



ST. MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

**EFFECT OF REWARD PRACTICE ON EMPLOYEE MOTIVATION IN
SELF HELP AFRICA, ETHIOPIA OFFICE.**

**A Thesis Submitted to St. Mary University School of Graduate study in Partial
Fulfillment of the Requirements for the Degree of Master of Business
Administration (BMA)**

BY

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Declaration

I, Leyila Kebir, declare that this thesis entitled “The effect of Reward Practices on employee motivation on in Self Help Africa is my original work. I have carried out the present study Independently with the guidance and support of the research advisor, Abararaw Chane (Phd). All information in this document obtained and presented in accordance with the academic rules and ethical conduct. I also declare that, as required by these rules and conduct, I have fully cited and referenced all material and results.

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Statement of Certification

This is to certify that Leyila Kebir has carried out her research work on entitled “The Effect of Reward Practices on Employee motivation in Self Help Africa” for the partial fulfillment of MBA in General Management at St. Marry University. This work is original and it is suitable for submission of MBA in General Management.

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The Effect of reward practice on employee's motivation in Self Help Africa.

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Abstract

Reward practices is the key for motivating people with their ability are now recognized as making a significant contribution to organizational goal. The general objective of this study is to investigate the practice of reward, the extent of employee motivation and the relationship of reward practice and employee motivation in SHA. Explanatory research design and quantitative research approach was use. Census sampling techniques ware employed. Data was collected from employees who are working in the organization. A quantitative research approach of data collection was used and 85 questionnaires were distributed and all are returned. Data analyzed statistically with the help of SPSS. The Pearson Correlation Analyses were employed among variables the result reveals that there are significant positive correlations between independent and dependent variable .And there is positive but insignificant correlation between Recognition and appreciation and mployee motivations. A regression analysis the result as shown in the model summary the independent variables explained 90.5 % of change in employee's motivations. Therefore, management of Self Help Africa should keep strong the current rearward practice (current reward in use, salary, Benefit, promotion and training and development).and have to create employee recognition and appreciation programs for jobs well done, this will motivate employees thus enhancing employee productivity in the SHAEO.

Key words: Reward practice and Employee motivation .

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CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

In the present global competitive business environment, every organization be service organization or manufacturing are facing tough competition for enhancing and competitiveness profitability and the wellbeing of employees. Reward practices is the key for motivating people with their ability are now recognized as making a significant contribution to organizational goal. Organizations should select employee rewards that are positively associated with bottom-line performance. The type of reward practices used by an organization play an important role in motivating employees to perform. This ultimately impacts the performance of the organization. It also stands to reason that improper reward practices may result in worse than average organizational performance. (Ayele 2017)

Now a day one of the most influential in organization are competitive advantage and core competence which is measured by the quality of employee they have, and an organization with fair and consistence Human resource policy, strategy and practices, Then employee feels loyalty and trustful for organization, which enables them to boost their commitment and motivation toward organization goals .As result the organization source of success is coming from talent innovative and motivated employee. (Abera ,2017)

The overall purpose of rewarding in organizations is to attract, motivate and retain employees. Rewards are categorized as financial versus non-financial, tangible versus intangible, intrinsic or extrinsic. Rewarding systems are part of an organization's overall system including processes regulations, people and decision activities that enables employers compensating employees in accordance with their performance. Regarding with the reward systems of higher-level managers and executives, other alternatives such as size of reward, hierarchy of responsibility and contribution of each executive might come into play. (Griffin & Moorhead 2014).

However, rewarding system have influence on the culture of organization, in a way that, how firms evaluate and reward their employees such as behaviors in the process against outcomes, rankings against ratings or performance versus seniority. Mostly in those companies that evaluate and reward their employees according to behaviors and rankings are expected to have competitive or individual oriented organizational culture whereas, those, which use outcome and rating, based evaluation and rewarding systems are predicted as having group or team focused culture. In other cases of rewards such as promotion depending on seniority rather than performance could be difficult for the organization to show team oriented culture. Therefore, rewarding systems have inevitable effect in shaping organizational cultures (Bauer & Erdogan, 2010).

Employee Motivation after employees are hired and trained, it is important to motivate them to get the desired efforts from them, to achieve organizational objectives. While designing their compensation package we try to meet their expectations at the outset, suitably identifying their extrinsic and intrinsic needs within the given policies and procedures of the organization.

Employee Reward is an important tool that an organization can use to attract, retain, and motivate employees in order to achieve the stated objectives.

According to (Pratheepkanth 2011) reward consists of all organization components including people processes rules and decision-making activities involved in the allocation of compensation and benefits to employees in exchange for their contribution to the organization

1.2. Back ground of the organization

Self Help Africa is an international charity that promotes and implements long-term rural development projects in Africa. Self Help Africa merged with Gorta in July 2014.

The organization works with rural communities in eight African countries – supporting farm families to grow more and earn more from their produce. Self Help Africa provides training and technical support to assist households to produce more food, diversify their crops and incomes and access markets for their surplus produce.

Ethiopia overview

Despite much progress, Ethiopia remains one of Africa's poorest nations with a third of the population living below the poverty line. Increasing farm production, supporting new enterprise and developing market opportunities for farmers is at the core of Self Help Africa's work in Ethiopia.

Current projects in the country also focus on strengthening community-based seed production improving the resilience of local agricultural communities to changing climate, and on improving productivity and livestock value chains. Last year, the organization was involved in implementing close to a dozen development projects, all of which are being undertaken in collaboration with local and/or international partners.

EARLY SEED GENERATION II (*Amhara Region*) This project aims to increase the food security and economic development of rural households in Ethiopia through wheat and maize seed production. The project promotes farmer-led seed production in order to make good quality seed available in the country. It is strengthening seed producer groups and linking them to unions, and is training farmers in seed production and management.

CLIMATE-SMART AGRICULTURE (*SNNPR*)The objective of this project is to improve resilience, and food and nutrition security of small holder households in vulnerable regions through climate-smart agriculture practices. SHA is working to improve resilience to climate extremes by building human capacity, strengthening market access and developing community management systems for natural resources. These practices are useful to engage resource-poor farmers in production of high-value crops and seeds.

SMALLHOLDER SUPPORT SCHEME (*Oromia Region*)The smallholder support scheme is helping smallholder farmers to increase productivity and production of maize and soybeans. The farmers, through cooperative unions, are being supported to negotiate supply contracts, develop loan agreements, and secure collateral. This project aims to enable smallholder farmers to sustainably intensify production using improved seed varieties and crop rotation practices.

BOSET II(*Oromia Region*)Climate change is posing significant challenges to Ethiopian communities, affecting water and food security. The aim of this project is to improve the resilience of smallholder farmers by improving on-farm disaster risk management in drought prone areas. This is being achieved through training courses on conservation agriculture building local seed

enterprises, creating a revolving fund scheme, and training members on cooperative

STRONGER TOGETHER (Amhara Region) This project is promoting community-based seed production through the development of farmer owned and managed seed producer cooperatives and unions to fill specific gaps in seed supply. It will also address the significant demand for affordable, improved seed when farmers need to plant it, which is not currently being met by existing formal seed systems.

SCALING UP RUSACCOS The project aims to increase access to suitable financial services by rural communities. This is being delivered by improving the governance and operational capacity of unions and RuSACCOS and increasing the outreach of financial services into rural and marginalized areas. Improving access to financial services is a means of assisting smallholder households to diversify their income generation activities

DAIRY FOR DEVELOPMENT (Oromia Region) This project focuses on boosting rural livelihoods and nutrition by enhancing production techniques, strengthening value chains and improving the genetics of dairy cows. The aim is to improve the income and nutrition status of smallholder farmer households from dairy production, by improving the skills, knowledge, and experience in dairy producers, local communities, and local governments. Sustainable gains for dairy producers will ensure an on-going legacy of impact with specific activities becoming self-supporting. (www.selfhelpafrica.org)

1.3. Statement of the Problem

Rewarding is seen as an activity motivate of creation a major input to the achievement of organizational performance. In this condition rewarding tack place. where needed at all levels in the organization. employee reward is a continuous process with an integration of organization's long-term plans, where employee reward and motivation are enhanced to perform their job effectively and efficiently and improve the achievement of organizational performance reward and motivation programs offered should meet the development needs of both the organization and the employees otherwise it will become futile exercise, source of negligence and wastage of re-

sources which does not contribute to the motivation of employees and organizational goal achievement.

The highly motivated employee serves as the competitive advantage for companies because their performance leads an organization to well accomplishment of its goals.

According to the pilot survey undertaken by the researcher, discussion with different staffs of self Help Africa issue relating to the reward practice of the organization like salary, benefit, promotion, working condition, recognition, leadership and work content are major source of motivation for staffs.

Therefore, the purpose needs to conduct this study were, in many occasion I have observed that many employees seems to be not committed to their work and they lack happiness, they are not motivated and belongingness to the organization.

Moreover, the staffs have a number of problems associated with financial and non-financial rewards provided by the organization. For instance basic salary, transport allowance, training opportunity, adjustment with the increase in cost of living. The medical benefits balance provided by the organization and life insurance are not satisfactory.

Moreover, there is lack of promotion opportunity, Recognition and appreciation there is also lack of training and development opportunities are observed within the organization.

Therefore, this research tried to Identify the practice of reward, the extent of employee motivation and the relationship of reward practice and employee motivation in SHA.in available types of reward, the existing reward practices and, the impact of reward practice with employee's motivation .in this investigation the types of reward , reward practice and employees motivation are assessed.

1.4. Research Questions

On the base of the above problem statement, the research tried to answer the following research questions.

1. What is the practice or trend of reward in SHA?
2. What is the extent of employee motivation in SHA?
3. Which is the relationship of reward practice and employee motivation in SHA?

1.5. Objective of the study

1.5.1. General Objective

The general objective of this study is to investigate the practice of reward, the extent of employee motivation and the relationship of reward practice and employee motivation in SH. By giving the emphasis to the following specific objective.

1.5.2. Specific Objective

The specific objective of the study is

- To assess the practice or trend of reward in SHA?
- To assess the extent of employee motivation in SHA?
- To assess the relationship of reward practice and employee motivation in SHA?

1.6. Significance of the Study

The study was expected to provide base information concerning reward practice problem and its impact on the employee's motivation and to the organization itself. Also may use this organization to undertake corrective actions. In addition to study had given some suggestions and recommendation with regards to the ways for solving the problems faced based on the findings obtained from the result of the analysis. Additionally, the research paper would be important to the research to understand the detail about reward practice practically than theoretically.

And also the study has other significance that we have to accept it.

- It provides information to the organization how to manage reward practice in the organization.
- It gives indicator for manager to identity the gap between theoretical/ science and the organization actual practice related with management of reward practice
- It necessary for further study related with this issue.
- It can be a reference for academic purpose.

1.7. Scope and Limitation of the study

The study focuses on the effect of reward practice on employee's motivation on SHAEO. Geographically, employee of the Organization located in Addis Ababa, SNNPR, Amhara and Oromia region. Organization, Self- Help Africa Ethiopia office , Yeka Subcity woreda 8, Kebele 14 House No. 912 Conceptually, the study only focused on extrinsic and intrinsic reward like payment, benefits, promotion, working condition, recognitions, supervision work content

Methodologically, the study has followed quantitative research approach, and finally the study have been considered permanent employees under job categories of clerical, professional and line management, who have more than Six month work experience in the SHAEO.

Limitation of the study, at time of distributing the questioner there was General meeting in the organization more of the respondents ware so busy, So it was time taking to collect the distributed questioner .

1.8. Definition of Operation Terms

Reward: Financial and non-financial given to any one because of his contribution to organization.

Motivation: inspiring employees as per their contribution to the organization.

Employee's motivation: is seen as the employees desire to work and perform well in order to contribute to organizational or project success.

Intrinsic motivation: is derived from the content of the job. It can be described as the process of motivation by the work itself in so far as it satisfies people's needs. (Herzberg 1957).

Extrinsic motivation: arises when management provides such rewards as increased pay, praise or promotion. (Herzberg,1957).

Payment: Pay one received from his or her employer in exchange of service he or she gives. It is the amount of pay (fixed salary or wage) that constitutes the rate for the job (Armstrong, 2006).

1.9. Organization of the Study

The study was organized in to five chapters. The first chapter is deal with introduction part of the study it consists of back ground of the study, Back ground of the organization, statement of the problem, research question, and general and specific objective of the study, significance of the study, scope, and limitation of the study, definition terms and organization of the paper. The second chapter focuses on conceptual review and related literature about reward. The third chapter reflects description of the study area, research design, Research Approach,, Types and Sources of Data, Study Population, Data collection methods, chapter four data analysis , interpretations and presentation on the effects of reward practices on employee motivation in Self Help Africa Ethiopia office. chapter five comprises the summary of findings, conclusions and recommendations.

CHAPTER TWO

LITERATURE REVIEW

2.1. Theoretical Concept

The concept of Reward

Reward means a thing given to any one because of his contribution to organization. Rewards and incentives contribute to strategy implementation by shaping individual behavior in the organization. A well design reward system is consistent with organizational goals, visions, missions and job performance. The most obvious reward that individual gets from the job is in the form of pay.

In managerial term, reward is defined as the total return given by an employer to an employee for rendering his/her services towards the organizational objectives. This is the overall return from the work. Every person asks for return from the organization before involving in any type of activities, which is termed as the reward. It attracts a worker's attention and inspires him/her to perform the task. Moreover, a reward is a pay-off for performance which is directly concerned with the level of motivation and job satisfaction.

Therefore, management of reward in an organization helps to motivated and retain employees at work. It is a vital aspect of HRM because a well-designed reward system will lead towards organizational productivity and employee's satisfaction. Moreover, reward management is the process of creating, implementing and controlling an effective reward system in the organization that helps to maintain and improve organizational performance. It senses the strategic purposes of attracting, motivating and retaining employees. Reward management basically focuses on how the employees can be retained or motivated at work.

Hence, reward management is a crucial aspect of Human Resource Management that revolves around designing and implementation of appropriate pay system. This system helps improve organizational performance and get people motivated at work.

Reward Practices

While it used to be that employees could look to their employer for wage increases each year with little or no correlation to the company's wellbeing, it is not the case today. More and more companies are attempting to identify innovative compensation strategies that are directly linked to motivating employees to improve the organization's performance. Prior research¹ suggests it is critical to integrate rewards with an organization's system of performance definition and measurement.

Rewards in organizations today include a myriad of offerings in addition to pay.

Traditional employee incentives based on position and longevity have been replaced or augmented by other types of individual and group or team-based rewards like profit sharing, gainsharing, and stock option plans. Rewards are now commonly based on a host of quantitative and qualitative recognition measures including customer satisfaction and market share. While most authors agree a carefully crafted reward system can help improve performance and that systematically applied rewards are important, there is disagreement on what type of rewards best influence firm performance.

In a study of staff CPA performance, managing partners were found to disagree on which incentives inspire performance. Some credited cash bonuses as motivators while others cited flexible work schedules, lunchtime yoga classes, and even office concierges as key contributing reasons for bottom line profits of the accounting firms studied. In his popular book, *1001 Ways to Reward Employees* Bob Nelson concluded that rewards must have a positive impact on performance and he found the most desired form of reward by employees was verbal appreciation or praise by their immediate boss.

Nelson also found rewards must focus performance on serving the customer and having an external focus. His creative reward suggestions included giving stock or stock options, certificates of appreciation, or even personal thank-you notes. Even with the growth of team-based rewards, individual rewards are still important and people must see that their actions make a difference to the firm. Few businesses strategically design their reward systems for top business performance yet researchers agree strategically designed recognition and reward plans can align employee and

company performance. In a study of reward practices of Fortune 1000 firms the most widely used rewards for performance were non-monetary recognition awards, followed by employee stock ownership plans (ESOPs) and profit sharing. Yet managers were unable to differentiate between the different types of rewards and their impact on performance. No reward practice was reported to be “unsuccessful” or “very unsuccessful” by more than eleven percent of the surveyed firms and most firms reported their employee rewards to be “successful” or “very successful.”

In general, there seems to be agreement that rewards are important motivators for individual and for organizational performance. But there does not exist an agreement on which specific types of reward practices (if any) are more effective. Sparse empirical evidence exists to bolster or refute the claims of effectiveness of the myriad of reward practices. Most claims are based on merely anecdotal evidence. Managers are currently left to themselves to craft their own reward strategies. Clearly more research is warranted on this important question. (Nelson, 2003)

Total Reward

The concept of total reward has emerged quite recently and is exerting considerable influence on reward management. Total reward as an integral element of reward management is the combination of financial and non-financial rewards given to employees in exchange for their efforts. World at Work (2006) defines total reward as all of the tools available to the employer that is used to attract, motivate and retain employees and includes everything the employee perceives to be of value resulting from the employment relationship. (Thompson 2002) also defines total reward to typically encompass not only traditional, quantifiable elements like pay and benefits, but also more intangible elements such as scope to achieve and exercise responsibility, career opportunities, learning and development, the intrinsic motivation provided by the work itself and the quality of working life provided by the organization. As expressed by (Lawler 2003), the greatest amount of motivation is present when employees perform tasks that are both intrinsically and extrinsically rewarding. Total reward strategies are vertically integrated with business strategies, but they are also horizontally integrated with other HR strategies to achieve internal consistency. This view has been shared by (Kaplan, 2007) who said that total reward is a holistic approach aligning with business strategy and people strategy. This reward strategy brings about maximum

return and builds up employment brand, all of which create sustainable competitive advantage for organizations. The conceptual basis of total reward is that of bundling, so that different reward processes are interrelated, complementary and mutually reinforcing. (Armstrong, 2006).

The aim of total reward is to maximize the combined impact of a wide range of reward elements on motivation, commitment and job engagement. Hence, total reward embraces everything that employee's value in the employment relationship. According to (O'Neal 1998), a total reward strategy is critical to addressing the issues created by recruitment and retention as it creates a work experience that meets the needs of employees and encourages them to expend more effort. The significance of total reward is creating a challenging work environment in which individuals are able to use their abilities to do meaningful jobs for which they are shown appreciation is likely to be a more certain way to enhance motivation.(Pfeffer,1998).

According to (Armstrong, 2006), the benefits of a total reward approach include a combined effect of different types of rewards makes a deeper and long-lasting impact on the motivation and commitment of employees. Also, the employment relationship created by a total reward approach makes the maximum use of relational as well as transactional rewards and therefore appeal more to employees. Besides, a system of total rewards allows flexibility to meet individual needs as relational rewards binds employees more strongly to the organization because they answer those special individual needs. Relational rewards also deliver a positive psychological contract and this can serve as a differentiator in the recruitment market which is much more difficult to replicate than individual pay practices.

(Hutcheson,2007) also stated that organizations that practices total reward strategy are able to establish a distinctive set of rewards to support the institution's employment brand and enables the institution to attract and retain qualified workforce. According to him, it provides a roadmap for the HR function to review and enrich the total rewards offerings and also provides a clear and consistent communication device to remind employees of the full array of rewards.

Developing and implementing total reward strategy is a critical organizational intervention that requires top management support. It is important for top management to develop strong relationship between the organization and employees to fulfill the continuous changing needs of both

parties as the employees are seen as principal source of the organization's competitive advantage. Management should acknowledge the increasingly important role of reward programmed in achieving business goal; thus ensuring that organizations deliver the right amount and mix of rewards to the right people, at the right time, and for the right reasons. Managers are also required to provide rewards that are valued, clearly linked to the desired behaviors and perceived as fair and equitable (Mullins, 2010).

Top managers should not only verbally advocate the strategy or merely mimic the reward systems of other organizations, but they should strive to get the right mix of financial and non-financial rewards to motivate their workforce towards achieving their strategic goals. As (Morris ,2006) puts it, management must deliberately create a customized total reward strategy to holistically create a program that best fits their unique human capital and business strategies as this differentiates the organization from competitors. Management must also recognize the fact that involving employees in the design of the total reward strategy increase their acceptance and commitment towards effective implementation. It is also very critical for managers to consider their external environment and organizational culture when developing total reward strategy as well as equity in the implementation of the strategy. (World at Work 2006).

REWARD SYSTEMS

According to (Michael Armstrong,2005 ,2007,2010,) reward system refers to the visible and invisible trend of the organization in rewarding people and it includes pay or salary, recognition promotions, appreciation and other form of awards. In the same way (Armstrong ,2016), stated that reward management is not just about pay and employee benefits. It is equally concerned with non-financial rewards such as recognition, learning and development opportunities, and increased job responsibility. As explained by him, reward system consists of the interrelated processes and practices that ensure the reward management carried out effectively to the benefit of the organization and the people who work there. Some of the interrelated processes and practices are financial (extrinsic) and non-financial rewards (intrinsic) Financial reward consist pay and employee benefits. On the other hand, non-financial rewards consist of recognition work environment, job design, and opportunity for development.

Reward systems also are an important component of the organizational structure that increases contentment within the work milieu. Clearly, as technical managers we need to be cognizant that a high level of morale is important in team-like situations. Indeed, while there are some individuals who may prefer to work independently, even such individuals appreciate recognition of their work and the competence they have achieved. Indeed the reward systems are both monetary and nonmonetary in this context; while bonuses and salary are part of this rubric, the demonstration of a supervisor to an employee both publically and privately of a job well done is an important component of a reward system to harness the most important resource of the firm. (J. Hudzik,2015).

Types of reward

According to (Matson ,2013), Reward is pay provided by an employer to the employees. It consists of packages of pay, benefits, services etc. Broadly rewards Reward is pay provided by an employer to the employees. It consists of packages of pay benefits, services etc. Broadly, rewards can be divided into following types:

Intrinsic Rewards and Extrinsic Rewards

Intrinsic rewards are the satisfactions that an individual obtains from the job itself. It means, they are the factors of esteem and self-actualization needs of the employees. These satisfactions are self-initiated rewards and are fulfilled internally by the employees. These rewards consist of having a pride on work, having a feeling of accomplishment, or being a part of team etc.

Extrinsic rewards are the benefits provided externally. These rewards are provided in term of money and fringe benefits. These rewards are necessary to fulfill physiological and safety needs of the employees. Such rewards are the results of management policies and procedures of the organization.

Financial Rewards and Non-financial Rewards

A financial reward means those direct and indirect payments that enhance an employee's wellbeing. Financial rewards make employee financially sound so that he/she can fulfill his/her material

desire. Direct payment consists of salary, wages, commissions, incentives, bonus allowances etc. Indirect payment includes pensions, medical insurance, paid leaves, paid sick leaves, purchases, discounts etc.

Non-financial rewards are those employee benefits that do not enhance an employee's financial well-being. However, such rewards provide more job satisfaction. Preferred lunch hours, preferred office furnishing, parking spaces, impressive job title, desired work assignments business cards, own secretary etc. are some of its examples.

Performance Based Rewards and Membership Based Rewards

Performance based rewards are such benefits which are provided on the basis of an employee's job performance ability. The reward depends upon the performance of an individual in the actual work floor. These rewards are exemplified by the use of commissions, piece work pay plans, incentive systems, group bonuses or other forms of merit pay plans.

Membership based rewards are those rewards that are paid on the basis of being a member of an organization. It means, the basis of allocating rewards is employee's organizational membership. Hence, the reward goes to all employees irrespective of their performance.

Motivation

Motivation can be specified as a management process, which encourages people to work better for the overall benefit of the organization, by providing them motives, which are based on their unfulfilled needs. The matter arising is: "why managers need to motivate employees? (Herzberg, 1959). According to (Smith 1994) it is because of the survival of the company. (Amabile ,1993) contributed to this statement by arguing that it is necessary for managers and leaders of organization to learn to understand and effectively deal with their employee's motivation; since motivated employees' are the pillars of successful organization in present and future century. She also indicates that unmotivated employees may probably contribute little effort in their jobs, stay away from workplace as much as possible, go out of the organization and make low quality of work.

When employees are well motivated, they help the organization to grow and survive in a fast-changing workplace (Lindner 1998). Lindner also indicates that the most difficult role of manag-

ers is to motivate employee, because what motivates employees changes always (Bowen and Radhakrishna 1991).

The term motivation was developed in the early 1880's prior to that time, the term "will" was used by well-known philosophers as well as notable social theorists when talking about motivated human behavior's. (Forgas Williams and Laham 2005). According to them motivation is believed to be an entity that compelled one to action. Recently many researchers have offered unique definitions of motivation. It has been defined as the psychological process that gives behavior purpose and direction. (Kreitner 1995) a predisposition to behave in a purposive manner to achieve specific, unmet needs. (Buford Bedeian & Lindne, 1995).

an internal drive to satisfy an unsatisfied need. (Higgins, 1994). It is apparent that managers need to motivate employees if they want to get the necessary results for the organization. It can also be said that there is an agreement about the facts that motivation is an individual development, it is depicted as being deliberate, it has several sides and the aim of motivational theories is to predict behaviors. It appears that Herzberg and Maslow theories are still used today because they were among the first researchers at this topic.

(Herzberg and Maslow Herzberg 1959) introduced a well-known motivation theory, which is the two-Factor Theory, he described in his theory between motivators and hygiene factors. He emphasized that the factors can either be motivators or hygiene factors, but can never be both at the same time. Intrinsic motivational factors are challenging work, recognition and responsibilities. Hygiene factors are extrinsic motivational factors such as status, job security and salary. Motivating factors can when present, leads to satisfaction and Hygiene factors can when not present leads to dissatisfaction, but the two factors can never be treated as opposites from each other (Saiyadain 2009.)

Types of motivation

According to (Armstrong 1988), there are two types of motivation.

Intrinsic motivation refers to the motivation that comes from inside an individual. The motivation is generated through satisfaction or pleasure that one gets in completing or even working on a task. Factors that influence on intrinsic motivation include responsibility, Freedom to act

scope to use and develop skills and abilities, interesting work and opportunities for advancement. These motivators, which are concerned with the quality of work life, of work life

tend to have a long-term effect since they are inherent in individuals and not imposed from outside. (Armstrong 1988).

Extrinsic motivation is something that is done to or for people to motivate them. It arises from factors outside an individual, such as money, grades, criticism or punishments. These

Rewards provide satisfaction and pleasure that the task itself might not provide. An extrinsically motivated person might work on a task even when they have little interest in it. This type of motivation usually has an immediate and powerful effect, however it does not end to last for long. (Armstrong 1988).

Employee Motivation.

According to (Nduka ,2016) After employees are hired and trained, it is important to motivate them to get the desired efforts from them, to achieve organizational objectives. While designing their compensation package we try to meet their expectations at the outset, suitably identifying their extrinsic and intrinsic needs within the given policies and procedures of the organization.

However, this is restricted only in those cases, where, we can afford to become flexible, to attract and retain talents in key positions, without contributing to the general dissatisfaction of other employees. But major problems on employee motivation become evident when employees of an organization start perceiving that there is a wide mismatch between their expectations and organizational commitments. At times, such perceived expectations of the employees far exceed the organizational commitments, resulting in a significant drop in their perception. Motivation is a dynamic organizational-behavior issue and there cannot be any organization-specific motivation tool. The subject of motivation, perhaps, received the highest attention from management thinkers' worldwide.

Even then we find that we are not able to address the problem as employee demotivation is a perennial issue from the days of the industrial revolution. Before the industrial revolution, such problems were non-existent, as the owners of labor services and owners of means of capital had the same identity and the motivation for work was spontaneous in a home-centered production

system. In this article, we have first discussed the different theories of motivation and mentioned briefly about the different empirical studies on motivation in India and abroad before culling the other issues such as concepts, objectives, process, and benefits. Such a journey is necessary because we find this is one of the much discussed and much-debated subjects of organizational behavior studies.

Synthesis of employee motivation theories

The term motivation derived from the Latin word mover, meaning to move (Kretiner,1998). Motivation represents “that psychological process that causes the arousal, direction, and persistence of voluntary actions that are goal oriented (Mitchell, 1982). Motivation as defined by (Robbins 1993) is the willingness to exert high

levels of effort toward organizational goals, conditioned by the effort’s ability to satisfy some individual need. A need in this context is an internal state that makes certain outcomes appear attractive. An unsatisfied need creates tension that stimulates drives within the individual. These drives then generate a search behavior to find particular goals that, if attained, will satisfy the need and lead to the reduction of tension. (Robbins,1993).

The inference is that motivated employees are in a state of tension and to relieve this tension, they exert effort. The greater the tension, the higher the effort level as illustrated in Figure 1. Motivational theorists differ on where the energy is derived and on the particular needs that a person is attempting to fulfill, but most would agree that motivation requires a desire to act, an ability to act, and having an objective

The author identified the most relevant theories and explained the respective theories of motivation and how motivation may impact employee commitment in an organization. Five methods of explaining behavior – needs, reinforcement, cognition, job characteristics, and feelings/emotions – underlie the evolution of modern theories of human motivation. (Kretiner 1998). In this motivational theory effort, following motivation theories were selected (1) need theories, (2) equity theory, (3) expectancy theory, and (4) job design model given their emphasis and reported significance on employee retention.

2.2. Empirical Studies

Numerous related studies are conducted by different researchers in different parts of the world. However, there are numbers of studies conducted in Ethiopia on the effect of reward practice on employee's motivation.

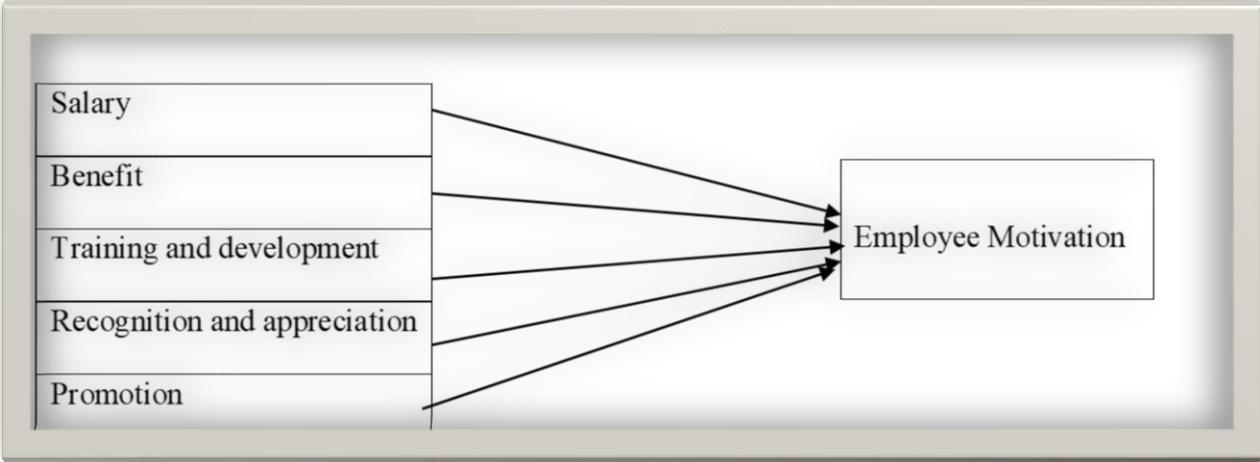
(Birku A. 2017) conducted a research on Effect of reward practice on employee's motivation in Dashin Bank SC. The objective of this research was to examine which reward programs financial or nonfinancial have more effect on employee motivation at Dashen Bank. Quantitative research approach was used. Stratified sampling technique was used to select samples from the existing employees of the organization Form total of 2511 target population 240 was sample size. The collected data analyzed by SPSS software. Explanatory research design is explaining and interpreting relationships between two or more aspects of a situation or phenomenon. The finding show that the overall perception of respondents, the independent variables (Payment, benefit, promotion, recognition and supervision) are positively and significantly related to employee motivation as this variable changes directly affect employee motivation. And also moderate positive and significance between extrinsic reward and employee motivation. On other side, there is positive relation with intrinsic reward but not significant.

On the other hand research conducted by (Berhan, 2007), the study examines the impact of intrinsic, extrinsic, and equity factors of work on employee's organizational commitment a case study in two selected private colleges in Addis Ababa. Questionnaire was used to collect primary data and different records of the institution reviewed for collection of secondary data. Random sampling method used to select respondent. The collected data analyzed by using SPSS. The finding shows that instructors in private colleges were satisfied with intrinsic factors of work such as opportunity for achievement, challenging work, responsibility. On the other hand, instructors are generally dissatisfied with extrinsic content of work such as salary, fringe benefits, incentives, job security, and post-employment security. Moreover, there is also structural inequity.

Consequently, employees were not committed to their organization which implies the availability of high turnover and lower performance.

(Shrew 2017), The effect of reward practice on employee's turnover intention with reference to metal industry development institution (MIDI). The objective of the study is to investigate the effect of reward practices on employee's turnover intention in Metal Industry Development Institute. Quantitative and qualitative research approach was used. stratified sampling technique was employed to distribute the survey questionnaires. the number of total populations for the study is 148. And the sample size is 108. And the researcher used explanatory research method to investigate the extrinsic and intrinsic reward with employee's turnover. The collected questionnaires analyzed statistically with the help of SPSS. The findings show that, there is a negative relationship among the selected extrinsic and intrinsic reward practices and employees' turnover intention and Regarding the level of employees feeling to quit their job, there is a high level of turnover intent among employees of the institute.

2.3. Conceptual framework



CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

The study conducted to measure the effect of reward practices on employee motivation. To realize the objective of the study and provide a conclusive answer for the research questions outlined in chapter one, the following research design and methodology was employed.

3.1. Types of Research Design and approach

In order to analyze data was obtained from respondents explanatory research methods were employed. Explanatory approaches was conducted to test the relationship between the dependent and independent variables, and to see the cause and effects of variables. In addition in order to summarize the demographic characteristics of the respondents and to know the level of employee's perception about independent variables, descriptive analysis used by comparing the mean and standard deviation was scored of each variable.

There are three basic approaches to research, the quantitative approach, the qualitative approach and Mixed .

The strategies and the method all contribute to a research approach that tends to be more quantitative, qualitative or mixed (Creswell, 1994).

Quantitative research involves studies that make use of statistical analyses to obtain their findings. Key features include formal and systematic measurement and the use of statistics (Marczyk, Dematteo & Frestinger, 2005).

Therefore, the study used quantitative research approach because it used structural questionnaire data collection method and statically data analysis techniques.

3.2. Sampling Design

Target population, the number of total population for the study is 85.

Table 3.1 Target Population

Table 3.1. Total number of population and sample size	Number of employees in each Department	Total number of target population	Sample size
Program Department	69	69	69
Finance and Admin department	8	8	8
Procurement and logistic	7	7	7
Human resource	1	1	1
Total	85	85	85

Sample technique

The researcher was used Census sampling technique to distribute the survey questionnaires to acquire participant's perception towards the effects of reward practices on employee Motivation. Census sampling make the sample was selected all of the target population with the intension of obtaining an in depth information to address the research questions. As the researcher mentioned above,

3.3. Data source and method of data collection.

Data was collected from both employees who are working in the head office and Regional sub office of the organization.

Data collection method and tools.

Questionnaire

The main data-gathering instrument of this study is questionnaire. The questionnaire was self-administer and. systematically categorizes in order to make it easily understandable by the respondents and then checked by the researcher advisor regarding employee's motivation, the

questionnaires assess by five -item measures. These measures were based on (Mobley, Hornerv& Hollingsworth theory 1978) cited in (Yin-Far et al, 2010).

Document Review

Data concerning the reward practice also gathered from detail review of the HRM manuals of the organization and from the organization website. Further, the exit questioner paper was review in order to get relevant information about the employees and used to support the reliability of the information obtained through questionnaire.

Study Population.

The study was conducted in Self- Help Africa Ethiopia office, Yeka Subcity woreda 8, Kebele 14, House No. 901 And the organization nature is International Non-Governmental Organization Mainly working on Agricultural capacity development, by giving Trainings for Farmers, Distributing Agricultural Materials, Seed, cooperating rural saving and credit Unions etc.

Total number of employees is 85 Both Head office and regional sub office staff.

The populations of the study were all the SHA employees starting from the top level management to lower level employees of SHA. There are 80 employees and 5 Manager, Head and Director.

Procedure of data collection.

The structured questionnaire was administered with the help of the Organization employees that are found in Head office in Addis Ababa and Sub regional office. The developed questionnaire was distributed to all 85 employees.

Reliability and validity

Reliability Test

A reliability analyses was conducted to each variable of the instrument. The reliability of the measures was examined through the calculation of Cronbach's alpha coefficients. For scale acceptability, (Hair et al. 1998) suggested that Cronbach's alpha coefficient of construct is 0.6. If each domain obtains the value 0.6, it means that, the items in each domain are understood by most of the respondents. On the other hand, if the findings are far from the expected value of 0.6, this might be caused by respondents' different perception toward each item of the domain.

Table 3.2: Reliability Test

Indicators	Number of items	Cronbach Alpha
Current Reward in Use	6	0.714
Salary	5	0.730
Benefit	8	0.729
Promotion	5	0.751
Recognition and appreciation	6	0.753
Training and development	11	0.895
Employee motivations	5	0.798

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

**Source: from field survey data, 2019

The Cronbach's alpha values are reported as follows Current Reward in Use yield Cronbach's alpha =0.714, salary Cronbach's alpha = .730.

It portrayed the Cronbach's alpha for Benefit was at .729, Cronbach's alpha for Promotion was at 0.751, Cronbach's alpha for Recognition and appreciation was at 0.753 while Cronbach's alpha for Training and development is 0.895 and the dependent variable yield Cronbach alpha which is 0.798.

The Cronbach's alpha values for all the variables considered are greater than 0.60 and this indicates the items in each of the domains are well understood by the respondents. The items have measured what they were designed to measure.

Impact Analysis: KMO (Measure of Data Adequacy)

A number of measures are used for examining the appropriateness of data for impact analysis. KMO (Kaiser-Meyer-Olkin) measure of sampling adequacy is a popular diagnostic measure. KMO provides a means to assess the extent to which the indicators to a construct belong together. It is the measure of homogeneity of variable. It is said to be acceptable measure if the KMO is .65 or higher value (Sharma 1996).

The Kaiser-Meyer-Olkin measure of sampling adequacy is greater than 0.65 for all domains. From the KMO test, it is inferred that items in each of the category belong together as the KMO for all the variables is above the cut-off point. Besides, it also explains the adequacy of the data to run factor analysis below table 3.3

Table 3.3. effect Analysis: KMO (Measure of Data Adequacy)

Current Reward in Use	Kaiser-Meyer-Olkin Measure of Sampling	.721
Salary	Kaiser-Meyer-Olkin Measure of Sampling	.664
Benefit	Kaiser-Meyer-Olkin Measure of Sampling	.816
Promotion	Kaiser-Meyer-Olkin Measure of Sampling	.830
Recognition and appreciation	Kaiser-Meyer-Olkin Measure of Sampling	.832
Training and development	Kaiser-Meyer-Olkin Measure of Sampling	.721
Employee motivations	Kaiser-Meyer-Olkin Measure of Sampling	.890

**Extraction Method: Principal Component Analysis.

a. components extracted.

Source: from field survey data, 2019

The validity of measurements was tested by running effect analysis (Principle effect led Component Analysis). Since the domain of the measurements had been identified, the aims of performing factor analysis were to determine whether items were tapping into the same construct and measuring the construct.

Before conducting effect analysis, items have been classified into five domains, namely (Current Reward in Use, salary, Benefit, Promotion, Recognition and appreciation, Training and development and Employee motivations). Effect analysis followed by varimax rotation was run

by using principle component analysis according to items in each domain across. Since this analysis was designed to study whether items tapping into the domain itself, the extracted variables was used and explained according to factor loading of items in each domain. The Effect loading is the correlation between a variable and an effect that has been extracted from the data. The study identified the variables on the basis of the results of the component matrix output.

Each variable that gives acceptable impact loading (Minimum of .4) towards a impact was considered as tapping and measuring the domain.

As it can be evidenced from Table 3.3 the effect loading for each of the items in the categorized variables is greater than the minimum requirement 0.4. It could be inferred that the items tap the effect and can measure the variables which they were designed to explain. A useful byproduct of impact analysis is impact scores. Impact scores are composite measures that can be computed for each subject on each effect.

They are standardized measures with a mean = 0.0 and a standard deviation of 1.0, computed from the effect score coefficient matrix. The effect scores were used in the subsequent analyses of the study.

3.4. Method of data analysis

In order to analyze the data gathered and come up with answers to the research questions raised explanatory methods employed. The collected questionnaires analyzed statistically with the help of SPSS (statistical package for social science). Moreover, it summarized by frequencies Percentages, means, and standard deviations. Determination of the relationship between the identified independent and dependent variables, the researcher was use Pearson's correlation coefficient and to show the extent of variation in the dependent variable that was explain by the independent variable, the data was compute by regression analysis. The following regression model was used to determine the variation or quantitative associations between the variables.

3.5. Ethical Consideration

The research was conducted as ethical responsibility. This includes providing data to the respondents about the purpose of the research and the use of the information .and the principles are intended to protect research participants from harm (Marczyk, et al, 2005).

Information got was held in firm confidentiality by the researcher. Respondent's privacy was kept so that Respondents would feel free and safe to give their ideas. Issues regarding employee personal data, policies and strategies of the Organization and other highly classified information that need to be kept confidential were done same, and finally I am fully acknowledges the works all authors that I have been used for this study.

CHAPTER FOUR

DATA ANALYSIS, INTERPRETATION AND PRESENTATION

4.1. Response rate

Under this chapter data gathered through survey is analyzed and interpreted. Moreover, Methodology part of this thesis explained, for 85 populations. and questionnaire was distributed to all employees to increase the margin of return. And all of distributed questionnaire are collected and used for further analysis which makes the response rate of 94.5%. Statistical Package for Social Science (SPSS) was used to analysis data.

Table 4.1. profile of Respondents

S.N	Variance	Type	Fre- quency	Per- cent	Cumula- tive Per- cent %
1	Sex	Male	66	77.6	77.6
		Female	19	22.4	100.0
		Total	85	100.0	
2	Age	30 and below	3	3.53	3.53
		31-40 years old	24	28.24	31.77
		41 -50 years old	50	58.82	90.59
		Over 50 years old	8	9.41	100
		Total	85	100	
3	Educational level	Diploma	12	14.1	14.1
		BA/BSC	62	72.9	72.9
		MA/MSC	11	12.9	12.9
		Total	85	100	
4	Marital status	Single	7	8.24	8.24
		Married	78	91.76	100
		Total	85	100	
5	Year of service	5 and below	20	23.5	23.5
		6-10 years	53	62.4	85.9
		11-15 years	12	14.1	100
		Total	85	100	

From above table 4.1 result regarding respondent gender 77.6% of respondents are male and the rest of 22.4% of them are female. So this implies majority of respondents are male .

Regarding respondents age 3.53% of them are 30 and below year old, 28.24 % of respondents are 31-40 years old and of 58.82% of respondents are 41 -50 years old and the rest 9.41% of respondent is over 50 years. This means the current study respondents are adults.

The result regarding educational level of respondent's majority 72.9% of respondents are degree holder and other 14.2% of them are diploma holders and the rest 12.9% of respondents are master degree holders. Almost all respondents are degree holder; some of them are diploma and master degree holders. So all respondents are well educated.

Regarding marital status, 91.76% of respondents are married and the rest of 8.24% of them are single. Majority of respondents are married so they are responsible than single because of their family.

From above Table 4.1 regarding to year of service in organizations 62.4% served from 6-10 years. The other 23.5% of the respondents serviced for 5 and below. The rest of 14.1 % of respondents served for 11-15 years. Year of service in organizations could lead the employer to the psychological needs of belonging and esteem, including the need to achieve, are met through being part of a team and achieving goals.

The significance of the Year of service in organizations arise employee's motivations due to lack and are thought to motivate people when they are unmet. When a deficit need has been satisfied. and activities are then directed to the higher order need. In contrast, growth needs do not stem from a lack of something, but from a desire to grow as a person.

4.2. Perception of Respondents towards the Reward Practice of SHA.

Table 4.2. Mean and standard deviation for Measures of respondents Perception of Reward Practice

Constructs	Mean	Standard Deviation
Current Reward in Use	3.1274	.70356
salary	3.2390	.81309
Benefit	3.3386	.79601
Promotion	3.6025	.84957
Recognition and appreciation	2.8527	.33322
Training and development	3.1578	.72764
Employee motivations	3.6771	.78410

Source: from field survey data, 2019

Results from the summary statistics indicated that the mean response rate for all most all constructs is near to three so the researcher concludes that there is no outlier on this data.

From Table 4.2 above, Promotion recorded the highest value of standard deviation (.84957) followed closely by salary (.81309) and Employee motivations (.78410). This implies that there is high level of delivery in the data for the three constructs.

The phenomenon can be explained by the fact that since employee may come across to different Self-help African survey data, 2019 employees that have different employee's motivations Understanding construct have the lowest standard deviation of (.33322), suggesting a comparatively lower spread in the data and clustering of the responses around the mean.

4.3. Pearson's Correlations Between Constructs

Table 4.3: Person Correlations result

Variable		Employee Motivation	Current reward in use	Salary	Benefit	Promotion	Recognition and appreciation	Training and development
Employee motivations	Pearson Correlation	1	.808**	.636**	.550**	.649**	.464**	.560**
	Sig. (2-tailed)		.000	.000	.000	.000	.000	.000
	N	85	85	85	85	85	85	85
Current Reward in Use	Pearson Correlation	.808**	1	.420**	.343**	.351**	.487**	.501**
	Sig. (2-tailed)	.000		.000	.003	.004	.000	.000
	N	47	85	85	85	85	85	85
Salary	Pearson Correlation	.636**	.420**	1	.577**	.292*	.503**	.271*
	Sig. (2-tailed)	.000	.000		.000	.013	.000	.022
	N	85	85	85	85	85	85	85
Benefit	Pearson Correlation	.550**	.343**	.577**	1	.346**	.399**	.330**
	Sig. (2-tailed)	.000	.003	.000		.002	.000	.004
	N	85	85	85	85	85	85	85
Promotion	Pearson Correlation	.649**	.351**	.292*	.346**	1	.387**	.248*
	Sig. (2-tailed)	.000	.004	.013	.002		.001	.040
	N	85	85	85	85	85	85	85
Recognition and appreciation	Pearson Correlation	.464**	.487**	.503**	.399**	.387**	1	.319**
	Sig. (2-tailed)	.000	.000	.000	.000	.001		.007
	N	85	85	85	85	85	85	85
Training and development	Pearson Correlation	.560**	.501**	.271*	.330**	.248*	.319**	1
	Sig. (2-tailed)	.000	.000	.022	.004	.040	.007	
	N	85	85	85	85	85	85	85
**. Correlation is significant at the 0.01 level (2-tailed).								
*. Correlation is significant at the 0.05 level (2-tailed).								

Source: from field survey data, 2019

The Pearson Correlation Analyses were employed among variables. Table 4.3 shows the correlation analyses among all constructs for telecom broad band subscriber sector.

The result reveals that there are significant positive correlations between Current Reward in Use and employee motivations ($r=0.808, p<0.01$), Salary and Employee motivations ($r=0.636, p<0.01$), Benefit and Employee motivations ($r=0.550, p<0.01$).

Promotion and Employee motivations ($r=0.525, p<0.01$). There is significant Negative correlation between Recognition and appreciation and Employee motivations ($r= 0.464, p<0.01$). There is significant positive correlation between Training and development Employee motivations ($r= 0.560, p<0.01$).

It can say, the correlation coefficient is currently above 50% which is close to signaling a strong positive correlation. A reading above 0.50 typically signals a strong positive correlation. Understanding the correlation between reward and its employees motivations can help company gauge how the employee is trading relative to its peers. All types of reward can be compared with the correlation coefficient would be effective to measure.

4.4. Multiple liner regression Analysis (Reward (mediator) as predictors to Employees motivations)

In this study, a multiple regression analysis was conducted to test relationship among variables i.e. dependent and independent variables. The analysis was done to establish how the specific remark to evaluate effect of Reward on employee motivations in self-help Africa.

Table 4.4 Multiple liner regression

Model	R	R Square	Adjusted R Square
1	.905 ^a	.829	.773

Source: from field survey data, 2019

A regression analysis results are presented in Model Summary table 4.4, the result as shown in the model summary designates that (Training and development, Promotion, Recognition and appreciation, Benefit, Current Reward in Use, salary) explained 90.5 % of change in employee's motivations.

The coefficient of multiple determinations (R^2) was estimated 0.829 and adjusted R^2 value was 0.773. This means that 87.3 % of the variation in the dependent variable is explained by the explanatory variables included in the model. Furthermore, the adjusted R^2 of 82.9% which is significant has further consolidated the goodness of the model; hence, it is econometric significance and reliable. Which is showed that the model is fitted and its goodness to indicate the determinations of dependent variable explanations.

Table 4.5: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	13125.482	5	2724.147	107.142	.000 ^b
	Residual	1885.687	80	47.142		
	Total	15011.169	85			
a. Dependent Variable: Employee motivations						
b. Predictors: (Constant), Training and development, Promotion, Recognition and appreciation, Benefit, Current Reward in Use, salary						

Source: from field survey data, 2019

From above table 4.5 The F-ratio found in the ANOVA table measures the probability of chance departure from a straight line. The significance value is 0.00 which is less than 0.05 thus the model is statistically significance in predicting how Training and development, Promotion, Recognition and appreciation, Benefit, Current Reward in Use, salary and explain the Employee motivations. The F critical at 5% level of significance was 0.00. Since F calculated is greater than the F critical (value = 107.142), this shows that the overall model was extremely significant.

Table 4.6: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	37.149	6.798		3.545	.001
	Current Reward in Use	.237	.097	.146	2.444	.015
	salary	.236	.079	.181	2.998	.003
	Benefit	.276	.337	.207	3.784	.000
	Promotion	.092	.427	.311	5.241	.000
	Recognition and appreciation	2.891	.517	.245	3.658	.001
	Training and development	.078	.359	.179	2.849	.000
a. Dependent Variable: Employee motivations						

Source: from field survey data, 2019

From above table 4.6 , multiple liner regressions coefficient and model interval result on the random effect of reward towards employ motivations analysis has been estimates to evaluate the level of Training and development, Promotion, Recognition and appreciation, Benefit, Current Reward in Use, salary towards explain the Employee motivations is 37.1% in Self-Help Africa which is lower rate of which is when selecting the model for the multiple linear regression analysis, another important consideration is the model fit.

Regarding to employee salary was affected employee motivations in Self-Help Africa by 23.6% which is Low level.

The study result regarding to Benefit was contributed to only 27.6% for employee motivations negatively next to Promotion which is 9% to employee motivations during this study. The results show that the variables of promotion and benefit have significant and positive moderate effect on employee motivations.

Result regarding to employee gave Recognition and appreciation contributed to 2.89% at 5% in-significance level.

From the above table 4.6 results regarding to Training and development is worthy only 7.8% for employee's motivations plays lower vital role in the building of competencies of new as well as current employees to perform their job not lead to effective way.

CHAPTER FIVE

SUMMARYS, CONCLUSIONS AND RECOMANDATIONS.

This chapter is that to summarize the finding and results that have merged from data analysis in chapter four. The general objective of this study is to investigate the existing reward practices and motivation of employees in relation with the types of reward in the Self Help Africa Ethiopia office. And show the conclusions that have been reached.

5.1. Summary

Summary of major findings from frequency of respondent's personal information, descriptive statics, and correlation and regression analysis presented as follow.

In this study from overall respondents' in SHA 77.6% are Male and 91.76 % of them are married. 58.82 % of them are adults (age from 41-50). And regarding to educational level of majority respondents are BA/BSC (i.e) 72.9%. Therefore, majority of respondents are well educated, matured and

The descriptive analysis showed us the total mean for all reward practice, majority of respondents were motivated by moderate level which is near to three,

The overall perception of respondents toward reward practice of the SHA in term of Promotion (.84957) salary (.81309) and employee motivation (.78410). is record highest value standard deviation. So the result is shows that majority of respondents' are satisfied. However, Recognition and appreciation have the lowest standard deviation of (.33322) compare to others, so the respondents are motivated by low level.

The pearson correlation analysis shows that the relationship between reward practice in SHA and motivational level of respondent. Therefore all independent variables current Reward in Use($r=0.808, p<0.01$), Salary ($r=0.636, p<0.01$), Benefit ($r=0.550, p<0.01$), Promotion ($r=0.525, p<0.01$), Training and development ($r= 0.560, p<0.01$) are positively significant related to employee motivation, However, Recognition and appreciation ($r= 0.464, p<0.01$), is positive related with employee motivation but not significantly.

The Pearson correlation analysis shows that the relationship between reward practice in SHA and motivational level of respondent are positively significant related to employee motivation. This implies the correlation coefficient is above 50 % which is close to signaling positive Relationship with employee's motivation.

Regarding to employee salary was affected employee motivations in Self-Help Africa by 23.6% which is Low level

The regression analysis result showed us that Training and development, Promotion, Recognition and appreciation, Benefit, Current Reward in Use, salary are explained 90.5 % of change in employee's motivations.

The coefficient of multiple determinations (R^2) was estimated 0.829 and adjusted R^2 value was 0.773. This means that 87.3 % of the variation in the dependent variable is explained by the explanatory variables included in the model. Furthermore, the adjusted R^2 of 82.9% which is significant has further consolidated the goodness of the model.

Multiple linear regressions coefficient and model interval result on the random effect of reward towards employ motivations analysis has been estimates to evaluate the level of Training and development, Promotion, Recognition and appreciation, Benefit, Current Reward in Use, salary towards explain the Employee motivations is 37.1% in self-help Africa which is lower rate.

5.2. Conclusion

The finding showed the mean values for Salary, benefit, promotion, Recognition and appreciation and training and development are moderate level which is near to 3.

Therefore, mean values indicating those areas where employees were positively motivated but not significantly. Therefore, it seems that the overall analysis about perception of employees towards the current reward practice of the SHA satisfy the motivation level of employees.

The pearson correlation analysis shows that the relationship between reward practice in SHA and motivational level of respondent are positively significant related to employee motivation. This implies that the correlation coefficient is above 50 % which is close to signaling positive Relationship with employee's motivation.

The overall perception of respondents toward reward practice of the SHA which means in term of Promotion (.84957) salary (.81309) employee motivation (.78410) is record highest value standard deviation. So, the result is showed us the practice/trend of reward in the SHA is almost its good. Even if the result of recognition and appreciation is low (.33322), the cumulative result of all variable implies that there is better trend of reward practice in the organization.

Multiple liner regressions coefficient and model interval result on the random effect of reward towards employee motivation analysis has been estimates to evaluate the level of Training and development, Promotion, Recognition and appreciation, Benefit, Current Reward in Use, salary towards explain the Employee motivations is 37.1% in self-help Africa which is lower rate.

5.2. Recommendations.

In Self-Help Africa, the managers should more improve the practice of reward in the organization, because the perception of employees toward their motivation level is positive but not significant. When the organization has best reward practice, it will have potential to motivate, attract and retain employee in the organization. And the employee motivation level becomes positive and significance.

The organization as well as the higher managers have to work on the recognition and appreciation of employees in the SHA. And create employee recognition and appreciation programs for the employees who are well done their responsibility, this will motivate and enhance employee productivity in the SHAEO.

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ST. MARY UNIVERSITY

MASTER OF BUSINESS ADMINISTRATION IN GENERAL MANAGEMENT

QUESTIONNAIRE TO BE FILLED BY STAFFS OF SHAEO

Dear Respondents:

The objective of this questionnaire to collect data about The effect of Reward practices on Employee Motivation in Self Help Africa Ethiopia office and the information that you provide me will be used as primary data in my study. The study is meant for academic purpose only and the information you supply will be kept confidential. I, therefore, kindly request you to fill the questionnaire honestly and accurately, so that quality of information you provide determines the ultimate reliability of the study.

Directions for filling the questionnaire

There is no right and wrong answer of the options provided. Therefore, you are kindly requested to fill your real opinion regarding each question. Your response is utilized only for the purpose of this survey.

► Please put a “√” mark on your choice in the space provided

► No need of writing your name

Part I: General Information

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

PART ONE: PERSONAL DATA

1. Sex : M F

2. Age : 30 and below 31-40 41-50 Above 50

3. Educational level: 12 grade completed and below

Diploma BA/BSC MA/MSc above MA/MSc

4. Marital status: Single Married Divorce Others

5. Service year in the organization

5 and below 6-10 11-15 15-20 above 20

PART Two: Questions Related to Current Reward in Use.

S.no	Scale the significance of the below list reward for you; which are currently offered by your organization	Very significant	Slightly significant	Neutral	Slightly insignificant	Very insignificant
		5	4	3	2	1
1.	Salaries.					
2.	Bonus.					
3.	Medical and life Insurance.					
4.	Transport allowance.					
5.	Pension/ retirement benefit.					

6.	Responsibility and interesting duties.					
7.	Recognition and feedback from supervisors.					
8.	Job related training.					
9.	Job security					
10.	Career advancement opportunity					

PART THREE . Question related to reward practices in the organization

Please put a tick mark (√) in front of the following items indicating the level of your agreement or disagreement that best expresses your opinion based on the below scale Scale : 1-Strongly disagree 2- Disagree, 3- Neutral 4 – Agree 5- Strongly Agree

S.N	Salary	1	2	3	4	5
1	I am satisfied with the current salary scale of the organization					
2	My salary is fair and equal with others who have similar jobs					

	and position in the organization.					
3	Salary adjustments are available in the organization within reasonable time.					
4	The salary I get is attractive enough which motivate me to stay in the organization					
	Benefit					
1	The benefits provided by the organization are attractive.					
2	The benefit that I get is fair and equal with others who have similar jobs and position in the organization					
3	The medical coverage that provided by the organization s attractive.					
4	The insurance coverage that provided by the organization is attractive.					
	Promotion					
1	There is satisfactory opportunity for promotion					
2	Employees are promoted in transparent and fairly ways.					
3	Everyone has equal chance to promote in the Organization					
4	I am satisfied with promotion system of the organization					
	Recognition and appreciation					
1	There is satisfactory recognition and appreciation for those who have better achievement in the organization					
2	I have received the right amount of appreciation or recognition letter for my good work					
3	The existence of recognition and appreciation for good work, has given me an opportunity to do extra work					
4	I received adequate praise for my good work					
	Training and development					

1	In SHA there is good training opportunity.					
2	I got adequate chance of training.					
3	Generally there is equal training opportunity for all workers of the organization.					
4	Criteria for training of outside the country are fair for the whole members of the organization.					

Please put a tick mark (√) in front of the following items indicating the level of your agreement or disagreement that best expresses your opinion based on the below scale Scale : 1-Strongly disagree 2- Disagree, 3- Neutral 4 – Agree 5- Strongly Agree

Part IV: level of employee motivation

1	I have encouragement to improve my performance and to develop my skills					
2	I am committed to my responsibility of work					
3	My accomplishments give me an important sense of self-respect					
4	I have loyalty and belongings to my bank					
5	The organization provides me with an opportunity of carrier					

Thank you in advance for your quick response!

APENDEX

Table 3.1.Target Population

Table 3.1. Total number of Population and sample size	Number of employees in each Department	Total number of target population	Sample size
Program Department	69	69	69
Finance and Admin department	8	8	8
Procurement and logistic	7	7	7
Human resource	1	1	1
Total	85	85	85

Table 3.2: Reliability Test

Indicators	Number of items	Cronbach Alpha
Current Reward in Use	6	0.714
Salary	5	0.730
Benefit	8	0.729
Promotion	5	0.751
Recognition and appreciation	6	0.753
Training and development	11	0.895
Employee motivations	5	0.798

Table 3.3. effect Analysis: KMO (Measure of Data Adequacy)

Current Reward in Use	Kaiser-Meyer-Olkin Measure of Sampling	.721
Salary	Kaiser-Meyer-Olkin Measure of Sampling	.664
Benefit	Kaiser-Meyer-Olkin Measure of Sampling	.816
Promotion	Kaiser-Meyer-Olkin Measure of Sampling	.830
Recognition and appreciation	Kaiser-Meyer-Olkin Measure of Sampling	.832
Training and development	Kaiser-Meyer-Olkin Measure of Sampling	.721
Employee motivations	Kaiser-Meyer-Olkin Measure of Sampling	.890

Table 4.1. profile of Respondents

S.N	Variance	Type	Fre- quency	Per- cent	Cumula- tive Per- cent %
1	Sex	Male	66	77.6	77.6
		Female	19	22.4	100.0
		Total	85	100.0	
2	Age	30 and below	3	3.53	3.53
		31-40 years old	24	28.24	31.77
		41 -50 years old	50	58.82	90.59
		Over 50 years old	8	9.41	100
		Total	85	100	
3	Educational level	Diploma	12	14.1	14.1
		BA/BSC	62	72.9	72.9
		MA/MSC	11	12.9	12.9
		Total	85	100	
4	Marital status	Single	7	8.24	8.24
		Married	78	91.76	100
		Total	85	100	
5	Year of service	5 and below	20	23.5	23.5
		6-10 years	53	62.4	85.9
		11-15 years	12	14.1	100
		Total	85	100	

Table 4.2

Constructs	Mean	Standard Deviation
Current Reward in Use	3.1274	.70356
salary	3.2390	.81309
Benefit	3.3386	.79601
Promotion	3.6025	.84957
Recognition and appreciation	2.8527	.33322
Training and development	3.1578	.72764
Employee motivations	3.6771	.78410

Table 4.3: Person Correlations result

Variable		Em- ployee Moti- vation	Current reward in use	Salary	Benefit	Promo- tion	Recog- nition and appre- ciation	Train- ing and devel- opment
Employee motivations	Pearson Correlation	1	.808**	.636**	.550**	.649**	.464**	.560**
	Sig. (2-tailed)		.000	.000	.000	.000	.000	.000
	N	85	85	85	85	85	85	85
Current Re- ward in Use	Pearson Correlation	.808**	1	.420**	.343**	.351**	.487**	.501**
	Sig. (2-tailed)	.000		.000	.003	.004	.000	.000
	N	47	85	85	85	85	85	85
Salary	Pearson Correlation	.636**	.420**	1	.577**	.292*	.503**	.271*
	Sig. (2-tailed)	.000	.000		.000	.013	.000	.022
	N	85	85	85	85	85	85	85
Benefit	Pearson Correlation	.550**	.343**	.577**	1	.346**	.399**	.330**
	Sig. (2-tailed)	.000	.003	.000		.002	.000	.004
	N	85	85	85	85	85	85	85
Promotion	Pearson Correlation	.649**	.351**	.292*	.346**	1	.387**	.248*
	Sig. (2-tailed)	.000	.004	.013	.002		.001	.040
	N	85	85	85	85	85	85	85
Recognition and apprecia- tion	Pearson Correlation	.464**	.487**	.503**	.399**	.387**	1	.319**
	Sig. (2-tailed)	.000	.000	.000	.000	.001		.007
	N	85	85	85	85	85	85	85
Training and development	Pearson Correlation	.560**	.501**	.271*	.330**	.248*	.319**	1
	Sig. (2-tailed)	.000	.000	.022	.004	.040	.007	
	N	85	85	85	85	85	85	85
**. Correlation is significant at the 0.01 level (2-tailed).								
*. Correlation is significant at the 0.05 level (2-tailed).								

Table 4.4. Regression

Model	R	R Square	Adjusted R Square
1	.905 ^a	.829	.773
