



Addis Ababa University  
አዲስ አበባ ዩኒቨርሲቲ

SEEK WISDOM, ELEVATE YOUR INTELLECT AND SERVE HUMANITY !



**COLLEGE OF BUSINESS AND ECONOMICS SCHOOL OF  
COMMERCE**

**THE EFFECT OF REWARD PRACTICE ON EMPLOYEE MOTIVATION:  
THE CASE OF BANK OF ABYSSINIA**

**BY GEZAHEGN KASSAHUN GSE/6930/13**

**ADVISOR FISSEHA A. (PROF)**

**A RESEARCH PAPER SUBMITTED TO ADDIS ABABA UNIVERSITY  
SCHOOL OF COMMERCE IN PARTIAL FULFILMENT OF THE  
REQUIREMENTS FOR THE DEGREE OF MASTERS OF ARTS IN  
BUSINESS LEADRSHIP**

JUNE, 2024

ADDIS ABABA, ETHIOPIA

## DECLARATION

I hereby declare that the thesis entitled: **The reward practice on Employee motivation: The Case of bank of Abyssinia** is submitted for partial fulfilment for the award of masters of business leadership at Addis Ababa university, School of commerce is my original work and has not been submitted earlier either to Addis Ababa university or any other institution for the fulfilment of the requirement for any course of study.

Declared By:

Name: Gezahegn Kassahun

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

Date:

Confirmed By: Advisor:

Name: Fisseha A.(Prof.)

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

Date:

**COLLEGE OF BUSINESS AND ECONOMICS SCHOOL OF COMMERCE**

This is to certify that the thesis prepared by Gezahegn Kassahun, entitled: ‘The practice of reward on Employee Motivation in a case of Bank of Abyssinia’ and submitted impartial fulfilment of the requirements for the Master of Business Leadership (MBL) degree follows university guidelines and meets recognize standards of originality and quality.

Approved by the

Examination Board.

1.

---

Department Head

Signature

2. Fisseha A.(Prof.)

---

Advisor

Signature

3.

---

Internal Examiner

Signature

4.

---

External Examiner

Signature

## **ACKNOWLEDGEMENTS**

First of all, I would like to thank the almighty God for his help and encourage me through all the ups and downs in perusing my life achievement and carrying out this paper.

I Also gratefully acknowledge and would like to thank Fisseha A. (Prof.), my advisor sent me his recommendations regarding the drafting of this document.

I would also like to express my sincere gratitude to my family and colleagues for their valuable Feedback on the suggestion section of this article.

Finally, I am very grateful to my friends who provided me with extraordinary support during the data collection phase and whenever I needed it

# Contents

<b>CHAPTER ONE.....</b>	<b>1</b>
1.INTRODUCTION.....	1
1.1.Background of the Study.....	1
1.2.Background of the Organization.....	3
1.3.Statement of the problem.....	4
1.4.Objectives of the Study.....	6
1.4.1.General Objectives.....	6
1.4.2.SpecificObjectives.....	6
1.5.Research Hypothesis.....	6
1.6.Significance of the study.....	6
1.7.Scope of the study.....	7
1.8 organization of thestudy.....	7
CHAPTER 2.....	8
<b>2. REVIEW OF RELATED LITERATURE.....</b>	<b>8</b>
2.1.1. THE CONCEPT OFMOTIVATION.....	8
2.1.2. EMPLOYE EMOTIVATION.....	8
2.1.3. THE CONCEPT OF REWARD.....	9
2.1.3.1. THE CONCEPT OF REWARD SYSTEM.....	9
2.1.3.2. REWARD OBJECTIVE.....	10
2.1.3.3 TYPE OF REWARDS SYSTEM.....	10
2.1.4. The indicators of employee motivation.....	12
CONCEPTUAL FRAMEWORK.....	12

CHAPTER THREE.....	14
3.1 INTRODUCTION.....	14
3.2 RESEARCH DESIGN.....	14
3.3 RESEARCH APPROCH.....	14
3.4 TRAGET POPULATION AND SAMPLING TECHNIQUES.....	15
3.4.1 SAMPLE SIZE DETERMINATION.....	15
3.4.2 SAMPLING TECHINQUES.....	15
3.5 METHOD OF DATA COLLECTION.....	16
3.6 RESEARCH INSTRUMENT.....	16
3.7 METHOD OF DATA ANALYSIS.....	16
3.8 VALIDITY AND RELIABILITY.....	17
3.9 DATA SOURCES AND TYPES.....	18
3.10 Ethical issues.....	19
<b>CHAPTER FOUR.....</b>	<b>20</b>
4. DATA PERSENTATION, ANALYSIS AND INTERPRETATION.....	21
INTRODUCTION.....	21
4.1 DEMPGRAPHY OF RESPONDANTS.....	21
4.2 DESCRIPTIVE ANALYSIS ON SURVEY RESULT.....	24
4.3 INFERENTIAL ANALYSIS OF VARIABLES.....	38
4.4 CORRELATION ANALYSIS.....	38
4.5 REGRESSION ANALYSIS OF REWARD SYSTEMS AND EMPLOYEE MOTIVATIO.....	42
4.5.1 MODEL FIT.....	43

4.5.2 COEFFICIENTS OF THE MULTIPLE REGRESSION ANALYSIS.....	44
4.5.3 SUMMARY OF HYPOTHESIS.....	46
4.6 INTERPRETATION AND DISCUSSION.....	47
<b>CHAPTER FIVE.....</b>	<b>49</b>
5. SUMMARY OF MAJOR FINDINGS, CONCLUSION AND RECOMMENDATION..	49
5.1 FINDINGS.....	49
5.2 CONCLUSION.....	51
5.3 RECOMMENDATION.....	52
REFERENCE.....	55
Appendix.....	57

## LIST OF TABLES

Table 3.1: RELIABILITY TEST.....	18
Table 4.2: Gender of Respondents.....	21
Table 4.3: salary range of respondents.....	21
Table 4.4: Age of respondents.....	22
Table 4.5: Education Level of respondents.....	22
Table 4.6: Working experience of respondents.....	23
Table 4.7: Job category of respondents.....	23
Table 4.8: Reaction of respondents towards the benefit packages.....	25
Table 4.9 Reaction of respondents towards salary .....	27
Table 4.10: Reaction of respondents towards promotion .....	28
Table 4.11: Reaction of respondents towards recognition.....	30
Table 4.12: Reaction of respondents towards working condition.....	31
Table 4.13: Reaction of respondents towards work content.....	33
Table 4.14: Reaction of respondents towards training and development.....	34
Table 4.15: Reaction of respondents employee motivation.....	36
Table 4.16: model summary.....	43
Table 4.17 :Annona.....	44
Table 4.18.regression coefficient.....	44
Table 4.19: summary of hypotheses .....	46

## LIST OF FIGURES

Figure. 1: Conceptual Framework.....	13
--------------------------------------	----

## **ACRONYMS**

**SPSS:** Statistical Package for Social Science

**ANOVA:** Analysis of Variance

## **ABSTRACT**

The successes or Failure of the organization mostly depends on their employees. To be successful organizations should have a well-designed reward practice that leads to the best achievement on the output of employees. This study seeks to examine the practice of reward on employee motivation and in turn find the relationship between Reward and Employee Motivation in Bank of Abyssinia. The research gathered data from two main sources namely secondary and primary sources. Techniques employed in gathering the primary data were questionnaire survey. A total of 289 questionnaires were distributed to employees of the Bank. General Science Statistical Package (SPSS) version 25 was used to analyze the data. When it comes to demand verified employee motivation metrics, the results show: the mean values for the benefits, promotion recognition, salary, work condition and work content and training & developments. By respondents with their motivation not satisfy. The result indicates that there is a statistical significant relationship between the practice of Reward and Employee Motivation. Majority of respondents indicated that the current reward practice of the bank do not stimulates or encourages them to work hard. Therefore, Respondents recommended improving the reward practice to initiate employees to work hard by offering more incentives to increase competitiveness within and outside the company.

***Key Words: Benefits, Employee motivation, salary, promotion, recognition, work condition, training & developments and work content.***



## **CHAPTER ONE**

### **1. INTRODUCTION**

This chapter contains background of the study, background of the organization, statement of the problem, objectives of the study, hypothesis of the study, significance of the study, and scope of the study and organization of the study.

#### **1.1. Background of the Study**

Reward practices play a vital role in improving employee performance and to achieve organizational goals. Many researchers have identified that employee rewards directly attach to employee motivation. The effects of a reward system on employee motivation can vary depending on various factors, including the design of the system and the type of rewards offered. Employee's work and satisfaction are what determines the level of progress, their performance and how productive the employee would be in their respective jobs. Taking care of employees is very important because most of the employees may not be happy with their jobs due to many factors like excessive responsibilities and workload, unsatisfactory rewards, etc. Hence interactions and solving problems of employees are important. In many cases, the rewards system issued as a tool to enhance the employee's performance. The main reward system implemented is an increase in salaries and wages which is a monetary aspect of motivation (Pinto & dos Santos, 2018).

Research by Oyoo et al., (2016) suggests that there is a positive and significant influence between the reward system and employee retention. It was explained that the rewards given by the organization to employees will make employees feel valued and valuable so that employees are motivated to work as well as possible and keep employees working in an organization because employees have pride in their work. Njora, G., & Ndegwa, P.(2020) stated that the reward system has a positive effect on employee retention. It can be concluded that a well-structured reward policy is very important in promoting employees. When employees are motivated by rewards, they tend to be more productive and focused on achieving their for their hard work and achievements can increase their job. a well-designed reward system can have a

significant impact on employee motivation, leading to higher levels of productivity, satisfaction, and engagement in the workplace.

Došenović Award (2016) is one of the most important elements of a modern organization because it is the main force that causes compensation and motivates employees to their work.

Today we understand that technology has grown exponentially in the last decade and has made a huge impact on every organization including human resource, and however the contribution of human resource is very important for an organization.

Employee motivation is a very crucial issue that affects every business organizations in today's competitive environment. To provide an excellent service for their customers and to foster development of tourism in the region one and two star rated hotels as vital place should consider the issue of motivation to satisfy its employees and grasp success. As all we know managing human resource and motivating them equally is hard because of their heterogeneous entity. Even though it is too hard to motivate all employees equally there must be a strategic plan or policy for this matter. Since reward is one of the tools that can be used to enhance the level of employees' motivation. Employee motivation is one of the most essential parts in a company's development and success. In order to get maximum productivity from the employee, the organization must motivate them by providing different types of rewards. It might however be challenging for a company to find out what motivates its employees, especially because different people are motivated by different things (kassahun, belachew, 2019).

The focus of this study was to assess the effect of reward practice on employee motivation, with a particular emphasis on the case of Bank of Abyssinia. The study aims to explore the reward practice of Bank of Abyssinia and this reward system impact on employee motivation.

## 1.1. Background of the Organization

At a time when commercial banking services were evolving and different sectors of the economy were changing, the founders of the Bank of Abyssinia believed in the necessity of a full-service commercial banking bank (<https://www.bankofAbyssinia.com/search/bank> of Abyssinia). Therefore, the Bank of Abyssinia (BoA) began operating in 1996 with his initials and commitment. The name Abyssinia corresponds to the bold letters that are the main feature of BoA. The identity stands out with a sense of hope, optimism and trust, as clearly reflected in the Adey Abeba brand. Adey Abeba promises new beginnings (<https://www.bankofAbyssinia.com/search/bank> of Abyssinia).

Well positioned in its vision to become East Africa's leading commercial bank by 2030, BoA is leading the mission to deliver quality financial services through competent, motivated employees and digital technology to deliver value to all stakeholders. BoA carries this understanding to all the clients she works with. Working with BoA brings lasting success to the bank and is a testament to determination and hard work (<https://www.bankofAbyssinia.com/search/bank> of abyssinia).

Bank of Abyssinia is a private equity firm with experience and success in a variety of sectors including business, entertainment and education. Diversification of ownership not only demonstrates the company's desire and willingness to reach the sector in which it operates, but also the ability to collaborate with the commercial services of a commercial bank in creating a successful business project (<https://www.bankofAbyssinia.com/search/bank> of abyssinia).

Bank of Abyssinia specializes in providing a wide range of commercial banking services in the financial sector. The company offers a variety of banking products, including savings and checking accounts, term deposits, mortgage services and currency trading. Bank of Abyssinia primarily serves consumers, businesses and other sectors in need of financial services and products (<https://www.cbinsights.com/search/bank> of abyssinia).

BoA serves more than 13 million customers through 912 branches across the country. BoA's well structured financial services system is integrated with the T24 core system. This is accompanied by 1,429 ATMs,

32 banking centers and over 2,033 cash registers installed in various locations, allowing customers to access their accounts anywhere, anytime. This also led BoA to increase its capital from 50 million ETB to 20,419,148,035 ETB. Total assets of Bank of Abyssinia reached 218 billion ETBs (<https://www.bankofAbyssinia.com/search/bank> of abyssinia).

The achievements and benefits that BoA employees receive in return for their work are performance awards; this bonus is given to employees according to their performance during the fiscal-year. Training and development is used by the organization to improve the knowledge and performance of its employees. The 2% profit from BoA should be used for training and development in the development of the national bank.

BoA employees under the business department and has executive level training supervisors. Employees attend a training program every year; subsequent training can be done online or in a physical classroom using the oracle system. And new employees are constantly taking over tasks and making it easier for their colleagues (<https://scribed.com/search/bank> of abyssina).

## **1.2. Statement of the problem**

There is a great need for the organization to understand the right reward practice that will motivate its employees to perform at their best. Today, companies need to think and act globally to adapt their strategies to the rapidly changing environment and intense competition for valuable resources. Competitor may easily imitate other resources except the human resources which are unique and source of sustainable competitive advantage (Armstrong, 2012).

For the organization, job satisfaction of its workers means a workforce that is motivated and committed to high quality performance and this will have an impact on increased productivity. Reward strategies differ from one company to another. This is because companies have different contexts, business strategies and business cultures that a reward strategy is dependent on. A strategy also needs to be able to balance needs, such as, creating external competitiveness, while still being seen as fair internally in the company. For instance, giving a person a higher salary might add to the attraction and competitively externally, but internally it might cause friction (Armstrong 2012).

a study conducted on the universality of factors motivating employees in the banking sector of North Cyprus, the study points out that the most important motivating factors for employees are good salaries and promotions, extended health benefits and the work environment. In parallel to a similar study in Finland, it was found that the most important motivating factor for workers in

both countries is salary. This is somehow related to the subject under consideration, only that it was conducted in a developed country, while this study would focus on a developing country of Ethiopia and the variables for the above study was salary, promotion, health benefit and work environment, but for my study, the variables are salary, recognition, training & Development, work condition, work content (Okan, 2012).

Fairbank and Researcher investigate study has provided implications that extrinsic rewards are to some extent old-fashioned and employees are nowadays searching for rewards beyond solely monetary rewards. Employees are to a larger extent motivated by intrinsic rewards many companies do have employee reward systems in place. But, employee sometimes may not give their full effort because of lack of motivation due to poor or unsatisfying existing reward systems exercised by their organizations. Consequently, the organization should plan a suitable reward system to gain better results. Because of the correct reward system the employee's work motivation can boost up and enhance their commitment to their company (Dahlqvist and Matsson 2013).

The company uses both financial and non-financial re-wards. The company uses a broad range of rewards, however only a few of them are regularly scheduled, planned and implemented. The financial rewards are more structured than the non-financial ones, although there is a lack of structure in some of the financial rewards as well. There is unawareness amongst the employees over the rewards offered; out of the eleven rewards offered each of the employees only acknowledge two (Sofia, Liljestrom, 2019).

In general, several studies have been conducted on the subject, including the above scholars, but almost all researchers have not recommended by specifying, which reward system is the best tool to improve employee motivation. By using salary, recognition, benefit packages, promotion, working condition, work content and training and development variables, and no investigations were carried out in the Abyssinia Bank of rather it is mostly observed as the employee of the Bank are less motivated compared to the industry which results to the high employees turnover as evidenced in the yearly studies conducted by the Bank.

Therefore, this study is interested in examining the effect of reward practice on employees motivation at Bank of Abyssinia and the study used various motivational packages such as salary, recognition, bonus, promotion, working condition, work content and training and development variables, and finally the study recommended a better solution to solve the problem related to the title. The study also tried to address the issue of what possible relationship exists

between employee reward system and employee motivation.

### **1.3. Objectives of the Study**

#### **1.3.1. General Objectives**

The main objective of the research is to assess the Effect of reward practice on employee motivation in Abyssinia bank.

#### **1.3.2. Specific Objectives**

1. To examine the relationship between basic salary and Employee motivation in the bank
2. To assess the relationship between promotion and employee motivation in the bank.
3. To scrutinize the relationship between work condition and Employee motivation in the bank.
4. To investigate the relationship between recognition and Employee motivation in the bank.
5. To identify the relationship between training & development and Employee motivation in the bank.
6. To determine the relationship between benefit package and Employee motivation in the bank
7. To assess the relationship between work content and Employees motivation.
8. To examine the relationship between reward system and Employee Motivation.

### **1.4. Research Hypothesis**

H1: there is a direct relationship between Basic salary and Employees motivation.

H2: there is a direct relationship between promotion and Employees motivation.

H3: there is a direct relationship between working condition and Employees motivation.

H4: there is a direct relationship between recognition and Employees motivation.

H5: there is a direct relationship between training & development and Employees motivation.

H6: there is a direct relationship between benefit package and Employees motivation.

H7: there is a direct relationship between work content and Employees motivation.

H8: there is a direct relationship between reward system and Employee motivation.

### **1.5. Significance of the study**

This study has important for the following concerning bodies: for the management an

organizations especially for involving in banking sector to designing and introducing the standard reward system would help an organization to get motivated employees and to get achieved their planned success.

It brings awareness to the bank sector how the motivation of employee can be affected by the reward practice provided to their employee. The reward practice of the company plays a significant role in boosting employees' motivation and giving them the reason to perform better. The findings of this research was add to the body of knowledge in the field of reward systems in the bank on their suitability and adequacy of reward packages to be introduced to lift employees' motivation.

## **1.6. Scope of the study**

The effect of reward practice on employee's motivations covers all aspects of sectors and is a wide complex topic. But due to time constraints, the study focused on the context of the Bank of Abyssinia and also only employees of bank located in the three districts namely central, east and west considered. The study focused on extrinsic reward like; basic salary, benefit package, promotion, working condition, and intrinsic reward like training & development, work content and recognition with employee motivation. methodologically, the study followed quantitative research approach, and finally the study was consider permanent employees under job categories of clerical, professional and line management, who have more than two year's work experience in the bank. Due to the fact that, the company non- clerical positions are outsourced and reward system is not implemented for temporary workers.

## **1.7. Organization of the Study**

The study was organized into five chapters. The first chapter discuss the background information of the study, back ground information of the organization, statement of the problem, research hypothesis, the research objectives, significance of the study, scope of the study and organization of the study.

The second section looks at different literature that needs to be reviewed to increase knowledge in the field of tracking. The third section discusses the research design and methodology used in the empirical study. Chapter four presents the findings, results and analysis on the effect of reward systems on employee motivation in Abyssinia bank. Chapter five comprises the

summary of findings, conclusions and recommendations.

## **CHAPTER TWO**

### **REVIEW OF RELATED LITERATURE**

#### **2. INTRODUCTION**

The review of related literature regarding to effect of reward practice on employees motivation integrated into four parts; Theoretical literature, Empirical studies and Conceptual framework of the study In this chapter, the study focuses on explaining and discussing the Effect and relationship of reward system and employee work motivation.

#### **2.1 Theoretical Literature**

##### **2.1.1 The Concept of Motivation**

Armstrong (2012) describes motivation as the force that energizes, directs and sustains behavior. Motivation theory explains how motivation works and the factors that determine its strength. It deals with how money and other types of rewards affect the motivation to work and level of performance. It therefore influences decision on how people should be valued, the choice and design of financial rewards and the use of non-financial rewards. Different authors define motivation in different ways. Torrington et al., (2012), defined the term as the desire to achieve beyond expectations, being driven by internal rather than external factors, and to be involved in a continuous striving for improvement.

##### **2.1.2. Employee Motivation**

Accordingly, they advocate the use of one universal reward style and propose a best practice approach. Finally, modest reward proponents argue that the rewards impact on employees' motivation may be both, positive or negative. The effect depends on some variable factors that lead to different good practices in rewarding but no universally best practice (Armstrong & Murlis, 2012).

Motivation is an important aspect of an employee as it helps determines if the employee is satisfied with his/her working condition and shares the same organizational vision. An employee who is satisfied with his/her job would be „motivated“ and is much likely to perform better. Whereas, an unsatisfied employee would need to be pushed to work using different motivational

tools and techniques (Kroon, Woerkom, & Menting, 2017). The first tool presented is rewards and remuneration. Employee satisfaction and remuneration have a direct relationship with each other. The affection towards money is what drives the employees to work better. It is previously known and seen by many motivational theorists and researchers that money is the most motivating factor (Kroon et al., 2017) Reward packages do acts as a positive factor that highly affects motivation towards employees(Zaha Noor, 2020).

## **2.1.3 The Concept of Reward**

### **2.1.3.1 The concept of reward system**

Rewards are similar to employee motivation. For example, good rewards can lead to higher levels of motivation and better performance in employees at work. Nyandema et al (2014) found that medical assistance as a benefit is the most important factor among benefits affecting employee performance, but the employee's level of education, organizational tenure and commitment influence employee benefits.

Studies concluded that promotion and growth in organizational opportunities are the most important factors affecting employee performance in professional development and that career development and coaching facilitate discovery of employee needs. This shows that intrinsic and extrinsic rewards play an important role in organizational motivation. What is Rewards system? The employee reward system consists of effective strategies, processes and systems for the organization to recognize the employee according to his role, skills, potential and value in the market. The system is built around the organization's reward beliefs, strategies and policies. It consists of a 'progression, schedule, structure' program that provides the type of eligibility and 'salary, benefits' and other types of compensation. The reward system aims to 'attract, retain and motivate' employees (zaha noor, 2020)

The reward system is an important tool that management can use to meet the demands of employees in the desired manner. In other words, the reward system attempts to attract people to the organization so that they continue to come to work and motivate them to perform at a higher level.

The reward system encompasses all aspects of the organization, including the people who manage the rules and decision processes in providing employees with compensation and benefits for their contributions to the organization (Pratheepkanth, 2011).

An employee will do his best if he has the feeling or belief that his efforts will be rewarded by the management. There are many factors that affect employee performance, such as working conditions, employee relations, promotion and development, job security, and the company's overall policies and methods of rewarding employees, etc. (Aktar et al., 2012).

### **2.1.3.2. Reward Objectives**

The main purpose of reward is to attract the right people and provide interest to motivate by some types of rewards, so that employees are dedicated to maintain high level of performances. Other purpose of reward is acknowledging individuals for their contribution and performances. Moreover, should foster loyalty and pride in so that employee want to stay and strive to do their best (Rose, 2014).

### **2.1.3.3. Types of Rewards Systems**

(Zaha Noor, 2020) categorized rewards into 2 types: These are Intrinsic and extrinsic reward. Intrinsic, It involves the feeling of being appreciated, being praised for a job well done, participating in something, and participating in something. Some types of intrinsic rewards include a sense of meaning, a sense of choice, a sense of growth, and a sense of family.

Extrinsic rewards are monetary rewards given by an external employee. Cash, retirement benefits, life insurance plans, compensation, salaries, bonuses, etc. It includes financial goals such as. These two types of combined rewards help employees stay engaged and motivated. It consists of the grade and pay structures, techniques such as job evaluation, and schemes such as contingent pay use to implement reward strategy and policy. For example, the policy on pay levels will lead to the practice of collecting and analyzing market rate data, and making pay adjustments that reflect market rate of increase (Zaha Noor, 2020).

As an effort to stimulate employees' creativity, many managers have used extrinsic rewards (e.g. monetary incentives) to motivate their employees (Fairbank and Researcher Dahlgvist and Matsson (2013), investigate study has provided implications that extrinsic rewards are to some extent old-fashioned and employees are nowadays searching for rewards beyond solely monetary rewards. Employees are to a larger extent motivated by intrinsic rewards. This study indicates that organizations should attempt to set the extrinsic rewards on an accepted level and then shift their attention to intrinsic rewards. Furthermore, this study has indicated that there are clear distinctions between department managers and their employee's perception concerning how motivating different rewards are perceived and how much of these reward that are being offered. By offering employees more of the rewards that they prefer, will lead to a higher degree of motivation, which most likely will influence the organization performance but the gaps arise from which type of reward system has significant effect on employees motivation which is not brief by the investigator.

To go further, Nchorbune (2011) also conducted a study on the roles of motivation on employee performance in the University for Development Studies-WA campus. He found that the motivation packages offered for university employees were insufficient. The unfriendly working environment at the university did not promote work effectiveness. Because employees were seen as poorly motivated, this led to poor attitudes towards work, being late to work, absenteeism and indiscipline, and hence poor job performance. This study is very important for the employees of the education sector, what about the employees of other companies who are not involved in educational sector? And the study variable was working environment but, for this study the working environment as variable is not included. Then the gap arises.

Okan (2012) conducted a study on the universality of factors motivating employees in the banking sector of North Cyprus. The study points out that the most important motivating factors for employees are good salaries and promotions, extended health benefits and the work environment. In parallel to a similar study in Finland, it was found that the most important motivating factor for workers in both countries is salary. This is somehow related to the subject under consideration, only that it was conducted in a developed country, while this study focused on a developing country of Ethiopia and the variables for the above study was salary, promotion, health benefit and work environment, but for my study, the variables are salary, recognition, training& Development, work condition, work content .

After considering theories that bear on the Effect of extrinsic rewards on intrinsic motivation and discussing a specific study by two authors (Kohn and Pink) to demonstrate that extrinsic rewards can actually increase intrinsic motivation, according to Gerald, Gerhardt, and Fang, (2013) come to an outcome that rewards clearly tend to increase performance, and this is because they increase total motivation (extrinsic plus intrinsic). Detrimental effects of extrinsic rewards are not inevitable, and appropriate use of rewards can increase intrinsic as well as extrinsic motivation. Negative effects on motivation can be averted systematically by clearly understanding and avoiding the conditions that could create a negative impact but the solely describe the extrinsic reward rather other intrinsic rewards so this arise gap.

The company uses both financial and non-financial re-wards. The financial rewards are more structured than the non-financial ones, although there is a lack of structure in some of the financial rewards as well. There is unawareness amongst the employees over the rewards offered; out of the eleven rewards offered each of the employees only acknowledges two Sofia,Liljestrom (2019).the gap arises what about the others?

#### **2.1.4. The indicators of Employee Motivation**

Work motivation is a condition that has the influence to evoke, direct, and have behaviours that are closely related to the environment in which we work. So, work motivation is encouragement from outside and within ourselves to foster a sense of the spirit of work and achieve goals (<https://www.hashmicro.com/search/the> indicators of employee motivation).

According to (Chandra Natsir, 2024), an employee may be motivated to work because of his desire to be an entrepreneur in order to perform well and achieve the goals of the company he works for. There are many measures that can achieve the goal of motivating employees, such as:

##### **1. Sense of responsibility**

some employees have a great responsibility. This motivates them to fulfill their duties in the company. For example, selling products depends on the performance of the employee. So the employee will feel that if he does not perform well, the company will suffer a great loss.

##### **2. Actually**

if you have a sense of humor, a person can do his job easily without getting depressed.

##### **3. Development of skills**

some employees are willing to develop their skills through work closely related to their skills. This is based on the fact that knowledge creation occurs not only through teaching but also through on-the-job learning and can also be shared with colleagues.

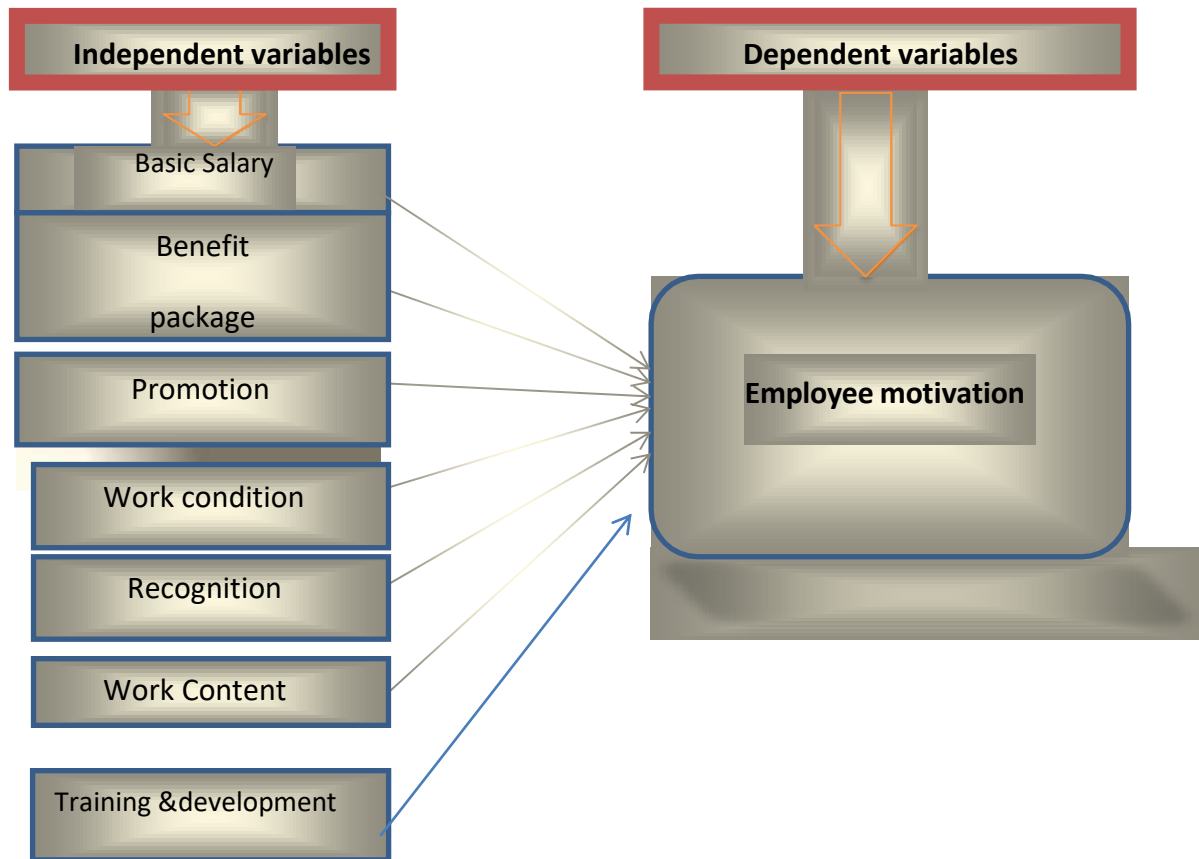
##### **4. Have obligation**

In addition to responsibility, an employee can also feel that he must fulfill his obligations in the work.

### **Conceptual Framework**

The conceptual framework is the blueprint of the research work that guides the researcher to conceptually understand the research and outline and operationalized the dependent and the independent variables so that the measurement, processing, analysis of the data, and interpretation of the result are easy and meaningful (zewudu, 2023).

**Figure 1:** conceptual framework for the study



**Source:** Based on literature (2024)

This conceptual model is formulated to show the effect of rewards (intrinsic and extrinsic rewards) on employee motivation. In the right sides employee work motivation is considered as dependent variable and intrinsic and extrinsic rewards are taken as independent variables. The left sides are the major variables which are, intrinsic variable; work content and recognition, and within extrinsic variables are; Payment, Employee benefits, Promotion, training & development and Work condition. If the employee is satisfied with his/her working condition and shares the same organizational vision. An employee who is satisfied with his/her job would be motivated” and is much likely to perform better.

## **CHAPTER THREE**

### **2. RESEARCH METHODOLOGY**

#### **2.4. Introduction**

This chapter focused on research design and methodology which were used to undertake the research. Those are; research design, research approach, target population and sampling techniques, Method of data collection, research instrument, methods of data analysis, measure validity and reliability, data sources and types and including ethical consideration.

#### **2.5. Research Design**

This study utilized both descriptive and explanatory research designs to answer the research questions. Descriptive research is appropriate for this study as it allows for the description of the characteristics of the population under investigation. The study also used an explanatory research design to describe the current state of events at the time of the investigation, to discover the degree of association/correlation among variables and the aim has been test the hypothesis and answer research questions, as well as to explain the relationship between variables that are correlated to analyse the factors' combined influence on employee motivation (Zewdu, 2023).

The research used a survey strategy, due to time constraints and also which is a cost-effective way to collect a large amount of quantitative data from a large population. The use of descriptive research designs and the survey strategy enabled the researcher to efficiently collect and analyse data on the effects of strategic leadership on employee motivation in Bank of Abyssinia (Zewdu, 2023).

#### **3.3 Research Approach**

The research approach for this study was the quantitative method. Quantitative research focuses on gathering numerical data and generalizing it across groups of people or to explain a particular phenomenon. The data collected was also analysed using descriptive statistics, including frequencies, percentages, and means, standard deviations, and correlation analysis. This approach allows for a systematic and statistically based examination of the relationships between reward system and employee motivation. Therefore, the quantitative approach was appropriate for this study.

### 3.4. Target population and Sampling Techniques

For the study purpose from which a sample is drawn is referred to as the population. Population is a collection of a specific group of human or non-human entities, such as institutions or organizations, countries, states, industries, etc., it share one or more characteristics of interest to the investigator. The population for this study a sample would draw from the Bank's permanent employees working in the three city districts namely Central, East and West. The number of employees found in this districts area is about 1040 as of march, 2024. So, for drawing from this large population, Yamane (1967) equation gives a representative sample as follows.

#### 3.4.1. Sample Size Determination

According to Yemane (1967) sampling as “drawing a sample or selecting a subset of elements from population. The Yamane formula allows the determination of an ideal sample size given a desired level of precision, a desired level of confidence, and the estimated proportion of the attribute present in the population. to determine the sample size of those populations who was participate in the study, the researcher selected about 289 employee’s samples by using a formula developed by Yamane (1967). Thus, it applies a ±5 percent Level of Precision-sometimes called sampling error or range in which the true value of the population is estimated to be selected at 95% Confidence Level that samples was the true population value within the range of precision with a 50% maximum degree of variability.

$$n = \frac{N}{1 + N(e^2)} \quad n = \frac{1040}{1 + 990(0.05^2)}$$

Where, n= is the sample from the population  
N= is the total population

n=288.89 = 289 employees      e= is the error term which is 5 %( i.e. confident level)

#### 3.4.2. Sampling techniques

Sampling method is a method in which a small number of observations are taken from a large population to obtain information about that large population from a given sample using statistical techniques. In this study, this technique, which is a simple sampling method, was used to find the best representative. A convenience sample is a sample selected from a subset of the population.

With this sampling method, every citizen has an equal chance of being elected. This method is the straightest forward of all the probability sampling methods.

### **3.5. Method of data Collection**

Data collection techniques include observations (direct and participant), questionnaires, and relevant documents (Yin 2014). This study involved a number of techniques of data collection in order to achieve both primary and secondary data. To gather primary data survey questionnaire was used. Secondary data was collected from the Human Resource Management, documents such as Official reports and other important statistics data was reviewed.

### **3.6. Research instrument**

For the study purpose the researcher used questionnaires. Questionnaires are a simple and straightforward data collection method. Respondents get a series of questions, either open or close-ended, related to the matter at hand.

### **3.7. Method of Data Analysis**

To accomplish the study objective and to answer the stated research question, explanatory, descriptive and inferential statistics methods would have employed. Descriptive statistics; frequency and percentage used. Inferential statistics such as correlation and regression would also apply to identify the relationship between dependent and independent variables.

To conduct the analysis exhaustively, the data would analyzed with the inferential statistics like correlation analysis to examine direction and significant of the correlation of the variables considered under this. In order to accomplish all the above requirements, the researcher would have used software to analyze the data and the data coded and entered into the software then it was ready for analysis. As a result, SPSS 26 version had been applied to analyze the collected data.

### **3.8. Validity and Reliability**

Validity refers to how accurately a method measures what it is intended to measure. If research has high validity that means it produces results that correspond to real properties, characteristics, and variations in the physical or social world.

Reliability refers to how consistently a method measures something. If the same result can be consistently achieved by using the same methods under the same circumstances, the measurement is considered reliable.

#### **Validity:**

Is the strength of our conclusions, inferences or propositions? It involves the degree to which you are measuring what you are supposed to, more simply, the accuracy of your measurement Adams et al, (2007). Items in the questionnaire were created using a five-point Likert-scale close-ended multiple-choice format in order to make sure that the questionnaire items of this research truly measures reward variables, Firstly it is adopted from previous studies and partially based on definition given by the different researchers listed above, secondly pilot test was made for any error, finally, it was validated by the research advisor.

#### **Reliability:**

As per Khotari (2004), reliability refers to consistency, where internal consistency involves correlating the responses to each question in the questionnaire with those other questions in the questionnaire. Chronbach Alpha Statistics is the most important tool for determining the findings' reliability and internal consistency. To obtain a reliable scale, the Chronbach Alpha result must be greater than 0.70, and any scale with a Chronbach Alpha of less than 0.70 must be excluded.so, reliability was tested using the Cronbach alpha test (Zewdu, 2023)

**Table 1: Reliability Test**

Variable	No of items	No of sample	Cronbach's Alpha
Benefit	4	25	0.741
Payment	4	25	0.812
Promotion	4	25	0.718
Recognition	4	25	0.70
Working condition	4	25	0.70
Work content	4	25	0.753
Training & development	3	25	0.707
Employee motivation	5		0.80

**Source: own survey, 2024**

Most of the management science researchers use Cronbach's  $\alpha$  as a reliability testing tool. The above table gives Cronbach's Alpha value for each variable. As every value of Cronbach's Alpha is 0.70 and higher, it means that these variables have relatively high internal consistency and good reliability.

### **3.9 Data sources and Types**

There are two types of source of data. These are primary source of data and secondary source of data. Primary source of data are data in which the dates are collected by the researcher itself. But secondary source of data is already existing information, which has previously been collected and reported by some individual or organization for their own purpose. The study can be considering on which are relevant for the study is obtain by asking the people who are included in the sample. Therefore, in this problem investigator used primary and secondary source of data. The main sources of the data are from both primary and secondary in order to determine the effect of reward system on employee motivation, and meet the study objectives.

Primarily data gathering using questionnaire from respondents and questionnaire incorporating with closed-ended questions. Before the actual administration of the questionnaire, pre-testing and modifying/refining for reliability and validity issue. The questions for the questionnaire were adopted from (Schwab, 1993).

Secondary data have been collected by using the Abyssinia bank different documents such as, Human resources policy and procedures, annual reports, published and unpublished information about the study area, books and journals from library and internet.

### **3.10. Ethical issue**

The study was conducted in such a way that it was considering ethical responsibility. Ethical responsibility include, providing information about the study for respondents (like who is conducting the research, for what and who would be benefit), also the study provided anonymity, means the information from the respondents would be confidential and would not use for any personal interest.

## **CHAPTER FOUR**

### **4. DATA PRESENTATION, ANALYSIS AND I NTERPRETATION**

#### **Introduction**

The main focus of this study was to examine the Effect of Reward practice on Employee Motivation in Bank of Abyssinia based on the data gathered through questionnaire, and review of secondary data by the researcher. It has two main parts: the first part is the demography of the respondents; the second part consists of data collected from the respondents through questionnaires. The data were described, analyzed and presented in tables, percentage, descriptive statistics, correlation and regression analysis with the help of SPSS (Statistical Packages for Social Sciences) version 25 were used.

#### **4.1. Demography of respondents**

##### **Response rate**

This subsection presents the demographic characteristics of respondents. The response rate from total of 289 responses out of the 289 questionnaires sent out were received, achieving an acceptable response rate of 100%, and all the questionnaires were edited and checked for completeness and used in the data analysis.

The demographic variable of the respondents such as gender, age group, educational level, work experience in the bank, job category and salary ranges of employees was collected and the results presented as follows. The results were explained by descriptive statistics like frequency table.

**Table 4.1 gender of respondents**

Item		Frequency	Percept
Valid	Male	213	73.7
	Female	76	26.3
	Total	289	100.0

**(Source: Primary data from survey Questionnaire, 2024)**

As it can be observed the from above figure 1.0 total of 289 respondents, (73.7%) were male, while (26.3%) were female; this indicates that relatively well distribution the number of proportions between male and female employees in the sample.

**Table 4.2 Salary range of respondents**

		Frequency	Percent
Valid	10000-20000	76	26.3
	20000-30000	100	34.6
	30000-40000	74	25.6
	40000-50000	24	8.3
	above 50000	15	5.2
	Total	289	100.0

**(Source: Primary data from survey questionnaire, 2024)**

As from above Table illustrates that, from the total respondents of 289, (26.3%) of respondents were categorized under salary ranges 10,000-20,000, (34.6%) of respondents were categorized under salary ranges 20,000-30,000 (25.6%) of the respondents were categorized under salary ranges of 30,000-40,000, (8.3%) of the respondents were categorized under salary ranges of 40,000-50,000 and the rest of (5.2%) of the respondents were categorized under salary ranges of greater than 50,000. Therefore, more employees are included under salary categories of 20,000-30,000 and it indicates that there is a complaint in the employees of the bank when compare it with other similar sectors.

**Table 4.3: Age of Respondents**

Item		Frequency	Percept
Valid	20-30 years	66	22.8
	31-40 years	101	34.9
	41-50years	74	25.6
	51-60 years	48	16.6
	Total	289	100.0

**(Source: Primary data from survey Questionnaire, 2024)**

As from above table 1.2. from the total respondents of 289, (22.8%) of respondents are under age category of 20-30 years, (34.9%) of the respondents are under age category of 31-40, (25.6%) are under age category of 41-50 years and the last one(16.6%) are under the age category of 51-60. Hence, the most of respondents are dominated under age category of 31-40 years. This implies that majority of respondents are energetic and productive group which is good if the companies can properly utilize this productive workforce group.

**Table 4.4. Education level of respondents**

Item		Frequency	Percent
Valid	Diploma	40	13.8
	Degree	141	48.8
	Master	108	37.4
	Total	289	100.0

**(Source: Primary data from survey questionnaire, 2024)**

From survey with respect to the level of education, the result of data shows that most of the employees of the organization are educated professionals. Accordingly, from 289 of total respondents, (48.8%) of the respondents have BA/BSC first degree holders, While (37.4 %) of the respondents have MA/MSc holders and (13.8 %) of the respondents have diploma holders. Thus, the majority of the respondents are educated to a level of BA/BSC degree. So that, the

bank have relatively qualified employee. Therefore, the bank should almost use effectively well-educated manpower that helps to achieve its objective.

**Table 4.5: Working Experience of Respondents**

Item		Frequency	Percent
Valid	0-5 years	61	21.1
	6-10 years	73	25.3
	11-15 years	114	39.4
	Above 16 years	41	14.2
	Total	289	100.0

**(Source: Primary data from survey questionnaire, 2024)**

The above table also depicts work experience that respondents have in the bank. From the total of 289 respondents, (21.1%) have been working in the bank between 0-5 years, (25.3%) are between six to ten years, (39.4%) are between eleven to fifteen years, and (14.2%) are more than 16 years. Thus, majority of respondents work experience in the bank is between eleven to fifteen lengths of service. On the other hand a small percent of employees serving in the bank is more than 16 years length of service. Therefore the bank has relatively experienced employees to achieve the banks objectives.

**Table 4.6: Job Category of the Respondents**

Item		Frequency	Percept
Valid	Clerical	30	10.4
	Non clerical	65	22.5
	Professional	138	47.8
	Manager/chief/principal	49	17.0
	senior management	7	2.4
	Total	289	100.0

**(Source: Primary data from survey questionnaire, 2024)**

As show in the above figure with regard to concerning job category of respondents which were clerical, professional and line managers, from 289 total respondents, (10.4%) of the respondents are represented clerical position, (22.5%) of the respondents are represented non clerical position, and (47.8%) of the respondents are represented professional position, (17% ) of the respondents are represented managerial/chief/principal positions and the rest of (2.4%) of the respondents are represented senior management position.

This entails that majority of the respondents were professional whereas the lowest number of respondents were from the senior managements. The researcher understands from this majority of the respondents are professional and this is a good opportunity for the bank to implement human resource practices.

#### **4.1. Descriptive Analyses on Survey Result**

The composite score for Likert scales should be assessed at the interval measurement scale because Likert scale items are formed by calculating a composite score (sum or mean) from four or more type Likert-type items. Furthermore, assuming the sample is nearly normally distributed, the interpretation for Likert scale values from 1 (Strongly Disagree) to 5 (Strongly Agree) should be "Disagree" for mean up to 2.8, "Neutral" for the mean between 2.9 and 3.2, and "Agree" for mean above 3.2. Centro (2006). As a result, 0.8 was calculated by dividing the difference between the maximum (5) and minimum (1) scores by the questionnaire's maximum score (5).

The standard deviation was used in the analysis of the data. Small standard deviations (compared to the mean's value) indicate that data points are close to the mean, whereas big standard deviations (relative to the mean) show that data points are far from the mean.

The following descriptive analysis clearly shows the perception of respondents on the Effect of Reward practice on Employee Motivation Therefore, this section has considered to analysis and find out the general perception of the respondents regarding (Effect of Reward practice), Work content, Recognition, benefits, payment, working condition, promotion and training and development with employee motivation. The findings are exhibited in the output of each variable below.

### Reaction of Respondents towards the Benefit package in the bank

**Table 4.7: Reaction of Respondents towards the Benefit package in the bank**

No	Statement	Frequency and Percent					Total	mean	SD
		1	2	3	4	5			
1	My medical scheme is satisfactory	30	115	35	84	25	289	2.86	1.198
		10.4%	39.8%	12.1%	29.1%	8.7%	100%		
2	There is a good benefit package	29	147	21	74	18	289	2.67	1.145
		10.0%	50.9%	7.3%	25.6%	6.2%	100%		
3	The staff loan system is sufficient and fair.	42	151	24	62	10	289	2.47	1.087
		14.5%	52.2%	8.3%	21.5%	3.5%	100%		
4	Good transportation service.	27	151	47	48	16	289	2.57	1.049
		9.3%	52.2%	16.3%	16.6%	5.5%	100%		
Overall perception of employees towards the benefits of the Abyssinia bank .									

**(Source: Primary data from survey questionnaire, 2024)**

1= strongly disagree, 2=Disagree, 3= Neutral, 4=Agree, 5=strongly agree

Referring the above table out of the total 39.8% believed that they disagree with the existence of medical scheme is satisfactory,10.4% said they are strong disagree, 12.1% of respondents said neutral,29.1% of respondents respond that agree and the rest of 8.7% of employees said

that strong disagree. Based on the above data we can say that the majority of respondents are not satisfied by the medical scheme of the bank given to them.

When employees were asked about the good benefit package, they responded 50.9% disagreeing, 10.% respondents said that strong disagree, 7.3% of employees were neutral, 25.6% of employees said that agree and the remaining of 6.2% of employees were strong disagree. To put it another way a considerable amount of the respondents are not agrees with satisfactory the good benefit package. When employees were asked about the staff loan system is sufficient and fair, about 52.2% said they disagree,14.5% said strong dis agree, 8.3% said neutral,21.5% of respondents were agree and the remaining of 3.5% of employees respond that strong agree . This implies that majority of the respondents said staff loan doesn't sufficient and fair in the organization.

With regard to the respondent's agreement with, the good transportation service with the current cost transportation service, 52.2% said they disagree, 9.3% said strong dis agree, 16.3% said neutral ,16.6% said agree and the rest of 5.5% respondents said that strong agree. This implies that most of the respondents do not agree with the banks transportation benefit is fair with the current cost transportation service. Therefore, it does not have enough benefit packages for employees according to currently situation of the country.

The mean score of toward benefit packages of the bank to its employees range between (2.47 up to 2.86) and standard deviation range is between (1.049 up to 1.2). The results imply that employees are not happy with banks benefit packages.

### **Reaction of Respondents towards the Salary in the bank**

This part of the paper describes the finding of the respondent's perception towards the current salary system of the bank.

### **Reaction of Respondents towards the Salary in the federation**

**Table 4.8: Reaction of Respondents towards the Salary in the bank**

No o	Statement	Frequency and Percent					Total	mean	SD
		1	2	3	4	5			
1	Salary increment is managed fairly	33	148	39	56	13	289	2.54	1.067
		11.4%	51.2%	13.5%	19.4%	4.5%	100%		
2	My salary is enough to satisfy my needs.	33	132	46	62	16	289	2.64	1.106
		11.4%	45.7%	15.9%	21.5%	5.5%	100%		
3	My salary is fair when Compared with that of similar jobs in other companies.	50	126	41	58	14	289	2.52	1.137
		17.3%	43.6%	14.2%	20.1%	4.8%	100%		
4	My basic payment Contributions	28	154	44	49	14	289	2.54	1.037
		9.7%	53.3%	15.2%	17.0%	4.8%	100%		
Overall perception of employees towards the benefits of the bank									

**(Source: Primary data from survey questionnaire, 2024)**

1=strongly disagree, 2= disagree, 3= neutral, 4= agree, 5= strongly agree

Referring the above table out of the total 11.4% believed they strongly disagree with the reasonable Salary increment is managed fairly in the bank, 51.2% said they are disagree, 13.5% of respondents are neutral, 19.4% of respondents are agree and the rest of 4.5% of respondents are strongly agree with the reasonable Salary increment is managed fairly in the bank. This implies that majority of respondents were not happy about the Salary increment of an individual towards their contribution for the bank

When employees were asked about the salary is enough to satisfy my needs. They responded 11.4% strongly disagree, 45.7% disagree, 15.9% of respondents are neutral, 21.5% are agree on the bank salary is enough to satisfy my needs and the remaining of 5.5% of respondents are strongly agree on the bank salary is enough to satisfy my needs .To put it another way a considerable amount of the respondents are not agree with the salary is enough to satisfy my needs.

When employees were asked about the salary is fair when compared with that of similar jobs in other companies., about 17.3% said they are strongly disagree, 43.6% said disagree, 14.2% are neutral ,20.1% are agree and the rest of 4.8% of respondents are strong agree about the salary is fair when compared with that of similar jobs in other companies. This implies that majority of the respondents doesn't agree on the issue of salary is fair when compared with that of similar jobs in other companies of provided by the bank.

With regard to the respondent's agreement with, the basic payment is reasonable with respect of my contributions, 9.7% said they strongly disagree, 53.3% said disagree, 15.2% are neutral,17% of respondents are agree and the remaining of 4.8% of respondents are strongly agree on the issue of banks basic payment is reasonable with respect of my contributions. This implies that most of the respondents do not agree with the banks basic payment.

The mean score of toward salary payment of the bank to its employees range between (2.52 up to 2.64) and standard deviation range is between (1.037 up to 1.13). The results imply that employees of the bank are not happy with banks payment system.

### **Response of Respondents towards the Promotion system of the bank.**

**Table 4.9: Response of Respondents towards the Promotion system of the bank.**

No	Statement	Frequency and Percent					Total	mean	SD
		1	2	3	4	5			
1	There is opportunity	74	110	36	59	10	289	2.38	1.17
	For promotion exists.	25.6%	38.1%	12.5%	20.4%	3.5%			
2	Staffs has promoted in	71	138	22	51	7	289	2.26	1.088
	a fair and transparent manner.	24.6%	47.8%	7.6%	17.6%	2.4%			
3	The criteria for	63	88	76	46	16	289	2.53	1.158
	promotion are acceptable.	21.8%	30.4%	26.3%	15.9%	5.5%			

4	My job allows me for rapid Promotion	25	186	41	26	11	289	2.35	0.901
		8.7%	64.4%	14.2%	9%	3.8%	100%		
Overall perception of employees towards the Promotion of the bank									

**(Source: Primary data from survey questionnaire, 2024)**

1=strongly disagree, 2=disagree, 3=neutral, 4=agree, 5= strongly agree

Referring the above table out of the total 289 respondents, 25.6% believed that they are strongly disagree with the existence of opportunity for promotion, 38.1% said they are disagree, 12.5% said they are neutral, 20.4% of respondents are agree and the rest of 3.5% of respondents said that strongly agree. This implies that majority of respondents did not get opportunity for promotion of an individual towards their satisfaction from the bank.

When employees were asked about the Staffs has promoted in a fair and transparent manner, they responded 24.6% strong disagree, 47.8% by being disagree, 7.6% by neutral ,17.6% of respondents said that agree and the remaining of 2.4% of respondents said that strong agree. According to the above report the considerable amount of respondents are not happy with the banks promotions system which means its fairness as well as transparency.

When employees were asked about the acceptance of promotion criteria, about 21.8% of respondents said strong disagree, 30.4% said disagree, 26.3% said neutral, 15.9% are agree and the remaining of 5.5% of respondents said that strong agree. This implies that majority of the respondents said the promotion criteria is not acceptable in the organization.

With regard to the respondent's reply with my job allows me for rapid promotion, 8.7% said strong disagree, 64.4% said disagree, 14.2% said they neutral, 9% of respondents said that agree and the rest of 3.8% of respondents said that strong agree on with my job allows me for rapid promotion . This implies that most of the respondents do not agree allows to rapid promotion of employee in the organization.

The mean score of toward promotion of the bank to its employees range between (2.26 up to 2.53) and standard deviation range is between (0.9 up to 1.17). The results imply that employees toward promotion are not happy with banks promotion system.

## Frequency and Percent, for Measures of recognition

**Table 4.10: Reply of respondents toward recognition of the bank**

	Statement	Frequency and Percent					Total	mean	SD
		1	2	3	4	5			
1	I get constructive criticism about my work.	28	117	43	80	21	289	2.82	1.155
		9.7%	40.5%	14.9%	27.7%	7.3%			
2	I get credit for what I do.	129	129	39	69	23	289	2.75	1.161
		10%	44.6%	13.5%	23.9%	8%			
3	I am praised regularly for my good work.	39	111	46	63	30	289	2.77	1.229
		13.5%	38.4%	15.9%	21.8%	10.4%			
4	The nature of my job helped me to get tangible recognition for my performance.	40	112	55	65	17	289	2.68	1.141
		13.8%	38.8%	19%	22.5%	5.9%			
Overall perception of employees towards the recognition the bank									

**(Source: Primary data from survey questionnaire, 2024)**

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

With regard to the respondent's reply to get constructive criticism about their work, 9.7% said strong disagree, 40.5% said disagree, 14.9% said neutral, 27.7% said that agree and the remaining of 7.3% of respondents said that strong agree. This implies that most of the respondents do not agree to get constructive criticism about their work in the organization.

When employees were asked about get credit for what they do, about 10% of respondents said strongly disagree, 44.6% said disagree, 13.5% said they are neutral, 23.9% are agree and the remaining of 8% of respondents said that strong agree on I get credit for what I do. This implies that majority of the respondents said that they did not get credit for what they do in the bank.

When referring the above table out of the respondents,13.5% believed that they strong disagree with praised regularly for my good work 38.4% said they are disagree,15.9% of respondents said that neutral ,21.8% of respondents said that agree and the remaining of 10.4% of respondents believed that strong agree . This implies that majority of respondents were not praised for their good regular work.

When employees were asked about the nature of my job helped me to get tangible recognition for my performance, they responded 13.8% of respondents said that strong disagree, 38.8% by being disagree, and 19% are neutral, 22.5% of respondents are believe that agree and the remaining of 5.9% of respondents respond that strong agree on the issue of the nature of my job helped me to get tangible recognition for my performance. Therefore, majority of the respondents have not satisfied to reservation towards the recognition system of the bank.

The mean score of toward recognition of the bank to its employees range between (2.68 up to 2.82) and standard deviation range is between (1.14 up to 1.23). The results imply that employees toward recognition are not happy with banks operation.

### Frequency and Percept for Measures of working condition

**Table 4.11: Reply of respondents toward working conditions of the bank**

No	Statement	Frequency and Percent					Total	mean	SD
		1	2	3	4	5			
1	The arrangement of office layout is convenient for me	42	110	40	77	20	289	2.71	1.2
		14.5%	38.1%	13.8%	26.6%	6.9%	100%		
2	My work has a strong pressure to rush with Little time for break.	30	105	53	74	27	289	2.87	1.182
		10.4%	36.3%	18.3%	25.6%	9.3%	100%		
3	I have a good communication with my Co-workers.	33	108	39	81	28	289	2.87	1.219
		11.4%	37.4%	13.5%	28%	9.7%	100%		

Overall perception of employees towards the <b>working conditions</b> the Bank	
--	--

(Source: Primary data from survey questionnaire, 2024)

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

From the above table shows that In respect to whether the arrangement of office layout is convenient, 14.5% of the respondents replied strong disagree, 38.1% said they are disagree ,13.8% of respondents believe that neutral, 26.6% of respondents said that agree and nearly 6.9% said they are strong agree, This suggests that, the majority of respondents believes the arrangements of office layout is not convenient.

When employees were asked about my work has a strong pressure to rush with little time for break, 10.4% said they strong disagree, 36.3% said they are disagree, 18.3% of respondents said that neutral, 25.6% believe that agree and the remaining of9.3% of respondents said that strong agree on my work has a strong pressure to rush with little time for break. This shows that most of respondents did not agree with my work has a strong pressure to rush with little time for break.

When employees were asked about the good communication with my co-worker, they responded 11.4% strong disagree, 37.4% said that disagree, 13.5% of believe that neutral, 28% of respondents said that agree and the rest of 9.7% of respondents said that strong agree on the issue of the good communication with my co-workers. According to the above illustration the majority of the respondents believe that there is no have good communication with their co-workers.

The mean score of toward working conditions of the bank range between (2.73up to 2.87) and standard deviation range is between (1.18 up to 1.2). The results imply that toward working condition, the employee of bank are not happy with banks working condition.

**Frequency and Percent for Measures Work content**

This part of the paper describes the finding of the respondent’s perception towards the currentWork content of the bank.

**Table 4.12: Reply of respondents toward work content of the bank**

No	Statement	Frequency and Percent					Total	mean	SD
		1	2	3	4	5			
1	My work consists	49	107	47	63	23	289	2.67	1.216
		17%	37%	16.3%	21.8%	8%	100%		
2	I do have complete control On my work.	33	109	33	87	27	289	2.88	1.225
		11.4%	37.7%	11.4%	30.1%	9.3%	100%		
3	I am interested my work.	29	115	47	73	25	289	2.83	1.172
		10%	39.8%	16.3%	25.3%	8.7%	100%		
4	There is a sense	36	102	48	82	21	289	2.83	1.183
		12.5%	35.3%	16.6%	28.4%	7.3%	100%		
Overall perception of employees towards the Work content the bank									

**(Source: Primary data from survey questionnaire, 2024)**

1=strongly disagree, 2=disagree, 3=neutral, 4=agree, 5=strongly agree

With respect of respondents asked My work consists of varieties of tasks, respondents replied 17% strongly disagree, 37% said disagree, 16.3% of respondents said neutral , 21.8% of respondents said that agree and almost the rest of 8% of respondents said strong agree. From this it is possible to suggest that above average respondents do not have consists of verities of tasks.

With respect of respondents asked whether, to have completed control on their work, 11.4% said strong disagree, 37.7% of respondents said disagree,11.4% said that neutral ,30.1% of respondents said that agree and almost the remaining of 9.3% of respondents said strong agree. From this it is possible to suggest that above average respondents do not have satisfied to complete control of their work.

When we see the reaction of the respondent’s using the above table employees interested in their work, 10% said they strong disagree, 39.8% said disagree, 16.3% of them said that neutral, 25.3% of them said agree and the rest of 8.7% said strong agree Therefore, it is possible to say that most of the respondents did not interest in their work in the organization.

When respondents asked about sense of responsibility in their work, 12.5% of respondents said strong disagree, 35.3% of respondents said disagree, 16.6% of them said that neutral, 28.4% of the respondents believe agree and almost 7.3% of respondents said strong agree. Hence the majority of the respondents not have sense of responsibility in their work. Therefore, majority of the respondents have not satisfied to Work content system in the bank.

The mean score of toward work content of the bank of the bank range between (2.67 up to 2.88) and standard deviation range is between (1.17 up to 1.22). The results imply that toward work content, the employees of bank are not happy with banks work content.

### Frequency and Percept for Measures training and development

This part of the paper describes the finding of the respondent's perception towards the training and development given by the bank.

**Table 4.13: Reply of respondents toward training & development of the bank**

No	Statement	Frequency and Percent					Total	mean	SD
		1	2	3	4	5			
1	The bank's training & development system is clear and fair for all employees.	27	149	25	55	33	289	2.72	1.209
		9.3%	51.6%	8.7%	19%	11.4%	100%		
2	I believe the bank training & development system can improve the knowledge, skill and ability of employees	17	144	45	72	11	289	2.71	1.027
		5.9%	49.8%	15.6%	24.9%	3.8%	100%		
3	I believe the bank training & development system can improve the employees motivation	14	124	30	69	52	289	3.07	1.258
		4.8%	42.9%	10.4%	23.9%	18%	100%		
Overall perception of employees towards the Work content the bank									

(Source: Primary data from survey questionnaire, 2024)

1=strongly disagree, 2=disagree, 3=neutral, 4=agree, 5=strongly agree

According to the above respondents report about their bank's training & development system clearness and fairness for all employees, respondents replied 9.3% strongly disagree, 51.6% said disagree, 8.7% of respondents said neutral, 19% of respondents said that agree and almost the remaining of 11.4% of respondents said strong agree. From this it is possible to suggest that above average respondents do not have a clear & fair training & developments practice in the bank.

With respect of respondents asked the bank training & development system can improve the knowledge, skill and ability of employees, 5.9% said strong disagree, 49.8% of respondents said disagree, 15.6% said that neutral, 24.9% of respondents said that agree and almost the remaining of 3.8% of respondents said strong agree.

From this it is possible to suggest that above average respondents do not have satisfied with the bank of training & development system can improve the knowledge, skill and ability of employees. .

When respondents asked about the training & development system can improve the employees performance, 4.8% of respondents said strong disagree, 42.9% of respondents said disagree, 10.4% of them said that neutral, 23.9% of the respondents believe agree and almost 18% of respondents said strong agree. Hence the majority of the respondents do not believe that the training & development system prepared by the bank would be improve the employees motivation.

The mean score of toward training & development of the bank range between (2.71 up to 3.07) and standard deviation range is between (1.027 up to 1.25). The results imply that toward training & development of the bank does not meet the employees need.

## Frequency and Percept for Measures of employee motivation

**Table 4.14: Reply of respondents toward of employee motivation of the bank**

No	Statement	Frequency and Percent					Total	mean	SD
		1	2	3	4	5			
1	I have loyalty and belongings to my bank	73	102	36	66	12	289	2.45	1.210
		25.3%	35.3%	12.5%	22.8%	4.2%	100%		
2	The bank provides me with challenging and meaningful jobs.	72	129	28	48	12	289	2.30	1.138
		24.9%	44.6%	9.7%	16.6%	4.2%	100%		
3	I have opportunity to accomplish my objectives.	76	86	71	51	5	289	2.39	1.106
		26.3%	29.8%	24.6%	17.6%	1.7%	100%		
4	I have encouragement to improve my performance and to develop my Skills.	66	119	13	76	15	289	2.5	1.245
		22.8%	41.2%	4.5%	26.3%	5.2%	100%		
5	The bank provides me with an opportunity of carrier development	70	100	39	68	12	289	2.49	1.208
		24.2%	34.6%	13.5%	23.5%	4.2%	100%		
Overall perception of employees towards the employee motivation									

**(Source: Primary data from survey questionnaire, 2024)**

According to the above respondents report about their loyalty and belongings to their bank, respondents replied 25.3% strongly disagree, 35.3% said disagree, 12.5% of respondents said neutral , 22.8 % of respondents said that agree and almost the remaining of 4.2% of respondents said strong agree. From this it is possible to suggest that above average respondents do not have loyalty and belongings to their bank.

With respect of respondents asked The bank provides me with challenging and meaningful jobs, 24.9% said strong disagree, 44.6% of respondents said disagree,9.7% said that neutral

,16.6% of respondents said that agree and almost the remaining of 4.2% of respondents said strong agree. From this it is possible to suggest that above average respondents do not believe the bank provides challenging and meaningful jobs to its employees.

When respondents asked about having an opportunity to accomplish the objectives, 26.3% of respondents said strong disagree, 29.8% of respondents said disagree, 24.6% of them said that neutral, 17.6% of the respondents believe agree and almost 1.7% of respondents said strong agree .Hence the above average of the respondents are not believe getting an opportunity to accomplish the objectives in the banks.

When respondents asked about having encouragement to improve their performance and to develop their Skills, 22.8% of respondents said strong disagree, 41.2% of respondents said disagree, 4.5% of them said that neutral, 26.3% of the respondents believe agree and almost 5.2% of respondents said strong agree .Hence the above average of the respondents are not encouraged to improve their performance and skills.

When respondents asked about The bank provides an opportunity of carrier development to its employees, 24.2% of respondents said strong disagree, 34.6% of respondents said disagree, 13.5% of them said that neutral, 23.5% of the respondents believe agree and almost 4.2% of respondents said strong agree .Hence the above average of the respondents are not believe the bank provides an opportunity of carrier development.

The mean score of toward of employee motivation of the bank range between (2.30 up to 2.50) and standard deviation range is between (1.1 up to 1.24). The results imply that toward of employee motivation of the bank does not meet the employees need.

### **4.3. Inferential Analysis of Variables**

Analysis includes the correlation and regression analysis which was used to investigate the Impact of rewards practice on employee motivation, and the relationship between rewards and motivation. Using Pearson correlation with two tailed test of significance, the correlation analysis was made to investigate the relationships.

### **4.4. Correlation Analysis**

Using The Pearson's Product Moment Correlation Coefficient (r) the degree of association between the independent variables (salary, Benefit Promotion, Recognition, working condition, supervision, training & developments and work content) and the dependent variable (employee motivation) were computed to determine the strength, direction and statistical significance of the relationships as shown in table below.

The pearson's Correlation coefficient was computed for the purpose of determining the relationships between the variables. Correlations are the measure of the linear relationship between two variables.

In the hypothesis testing, the item that should be noticed is the probability (p) value. If  $p > 0.05$ , it means that independent variable does not influence the dependent variable. If  $p < 0.05$  it means that independent variable influences the dependent variable (Pallant, 2005). The test also indicates the strength of a relationship between variables by a value that can range from -1.00 to 1.00; when 0 indicates no relationship, -1.00 indicates a negative correlation, and 1.00 indicates a perfect positive correlation (Pallant, 2005).

- o If  $r = 0$  to 0.20, it indicates no correlation
- o If  $r = 0.20$  to 0.40, it indicates positive but low degree of correlation
- o If  $r = 0.40$  to 0.60, it indicates positive and moderate degree of correlation
- o If  $r = 0.60$  to 0.80, it indicates positive and marked degree of correlation
- o If  $r = 0.80$  to 1.00, positive and high degree of correlation

		BENE	SALAR	PROMO	RECOGNI	WOCONDI	WORKCONTE	td	Em
BENE	Pearson Correlation	1	.161**	.397**	.071	.044	.009	.286**	.401**
	Sig. (2-tailed)		.006	.000	.229	.459	.879	.000	.000
	N	289	289	289	289	289	289	289	289
SALAR	Pearson Correlation	.161**	1	.420**	.125*	.044	.137*	.347**	.472**
	Sig. (2-tailed)	.006		.000	.033	.459	.020	.000	.000
	N	289	289	289	289	289	289	289	289
PROMO	Pearson Correlation	.397**	.420**	1	.221**	.195**	.138*	.620**	.888**
	Sig. (2-tailed)	.000	.000		.000	.001	.019	.000	.000
	N	289	289	289	289	289	289	289	289
RECOGNI	Pearson Correlation	.071	.125*	.221**	1	.017	.074	.136*	.232**
	Sig. (2-tailed)	.229	.033	.000		.772	.209	.020	.000
	N	289	289	289	289	289	289	289	289
WOCONDI	Pearson Correlation	.044	.044	.195**	.017	1	-.005	.125*	.221**
	Sig. (2-tailed)	.459	.459	.001	.772		.934	.034	.000
	N	289	289	289	289	289	289	289	289
WORKCONTE	Pearson Correlation	.009	.137*	.138*	.074	-.005	1	.142*	.251**
	Sig. (2-tailed)	.879	.020	.019	.209	.934		.016	.000
	N	289	289	289	289	289	289	289	289
Td	Pearson Correlation	.286**	.347**	.620**	.136*	.125*	.142*	1	.706**
	Sig. (2-tailed)	.000	.000	.000	.020	.034	.016		.000
	N	289	289	289	289	289	289	289	289
Em	Pearson Correlation	.401**	.472**	.888**	.232**	.221**	.251**	.706**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	
	N	289	289	289	289	289	289	289	289

---

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

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

The relationship among all the variables was found by using Pearson's Correlation Coefficient. The correlation value  $r=0.161$  shows that there is positive and lower relationship between benefit and payment. The correlation value  $r=0.9$  shows that there is positive and moderate relationship between benefit and promotion. The correlation value  $r=0.071$  shows that there is also positive lower relationship between benefit and recognition. The correlation value  $r=0.044$  shows that there is also positive and no relationship between benefit and work condition. The correlation value  $r=0.009$  shows that there is lower relationship between benefit and work content. The correlation value  $r=0.28$  shows that there is positive and lower relationship between benefit and training & development.

The correlation value  $r=0.161$  shows that there is positive and no relationship between salary and benefit. The correlation value  $r=0.42$  shows that there is positive and moderate degree of relationship between salary and promotion. The correlation value  $r=0.125$  shows that there is positive and no relationship between salary and recognition. The correlation value  $r=0.044$  shows that there is also positive and no relationship between salary and work condition. The correlation value  $r=0.137$  shows that there is positive and no relationship between salary and work content. The correlation value  $r=0.347$  shows that there is also positive and low degree relationship between salary and training & development.

The correlation value  $r=0.397$  shows that there is positive and low degree of relationship between promotion and benefit. The correlation value  $r=0.42$  shows that there is positive and low degree of relationship between promotion and payment. The correlation value  $r=0.22$  shows that there is positive and no relationship between promotion and recognition. The correlation value  $r=0.2$  shows that there is positive and no relationship between promotion and work condition. The correlation value  $r=0.138$  shows that there is positive and no relationship between promotion and work content. The correlation value  $r=0.62$  shows that there is positive and marked degree of relationship between promotion and training & development.

The correlation value  $r=0.071$  shows that there is positive and no relationship between recognition and benefit. The correlation value  $r=0.125$  shows that there is positive and no relationship between recognition and salary. The correlation value  $r=0.22$  shows that there is positive and low degree of relationship between recognition and promotion. The correlation value  $r=0.017$  shows that there is positive and no relationship between recognition and work condition. The correlation value  $r=0.074$  shows that there is positive and no relationship recognition and work content. The correlation value  $r=0.136$  shows that there is positive and no relationship between recognition and training & development.

The correlation value  $r=0.044$  shows that there is positive and low relationship between work condition and benefit. The correlation value  $r= 0.044$  shows that there is positive and no relationship between work condition and payment. The correlation value  $r= 0.195$  shows that there is positive and low relationship between work condition and promotion. The correlation value  $r= 0.017$  shows that there is a strong relationship between work condition and recognition. The correlation value  $r= -0.005$  shows that there is negative and no relationship between work condition and work content. The correlation value  $r= 0.125$  shows that there is positive no relationship between work condition and training development.

The correlation value  $r= 0.009$  shows that there is positive and no relationship between work content and benefit. The correlation value  $r= 0.137$  shows that there is no relationship between work content and payment. The correlation value  $r= 0.138$  shows that there is positive and no relationship between work content and promotion. The correlation value  $r= 0.074$  shows that there is positive and no relationship between work content and recognition. The correlation value  $r= -0.005$  shows that there is negative relationship between work content and work condition. The correlation value  $r= 0.14$  shows that there is positive and no relationship between work content and training development.

The correlation value  $r= 0.28$  shows that there is positive and low relationship between training & development and benefit. The correlation value  $r= 0.347$  shows that there is positive and low degree of relationship between training & development and payment. The correlation value  $r= 0.62$  shows that there is positive and marked degree of relationship between training & development and promotion. The correlation value  $r= 0.136$  shows that there is positive and no relationship between training & development and recognition. The correlation value  $r= 0.125$  shows that there is positive and no relationship between training & development and work condition.

The correlation value  $r= 0.142$  shows that there is positive and no relationship between work content and training development.

The correlation value  $r=0.401$  shows that there is positive and moderate relationship between benefit and employee motivation. The correlation value  $r=0.472$  shows that there is positive and moderate relationship between payment and employee motivation. The correlation value  $r=0.888$  shows that there positive and high degree of relationship between promotion and employee motivation. The correlation value  $r=0.232$  shows that there is positive and low degree of relationship between recognition and employee motivation. The correlation value  $r=0.221$  shows that there is positive and low relationship between work condition and employee motivation. The correlation value  $r=0.251$  shows that there is positive and low degree of relationship between work content and employee motivation. The correlation value  $r=0.706$  shows that there is positive and marked degree of relationship between training & development and employee motivation.

#### **4.5. Regression analysis of Reward Systems and Employee Motivation**

Regression is a measure of association between two quantitative variables. This form of statistical test is only possible with interval or ratio data (WWW. SPSS for psychologists). This regression analysis was conducted to know by how much the independent variable explains the dependent variable. It is also used to understand by how much each independent variable (benefit, salary, promotion, recognition, work condition, work content and training & developments explains the dependent variable that is Employee motivation).

Regression analysis is a set of statistical methods used for the estimation of relationships between a dependent variable and one or more independent variables. It can be utilized to assess the strength of the relationship between variables and for modeling the future relationship between them (benefit, salary, promotion, recognition, work condition, and work content and training development explain the dependent variable that is Employee motivation). Because of that the researcher used regression analysis to predict a continuous dependent variable from a number of independent variables and in order to estimate the effect of some independent variable on the dependent variable.

**4.5.1. Model fit**

**Table 4.15: Model Summary**

<b>Model Summary</b>					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.924 <sup>a</sup>	.854	.850	.47214	1.509
a. Predictors: (Constant); Training & development, working condition, recognition, work content, benefit package, salary and promotion.					
b. Dependent Variable: employee motivation					

The "R" column represents the value of R, the multiple correlation coefficients. R can be considered to be one measure of the quality of the prediction of the dependent variable (Employee motivation in this case). Hence, R with a value of 0.919, in the table of model summary indicates a good level of prediction. Besides, a value of the overall fitness of the model for the regression is tested using R<sup>2</sup> (also called the coefficient of determination). This test tells us the degree to which the model was able to explain the variation in the dependent variable (Employee motivation in this case). You can see from the above table value of R<sup>2</sup> 0.854 closes to the Adjusted R Square (adj. R<sup>2</sup>) of 0.85, which implies that the independent variables (the Salary, Recognition, benefit, promotion, working condition, working content and Training and Development explain 85.4% of the variability of the dependent variable, Employee motivation. This shows the majority percent change of employees' level motivation is affected by the above factors whereas 14.6% factors are outside of the listed independent variables which are others of reward systems not included in this study. In this regard, this point of discussion recommends for further studies on the issue since employee motivation is a huge concept and opens an idea for any criticisms.

**Table 4.16: ANOVA<sup>a</sup>**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	365.770	7	52.253	234.404	.000 <sup>b</sup>
	Residual	62.640	281	.223		
	Total	428.410	288			
a. Dependent Variable: employee motivation						
b Predictors: (Constant), Training & development, working condition, recognition, work content, benefit package, salary and promotion.						

Source: own survey 2024

Whereas, the F-ratio in the ANOVA table (see above) tests whether the overall regression model is a good fit for the data. The table shows that the independent variables statistically & significantly predict the employee motivation,  $F(7, 281) = 234.404$ ,  $p < .0005$  (either indicating the regression model is a good fit of the data).

#### 4.5.2. *Coefficients of the Multiple Regression Analysis*

**Table 4.17: Regression Coefficients**

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-2.401	.243		-9.878	.000
	B. package	.106	.047	.057	2.278	.023
	Salary	.165	.048	.088	3.466	.001
	Promotion	.917	.045	.655	20.183	.000
	Recognition	.065	.048	.032	1.356	.176
	Working Condition	.100	.039	.059	2.544	.011
	Work content	.222	.045	.114	4.907	.000

	Training & development	.309	.040	.225	7.637	.000
a. Dependent Variable: Employee Motivation						

Source: own survey 2024

The above Table shows that the Salary, promotion, benefits, working condition, work content and Training & Development appeared with a positive and statistically significant under the regression analysis since their significance level/P-Value is less than .05 for all whereas recognition is positive and statically insignificant with p-value is greater than 0.05 which is 0.149 . This is also found true in accordance with the theoretical and empirical findings.

Thus, it has been found that being an averagely (a 1 percent) exercising the effective application of the Motivational Packages which is reward practice(either the deployment of effective benefit, salary, promotion, working condition, work content and training & development) are respectively associated with a (10.6, 16.5, 91.7, 6.5,10, 22.2 and 30.9) percent's increase in the Bank's Employees motivation each keeping each and other things unchanged. Except the one variable which is recognition all the remains are statistically significant at 5% level of significance and 95% level of confidence.

Thus, on average, an increase/decrease in the sound inclusion of reward practice is associated with an increase/decrease in the Employee motivation of the Bank.

More specifically, on average a percent increase of the Salary payment of the employees', controlling other variables, leads to an increase in the Employee motivation of the Bank by 16.5 percent which is statistically significant at  $P < 0.05$ .

The result shows also that taking all other independent variables at zero, on average one percent increase in Alignment of the promotion of staffs with achievement will lead to increase in the Employees' motivation by 91.7 percent. This was significant statistically at  $P < 0.05$ . The result was found to show higher (by about 91.7 percent) in the Employee motivation, significant at  $p < 0.001$ . Meaning, on average a one percent increase in the promotion of staffs effort leads to an averagely increase the enhancement of Employees' motivation of the Bank by 91.7 percent.

Finally, the employee motivation regression result revealed that the achievement of enhanced work content and Training & Development are significant determinant too.. On average, an additional one percent effort of the Bank to practice the achievement of enhanced Training & Development and work content performs about 30.9 and 22.2 percent's higher as the second and the third on average in the Employee motivation, respectively, keeping other things remain constant in the model. These are significant statistically at  $P < 0.05$  as presented in the above table. Whereas recognition has positive impact on employee motivation by 6.9% with statistically insignificant p-value 0.176 which means the average increase of one percent in recognition results decreases the employee motivation by 17.6%.

#### 4.5.3. Summary of hypotheses

**Table 4.18: Summary of the overall outcome of the research hypotheses**

<b>Hypothesis</b>	<b>Result</b>	<b>Reason</b>
<b>H1:</b> There is a direct relationship between Basic salary and Employees motivation	<b>Accepted</b>	$\beta = .088$ , $p < 0.05$
<b>H2:</b> There is a direct relationship between benefit package and Employees motivation.	<b>Accepted</b>	$\beta = .057$ , $p < 0.05$
<b>H3:</b> There is a direct relationship between promotion and Employees motivation.	<b>Accepted</b>	$\beta = .655$ , $p < 0.05$
<b>H4:</b> There is a direct relationship between work condition and Employees motivation.	<b>Accepted</b>	$\beta = .059$ , $p > 0.05$
<b>H5:</b> There is a direct relationship between recognition and Employees motivation	<b>Rejected</b>	$\beta = .032$ , $p > 0.05$
<b>H6:</b> There is a direct relationship between training & development and Employees motivation.	<b>Accepted</b>	$\beta = .225$ , $p < 0.05$
<b>H7:</b> There is a direct relationship between Work Content and Employees motivation.	<b>Accepted</b>	$\beta = .114$ , $p < 0.05$

#### 4.6. Interpretation and Discussion

The study aimed at interprets the implications of the findings. Therefore, an attempt has been made to evaluate, interpret, support and draw conclusion from them and tried to emphasize theoretical consequences of the results and the validity of the conclusions.

The majority of employees surveyed are not satisfied with the existing bank reward practice on benefits, salary, promotion, recognition, working condition, work content, training & development and employee motivation and need to improve.

The research found that a significant relationship between Reward practice (promotion, training & development, work content ,basic salary, benefit, working condition and recognition) and employee Motivation with the beta value 0.917, 0.309, 0.222, 0.165, 0.106 , 0.10 and 0.065 respectively at 95% confidence level. Hence, the organization needs to concentrate on Reward practice in order to enhance Employees motivation. From this research study, responses gathered imply that the majority of independent variables are associated with Employees motivation.

An independent variable that has a higher value of beta coefficient means it is a more important determinant of the dependent variable. From the result, promotion has a higher influence with (91.7 percent) while the Training and Development is states as next highest significant determinant with the coefficient value of 30.9% followed by the work content (22.2%), salary (16.5%), benefits (10.6%) ,working condition(10%) respectively, and all are significant at  $p < 0.05$ . But, Recognition of employee performance positive but insignificant with p- value of 0.17.6% .we understand from the above finding accept all the  $H_a$  or alternate hypothesis except the the one independent variable which is recognition because the p-value is insignificance p- value is greater than 0.05(0.17.6%).

Okan (2012) conducted a study on the universality of factors motivating employees in the banking sector of North Cyprus. The study points out that the most important motivating factors for employees are good salaries and promotions, extended health benefits and the work environment.

As an effort to stimulate employees' creativity, many managers have used extrinsic rewards (e.g. monetary incentives) to motivate their employees (Fairbank and Researcher Dahlqvist and Matsson (2013), investigate study has provided implications that extrinsic rewards are to some extent old-fashioned and employees are nowadays searching for rewards beyond solely monetary rewards. Employees are to a larger extent motivated by intrinsic rewards.

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

## CHAPTER FIVE

### 5. SUMMARY OF MAJOR FINDINGS, CONCLUSION AND RECOMMENDATION

This final chapter of the thesis deals with the summary of the major findings of the study. Drawn from these major findings of the study, and recommendations which the investigator assumes to be operational are also forwarded.

#### Summary of key

#### 5.1. Findings

- ❖ Based on demographic results as shown in chapter four of this paper some of following findings are presented.

According to gender respondent's majority dominated by male 213 and the remaining of 76 are female's respondents. The majority age categories of the respondents were under 31-40 years around 98 persons. This shows that an Average life of the working group or productive groups. The assumptions on these relatively well understood and matured enough to respond fairly and reasonably to the questions. Regarding educational level majority of the respondents i.e. 141(48.8) % have First degree holders. The remaining respondents also are second degree holders and diploma. These shows the respondents are all professionals and I think they respond the questions easily and responsibly. Regarding working experience respondents 39.4% of the respondents' year of service was between 11-15years. According to job category of the respondents most dominated by professional 47.8%. Salary ranges of majority respondents were between 20,000 up to 30,000.

Findings related to close ended questions are presented as follows:-

- ✓ Concerning the organizations benefit package shown in table 4.8 majorities of the respondents was not agreed. This indicates that the organizations reward practice is not competitive to similar other organizations. Due to this employees of the company were unsatisfied about the reward practice; this may leads to unstable conditions to perform the desired objectives.

- ✓ Regarding the current payment practice shown in table 4.9 they were asked, the majority respondents were disagree. as a result of this the majority of employees are unsatisfied and frequently occur turn over in the bank to join other similar sectors.
- ✓ Based on the reward practice of the bank in promotion system shown in table 4.10 Majority of the respondents were not agreeing. They were said that there is no motivation based on promotion.
- ✓ The organizations recognition shown in table 4.11 majorities of the respondents was not agreed. This indicates that the organizations reward system is not give the recognition for the employees to similar other organizations. Due to this employees of the company were unsatisfied about the recognition; this may leads to unstable conditions to perform the desired objectives.
- ✓ Regarding the working conditions shown in table 4.12 they were asked, the majority respondents were not agree.
- ✓ Concerning the working content shown in table 4.13 they were asked, the majority respondents were not agree.
- ✓ On the issue of training & development illustrated in table 4.14 the concerned amount of respondents were not agree.
- ✓ About the employee motivation shown in table 4.15 majorities of the respondents was not agreed. This indicates that the organizations reward practice is not competitive based on employee motivation to similar other organizations. Due to this employees of the company were unsatisfied about the reward practice; this may leads to unstable conditions to perform the desired objectives.
- ✓ The Pearson's Product Moment correlation Coefficient was computed for the purpose of determining the relationships between the different dimensions of the reward variables and level of employee's motivation. In order to delineate the relationship between the various facts of rewards on employee motivation, the sub-dimensions of the questionnaire were correlated. The majority of variables were statistically positive and significant relationship exists between all variables of rewards system and level employee motivation. The majority of variables also have positive and low level degree of correlation coefficient .There is also a negative correlation coefficient which means

inverse relationship among the variables like working condition & work content having of -0.005 values .

## **5.2. Conclusion**

**Based on the result of the study, the following conclusion s was drawn:**

- ✓ The results obtained from the analyzed showed that the effect of reward practice on employee motivation in Abyssinia bank it is found that Benefits, recognition, salary, Promotion, working condition, training & development and work content.
- ✓ There is also low level of job satisfaction in terms of varied nature of the job due to factors such as Benefits, recognition, payment, Promotion, and work content, organizational policy and procedure, reward system, personality and others.
- ✓ Create smooth relationship between managers and employees, flexible and favorable work environment, and reward good performers are good strategies to minimize job dissatisfaction in the bank.
- ✓ The research found that a significant relationship between Reward practice (promotion, training & development, work content , salary, benefit package, working condition and recognition) and Level of employee motivation with the beta value 0.91, 0.309, 0.222, 0.165, 0.106 , 0.10 and 0.065 respectively at 95% confidence level. Hence, the organization needs to concentrate on Reward practice in order to enhance Employees motivation. From this research study, responses gathered imply that the majority of independent variables are associated with Employees motivation except the part of intrinsic reward which is recognition. The aim of the study was to identify the effect of rewards practice on employee motivation. For the company in order to be successful, creation of motivated and energetic employees is mandatory. Because organizations will be productive if and only if their employees are productive and this can happen in bringing a better reward practice that always considers and meets employee's expectations.
- ✓ Employees are the basis for an organization to achieve sustainable competitive advantage. Competitiveness is important to retain skill full employees in the organization and achieving the desired goal.

- ✓ Employee satisfaction and remuneration have a direct relationship with each other. The affection towards money is what drives the employees to work better, positive organizational culture, alignment with goals and reduced turnover, loyalty and belonging to his work, work with challenging and meaningful jobs and his become punctual and develop his work.

### **5.3. Recommendation**

The main reason behind the existence of organizations is to attain the objective behind their establishment through their employees. However, this can be attained when organizations able to motivate their employees and make them to focus towards the goals of their respective organizations.

In order to achieve its objective, or to get the expected behavior of motivated employees such as increase employee satisfaction, loyalty and belonging to the company, high efficiency and productivity, to face challenging jobs, high morale among employee, low customer complain, lower turnover in the company and error free in the jobs are the ones. Reward practice on employee motivation keeping this in mind and grounding the findings and conclusions reached in the study, the following recommendations were forwarded. . Importance of having advanced reward practice that fit with the current demand of employees are; retaining qualified employees, decrease staff turnover, promote organizational development, increased productivity, higher job satisfaction, enhanced engagement, innovation, creativity and help to achieve organizational objectives.

- ❖ These are benefits given to employees in addition to their salary/wage. Such benefits are those monetary and non-monetary. The study recommends that benefits provide timely for employees due to this unnecessary conflicts are removed and employees focus on their work only and will urge them to give of their best.
- ❖ Giving constructive feedback along with rewards, helping employees understand why their contribution are valued and how they can continue to excel.
- ❖ Incorporating long term incentives that promote sustained performance and loyalty, such as profit sharing plans or stock options.

Effective implementation of reward practice not only helps the organization, but also guarantees a positive relationship with the employee, through attractive payment, good benefit package, opportunity for promotion & recognition, quality of supervisor and on relatively variety and interesting work. Further it enhances the employee's commitment, motivation and engagement which can be a core competency for the bank.

- ❖ Recognition is one of the most powerful methods of rewarding people. Regular acknowledgment of employee's contribution, whether through verbal praise, certificates, or awards.
- ❖ The most important purpose that a promotion serves is that it sets a business apart from its competitors. No business will ever need to run any promotions if there wasn't any competition. You have to stay ahead of your competitors in order for customers to keep doing business with you. The study recommends vertical movement of an employee within the organization must be need in the bank. In other words, promotion refers to the upward movement of an employee from one job to another higher one, with increase in salary, status and responsibilities.
- ❖ Working conditions refers to the working environment and aspects of an employee's terms and conditions of employment. The bank has a great responsibility to create good working atmosphere to become achievable and reputable. The study recommends bank of work and work activities; must be need training, health safety and well- being; and working time and work-life balance.
- ❖ Flexibility is offering a range of rewards that cater to diverse preferences, such as monetary bonuses, extra time off, or professional development opportunities.
- ❖ Work content should be clear and easily understood, it should have bearing on organizational goals, be fairly administered and aim at ensuring equity among the total workforce.
- ❖ The organization should continuously conduct analysis on the inflation and rewarding system competitiveness and make corresponding decisions.
- ❖ To be competitive and achieving the desired goal there must be clear and transparent reward policy and Procedures in the organization.

- ❖ The current reward practice criteria of the bank need not to be encouraged in conformity to the purpose desired and the bank should be consider current economic crisis of the country .
  
- ❖ The bank should follow the gap analysis to give appropriate training and development practice to initiate employees' motivation at the same time it increases the desired goal of the bank.

## References

- Alexander Dahlqvist and Andreas Matson (2013), the impact of extrinsic and intrinsic Rewardson employees' motivation, Lund University.
- Achieving Strategic Excellence, An assessment of Human resource Organizations, Stanford University Press, California, USA. Hatice Özutku (2012), The Influence of Intrinsic and Extrinsic Rewards on Employee Results,Business and Economics Research Journal, Volume 3 Number 3 2012 pp.
- kassahun,belachew, (2019).Reward System &Its Effect on Employees Work Motivation in one &Two Star Related Hotels in Amhara Region ,Ethiopia. International Institute for Science, Technology and Education (IISTE): E-Journals.vol.40
- Michael Rose (2014), Reward Management, 1st Ed. Great Britain and the United State KoganPageLimited.
- Nchorbune Dominic, A. (2011). Role of Motivation on Employee Performance in University for Development Studies-WA Campus.
- Njora, G., & Ndegwa, P. (2020). Motivation and employee retention in savings and credit cooperative societies in Nairobi City County, Kenya. International Journal of Business Management, Entrepreneurship and Innovation, 2(3), 87-101. <https://doi.org/10.35942/jbmed.v2i3.137>
- Oyoo, M. O., Mwandih, N. K., & Musiega, D. 2016. Influence of reward systems on employee retention in faith based health organizations in Kenya : A Case of Mukumu Hospital, Kenya.
- Okan, Y., Garcia-Retamero, R., Galesic, M., & Cokely, E. T. (2012). When higher bars are not larger quantities: On individual differences in the use of spatial information in graph comprehension. Spatial Cognition & Computation, 12(2-3), 195-218.
- Paula LagaresBarreiro\_Justo Puerto Albandoz, (2014); Population and sample, samplingTechnique: Management mathematics for European schools.

- Pinar Gungor (2011), The Relationship between Reward Management System, okan Universitypress, Istanbul.
- Pinto, L.F.S.,&dos Santos, C.D.(2018). Motivations of crowdsourcing contributors Innovation and Management Review, 15 (1), 58-72.
- Puwanenthiren, Pratheepkanth (2011), Reward System and its Impact on Employee Motivation,Journal of management and business research, PP 85, 86.
- Schwab, R.C (1993), Motivation in Organizations, 6th edition, Addis Wesley Publishing Co. Sing A. Jay s, MasukuMichab (2014), Sampling techniques & Determination Sample size in Applied Statics' Research: An overview international Journal of economics, commerceand Management, UKVol-, Iss-11.
- Sofia,Liljestrom.(2019).Identifying the Reward for Improved Employees Motivation ,Engagement and Performance Case. Haaga - Helia University of Applied Science.
- Stajkovic, A.D. &Luthans, F. (2001), Differential Effects of Incentive Motivators on WorkPerformance, Academy of Management Journal, 4 (3), 580-590.
- Tahira Nazir, Saif-Ur-Rehman Khan, Syed FidaHussain Shah and Khalid Zaman (2013), Impact of Rewards and Compensation on Job Satisfaction: Middle-East Journal of Scientific Research.
- Terera, S. R. 2014. The impact of rewards on job satisfaction and employee retention. Mediterranean Journal of Social Science. 5(1), 481-488.
- Tdesse Dinku on Jan 21, 2023. SWOT analysis, 15 pages. <https://scribed.com/search/bank> of abyssina reward system.
- Chandra Nasir,2024, work motivation. <https://www.hasmicro.com/search/the> indicators of employee motivation.

# Appendix

ADDIS ABABA UNIVERSITY  
COLLEGE OF BUSINESS AND ECONOMICS  
SCHOOL OF COMMERCE  
MASTERS OF BUSINESS LEADERSHIP

Dear respondent,

The survey is being developed to gather information about the goals of the investigation and to assess the effect of reward practice on employee's motivation regular undergraduate students in AAU. Your information will be kept private and used exclusively for this study's objectives. Your truthful responses will be very important to achieving the goals of this study.

Thank you in Advance!

General instruction: Do not write your name, Put tick marks (√) in the table & box provided

## Part one: General Information

This part of questionnaires' asks your personal and job related information.

1. Gender:        male                       Female
2. Which of the following salary ranges fall your salary?  
10,000-20,000                      20,000-30,000    30,000-40,000                      40,000-50,000    and above 50,000
3. In which age group are you?    20-30 years                       31-40 years   
41-50years     51-60 years
4. What is your highest educational qualification?  
Diploma         Degree                       Masters         Above Masters
5. How long have you been working in National Bank of Ethiopia?  
                      0-5                       6-  ars                       -15 years  
above 16 years
6. What is your current position classification in the organization?

Clerical                       Non  clerical                      Professional   
Manager/Chief/Principal   
senior Management

### **Part Two: Research Related Questions**

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

The purpose of this questionnaire is to give you a chance to tell how you feel about your present job, what things you are motivated with & what things you are not motivated with Remember: keep the statement in mind when deciding how motivated you feel about the aspect of your job.

The questions for each independent variable are provided as a following: Give a true picture of your feelings about your present job.

	1	2	3	4	5
1=strong dis agree, 2=dis agree, 3= natural, 4=agree, 5=strong agree					
<b>Statement</b>					
<b>Benefit</b>					
My medical scheme is satisfactory					
There is a good benefit package					
The staff loan system is sufficient and fair.					
Good transportation service.					
<b>Salary</b>					
Salary increment is managed fairly					
My salary is enough to satisfy my needs.					
My salary is fair when compared with that of similar jobs in other Companies.					
My basic payment is reasonable with respect of my contributions					
<b>Promotion</b>					
There is opportunity for promotion exists.					
Staffs has promoted in a fair and transparent manner.					
The criteria for promotion are acceptable.					
My job allows me for rapid promotion.					
<b>Recognition</b>					
I get constructive criticism about my work.					
I get credit for what I do.					
I am praised regularly for my good work.					

	The nature of my job helped me to get tangible recognition for my  Performance.					
--	---	--	--	--	--	--

	<b>Working condition</b>				
	The arrangement of office layout is convenient for me				
	My work has a strong pressure to rush with little time for break.				
	I have a good communication with my co-workers.				
	<b>Work content</b>				
	My work consists of varieties of tasks.				
	I do have complete control on my work.				
	I am interested my work.				
	There is a sense of responsibility in my work.				
	<b>Training &amp; development</b>				
	The bank's training & development system is clear and fair for all employees				
	I believe the bank training & development system can improve the knowledge, skill and ability of employees				
	I believe the bank training & development system can improve the performance of employees				

**Part three: employee motivation**

	<b>Employee motivation</b>				

1	I have loyalty and belongings to my bank				
2	The bank provides me with challenging and meaningful jobs.				
3	I have opportunity to accomplish my objectives.				
4	I have encouragement to improve my performance and to develop my skills.				
5	The bank provides me with an opportunity of carrier development				

NO	Items	Rank
1	Benefit	
2	Payment	
3	Promotion	
4	Recognition	
5	Working condition	
6	Work content	
7	Employee motivation	
8	Training and development	