of organizational, team and individual performance. The strategic aim of reward management is to develop and implement the reward policies, processes and practices required to support the achievement of the organization's business goals.

The main objectives of rewards are to attract and retain employees, to motivate employees to achieve high levels of performance, and to elicit and reinforce desired behavior of the employees.

#### **2.2 The Concept of Total Reward**

According to Armstrong and Murlis (2004), total reward concept emphasizes the importance of considering all aspects of reward as an integrated and coherent whole. Each of the elements of total reward, namely base pay, pay contingent on performance, competence or contribution, employee benefits and non-financial rewards, which include intrinsic rewards

from the employment environment and the work itself, are linked together. A total reward approach is holistic; reliance is not placed on one or two reward mechanisms or levers operating in isolation. Account is taken of all the ways in which people can be rewarded and obtain satisfaction through their work. The aim is to offer a value proposition and maximize the combined impact of a wide range of reward initiatives on motivation, commitment and job engagement. As O'Neal (1998) has explained: 'Total reward embraces everything that employees value in the employment relationship.'

The rewards systems are comprised of two main elements: financial and non-financial rewards. The financial rewards include rewards strategies such as merit-pay, market-based pay, profit-related pay, while non-financial rewards focus on the needs of people for recognition, achievement, responsibility and personal growth (White & Drucker, 2000). According to Thorpe and Homan (2000), one of the most fundamental debates in the field of rewards management, concerns the extent to which employees are motivated by money. At that point there is an extensive discussion about whether or not money is a motivator and can influence the levels of job satisfaction.

### **2.2.1 Components of Total Reward**

Different authors agree on the classification of total reward in to two broad categories. However, the naming differs from author to author with similar connotation. To mention some of the classifications White and Drucker(2000) classify rewards as Financial and non financial rewards are financial such as merit pay, market based pay, performance related pay and non financial rewards like needs of people for recognition, achievement, responsibility and personal growth.

According to Koala Consulting and Training (2008) classify reward as extrinsic and intrinsic rewards extrinsic rewards e.g salary, bonus, and profit sharing etc. and intrinsic (e.g. a felling of completing challenges competently, enjoyment and social interactions). Regardless of the minor difference, all categories discuss about the same thing. As a result, this study adopts the classification of financial and non-financial rewards.

According to Armstrong and Murlins (2004) Total reward is classified into two major categories i.e. financial and non-financial. Financial reward is further sub-divided into direct and indirect payments. Direct payment refers to payments which are made directly in cash to employees such as salary, wage, bonus, and other direct payments. Indirect payment, on the other hand, refers to employee benefits such as pensions/provident fund scheme, various types of leaves, insurance cover, medical cover, company cars, etc. The second category i.e. non-financial rewards refer rewards that do not involve any direct payments. They may arise from the work itself such as work autonomy, recognition, training, career development opportunities, achievement, and quality of work life.

### **2.3 Reward Management Philosophy**

The reward management philosophy advocate that, if human resource management (HRM) is about investing in human capital from which a reasonable return is required, then, it is proper to reward people differentially according to their contribution (Armstrong, 2007). The philosophy of reward management also recognizes that it must be strategic in the sense that it addresses longer-term issues relating to how people should be valued for what they do and what they achieve. Reward strategies and the processes that are required to implement them have to flow from the business strategy.

According to, Milkovich, Newman & Gerhart, (2011), reward strategy should be assessed from the aspect of its objective, alignment with the business strategy, competitiveness both internally and externally, its contribution, and transparency and openness. To be effective, the reward system needs to be based on sound reward management principles.

Armstrong (2007) mentioned some basic points that enable organizations to develop effective reward management program. Some of these are to:

- Align reward strategies with the business strategy, align reward policies with the culture of the organization and use them to underpin that culture and, as required, help to change it, value employees according to their competence, skill and contribution.
- Ensure that reward processes are transparent and that employees are treated as stake holders.
- Adopt an integrative approach which ensures that no innovations take place and no practices are changed without considering how they relate to other aspects of human resource management so that they can become mutually supportive.
- Provide line managers with their authority and skills needed to use rewards to help achieve their goals, but ensure that they are given the training, guidance and continuing support required to develop and use these skills well.

The organization's reward policies and practices need to express what the organization values and is prepared to pay for- they are driven by the need to reward the right things to convey the right message about what is important.

## 2.4 Reward Systems

Reward system according to Armstrong (2001) consists of an organization's integrated policies, processes and practices for rewarding its employees in accordance with their contribution, skill and competence and their markets worth.

Johnson, Houmanfar and Smith (2010), Outlines the aims of reward system such as: attract, retain and motivate employee, to support the attainment of the organization's strategic and short term objectives. This could be achieved by helping to ensure that it has the skilled, competent, committed and well motivated work force it needs, to meet the expectations of employees that they will be treated equitably, fairly and consistently in relation to the work they do and their contribution.

Throughout the management literature, practitioners as well as theorists have underlined the importance of rewards systems. Rewards management is considered to be probably the most rapidly developing area of human resource management. In order to conceptualize the rewards systems, it is necessary to commence from the Harvard Model of human resource management, which emanates from the Harvard Business School (Sparrow and Hiltrop, 1994). This model is called "Soft Variant" because it emphasizes in the human aspect of human resource management. According to Beer, Spector, Lawrence, Mills, Walton, (1984), the model comprises of four key policies: rewards systems designed to attract, retain and motivate employees; human resource flow, akin to the human resource development set of policies; employee involvement in decision-making; and work systems, designed in order to produce the best outcomes.

It is, therefore, obvious that rewards systems are a fundamental function of human resource management as they deal with the assessment of job values, the design and management of payments, performance management, contingent pay, employees' benefits and pensions and the management of rewards procedures. Furthermore, reward policies should take into account organizational goals, values and strategies (Armstrong & Murlis, 1998). Another important point that Armstrong and Murlis (1998) mentioned is that rewards systems also include the development of organizational cultures as they are led by organizational requirements and can increase the motivation and commitment of employees as their philosophy must recognize the vital role of the workforce and also respect their needs.

## **2.5 Job Satisfaction**

According to Bradley, Petrescu and Simmons (2004) Job satisfaction defined as "An attitude that individuals have about their jobs". It results from their perception of their jobs and the degree to which there is a good fit between the individual and the organization. Job satisfaction is a personal attitude towards work and a positive emotional situation when employees reach their expectation on their work and careers. The attitudinal nature of job satisfaction implies that an individual would tend to stay with a satisfying job and quit a dissatisfying job Arokiasamy, Tat and Abdullah (2013)

Robbins and Judge (2013) described job satisfaction as positive feelings about a job, resulting from an evaluation of its characteristics. A person with high level of job satisfaction holds positive feeling about his or her job, while a person with a low level holds negative feelings.

Job satisfaction can be influenced by a variety of factors. Opkara (2002) stated that factors such as pay, the work itself, supervision, relationships with co-workers and opportunities for promotions have been found to contribute to job satisfaction. Job satisfaction results from an evaluation of the job's characteristics.

## **2.6 Theories of Job Satisfaction**

In this section of the study the theories of job satisfaction as ground for the entire thesis project discussed.

### **2.6.1 Two Factors Theory**

Hertzberg's two-factor theory could be used to link employee motivation to performance. Since the late 1950s, several researchers have theorized about the nature of job satisfaction and have developed models in attempts to explain the differences in job satisfaction as detected in empirical studies.

On the other hand, Herzberg (1959) has divided the motivational factors in terms of job satisfaction. He pointed out that factors giving job satisfaction (called motivators) are different from the factors that give job dissatisfaction (called hygiene factors). He further emphasized that hygiene factors will not necessarily increase job satisfaction but can lead towards low motivation as compared to motivators. Hygiene factors can be the salary, support, interpersonal relationship with supervisors and work conditions.

If these factors are favorable in terms of highly facilitated working environment, increased colleague support and satisfactory compensation schemes, they can lead towards

high work performance, however, if unfavorable these factors may directly influence employee's inspiration/motivation to do his best Rasheed, Aslam and Sarwar (2010)

On the contrary, Herzberg (1959) has described motivators as internal motivating factors which always stimulate the employee's motivation to put his best efforts. These motivators include recognition from departmental head, empowerment, students' achievement or career advancements (Rasheed et al., 2010).

### **2.6.2 Equity Theory**

Equity theory is primarily a motivation theory, but it has some important things to say about the causes of satisfaction /dissatisfaction. The proponents of this theory are of the view that a person's satisfaction is determined contributes to the job. This theory is of the view that both under and over rewards lead to dissatisfaction. While the under-reward causes feelings of unfair treatment, over reward leads to feelings of guilt and discomfort (Edward, 1973).

The principles of this theory are also major determinants of job satisfaction as Adams (1963) supported. Equity theory includes a range of prominent issues like executive remuneration, equal value, and comparable worth. Adams (1963) as a psychologist also argued that there is little interest in the level of payments than the perception of fairness among the others, which can determine satisfaction. Thus, equity is rarely accepted and usually people react to inequity by decreasing their personal effort, demanding more equitable treatment and attempting to find alternative employment (Adams, 1963). Furthermore, the unfair distribution of rewards can lead to lower levels of commitment, higher levels of absence and turnover and finally to a worse organizational performance.

Therefore, the achievement of equity in rewards must be a major objective for the managers. The difficulties that usually appear, according to Thorpe & Holman (2000), lie in setting an objective measurement of “differential and relativities” like efforts, skills, experience, needs. It is essential that rewards should be fairly distributed but there are not satisfactory methods to give such outcomes.

According to Pfeffer’s (1998) point of view, organizations with better payments and rewards are more productive than their competitors that pay less. Higher payments are likely to attract and retain the most motivated and qualified employees who can be the basis for competitive strategies based on innovation, quality and price. In addition to Pfeffer, Wood (1996) emphasizes on some crucial matters of rewards. He mentioned that group-payments are a stronger incentive rather than focusing on individual performance.

Motivators can also be the participation of the employees in designing the rewards systems and the high rate of internal equity by minimizing the differential between the highest and the lowest paid and by using analytical and formal job evaluation schemes (Wood, 1996).

### **2.6.3 Expectancy Theory: Money and Motivation**

These theory of job satisfaction as it aims to discover the extent to which employees are motivated by money. Here lies the expectancy theory, which holds that money is a significant motivator for most people and that it can guide to specific directions (Thorpe & Holman, 2000). In other words, expectancy theory explains why extrinsic motivation (e.g. bonus schemes) works only if the link between effort and reward is clear and the value of reward is worth the effort (Armstrong & Murlis, 1998). It also explains why intrinsic

motivation (responsibility, achievement) can be sometimes more powerful than extrinsic motivation.

The practical application of expectancy theory has been seen in the growth of individual performance-related-pay in all its forms. In a theoretical context, performance-related-pay has important advantages like attracting and retaining qualified employees, improving individual and organizational performance, improving motivation and job satisfaction and linking individual to organizational objectives (Thorpe & Holman, 2000). Furthermore, Armstrong and Murlis (1998) argue that money is an important motivator to people for two very significant reasons. Firstly, money has an instrumental role as it can cover pressing needs and subsequently, money is a tangible method of recognizing other people's worth and contribution. Thus, money is a way to improve individual self-esteem but also a way to gain the esteem of others.

Additionally, in an organizational context, payments, as well as career opportunities, and the reputation of the organization, can be factors for joining a company (Armstrong & Murlis, 1998). It is obvious, throughout the previous analysis and the presentation of the different concepts and exceptions, that reward systems are strongly affected by organizational cultures and strategies and can considerably influence crucial factors of job satisfaction.

As given from Armstrong and Murlis (1998), it is clear that pay can motivate and reinforce a desirable behavior, and that in order to achieve lasting motivation attention has to be paid in non-financial motivators as recognition. Recognition is one of the most powerful motivators and praise should be given judiciously.

An opposite perspective supported by psychologists question the effectiveness of money as a motivator. Similarly, sociologists consider payments and especially those based on individual performance to be a means of management control, which creates resistance and conflict in the workplace (Thorpe & Holman, 2000). Finally, the advocates of total quality management believe that these kinds of payments are a means of perpetuating gender inequality. An answer to these problems is that these difficulties are surmountable via more effective design systems (White & Drucker, 2000). In short, it is argued that incentive payments cannot be strong and influential motivators. According to Kohn (1993) who claims that incentives schemes cannot cause long-terms improvements in individual productivity because pay is, in fact, a poor motivator. He believes that individual incentives can have negative effect on individual motivation and firm performance.

As Herzberg mentioned in 1968, pay is a “hygiene factor” for motivation. It can cause dissatisfaction but it cannot motivate or satisfy. Payments are an effective tool of management control and this is extremely important for the managers. Another argument against incentive schemes are that they create short-term individual gain and that can cause sharp competition between members of the same team, instead of cooperation. Furthermore, Kohn (1993) criticizes those payments as they discourage innovative thinking and creativity as people are focused to certain tasks.

## **2.7 Dimensions of Job Satisfaction**

According to McCormick and Ilgen (1985), job satisfaction is always the primary interest of researchers. This can be proven by Locke's report in 1976. He found that 'from as early as the work of Happock in 1935 until Locke's review and critique in 1976, there are over 3000 published studies on job satisfaction'. McCormick and Ilgen (1985) believe that the complexity of the job's concept is caused by its facets such as opportunities for promotion, the work itself, pay and co-workers. Although the previous researchers found many job dimensions which are related to the job satisfaction either specifically or diverse, Locke (1976) found a new set of common dimension. This common dimension can describe most of the predictable variable in job satisfaction very well. McCormick and Ilgen (1985) also agreed that a common core job dimension is an index of job satisfaction over a wide variety of jobs. It can be classified as events and agents according to Locke.

Job satisfaction is a result of an individual's perception and evaluation of their job influenced by their own unique needs, values and expectations, which they regard as being important to them (Sempane, Rieger, & Roodt (2002)).

Research has indicated that job satisfaction does not come about in isolation, as it is dependent on organizational variables such as structure, size, pay, working conditions and leadership, which represent the organizational climate (Sempane et al. 2002). However, if job satisfactions absent and other work opportunities present themselves, turnover could well increase (Martins & Coetzee 2007). Job satisfaction can be viewed as a reaction to a job, arising from what an individual seeks in a job in comparison with the actual outcomes that the job provides to the individual (Rothmann & Coetzer 2002).

According to Locke (1975), job satisfaction involves the following dimension:

- **Work**, which is inclusive of intrinsic interests, variety, opportunity for learning and enhances for success.
- **Pay**, including amount, fairness and equity.
- **Promotion**, including opportunities
- **Recognition** including raises for accomplishment and credit for work done.
- **Benefits** which include pension, medical, annual leave and vacation leave
- **Working conditions** such as equipment, ventilation and location
- **Supervision** includes supervisory style and influence and human relations
- **Coworkers** including competence, helpfulness and friendliness
- **Company and management which** includes concerns for the employee research.

According to Quick (1998), each person has a different set of goals and can be motivated if he/she believes that there is a positive correlation between efforts and performance; effective performance will result in a pleasing reward; the reward will satisfy an important need; and the desire to satisfy the need is strong enough to make the effort meaningful.

## **2.8 Empirical Review**

Many authors did research on the effects of reward system on employees' job satisfaction. They used to study the effect of financial and non financial rewards on job satisfaction. In this subsection the researcher presented the most recent findings from different

sources. Beside this, researches done by other authors on demographic factors like age and gender their relation with job satisfaction will be reviewed.

### **2.8.1 Relationship Between Financial Rewards with Job Satisfaction**

Nazir, Quan, Akhtar, Shafi and Nadia (2015) conduct a study about the financial rewards climate and its impact on employee attitudes towards job satisfaction in the retail organizations. From the analysis, it was found that financial rewards like rates of pay and fringe benefits affect employee attitudes towards job satisfaction but it was not the only factor. The job itself and the amount of work expected were the major influence up on those which were considered as dissatisfies. Nazir et al (2015) concluded that the management must pay attention to study specific indicators of financial rewards which can improve the satisfaction of their employees and improve their output.

The important relationships between job satisfaction and pay satisfaction have been well established in studies by Brown and Peterson (1993) as well as Roberts and Chonko (1996). Previous research (Voydanoff, 1980) showed that monetary compensation is one of the most significant variables in explaining job satisfaction. Lambert, Hogan, Barton, & Lubbock (2001) found financial rewards to have a significant impact on job satisfaction. Taylor and West (1992) found that pay levels affect job satisfaction. According to Artz (2008) suggests overall, fringe benefits play a significant role in determining employee job satisfaction.

## **2.8.2 Relationship Between Non Financial Rewards with Job Satisfaction**

Tausif (2012) conducted a study on the influence of non financial rewards on job satisfaction on educational sector of Pakistan. Structured questionnaire were employed to collect the data from the selected respondents. The researcher developed two competing hypothesis on the relationship between non financial rewards and job satisfaction. In the study t test, regression and correlation to test hypothesis, whether non financial rewards have positive relationship with employee job satisfaction or negative relationship with job satisfaction. The independent variable promotion, job enrichment and autonomy and its influence on dependent variable employee satisfaction were their areas of study.

The findings of the study reveals that job satisfaction is positively and considerably associated with non financial rewards such as promotion, job enrichment and task autonomy.

### **2.8.2.1. Recognition and Job Satisfaction**

Recognition considered as one of the most powerful motivators. The recognition processes in an organization can be integrated with financial rewards through performance management and pay-for performance schemes. The importance of recognition can be defined as a key part of the value set of the organization and this would be reinforced by education, training and performance management.

According to Spector (1997), examples of contingent rewards are appreciation, recognition and rewards for good work. Employee dissatisfaction may result if an employee perceives that their efforts are not recognized or that their rewards are not equitable tied to their performance or tailored to their needs (Robbins 1993). Contingent rewards support the reinforcement theory of motivation, in terms of which performance-relevant behaviors will increase in frequency if rewarded (Spector 2008).

Danis and Usman (2010) found that there are different dimensions of work motivation and satisfaction that are significantly correlated and reward and recognition greater impact on motivation of the employees. In addition, Employees participation in the decision making process will made them more courageous and enthusiastic towards working in the organization on the other side the periodically salary increments, allowances, bonuses, fringe benefits and other compensations on regular and specific periods keeps their morale high and makes them more motivated.

### **2.8.2.2 Promotion and Job Satisfaction**

Robbins (1998) maintains that promotions provide opportunities for personal growth, increased responsibility, and increased social status. Promotions provide opportunities for personal growth, more responsibilities and increased social status (Robbins 1993). Job satisfaction is likely to be experienced by individuals who perceive promotional opportunities to be fair (Robbins 1993; Spector 1997).

Mustapha and Zakaria (2013) conducted a study the effect of promotion opportunity in influencing job satisfaction. The result indicated that there was a positive and significant relationship between promotion opportunity and job satisfaction. Since this element is the main of all academicians and organizations may use the variable as mechanism to enhance satisfaction and to retain their best talents.

### **2.8.2.3. Nature of the Job and Job Satisfaction**

Work dimensions of job satisfaction according to McCormick (1985) Includes intrinsic interest, variety, opportunity for learning, difficulty, amount, chances for success, control over work flow, etc. The nature of work satisfaction is defined as the employees' satisfaction with the type of work they do (Spector 1997).

According to Robbins (1998) mentally challenging jobs are positively related to job satisfaction. He also mentioned that such types of job give the opportunity to employees to use their skills and talents in to a variety of tasks and also provide them with feedback on their performance after they complete each task.

The formation of specific goals, feedback on progress towards these goals, and reinforcement of desired behavior all stimulate motivation and require communication. The fewer distortions, ambiguities and incongruities that occur in communication within organizations, the more satisfied employees will feel with regard to their work (Robbins 1993).

Nature of work (an intrinsic motivator) is measured by an individual's feeling that their job is meaningful, engagement, and a sense of pride in the job (Spector 1997). Satisfaction with the nature of work was found by Westlund and Hannon (2008) to be significantly related to an employee's intention to remain with an organization. Lumley, Coetzee, Tladinyane and Ferreira (2011) found that nature of the job is significantly and positively relates with job satisfaction.

#### **2.8.2.4. Working Condition and Job Satisfaction**

The conditions under which a job is performed can be different - from those completely comfortable to those very difficult and dangerous to employees' life and health. Difficult working conditions can be influenced by: (1) external factors that include climate - meteorological conditions, temperature, humidity, drafts, lighting in the workplace, noise and interference, gases, radiation, dust, smoke and other harmful factors; (2) subjective factors that include gender and age of the worker, fatigue, monotony, unfavorable posture during

work, etc.; (3) factors related to the organization of production such as duration of the work shift, work schedule, working time, work pace, excessive strain etc. Bakotic and Babica(2013) Working conditions are relevant to the environment impact, such as the space for operating and resting, criticality of the job, the degree of required technology and skill; equipments situation and so on. Working conditions are hygiene factors to prevent dissatisfaction (Herzberg 1993). Locke (1976) finds that working conditions, which are compatible with the individual's physical needs and work goals, are positively associated with job satisfaction.

## **2.9 Relationship between demographic variables and Job Satisfaction**

Research suggests that certain personal or demographic variables have an influence on job satisfaction in one way or another. The results of studies on work-related attitudes and/or behaviors and job satisfaction indicated that personal variables influence job satisfaction

### **2.9.1 Gender**

The literature on the gender-job satisfaction relationship is inconsistent, some studies indicate that males are more satisfied than females; others find the converse to be true with women being more satisfied than men, while others again find no difference in job satisfaction based on gender. Loscocco's (1990) reveals that of job satisfaction and gender, female employees were reported as demonstrating higher levels of job satisfaction than their male counterparts. According to Loscocco's (1990) findings, women experience higher levels of job satisfaction because they value rewards that are readily available, for example, relationships with co-workers. These values are in contrast to what men value as they desire autonomy and financial rewards, which are not as readily available, resulting in lower levels of job satisfaction.

Other studies, however, have reported no significant difference in job satisfaction among male and female employees. To illustrate this point, in a study conducted by Pors (2003) on Danish and British library managers, no significant difference was found between males' and females' levels of job satisfaction. Alavi and Askaripur's (2003) finding in their research of Iranian government personnel was that there was no significant difference between the male and female employees.

### **2.9.2 Job Category**

There are no much studies conducted on the relation between job level and job satisfaction. Most recent research studies findings supported that there is a positive relationship between job category and job satisfaction. Kline and Boyd (1991) postulate that employees at the higher levels of the organization report higher levels of job satisfaction. However, research conducted by Herman and Hulin (1973) found that there were only certain dimensions of the job where higher level employees reported higher levels of job satisfaction. Frances (1986), however, found that higher-level employees reported less satisfaction than lower level employees.

### **2.9.3 Age and Job Satisfaction**

Over the past four decades, numerous investigators have examined the relationship between age and job satisfaction. Rhodes (1983), in a comprehensive qualitative literature review, found that the age-job satisfaction relationship was best represented by a positive linear relationship. Although this relationship was revealed in most studies, the strength of the relationship was small, with correlations falling between .10 and .20 (Warr, 1994).

According to Bernal, Snyder and Michael (1998) Overall, our findings particularly coincide with the meta analysis of Sterns and colleagues (1995) showing a small linear relation between age and job satisfaction ( $r = .09$ ,  $p = .07$ , respectively), but differ from those of the Brush and associates (1987) study ( $p = .22$ ).

## **2.10 Conceptual Framework**

Job satisfaction is composition of intrinsic and extrinsic factors. It includes certain factors of satisfaction such as salary, allowances, encouragement, working conditions, supervision styles, organizational policies, reporting relations and self-sufficiency.

Thierry (1998) views job satisfaction as a concept that should be embedded in a model or theory on the motivation of work behavior because job satisfaction plays an integral role in motivation theories. Job satisfaction encompasses aspects such as pay, supervision, benefits, promotion opportunities, working conditions, co-workers and organizational practices (Griffin & Baterman, 1986). Job satisfaction is associated with how well people's personal expectations at work are aligned with outcomes. (McKenna, 2000). In his job satisfaction survey Spector (1985) identified and studied six facets of job satisfaction were namely: pay, promotion, supervision, benefits, contingent rewards, operating procedures, co-workers, nature of the work and communication.

In this study the dependent variable Job Satisfaction will be studied with its independent variables financial rewards like pay and benefits and non-financial rewards Recognition, promotion, nature of the job and working condition. The conceptual frame work has been developed referring the articles by Spector (1985) and after reviewing different literatures.

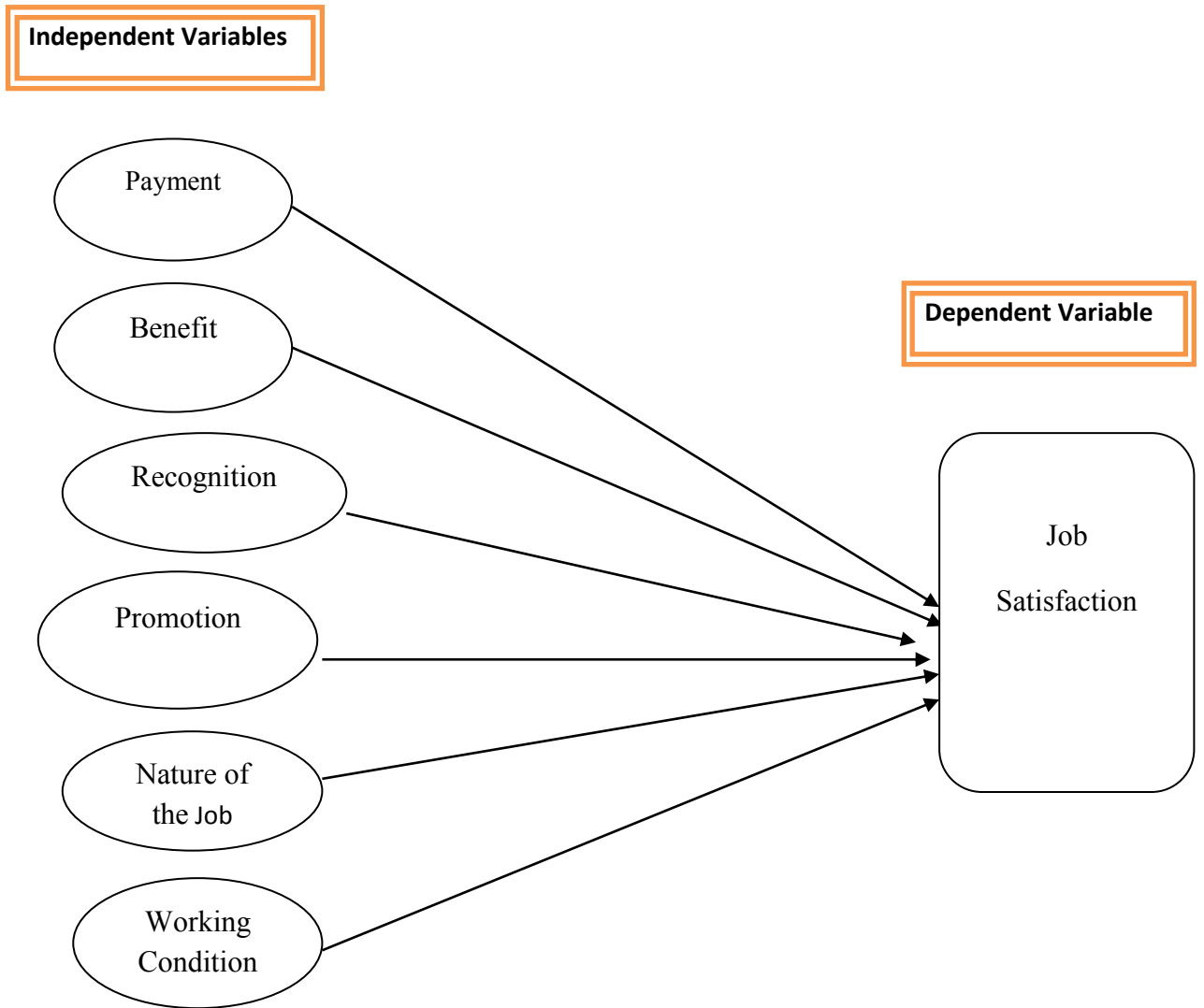


Figure 2.1. Conceptual frame work of the research

Source: Spector (1997)

## 2.11 Research Hypothesis

The researcher chose to discover the links between reward system and job satisfaction using the following hypothesis.

H1 There is a positive and significant relationship between payment and employees' job satisfaction.

H2 There is a positive and significant relationship between benefit and employees' job satisfaction.

H3 There is a positive and significant relationship between recognition and employees' job satisfaction

H4 There is a positive and significant relationship between promotion and employees' job satisfaction

H5 There is a positive and significant relationship between nature of the job and employees' job satisfaction

H6 There is a positive and significant relationship between working condition and employees' job satisfaction

## **CHAPTER THREE**

### **RESEARCH DESIGN AND METHODOLOGY**

The objective of this research is to examine the relationship between reward systems and job satisfaction in Ethiopia Sugar Corporation. To this end, this chapter aims to give an overview of the research design and methodology that will help to investigate the research problem. Thus, the research design, the data sources, population and the sampling technique, measuring instrument, data processing and analysis using statistical tools that is going to be used in the entire study are presented in this chapter.

#### **3.1 Research Design**

There are two basic designs to research: Quantitative and qualitative. The former involves the generation of data in quantitative form which can be subjected to rigorous quantitative analysis in a formal and rigid fashion. Qualitative approach to research is concerned with subjective assessment of attitudes, opinions and behavior. Research in such a situation is a function of researcher's insights and impressions (Kothari 2004). Hence, the research approach that applied for this study is quantitative descriptive type which will aim at obtaining information from a representative selection of the population and from the same: the researcher is able to generalize the findings to a larger population.

#### **3.2 Data Collection Method**

In order to get a relatively comprehensive understanding of the problem and propose viable solutions primary data is helpful. Hence, the researcher distributed questionnaire for data collection from selected respondents. The questionnaire is adopted and customized to the

current study from Job Satisfaction Survey (1997) and The Michigan Organizational assessment questionnaire (1979).

According to Spector (1997) Job Satisfaction Survey (JSS) is a questionnaire used to evaluate nine dimensions of job satisfaction related to overall satisfaction. This instrument is well established among the other job satisfaction scales.

### 3.3 Reliability and Validity

Reliability refers to the consistency or dependability of a measurement technique, and it is concerned with the consistency or stability of the score obtained from a measure or assessment over time and across settings or conditions. If the measurement is reliable, then there is less chance that the obtained score is due to random factors and measurement error (Marczyk, Demateo & Festinger: 2005).

The internal consistencies of items were measured using Cronbach's alpha technique. According to Raigama (2010), Cronbach Alpha is a measure for the internal consistencies of the items that together cover the specific factor.

**Table 3.1 Reliability Statistics**

Cronbach's Alpha	N of Items
.786	7

Source: Developed for this research

Cronbach's alpha reliability result of this study is 0.786. Using rule of thumb of George and Mallery (2003), the Cronbach's alpha value of the study is within acceptable level.

**Table 3.2 Summary of Measures**

Variable	Measure	No. of Items in the Scale	Cronbach's Alpha Result
Payment	Spector, (1997)	3	.829
Benefit	Spector (1997)	3	.126
Recognition	Spector (1997)	3	.72
Promotion	Spector (1997)	4	.873
Nature of the Job	Spector (1997)	4	.657
Working Condition	Spector (1997)	5	.588
Job Satisfaction	Cammann, Fichman, Jenkins Klesh (1979)	3	.797

Source: Developed for this research

According to Kothari (2004) Validity indicates the degree to which an instrument measures what it is supposed to measure. It is the extent to which differences found with a measuring instrument reflects true differences among those being tested. To assure validity, questionnaires were designed on the basis of previous studies' questionnaires and review of related literatures. Furthermore, this study deduce hypothesis from a theory that is relevant to the concept.

### **3.4 Target Population**

At Ethiopian Sugar Corporation, there are a total of 680 employees out of these 300 employees based at Wonji Sugar Factory but for this study employees based in head office that is 380 were taken as target population. To conduct the study the target population were categorized in to five strata i.e. Chief Officers, Team Leader, Senior Officer, Officers, and

Clerk staff. Employees who are out of Addis Ababa but working in different at Sugar Factories and employees who have below one year experience are not included in this study due to geographical restrictions, access to data, expected rate of return and the degree of literacy.

### **3.5 Sampling Methods and Sample Size**

#### **3.5.1 Sampling Method**

The targeted population of this research is diversified in terms of educational qualifications, Job Titles and level of understandings on reward system practice. In order to address this heterogeneity stratified sampling method will be applied. According to Kothari (2004), stratified sampling method is applied if a population from which a sample is to be drawn does not constitute a homogeneous group. It is done in order to obtain a representative sample. Under stratified sampling the population is divided into several sub-populations that are individually more homogeneous than the total population (the different sub-populations are called ‘strata’) and then we select items from each stratum to constitute a sample. Since each stratum is more homogeneous than the total population, we are able to get more precise estimates for each stratum and by estimating more accurately each of the component parts we get a better estimate of the whole. Therefore, Chief Officers, Team Leader, Senior Officer, Officers, and Clerk staff are the strata to be studied.

#### **3.5.2 Sample Size**

In order to determine the sample size of the population the researcher will use Yemane’s formula (1967). This formula is reliable to 95% and less than 5% deviation factor.

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

Where n= is the required sample size

N= is the target population size

E= deviation of sampling

$$n=380 / [1+380(0.05)^2] = 179.48$$

Therefore, the sample size is 179

Thus the 179 respondents were made to participate will be administered by using sample frame.

### **3.5 Methods of Data Collection**

In this study both primary and secondary data were collected using different techniques.

#### **3.5.1 Primary Data Collection**

The primary sources of data for this study were the management and non-management employees of Ethiopian Sugar Corporation. The primary data will be collected from the selected samples by using structured questionnaire. The collected questionnaire will be measured by using a five point likert scale technique.

#### **3.5.2 Secondary Data Collection**

Secondary data that were reviewed for the purpose of conducting this study are company documents, Policies and manuals, organizational reports, brochures, articles, journals and internet and other relevant materials etc.

### **3.6. Method of Data Analysis**

The researcher used both descriptive and inferential statistical tools for data analysis. The data analysis is supported by using software called Statistical Package for Social Science (SPSS), version 16. The SPSS statistical package used to analyze the data that were gathered using questionnaire quantitatively. To confirm the collinear problem of constructs, the study used Pearson's correlation analysis and descriptive statistics and then linear and multiple regression analysis will be applied to assess the magnitude and direction of each independent variable, and measure the effect of mediating variable between many descriptor variables and one measured variable.

### **3.7. Statistical Methods**

The data collected from selected sample subjected to statistical analysis such as descriptive and inferential statistics. Descriptive statistics concerned with summarizing and describing a body of data. Inferential statistics is the process of reaching generalizations about the whole (called the population) by examining the portion (called the sample) (Salvatore & Reaggle 2002)

Accordingly, the research used descriptive statistical analysis tools such as mean and frequency tables to summarize the data to be collected.

Inferential statistical analysis tools such as Karl Pearson's coefficient of correlation and Regression analysis were employed by the researcher. By using Pearson Product Moment Correlation Coefficient the researcher identified the magnitude, direction and strength of relationship between the variables.

The Pearson's Product Moment Correlation Coefficient ( $r$ ) is a measure of the degree of association between variables (Danel M. 2004). According to Adam, Kaham, Raeside and White (2007) Regression is concerned about finding a relationship between variables and forming a model.

Regression analysis is used to test hypotheses about the relationship between a dependent variable that is Job satisfaction and an independent or explanatory variable of this study like base pay, benefit, recognition, promotion, nature of the job and working conditions and for prediction. Hence, the study will employ regression analysis to predict the relationship between the variables in the study.

### **Regression Functions**

The multiple regression models of this study will have seven independent variables and the model explained as follows:

**Dependent Variable:** Job Satisfaction (Y)

**Independent Variables:** Pay ( $x_1$ ), benefits ( $x_2$ ), recognition ( $x_3$ ), promotion ( $x_4$ ), Nature of the job ( $X_5$ ) and Working Condition ( $x_6$ )

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

Where  $y$ =dependent variable,  $x_1, x_2, x_3, x_4, x_5, x_6$ =independent variables,  $\beta_0$  is the intercept term it gives the mean or average effect on Y of all the variables, E is an error term.

### **3.8 Ethical Considerations**

During data collection, respondents were informed as to why the data would be collected. They were informed about the objectives and methods of the study, were reassured the privacy of their response. Accordingly, respondents provided their response voluntarily.

## **CHAPTER FOUR**

### **RESULTS AND DISCUSSION**

The primary emphasis of this project was to examine the effects of pay, benefit, recognition, promotion, nature of work, and working conditions on job satisfaction. Primary data was collected from the employees of the corporation using questionnaire and secondary data was collected through reviewing, journals, articles, books and the corporation HR policy, procedure, semi-annual and annual reports and exit interview.

The collected data were described and analyzed using statistical tools: Descriptive and inferential statistics including linear regressions with the help of SPSS. From the distributed 179 questionnaires to employees of the ESC 150 questionnaires were collected.

In this chapter, the results of empirical study are reported and discussed. Presenting the demographic profile of respondents, and then proceeds to the employees of the ESC, the overall goodness fit of the model, the relationship between the independent and the dependent variables and the level of significance of their correlation.

## 4.1 Demographic Data

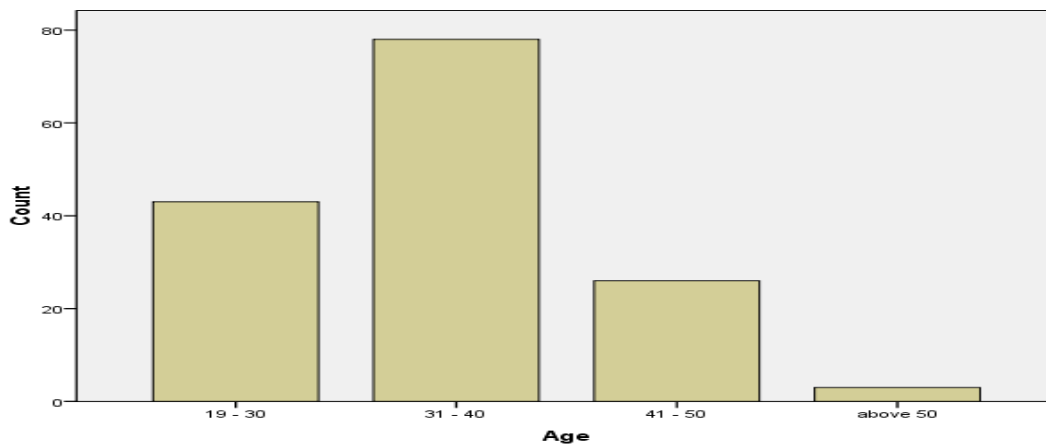
The demographic information of respondent gathered for this study were gender, age, marital status, education level, years of service and monthly income

**Table 4.1 Gender distribution of respondents**

Gender	Frequency	Percent
Male	97	64.7
Female	53	35.3
Total	150	100

Source: Developed for this research

Table 4.1 presents the gender distribution of the respondents. Out of 150 respondents 97(64.7%) were male while 53(35.3%) were females. This indicates that majority of the Ethiopian sugar corporations are male. This implies that the male population of the corporation has the chance to be represented in every matter.



**Figure 4.1 Age of respondents**

Source: Developed for this research

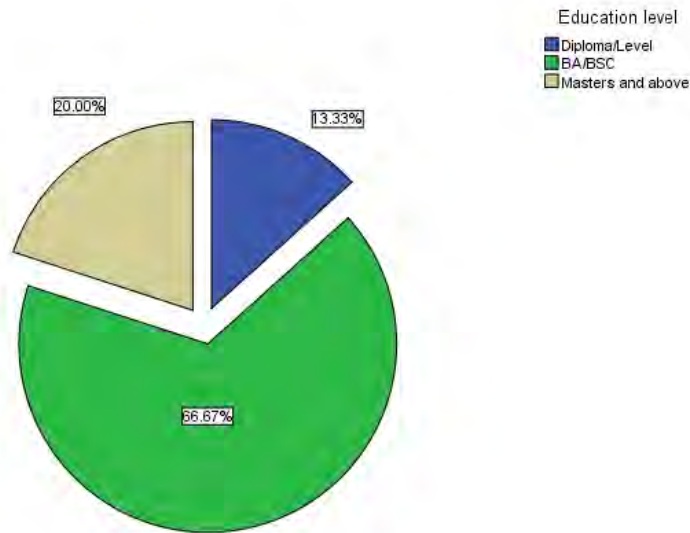
When we look at the age group of respondents, the larger no of employees is between the ages of 31-40 which adds to 78 respondents representing to 52 % of the total respondents. The second largest age groups which constitute 28.7% of the respondents are 19-30 years of age. The rest will cover 17% and 2% of the population which accounts 41-50 and above 50 years of age respectively. From this result we can observe that the majority of employees of the corporation are at the productive age group. Hence the corporation does not face the problem of aged employees.

**Table: 4.2 Marital Status**

Marital Status	Frequency	Percent
Single	46	30.7
Married	100	66.7
Separated	4	2.7
Total	150	100.0

Source : Developed for this research

With regard to respondents' marital status, 46(30.7%) are single, 100(66.7%) are married and the rest 4 (2.7%) were separated.65.4% (100). Research conducted on this area consistently indicates that married employees are more satisfied with their jobs than are their unmarried coworkers (Austrom et. al. 1988; Federico et. al. 1976; Garrison and Muchinsky 1977; Watson 1981). The reason may be marriage imposes increased responsibilities that may make a steady job more valuable and important. And job satisfaction is required to have a steady job. Many, in such cases, strive to coup up or adjust them with the facets they are dissatisfied with. (Azim,Haque and Chowdhury 2013)



***Fig4.2. Educational Qualification of Respondents***

***Source: Developed for this research***

The above pie chart clearly shows that 13.33% of the respondents are diploma or level graduates, 66.75% were BA/BSc holders and Masters and above graduate which is 20% of the respondents. The majority of the employees are BA/BSc degree holders these we can observe that they are kept satisfied they may have good career progression.

**Table 4.3 Service Years at Ethiopian Sugar Corporation**

Service Year	Frequency	Percent
Less than 3 years	42	28.0%
3 - 5 years	59	39.3
above 5 years	49	32.7
Total	150	100.0

Source: Developed for this research

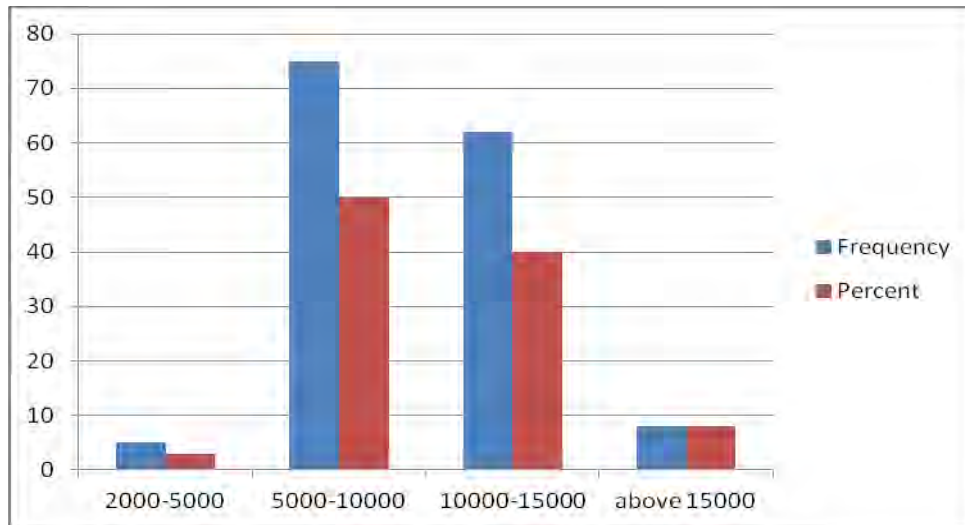
With regard to service years of respondents in Ethiopian Sugar Corporation the majority of the respondents have a service years of 3-5 (38.5%) followed by above 5 years of service respondents with 32%. The last groups of the respondents are employees with less than 3 years of experience. As the majority of the employees worked for more than three years, the information obtained from the respondents can be trusted to conduct meaningful analysis.

**Table 4.4 Current Job Category of Respondents**

Job Category	Frequency	Valid Percent
Managerial	33	22.0
Professional	109	72.7
Clerical	8	5.3
Total	150	100.00

Source : Developed for this research

The respondents of this research were classified in to three categories based on their position. From the above table we can see that Managerial employees constitute 33(21.6%) of the total respondents in the sample. The majority of the respondents are professional employees which accounts for 109(71.2%) of the sample drawn. The rest of the respondent i.e. clerical staff accounts 8(5.2%) of the total sample size. The percentage of professional employees like team leaders, senior officers and officers are larger than other categories. This happened due to the nature of the total population which accumulates large amount of employees in this job category.



**Fig. 4.3 Salary Distribution of respondents**

Source: Developed for this research

From the above figure we can observe that the majority of the respondents are earning 5000-10000 birr per month which accounts for 50% of the sample. The second largest respondents of the study are between 10000-15000 salary group which is 40 % of the sample. The rest 3% and 8% of the respondent salary are 2000-5000 and above 15000 birr respectively. This implies that all salary group of the corporation has been included and the researcher was not face difficulties to generalize its study for all salary groups.

## 4.2. Descriptive Analysis

In this section, the collected data was entered and reported using SPSS. The mean value of each satisfaction factor with respect to respondents' category is analyzed and presented.

**Table: 4.5 Mean Distribution of Variables**

<b>Variables</b>	<b>N</b>	<b>Mean</b>	<b>Std. Deviation(SD)</b>
Pay	150	3.360	.780
Benefit	150	3.34	.601
Recognition	150	2.777	.897
Promotion	150	2.408	.850
Nature of Job	150	3.720	.773
Working Condition	150	3.150	.679
Job Satisfaction	150	3.571	.771
Valid N ( list wise )	150		

Source: Developed for this research

Table 4.5 shows the means and standard deviations of reward variables such as pay, benefits, recognition, promotion, nature of job and working condition rated by respondents. Descriptively, the average or mean level of job satisfaction in Ethiopian Sugar Corporation was 3.51 (SD = 0.77) on a five-point Likert Scale. This implies that, on the average, the employees of Ethiopian Sugar Corporation were not that much satisfied with overall job.

The result from this study shows that high mean result for nature of the job (M=3.72,SD=.773) , moderate for other variables like pay (M=3.36,SD=.78), benefit(M=3.34,SD=.60) to less mean scoring variables such as recognition (M=2.77 , SD=.89 ) , promotion( (M=2.4 , SD= .85) and working condition(M= 3.15, SD=.67 )

From the above table it is observed that financial rewards (Pay and Benefit) have a mean value of 3.33 (SD = .78) and non financial rewards have 2.65. This implies that the majority of the employees were relatively satisfied by financial rewards.

### 4.3 Correlation

The Pearson's Product Movement Correlation Coefficient was computed to determine the relationships between payment, benefit, recognition, promotion, nature of job and working condition with job satisfaction. Correlation analysis is a useful way of exploiting relation (association) among variables. The value of the coefficient ( $r$ ) ranges from -1 to +1. The value of coefficient of correlation ( $r$ ) indicates both the strength and direction of the relationship. If  $r = -1$  there is perfectly negative correlation between the variables. If  $r = 0$  there is no relationship between the variables and if  $r = +1$  there is perfectly positive relationship between the variables. For values of  $r$  between +1 and 0 or between 0 and -1, the different scholars have proposed different interpretations with slight difference. For this study diction rule given by Bartz (1999) was used. Bartz (1999) described the strength of association among variables as mentioned in Table 4.6 below.

**Table 4.6 Interpretation of  $r$  value**

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

*Source: Bartz (1999)*

**Table 4.7 The Correlation among dependent and independent variables.**

		Job Satisfaction	Pay	Benefit	Recognition	Promotion	Nature Of Job	Working Condition
Job Satisfaction	Pearson Correlation	1	.712**	.139	.539**	.415**	.480**	.463**
	Sig. (2-tailed)		.000	.089	.000	.000	.000	.000
	N	150	150	150	150	150	150	150
Pay	Pearson Correlation	.712**	1	.017	.398**	.271**	.319**	.359**
	Sig. (2-tailed)	.000		.839	.000	.001	.000	.000
	N	150	150	150	150	150	150	150
Benefit	Pearson Correlation	.139	.017	1	.143	.145	.121	.016
	Sig. (2-tailed)	.089	.839		.080	.078	.140	.848
	N	150	150	150	150	150	150	150
Recognition	Pearson Correlation	.539**	.398**	.143	1	.635**	.387**	.451**
	Sig. (2-tailed)	.000	.000	.080		.000	.000	.000
	N	150	150	150	150	150	150	150
Promotion	Pearson Correlation	.415**	.271**	.145	.635**	1	.257**	.310**
	Sig. (2-tailed)	.000	.001	.078	.000		.002	.000
	N	150	150	150	150	150	150	150
Nature of Job	Pearson Correlation	.480**	.319**	.121	.387**	.257**	1	.349**
	Sig. (2-tailed)	.000	.000	.140	.000	.002		.000
	N	150	150	150	150	150	150	150
Working Condition	Pearson Correlation	.463**	.359**	.016	.451**	.310**	.349**	1
	Sig. (2-tailed)	.000	.000	.848	.000	.000	.000	
	N	150	150	150	150	150	150	150

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

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

Significant correlation existed between payment and employee job satisfaction ( $r=0.71$ ,  $p<0.01$ ). This implies that increase or decrease in payment or salary is associated with similar

change in employees' job satisfaction. The correlation analysis indicates that there is a positive correlation exist between benefit and employee job satisfaction ( $r=0.139$ ,  $p >0.01$ ).

Recognition has significant and positive relation with job satisfaction ( $r=0.539$ ,  $p<0.01$ ).From this correlation we can observe that recognition employees has positive impact on employees' job satisfaction. The correlation of promotion with job satisfaction has ( $r=0.415$ ,  $p<0.01$ ) has positive and significant relation with dependent variable job satisfaction. Employee promotion has significant impact on job satisfaction.

There is a significant relationship between nature of the job and employee job satisfaction ( $r=0.480$ ,  $p<0.01$ ).

There was also a significant relationship between promotion and employee job satisfaction ( $r=0.415$ ,  $p<0.01$ ).If there is a good promotion scheme and practice has positive impact on their job satisfaction.

#### **4.4 Regressions Analysis**

Multiple regression analysis applied to find out whether there was statistically significant relation surfaced between Job Satisfaction and the six dimension of job satisfaction dimensions or not.

Moreover, it helped to devise a formula that shows the relation between the dependent variable (Job Satisfaction) and the independent variables (payment, benefit, recognition, promotion, nature of job and working condition).

**Table 4.8 Multiple Regression Analysis and Model**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.802 <sup>a</sup>	.643	.628	.47087
a. Predictors: (Constant), Working Condition , Benefit, Promotion, Nature of Job, Pay, Recognition				

**ANOVA<sup>b</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	57.036	6	9.506	42.875	.000 <sup>a</sup>
	Residual	31.705	143	.222		
	Total	88.741	149			

a. Predictors: (Constant), Working Condition, Benefit, Promotion, Nature of Job, Pay, Recognition

b. Dependent Variable: Job Satisfaction

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.137	.314		-.437	.663
	Pay	.526	.056	.532	9.391	.000
	Benefit	.094	.065	.073	1.442	.151
	Recognition	.116	.062	.135	1.871	.063
	Promotion	.083	.059	.091	1.407	.162
	Nature of Job	.185	.056	.185	3.289	.001
	Working Condition	.132	.066	.117	1.995	.048

a. Predictors: (Constant), Pay, Benefit, Recognition, Promotion, Nature of Job, Working Condition

The model analysis includes the independent variable (Pay, Benefit, Promotion, Recognition, Nature of Job and Working Condition) and dependent variable (Job Satisfaction). As indicated in the above model summary and ANOVA table, the linear combination of the independent variable was significantly related to the dependent variable,  $R=.802$ , adjusted R square=.643,  $F=42.84$  ( $p=0.000$ ). An estimated 64.3% of total variation in the dependent variable, job satisfaction, is jointly explained by the predictors, i.e., pay, benefit, promotion, recognition, nature of job and working condition where as 35.7% is explained by other factors.

#### **4.4.1 Hypothesis Testing**

Based on the above regression multiple regression model the hypothesis of the study are tested and presented as follows:

H1: There is positive and significant relationship between Payment and Job Satisfaction.

The  $P < 0.05$  and the Value of Beta value .526 which shows that 52.6%% variance in employee job satisfaction is due to Payment. Thus payment has positive and significant relation with job satisfaction. Therefore H1 is supported.

H2: There is positive and significant relationship between benefit and employees job satisfaction. The P-value is  $> 0.05$  and the Beta value is .094 which shows that 9.4% variance in employee job satisfaction is because of benefit. Therefore, benefit has no relationship with job satisfaction. Therefore H2 is not supported. According to Artz(2008) fringe benefit do not provide a convincing determinate factor for all package under study and hence fringe benefit cannot be considered to have an effect on employee job satisfaction. Since fringe benefits

differs in type and amount from company to company its effect on job satisfaction needs further study. Artz (2008).

H3: There is positive and significant relationship between recognition and job satisfaction.

Recognition has p-value  $<.05$  and B value is .116 which means 11.6% variance in employee job satisfaction is due to Recognition. And hence satisfaction with recognition has no relationship with job satisfaction. Therefore H3 is not supported.

According to Padilla-Velez (1993), reported a low level of relationship between job satisfaction and the recognition aspects of their job for vocational teachers in Puerto Rico.

Bowen and Radhakrishna (1990), Cano and Miller (1992) failed to find a significant relationship between job satisfaction and recognition (as cited by Castillo, 1999).

H4: Promotion is positively and significantly correlated with employee job satisfaction

Promotion is positively related with employees' job satisfaction, its p-value  $>.05$  and B is .083 which means 8.3% variance in employee job satisfaction is due to promotion. Therefore H4 is not supported. Azim and Sharma (2012) Study finding suggesting that satisfaction with promotion opportunities do not have a direct and positive impact on job satisfaction.

H5: Nature of the job is correlated positively and significantly with job satisfaction.

The fifth hypothesis is positively related with employees' job satisfaction, its p-value  $< 0.05$ ) and its Beta value is .185. Which means 18.5 % of variance in job satisfaction is due to Nature of the job. And hence nature of the job has positive and significant relationship with job satisfaction. Therefore, H5 is supported.

H6: There is positive and significant relation between working condition and job satisfaction.

The working condition is positively related with employees' job satisfaction, its p-value < .05 and its Beta value is .132. This implies that 13.2% of variance in job satisfaction happens due to working condition. Hence nature of the job has positive relationship with job satisfaction. Therefore, H6 is supported.

### **Regression between Financial Rewards and Non Financial Rewards with Job satisfaction**

Regressing the predictor financial rewards and non financial rewards with dependent variable job satisfaction revealed the following results.

**Table 4.9 multiple regression between Financial and Non financial rewards with Job Satisfaction**

#### **Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.754 <sup>a</sup>	.568	.563	.51043

a. Predictors: (Constant), Non Financial Rewards, Financial Rewards

#### **ANOVA<sup>b</sup>**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	50.442	2	25.221	96.801	.000 <sup>a</sup>
	Residual	38.300	147	.261		
	Total	88.741	149			

a. Predictors: (Constant), Non Financial Rewards, Financial Rewards

b. Dependent Variable: Job Satisfaction

### Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.474	.301		-1.574	.118
	Financial Rewards	.698	.094	.449	7.425	.000
	Non Financial Rewards	.566	.078	.438	7.236	.000

a. Dependent Variable: Job Satisfaction

Source: Developed for this research

Result of the above regression analysis between Financial Rewards and Non Financial rewards with Job Satisfaction shows that the value of F statistics 96.801 at 2 and 147 degrees of freedom is statistically significant at 99% confidence which means that model is statistically significant. The  $R^2$  of the model is 0.568, which shows that approximately 56.8 % of variance in dependent variable (job satisfaction) can be explained by the linear combination of the independent variables financial and non financial rewards.

#### **Analysis of Variance (ANOVA)**

Under this part the researcher investigated whether there are differences in job satisfaction based on biographical characteristics of the sample or not.

**The independent T-Test** – is used for testing the differences between the means of two independent groups. In this research, it is applied to test whether there were differences in job motivation based on gender.

### Independent T-Test

		Levene's Test for Equality of Variances		t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference
		F	Sig.					
Job Satisfaction	Equal variances assumed	3.447	.065	.066	148	.948	.00947	.14414
	Equal variances not assumed			.057	53.400	.955	.00947	.16606

**Table 4.10: Means Value of Gender on Job Satisfaction**

Independent Variable	Gender	N	Mean	Std. Deviation	Std. Error Mean
Job Satisfaction	Male	111	3.5736	.70377	.0668
	Female	39	3.5641	.94947	.1520

Source: Developed for this research

Table 4.12 to analyze the statistical significance of the mean job satisfaction for male is 3.57 and female 3.56 in Levens table t-test was applied. From the table it can observe that there is no significant difference in level of job satisfaction between male and female employees.

## CHAPTER FIVE

### SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION

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

#### 5.1 Summary of Findings

This study aimed to investigate the effect of reward system on job satisfaction in Ethiopian Sugar Corporation head office employees based on the questionnaire of randomly selected employee of 179. From the distributed 179 questionnaire 150 were returned and the response rate 83.79% which acceptable for data analysis and discussion of the study.

In the descriptive analysis most of the respondents are male (72.5%), 48.4% aged in category of (31- 40) and 68 % of the respondents are BA/BSc holders. The result of the central tendency also shows that, the most indicator of job satisfaction was pay and benefit followed recognition, promotion, nature of job and working condition.

The mean value and standard deviations of nature of the job (Mean=3.72, SD = .77) is higher than other values in the study. This implies that if there is conducive nature of job an employee job satisfaction will remains high. Pay is a subsequent variable which has a mean and standard deviation value of (M=3.36, SD=.78). Job satisfaction has a mean value of (M=3.57, SD= .771) which implies that the employees of Ethiopian Sugar Corporation are moderately satisfied. The least mean value of independent variable is promotion (M=2.4, SD=.85).

Results from Pearson's Product Moment Correlation Coefficient and as per Bartz (1999) interpretation of r value were used to discuss the relationship between dependent variable job satisfaction and an independent variables pay, benefit, recognition, promotion, nature of job and working conditions.

The relation between dependent and independent variable in table 4.7 shows that there is statistically significant relationship exist between all variables of rewards and job satisfaction. But financial reward variables have high degree of relationship with job satisfaction of employee's than non financial reward variables in this study. The highest value of relation found on pay (0.712\*\*) the lowest point of correlation were benefit variable (.139\*\*). The rest of independent variables like recognition and promotion also have no relation with dependent variable job satisfaction.

The model summary of multiple regression analysis revealed that the R square value of 0.568, demonstrates that 56.8% of variation in job satisfaction explained by the reward system considered in this study. The F-Statistic suggests that all the independent variables of job satisfaction together significantly predict the variation in job satisfaction at 95% confidence level. All job satisfiers financial (pay and benefit) and non financial (like recognition, promotion, Nature of work and working condition) are statistically significant in determining the variation in job satisfaction, at 99% confidence level.

## 5.2 Conclusion

Based on the findings of the study related demographic data and research variable analysis, the following conclusion is drawn:

In most developmental organizations like Ethiopian Sugar Corporation, the vision, mission and objectives set could be attained with full participation of employees. According to the findings of the study, there is positive and significant three fourth of Ethiopian Sugar Corporation positions are occupied by male employees more than half of the employees are married, most of the employees have first degree and significant number of employees have adequate service years of experience. From this, one can conclude that the distribution of resources in this organization inclined to males and most of the employees have the necessary experience and educational qualification to assume higher responsibilities.

After summarizing the findings related to research variable analysis the researcher conclude the following :

Payment is a major factor for employee's job satisfaction at ESC. Based on the findings of this study employee satisfaction with pay is not satisfactory. Therefore pay is major areas of concern for the corporation.

Benefit has no relation with employee job satisfaction in ESC. This may happen due to positive link between level of position and accompanied benefit. This can better explained if an employees' position has increased the chance to get more benefits will increase at ESC.

The findings regarding the culture and practice of recognition at ESC discussed that there is less attention given to value of the work done. Hence the practice to recognize for the work done is less or poor at ESC.

Promotion has lowest mean and high standard deviations in this study. In ESC employee promotion is not systematical and not mostly based on merit. Due to this the result we found on the variable implies that there is no relationship between promotion and job satisfaction of ESC employees.

Nature of the job is the employees' satisfaction with the type of work they do (Spector 1997). In the study of this research it is found that there is significant relation between nature of the job and job satisfaction. Beside this the mean and standard deviation ( $M=3.72$  and  $SD=.77$ ) is the highest of all independent variable. This indicates that improving nature of nature of the job needs attention from the corporation side.

There is a significant relationship between rewards system both financial and non-financial and with a particular dimension of job.

In this study it is founded that working condition has positive and significant relation with job satisfaction. When we analyze the items related to policy and procedure more than 50% of the respondents are not satisfied with the existing policy and procedure work load. Thus the corporation has to poor working conditions.

In general, the research study achieved its aims of defining and assessing the effects of reward system on employee job satisfaction employee's job satisfaction in Ethiopian Sugar Corporation head office employees.

### **5.3 Recommendation**

Taking into account the findings of this study, will need to recommend the following points in relation to the effect of reward system on employees' job satisfaction at Ethiopian Sugar Corporation;

The corporation should redesign its salary scale and payment structure based on the inflation rate and market condition and hence the highest influential factor for job satisfaction will be controlled. There must be an appropriate promotion scheme and career path policy and procedure which have to be fairly and equitably apply for all the employees.

The nature of the job should be studied, the complexity, work over or under load position has to be known and the relation of the existing job with other has to be clarified this will reduce role ambiguity and improve organizational performance. Based on the nature of the job the corporation should introduce job enlargement, job enrichment and job rotation to reduce the boredom and enhance the skill variety of its employees.

The corporation should study the existing working conditions and create conducive, exciting and attractive working atmosphere to motivate its staff and enhance their productivity.

The corporation should conduct a measurement or survey on the existing level of satisfaction of its employees by external or internal professionals and effectively implement the areas of improvement pointed by its employees. This will enhance the working relation and maximize the productivity of corporation.

The findings of this study shows majority of employees are more concerned with financial rewards. Thus the corporation should continually review and adjust the financial rewards given to its employees.

Future research studies can be conducted on investigating other variables like task autonomy, work relation, organizational culture and leadership style and their effect on employees' job satisfaction.

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# Appendex

***ANNEX A: QUESTIONNAIRE***

**ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE  
DEPARTMENT OF GRADUATE STUDIES  
MA DEGREE IN HUMAN RESOURCE MANAGEMENT PROGRAM  
A QUESTIONNAIRE TO BE FILLED BY EMPLOYEES OF ETHIOPIAN SUGAR  
CORPORATION**

Dear Respondents,

I am a postgraduate student of the above mentioned institution. I am currently undertaking a research project on the effect of rewards system on employee' job satisfaction in Ethiopian Sugar Corporation. Please recall that you are selected as a possible participant because you are an employee of these organizations. Your participation in the study is completely voluntary.

The research work is for academic purpose only. Any information obtained in connection with this study will remain strictly confidential and not to be shared to any of your organization's administrators, supervisors, employees, etc.

The questionnaire will take approximately 15-20 minutes of your time. Your honest and true opinion will be valuable for this research. Thank you in advance for your assistance.

Tariku Tadesse

These survey questionnaires contain two parts of statements intendeds to investigate the effect of reward system on employees' job satisfaction. In section A you will find demographic information; Section B you will rate your agreement with each statement.

### Part I: Demographic Information

**Instruction: Put  $\checkmark$  or  $\times$  sign in the box answer to the questions of your choice.**

1. Gender  Male  Female

2. Age  19-30 years old  31-40 years' old  41-50 years' old  > 50 years' old

3. Marital Status  Single  Married  Separated  Divorced   
Widow

4. Education level  12 grade or less  Diploma/level  Bachelor  Masters  
and above

5. Service years at Ethiopian Sugar Corporation  < 3 years  3 to 5 years  >5  
years

6. Job Category  Managerial  Professional  Clerical  Non  
Clerical

7. Monthly Income in Birr \_\_\_\_\_

### Section B: Reward and Employee job satisfaction.

Using the scale given below, please circle or tick  $\checkmark$  the number in each phrase that best represents the extent to which you agree with the given phrase. Before you start, quickly read through the entire list to get a feel for how to rate. Remember there is no right or wrong answers, and your honest opinion is critical to the success of this study.

Strongly Disagree 1

Disagree: 2  
 Neutral 3  
 Agree: 4  
 Strongly Disagree: 5

No	Item	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
<b>Measures of Independent Variables</b>						
<b>Pay</b>						
1	I feel I am being paid a fair <b>salary</b> amount for the work I do.	1	2	3	4	5
2	The periodic salary <b>increment</b> amount is so good.	1	2	3	4	5
3	I feel satisfied with the <b>bonus schemes</b> of the company.	1	2	3	4	5
<b>Fringe Benefits</b>						
4	I am satisfied with the benefits I receive	1	2	3	4	5
5	The benefits we receive are as good as most other organizations offer.	1	2	3	4	5
6	The benefit package we have is equitable.	1	2	3	4	5
<b>Appreciation and Recognition</b>						
7	When I do a good job I receive a recognition for that.	1	2	3	4	5
8	I feel that my job receives enough attention from my company	1	2	3	4	5
9	The company gives me enough authority for my job assignment	1	2	3	4	5
<b>Promotion</b>						
10	There is really high <b>chance for</b> promotion on my job.	1	2	3	4	5

No	Item	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
<b>Measures of Independent Variables</b>						
11	Those who do well on the job have a <b>fair</b> chance of being promoted	1	2	3	4	5
12	People get promoted <b>as fast</b> here as they do in other places	1	2	3	4	5
13	I am satisfied with the overall promotional schemes of my job	1	2	3	4	5
<b>Nature of the Job</b>						
14	I feel my job is highly valuable	1	2	3	4	5
15	I like doing the things I do at work.	1	2	3	4	5
16	I feel a sense of pride in doing my job.	1	2	3	4	5
17	My job is enjoyable	1	2	3	4	5
<b>Working Condition</b>						
18	Company rules and procedures are conducive for work	1	2	3	4	5
19	There is no work underload in my current job	1	2	3	4	5
20	There is no work overload in my current job	1	2	3	4	5
21	I feel that the organization has trust on me	1	2	3	4	5
22	I feel that the organization has confidence on me	1	2	3	4	5
<b>Measures of Dependent Variables</b>						
1	All in all, I am satisfied with my job.	1	2	3	4	5
2	In general, I like my job.					
3	In general, I like working here.					

----- Thank You !!!-

## Appendix B: Mean and Standard Deviation of Financial and Non Financial Rewards

Item	Mean	Standard Deviation
<b>Measures of Independent Variables</b>		
<b>Financial Rewards</b>		
<b>Pay</b>		
I feel I am being paid a fair <b>salary</b> amount for the work I do.	3.29	.878
The periodic salary <b>increment</b> amount is so good.	3.49	.946
I feel satisfied with the <b>bonus schemes</b> of the company.	3.29	.886
Average	3.35	0.9
<b>Benefits</b>		
I am satisfied with the benefits I receive	3.56	1.03
The benefits we receive are as good as most other organizations offer.	3.15	1.04
The benefit package we have is equitable.	3.32	.91
Average	3.34	.99
<b>Non Financial Rewards</b>		
<b>Appreciation and Recognition</b>		
When I do a good job I receive recognition for that.	2.45	1.179
I feel that my job receives enough attention from my company	2.933	1.127
The company gives me enough authority for my job assignment	2.946	1.054
Average	2.77	1.12
<b>Promotion</b>		
There is really high <b>chance for</b> promotion on my job.	2.333	.987
Those who do well on the job have a <b>fair</b> chance of being promoted	2.48	1.049

People get promoted <b>as fast</b> here as they do in other places	2.38	.953
I am satisfied with the overall promotional schemes of my job	2.43	1.012
Average	2.4	1
<b>Nature of the Job</b>		
I feel my job is highly valuable	3.26	1.334
I like doing the things I do at work.	4.03	1.012
I feel a sense of pride in doing my job.	3.87	.971
My job is enjoyable	3.70	1.052
Average	3.715	1.09
<b>Working Condition</b>		
Company rules and procedures are conducive for work	3.233	1.119
There is no work under load in my current job	2.98	1.092
There is no work overload in my current job	2.96	1.160
I feel that the organization has trust on me	3.12	1.146
I feel that the organization has confidence on me	3.44	1.006
Average	3.146	1.104
<b>Measures of Dependent Variables – Job Satisfaction</b>		
All in all, I am satisfied with my job.	3.48	.92
In general, I like my job.	3.8	.882
In general, I like working here.	3.4	.937
Average	3.57	.771

*Note: Scale range from “1=Strongly Disagree” to “5=Strongly Agree”*