ST. MARY'S UNIVERSITY

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THE EFFECT OF REWARD ON EMPLOYEES' MOTIVATION: THE CASE OF META ABO BREWERY S.C (DIAGEO)

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DECLARATION

I, the undersigned, declare that this thesis entitled "*The effect of reward on employee's motivation: the case of Meta Abo Brewery Share Company*", is my original work and to the best of my knowledge has not been presented for a degree by any other person, and that all the sources of material used for the thesis have been duly acknowledged.

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STATEMENT OF CERTIFICATION

This is to declare that the thesis is prepared by Selam Gashaw, entitled: "The Effect of Reward on Employee's Motivation: A case of Meta Abo Brewery Share Company" administration of St. Mary's University school of Graduate Studies in partial fulfilment of the requirements for the Degree of Master of Arts in Business Administration with the regulations of the university and meets the accepted standards with respect to originality and quality.

Advisor: Dr. Melaku Girma

_____

Date & Signature

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ABSTRACT

This research is aimed at analyzing the effect of reward on employees' motivation in Meta Abo Brewery S.C. The study adopts quantitative research approach using survey research method by applying work satisfaction and motivation questionnaires developed by Debeer1987. The study was done based on primary and secondary data sources. A self-administered questionnaire was designed to collect relevant information from the selected 186 respondents. Among this, 144 questionnaires papers were returned and analyzed. The collected data were analyzed by SPSS version 20 using descriptive statics and multiple regressions. Similarly, correlation analysis was also used in this study to show the relation between dependent and independent variables. The result shows that there is a positive relationship between rewards and work motivation. All variables chosen (payment, benefits, promotion, recognition, working condition, empowerment, challenging and work content) have positive and significant effects on the motivation of the employees working in the Company. The findings show that motivation is related to all intrinsic and extrinsic rewards which imply change in reward offered brings about a change in the level of motivation of the employees. The overall implication of the study result is that, the employees of Meta Abo Brewery were motivated moderately by both rewards (financial and non-financial) beside the result of correlation between employee's motivation and reward is strong and significant correlation with employee motivation. To keep this employee motivation the company management should give attention for all total reward in order to meet the overall goals of the company.

Keywords: reward, motivation, payment, benefit, promotion, recognition, work content, working condition, empowerment, and challenging, Intrinsic and Extrinsic rewards.

<div align="center">**CHAPTER ONE**</div>

<div align="center">**1. INTRODUCTION**</div>

This chapter has the following sections: background of the study, statement of the problem, research question, research objectives, significance of the study, research hypothesis, scope of the study, limitation of the study, definition of terms and organization of the study.

1.1 Background of the study

In today's competitive business environment, the success and failure of any organization depends on its human resources and to get the efficient and effective result from human resource motivation is necessary (Zaman, 2011). Human resource is considered as the most important asset of every organization. In the age of global competition, acquiring the right work force and retaining it becomes the most important challenge of all organizations. To get the maximum from this resource, employees must be motivated. Motivation is an accumulation of different processes that influence and direct behavior of employees to achieve some specific goals (Baron, 1983).

Employee motivation is one of the most essential parts in a company's development and success. To maximize the overall performance of the company, it is vital for an employer to understand what motivates the employees and how to increase their job satisfaction. It might, however, be challenging for a company to find out what motivates its employees, especially because different people are motivated by different things (Armstrong, 1999). This is also true for reward system that has a great contribution for the betterment of organizations through motivating, attracting and retaining qualified workforce (Mahender & shabnam, 2015).

Reward is directly proportional to employee work motivation (Kalim, Syed & Muahmmad, 2010). For instance, when there are better rewards, there will be higher levels of motivation and greater levels of employee performance at work. Nyandema et al (2014) found that the medical aids given as benefits are the most important component of extrinsic benefit affecting employee motivation, but that employee's level of education qualification, period of working in the organization and delivery of targets affect the benefits given to employees. promotion and growth in the organization opportunity is the most important component of career development affecting employee motivation and that career development and coaching facilitate the exploration of needs of the employees. This shows that both intrinsic and extrinsic reward play important role in motivating in organization.

Reward can be extrinsic or intrinsic. Extrinsic rewards are tangible rewards and they are external to the job or task performed by the employee. Extrinsic reward can be in terms of salary, pay incentives, bonuses, promotion, job security etc. Intrinsic rewards are intangible rewards or psychological reward like appreciation, meeting a new challenge, positive and caring attitude from employer and job rotation after attaining the goal (Satiullah 2014). Frey (1997) argues that once pay exceeds a substantial level, intrinsic factors are stronger motivator and staff motivation requires intrinsic reward such as satisfaction at doing a good job and a sense of doing something worthwhile. These show that both reward system and motivation are very essential for any organizations.

There is increasingly a need for organizations to be in a position of understanding appropriate rewarding system that motivates their employees for higher organization performance (Vance 2012).

Most people are motivated by money at least for their basic needs and wants (DeNisi and Griffins, 2008). Employee motivation through reward can be in several forms including salary raises, performance bonuses, and other extra benefits such as vacations, cars and other tangible items that are used as rewards (Campbell, 2007).

According to Armstrong and Murlis (2004), reward management is concerned with the formulation and implementation of strategies and policies that aim to reward people fairly, equitably and consistently in accordance with their value to the organization. It deals with the design, implementation and maintenance of reward processes and practice that are geared to the improvement of organization, team and individual performance. Hence, organizations are highly expected to design reward mechanisms to retain their employees with attractive reward and motivation practices.

1.2   Statement of the Problem

According to Tyson & York (2000), the starting point for the manager is to design reward system that take in to account to describe and that represent the philosophy of management and organization strategy that the organization has decided to adopt.

As it is indicated in Nuresebo (2012), in today's turbulent environment, the survival of business organization depends on having a sustainable competitive advantage. This sustainable competitive advantage can be acquired only through getting and maintaining capable, skilled, committed and

motivated work force. To` having such human resource, organization need to have a reward system that is internally and externally equitable, competitive, attractive and fair.

In Meta Abo Brewery, various reward packages are used, and these involve monetary (extrinsic) and non-monetary (intrinsic) rewards. While reward is arguably one of the key drivers of motivation and one of the most studied areas, doubts have been cast by Herzberg et al. (1957) and Armstrong (2008) on the effectiveness of rewards. They argued that, while lack of it causes dissatisfaction, its provision does not result in lasting motivation. Productivity at work decreases because of the absence of the suitable incentives (Palmer, 2012). Nadia et al (2011), revealed on their study that there is a significant and positive relationship between financial rewards and employee motivation. Therefore, it can be concluded that success is not possible without reward systems which are best aligned with the structure and goals of the organization.

For example, in the context of monetary reward salary increase is sought to be highly essential for employee satisfaction (URT, 2010). However, little is known about the effect of other reward tools on employee and organization performance.

Similarly, Meta Abo face some problems in practicing/implementing intrinsic rewards system. Accordingly, this study wanted to address this gap by enquiring on the effect of reward on employee motivation at Meta Abo Brewery.

1.3 Research Question

1. What is the practice of rewarding system at Meta Abo Brewery?
2. What is the perceived evidence of employees' about rewarding management at Meta Abo Brewery.
3. What is the effect of extrinsic reward on employee motivation?
4. What is the effect of intrinsic reward on employee motivation?
5. What are the lessons for future to improve rewarding system at Meta Abo Brewery?

1.4 Research Objectives

In correlation with the research questions stated above, this research has the following general and specific objectives.

1.4.1 General Objective

The main objective of the study is to examine the effect of reward on employee motivation for Meta Abo Brewery.

1.4.2   Specific Objectives

The specific objectives of the study are to: -

- Assess the reward practice of Meta Abo Brewery.
- Determine employees' perception of reward at Meta Abo Brewery,
- Assess the effect of extrinsic rewards at Meta Abo Brewery.
- Assess the effect of intrinsic rewards at Meta Abo Brewery.
- Map out major opportunities and challenges in institutionalizing rewarding system at Meta Abo Brewery.

1.5   Research Hypothesis

Based on the causal relationship given in the conceptual model and by reviewing different motivational theories and literatures on the topic, the following hypothesis are developed for testing.

H1: Payment has a positive and significant effect on employee's motivation.

H2: Benefit has a positive and significant effect on employee's motivation.

H3: promotion has a positive and significant effect on employee's motivation.

H4: Working condition has a positive and significant effect on employee's motivation.

H5: Work content has a positive and significant effect on employee's motivation.

H6: Recognition has a positive and significant effect on employee's motivation.

H7: Challenging & interesting Job has a positive and significant effect on employee's motivation.

H8: Empowerment & Autonomy has a positive and significant effect on employee's motivation.

1.6   Significance of the Study

Leading the standard reward system will help any organization to get do well their planned success. The outcome of the study will give insights about the effects of extrinsic and intrinsic rewards on employee motivation in the company. It would also have greater importance for acquiring a deeper understanding about reward in relation to motivation.

At the same time, the study will benefit different beer factories with the same situation as to help them understand and use the reward system offered to increase their employees' work motivation. Finally, this study can be used as a reference to other researchers who would like to conduct a research on this subject matter.

1.7   Scope and Limitation of the Study

This research dealt with the overall effect of reward on employee motivation adopted by Meta Abo Brewery SC. The study includes all permanent employees of the organization working in the head office and in the factory site (Sebeta).

The scope also included independent variables divided into two: extrinsic and intrinsic reward. It also considered the dependent variable; employee motivation.

The study sought to establish the relationship between rewards and employee motivation of one brewery in Ethiopia, Meta Abo Brewery S.C. In carrying out this study, the researcher faced difficulty of adequate empirical research in the company. The other limitation of this study was the researcher was challenged by lack of cooperation on the side of respondents in filling out and returning questionnaires due to current situation in the world Covid -19. For this reason, out of 186 questionnaires papers distributed, only 144 respondents returned.

1.8   Definition of Terms

Reward: Rewards are all the financial as well as non-financial rewards. Employees not only require money to fulfill their basic needs, but they also need various non-financial rewards and fringe benefits which includes include bonus, retirement benefits, gratuity, educational and medical facilities etc. (Dessler, 2008). Reward system includes extrinsic and intrinsic reward (Lawler, 2003)

Reward Management: Reward management deals with strategies, policies, and process required to ensure the contribution of people to the organization is recognized by both financial and non-financial means. It is about the design, implementation and maintaining of reward system which aim to meet the need to the organization and its stakeholders Armstrong (2007).

Motivation: Motivation is the willingness to do something and it is conditioned by the ability to satisfy some need for the individual. A need is a physiological or psychological deficiency that makes certain outcomes to appear attractive (Robbins, 2003).

The business dictionary defines motivation as internal and external factors that stimulate desire and energy in people to be continually interested and committed to a job, role or subject, or to try to attain a goal.

1.9   Organization of the Study

The research paper is organized into five chapters. Chapter one contains background of the study, explains the statement of the problems, research questions and research objective, significance of

the study, scope and limitations of the study, definition of terms. The second chapter deals about the review of related literatures It includes the theoretical arguments from secondary sources such as articles, books etc. The empirical literature is also discussed in this chapter. The Third chapter of the paper presents the Methodology used in the research and this includes research approach and design, Population, Sample size and sampling procedure, Data sources and data collection method, Data analysis , Ethical considerations and Reliability and Validity . Chapter four is analysis and interpretation of the collected data, and finally concludes the overall findings of the study and provides recommendations.

CHAPTER TWO

2 REVIEW OF RELATED LITERATURE

2.1 Theoretical Review

2.1.1 Reward

Rewards include all forms of pays given to the employees arising from their employment. It is one of the features that organizations use to attract and retain their most valuable and competent employees. Rewards include financial as well as non-financial benefits. Employees not only require money to fulfill their basic needs, but they also need various non-financial rewards and fringe benefits which includes include bonus, retirement benefits, gratuity, educational and medical facilities etc (Dessler, 2008). There are two factors which determine how much a reward is attractive. The first is the amount of reward which is given and the second is the weight an individual give to a certain reward. (Lawler, 2003)

Reward scheme includes extrinsic and intrinsic reward. Extrinsic rewards are items such as financial payment and working conditions that the employee receives as part of their job. Intrinsic reward is another type of reward which relates to satisfaction that is delivered from delivering the job such as personal fulfillment and a sense of contributing something to the society and the institution (Braton, 2013).

As to different scholars, reward has many aims. which include motivating people, improving morale, increasing team work, reduce time and cost, attracting and retaining high quality people, increasing job satisfaction, encouraging behavior that contributes to the organizational objective and supports the development of a performance culture and to improve quality of work. (Been, 2004). According to Nancy (2005), organizations use specific incentives to motivate individuals, teams, and the entire organization to achieve organizational goals such as productivity, reduced turnover, and leadership effectiveness. Employers expect employees to deliver or execute assigned duties to their satisfaction while employees also expect their employers to assure them of adequate wages and salaries (rewards) after they dutifully deliver what is expected of them (Eshun and Duah, 2011).

To a large extent, motivation theories are about rewards. The theories suggest that individuals have needs and will exert effort to have those needs met. Goal-setting and expectancy theories portray processes by which individuals act and then receive desirable rewards (intrinsic or extrinsic) for their behavior (Nancy, 2005).

2.1.2 Types of Rewards

There are two major types of rewards which employees receive from their work. These are extrinsic and intrinsic reward (Armstrong, Michael 2006).

a) Extrinsic Reward

Extrinsic rewards are item such as financial payment and working condition that the employee receives as part of their job (Barton, 2013). According to Armstrong and Stephens (2005), Extrinsic rewards provided by employers in the form of pay will help to attract and retain employees and, for limited periods, may increase effort and minimize dissatisfaction. Intrinsic non-financial rewards related to responsibility, achievement and the work itself may have a longer-term and deeper impact on motivation.

Extrinsic reward may include payment, promotion, recognition, benefit...

Payment

Payment is also referred as salary or remuneration and it significantly motivates individuals. It is defined as what an employee gets against his work after fulfilling his duty, including all type of financial and non-financial rewards (Erasmus, van Wyk and Schenk ,2001). According to Heery and Noon (2001) payment includes many components like basic salary, bonuses, pay for doing extra work and incentives. In Herzberg's motivation-hygiene theory (2011), salary is one of those hygiene factors which eliminate job dissatisfaction. Salary is a factor which leads employees from dissatisfaction to no dissatisfaction. Therefore, managers need to continue to observe competitor's salaries and keep their employees' salaries in line with competitors on the other hand, Expectancy Theory described that people exert effort because they want some rewards in term of money, promotion etc. People expect that if they work well in the workplace then their performance will increase and automatically their pay will increase, and they will be promoted.

Promotion

Heery and Noon (2001) define promotion as getting high status in workplace by doing effective work, generally increase the status, position and remuneration of employee in the organization. According to Steyn (2002), most educators indicated that promotion to a higher position level within their institution is one of their goals. William (2016) every employee has a dream of social recognition and accomplishment to achieve. As a result, promotion fulfils the desire for achieving distinction and craving social approval. Promotion helps satisfying employee need for security,

belonging and personal growth and individual often feel that they have not been treated fairly if they so long without promotion.

Benefit

Employee benefits are elements of remuneration given in addition to the various forms of cash in a form of pension, medical scheme (Armstrong and Murlis 2004). Benefit has a positive relationship with overall job satisfaction (Lam et al, 2001). According to Lekovic & Marik (2013) benefit are components of the system of compensation, have represented for long the field of harmonization of compensation. Benefit are the rewards that are available to the employees in the organization be motivators that activate and orient further activities for attaining goals of the organization. Lekovic & Marik (2013) discussed benefit includes shorter worker time, vacation and holidays, pensions, insurance (life, social, health, etc.), maternity leave, etc.

Work Content

According to Luthans (1992), employees drive job satisfaction from work that is interesting and challenging, and a job that provides them with status. Pearson (1991) also further explained work content as a job which provides skill variety, task identity, task significance, autonomy and feedback and this leads to high motivation and satisfaction of employees with their job. The type of work employees has a high level of influence on their satisfactions. Therefore, managers must be able to make the work content as interesting as possible in order to be able to build a strong level of motivation (Oosthuizen, 2001).

Working condition

Working conditions is about providing healthy, safe and pleasant working environment for employees (Armstrong 2006). Oosthuizen (2001), also stated that it is a physical working condition showing the quantity of work and availability of resource. It is the conditions in which an individual or staff works, and this includes the relationships with colleagues, working hours, work load, and availability of resources.

b) Intrinsic Reward

Intrinsic rewards are intangible rewards or psychological reward like appreciation, meeting a new challenge, positive and caring attitude from employer and job rotation after attaining the goal. Frey (1997) argues that once pay exceeds a substantial level, intrinsic factors are stronger motivator and staff motivation requires intrinsic reward such as satisfaction at doing a good job and a sense of doing something worthwhile. Intrinsic rewards are related to the worker's perception of the job

and, hence are affected by the job design; intrinsic reward may be called as non-financial/monetary rewards Velnampy (2009).

According to Ajimal et al (2015) intrinsic rewards have the great importance to integrate the commitment in employees. Organization provided the opportunities to employees by their performance for the organization and acknowledgement as rewards and in results the employee emotionally attached with organization due to being recognized. Intrinsic rewards are more helpful for employers to develop and construct the emotional attachment among employees towards organization goals and objectives.

Intrinsic reward may include recognition, empowerment, achievement….

Recognition

Recognition is one of the most powerful motivators. People need to know not only how well they have achieved their objectives or carried out their work but also that their achievements are appreciated. Recognition is the acknowledgment of an individual about his/her contribution showing appreciation and reward the individual for an accomplishment of task (Oosthuizen,2011) According to Wilson (1994), there are some characteristics which should be met which will stimulate the same or related behavior in the future.

Empowerment

Employee participation in decision making improves effectiveness and innovation and at the same time it enhance employee motivation and trust in the organization. An equal opportunity of participation in decision making can be effective in giving employees a sense of pride and ownership. When the employees are empowered to act, it gives them the ownership of their job. The empowerment helps them to take responsibility of their job and impact of their performance on the organization Yousaf et al. (2014). The human resource practice that focus on employee decision making, power, access to information and plays important role in motivating employee William (2016).

Achievement

The need for achievement is defined as the need for competitive success measured against a personal standard of excellence. Achievement motivation can be increased by organizations through processes such as job design, performance management, and contributing skill or competency-related pay schemes (McClelland's, 2007).

2.1.3 Total Reward

Total reward of an organization is composed of both financial and non-financial rewards and intrinsic and extrinsic rewards. Total rewards summarize all the aspects of work that is valued by employees whether it is related to healthy work environment, better opportunities of learning and development or the benefits packages linked to the pay (Nazir, Shahand & Zaman 2012).

Total reward describes a reward strategy that brings components such as learning and development together with aspects of the work environment, into the benefits package. In the total reward system both tangible and intangible rewards are considered valuable. Tangible rewards arise from transactions between the employer and employee and include pay, personal bonuses and other benefits. Intangible rewards have to do with learning, development and work experience.

Armstrong and Stephenson (2005) summaries the components of total reward as follows

Table 1: Components of total reward

Transactional Rewards	Basic pay	Total Remuneration	Total Reward
	Contingent Pay		
	Employee Benefit		
Relational Rewards	Learning and development	Non-financial/intrinsic rewards	
	The work experience		
	Achievement, Recognition, Responsibility, Autonomy, Growth		

2.1.4 Reward System

Reward system is a strategy that aims to provide both tangible and intangible benefits to employees which contains monetary benefits and others such as recognition, advancement, experience and personal growth.

Reward system is an important tool that management can use to channel employee motivation in desired ways. In other words, reward systems seek to attract people to join the organization to keep them coming to work and motivate them to perform to high levels. The reward system 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 (Pratheepkanth ,2011).

2.1.5 Reward Management

Reward management deals with the strategies, policies and processes required to ensure that the contribution of people to the organization is recognized by both financial and non-financial means. It is about the design, implementation and maintenance of reward systems (reward processes, practices and procedures), which aim to meet the needs of both the organization and its stakeholders Armstrong (2007).

According to Armstrong (2006) Reward management is concerned with the formulation and implementation of strategies and policies, the purpose of which are to reward people fairly, equitable and consistently I accordance with their value to the organization and thus help the organization to achieve its strategic goals. It deals with design, implementation and maintenance of reward system (system, process, practice and producer) that aim to meet the needs of both organization and its stakeholders.

Velnamy (2009) state that the purpose of managing the system of rewards within the organization is to attract and retain the human resources the organization needs to achieve its objectives. To retain the services of employees and maintain a high level of performance, it is necessary to increase their motivation and commitment. In effect the organization is aiming to bring about an alignment of organizational and individual objectives when the spotlight is on reward management.

2.1.6 Motivation

Motivation is the willingness to do something and it is conditioned by the ability to satisfy some need for the individual. A need is a physiological or psychological deficiency that makes certain outcomes to appear attractive (Robbins, 2003).

Motivation can also be defined as the psychological forces within a person that determine the direction of that person's behavior in an organization, effort level, and persistence in the face of obstacles. Awareness about the concept of need is important for understanding the behavior of people in the working environment and being able to understand this will help managers to motivate their employees. It also tries to explain that a need has also known us motives, because they can move or motivate people to act (Steyn, 2003).

Bancrje (1995) stated that motivation to be influencing of an individual's behavior towards a specific goal while taking the individuals specific motives, desires and reality into account. The specific goal being the achievement of organizational objective and if the individual feels the "influencing" as positive, the process can be considered to be motivating. Of all the functions a manager performs, motivating employees is the most complex. This is due, in part, to the fact that what motivates employees changes constantly (Bowen &Radhakrishna, 1991). For example, research suggests that as employees' income increases, money becomes less of a motivator (Kovach, 1987). Also, as employees get older, interesting work becomes more of a motivator.

According to Smith (2015) motivation is "the process that accounts for an individual's intensity, direction, and persistence of effort toward attaining a goal". Intensity is related to the drive or energy behind individual action and effort. Direction refers to how efforts are correctly channeled into the direction that will benefit the organization and persistence deals with how long an individual can maintain efforts to achieve goals.

2.1.7 Types of Motivation

There are two types of motivation as formerly identified by Herzberg et.al. (1957): intrinsic motivation and extrinsic motivation

1. Intrinsic motivation

Intrinsic motivation is carrying out of an activity that satisfies internally rather than for some other exterior goals. Armstrong (2006) define intrinsic motivation is self- generated factors that influence people to behave in a particular way or to move in a particular direction. These factors include responsibility feeling that the work is important and having control over one's own resource, autonomy (freedom to act), scope to use and develop skills and abilities, interesting and challenging work and opportunities for advancement. According to Dubrin (2007) intrinsically motivated person has energy and passion for the task. The person will be the most creative when she/he is motivated primarily by the satisfaction and challenges of the work itself.

According to Armstrong (2006) define intrinsic motivation are concerned with 'quality of working life' are likely to have a deeper and long-term effect because they are inherent in individual and not imposed from outside. Sleimi & Davut (2016) usually, presence of this type of motivation has a special affirmative effects one employee, it enhances employees concerning about their work, make them trying to do their duties at the best ways, and it increase employees willingness and adherence toward their jobs.

2. Extrinsic Motivation

Extrinsic motivation refers to motivation that comes from outside an individual. The motivating factors are external and include rewards such as money or grades. These rewards provide satisfaction and pleasure that the task itself may not provide (Menken, 2009). Extrinsic motivation does not mean, however, that a person will not get any pleasure from working on or completing a task; it just means that the pleasure that the employees anticipate from some external reward will continue to be a motivator even when the task to be done holds little or no interest (Nancy, 2005) Historically, motivation theorists have generally assumed that intrinsic motivators are independent of extrinsic motivators. That is, the stimulation of one would not affect the other. But cognitive evaluation theory suggests otherwise. It argues that when extrinsic rewards are used by organizations as payoffs for superior performance, the intrinsic rewards, which are derived from individuals doing what they like, are reduced. In other words, when extrinsic rewards are given to someone for performing an interesting task, it causes intrinsic interest in the task itself to decline. (Nancy, 2005).

2.1.8 Motivation Theory

Theories on motivation are divided to explain the behavior and attitude of employees. These theories are divided in to two categories: content theories and process theories (Steyn, 2002). Content theories of motivation explains the reason for motivated behavior and what causes it. These theories state the correlates of motivated behavior that it states, such as feelings or attitudes associated with motivated behavior, and helps to represent physiological or psychological deficiencies that an individual feels some compulsion to eliminate. Content theory lends insight into people's needs, thus help a manager to understand what it is that energizes and sustains their behavior, and what they will and will not value as work rewards (Schermehorn et al, 1991). The fact is that without competent employees an organization will accomplish its goal little or none. To achieve successes organizations must be able to attract, retain, and motivate their competent employees.

On the other hand, process theories or contemporary theories focuses on describing how behavior is initiated by personality factors and psychological state to energize, direct and sustain behavior and how they stop behavior (Steyn,2002). Examples of process theories are Adams equity theory, Vroom's expectancy theory, Locke's goal setting theory and Skinners reinforcement theory. To get good clarity on points like why people make certain career choices, why they seek a specific

kind of reward or why they are satisfied or unsatisfied with their work and in order to be able to do this it is important to get into the literature of psychology on motivation and performance, hence it is important to understand traditional and contemporary motivation theories that play a role in reward and recognition (Lawler, 2003). Given the focus of the study to explore the factors that lead to motivation, particular attention is given to content theories as well as some process theories such as: Maslow's Hierarchy of Need theory, Herzberg's Two Factor Theory, Douglas hall's age theory, Alderfer's ERG Theory, Maclander's Three Need theory, Skinners Reinforcement theory, Adam's Equity theory and Vroom's expectancy theory.

2.1.8.1 *Maslow's hierarchy of Need theory*

Abraham Maslow was a psychologist who proposed that within every person is a hierarchy of five needs. According to him, people constantly desire better circumstances therefore they always want what they do not yet have. (Schultz,1982). Maslow argued that each level in the needs hierarchy must be satisfied before the next need becomes dominant. In addition, Maslow separated the five needs into higher (growth) and lower (deficiency needs) levels.

Maslow's theory of motivation believes that humans are always in need. Whenever attain some goals, he/she is motivated to go to the next step or hierarchy. Maslow's theory of motivation states that when a lower need is satisfied, the next higher becomes dominant and the individual's attention is turned to satisfying this higher need (Armstrong, 2006).

Maslow's Hierarchy of Need Theory
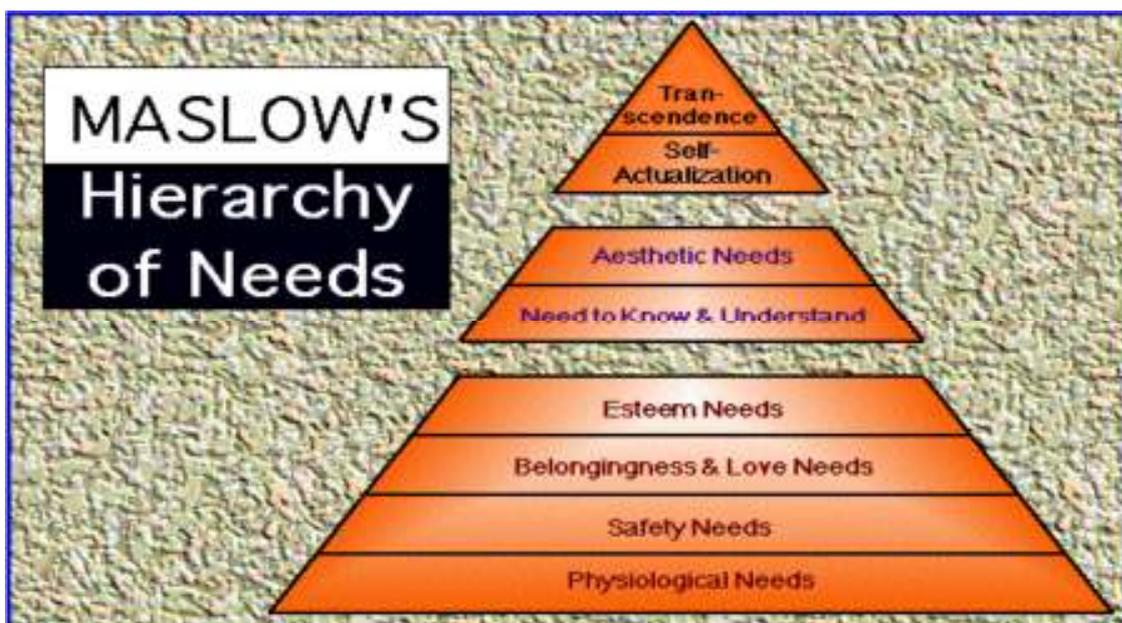
Fig 2.1 Maslow's Hierarch of Need

Source: Maslow (1971)

1. Physiological Needs

According to Maslow (1971), physiological needs are the driving force of any human being, they satisfy the basic needs that one needs to survive or sustain life. These basic needs include air, water, food, sleep, etc. Without physiological needs, life is not worth living. If anyone is denied of this need, then one has not choice than to survive.

2. Safety Needs

He notes that safety need is the need that liberates one from harm, fear or any form of physical threat Maslow (1954). These comprise needs relating to job security, medical insurance, healthy working environment, etc.

3. Social Needs

Maslow (1954) identifies social needs as needs of getting associated with social activities such as friendship, societies, groups or any form of socialized group.

4. Esteem Needs

According to Maslow (1954), it gets to a point in everyone's life where one needs belongingness. Employees need to feel that they are part of the organization or that 'their voices can be heard'. This kind of need may come in two forms: satisfying internally and externally. These include internal motivations such as self-esteem, accomplishment, and self-respect, as well as external motivations such as recognition, reputation, and social status.

5. Self-Actualization

According to Maslow (1954), self-actualization is the highest need that could fully satisfy an employee. He however notes that because of the open nature of this need, it can never be fully satisfied. Maslow (1954) further argues that, just a meagre percentage of employee population actually get to this level of self-actualization. This kind of motivation offers employees, the opportunity to get involved in activities such as innovations, creativity, etc. Such need includes truth, justice, wisdom, and meaning.

2.1.8.2 Douglas Hall's age theory

Hall's theory on motivation relates more to an individual's chronological age and that needs are largely dependent on the age, which relates to what stage the individual are at in their career.

According to Hall's theory, employees in their early career seek advancement, friendships, money and opportunities to develop skills (La Motta, 1995).

Employees under the age of thirty tend to rank "good salary" as first in an order of what is important on a job, while employees over fifty are more concerned with "interesting work". Recognition for employees between forty and fifty-five would be to be left alone to do their jobs in the best possible way and to be self-directed.

Quality rewards and recognition should therefore be geared towards the needs of differently aged employees. It is thus evident that a "one size fits all" approach to reward and recognition would not work (La Motta, 1995).

2.1.8.3   Alderfer's ERG (existence, related and growth) theory

Developed by Alderfer, the ERG theory is closely related to Maslow's hierarchy of needs. Instead of five categories of needs, Alderfer (1972) hypothesis's that individual motivation in organizations can be understood in terms of existence (E), relatedness (R) and growth (G) needs. Alderer's Hierarchy of Motivational needs

FIG 2 .2 Alderfer's 3 need theory

Level of Need	Definition	Properties
Growth	A person to make creative effect on himself/herself and his/her environment	Satisfied through using capabilities in engaging problems; creates a greater sense of wholeness and fullness as a human being
Relatedness	Involves relationship with others	Satisfied by mutually sharing through feelings of acceptance, confirmation, understanding
Existence	Includes all the various forms of material and psychological desires	When divided among people one-person gain is another loss if resources are limited.

Source: Alderfer (1972)

Existence needs are roughly comparable to the physiological and safety needs of Maslow's theory. It is concerned with the requirement that people have for material and energy exchange and the need to reach and maintain a homeostatic equilibrium with regard to certain material substances (Armstrong, 1991). Organizations can satisfy these needs through salary, fringe benefits, a safe working environment, and some measure of job security. It relates to tangible goals such as being able to buy food and pay for shelter (Schultz, 1982).

Relatedness needs acknowledge that people are not self-contained units but must engage in transactions with their human environment (Muchinsky, 1987). It is concerned with the interactions and social contacts with other people, which satisfy the need for belonging and acknowledgement. Acceptance, confirmation, understanding and influence are elements of the relatedness process (Armstrong, 1991). Employers can meet this need in the workplace through support, respect and recognition (Schultz, 1982).

Growth needs focus on the self and include the need for personal growth and development. It is the counterpart to the esteem and self-actualization needs of Maslow. This need can only be satisfied if people are given opportunities to use their capabilities to the full. In terms of this motivation theory, a job can provide satisfaction if it involves challenge, autonomy, and creativity (Schultz, 1982).

2.1.8.4 *Herzberg's Two Factor Theory*

In terms of Herzberg's two-factor theory of motivation, employee needs can be divided into two groups; satisfiers or motivators, because they are seen to be effective in motivating the individual to superior performance and effort. The other consists of dissatisfiers, which mainly describe the environment and serve primarily to prevent job dissatisfaction, while having little effect on positive job attitudes. These are called hygiene factors, implying that they are preventative and environmental (Armstrong, 1991).

During his experiments, Herzberg found that certain characteristics tend to be consistently related to job satisfaction. Intrinsic factors, such as achievement, recognition, the work itself, responsibility, advancement, and growth seem to be related to job satisfaction. When respondents questioned felt good about their work, they tended to attribute those factors to themselves. On the other hand, when they were dissatisfied, they tended to cite extrinsic factors such as company policy, administration and supervision. Herzberg deduced from these experiments that the opposite of satisfaction is not dissatisfaction, as was believed. He found that removing dissatisfying

characteristics from a job does not necessarily make the job satisfying. He thus proposed a dual continuum, where the opposite of satisfaction would be no satisfaction and the opposite of dissatisfaction would be no dissatisfaction (Robbins, 1993).

According to Herzberg's two-factor theory of motivation, organizations cannot begin to motivate employees until that which dissatisfies them has been removed. Hygiene factors such as salary, working conditions and supervision are not motivators even when they are being met. Other types of hygiene factors include, company policy, poor interpersonal relations, and job security. The meeting of lower-level needs of employees is not motivating but can have a demotivating impact if not met. True motivation only kicks in when an employee's higher-level needs are met (La Motta, 1995).

2.1.8.5 Goal-Setting Theory

Latham and Locke (1984) argue that setting goals are a fundamental aspect in achieving motivational effectiveness. In addition, the authors emphasize that those goals, which are unrealistic and arbitrary, could become a demotivating aspect for the organization's employees. According to their analysis, goals that are designed to a slightly difficult approach are the ones that are motivating the employees to greater productivity. On the other hand, goals that are too hard to achieve or too easy to reach are resulting in a less productive action by the employees.

According to Locke and Latham (2002) goals are mainly serving four different mechanisms. Firstly, the goals serve as a distinct directive function, which allows the employee to, at a greater extent, focus on goal-oriented activities, instead of focusing on activities that is beyond the goals. This mechanism provides the fact that the firm can align the employee with the organization's overall targets, when well-designed goals are used. The second aspect that Locke and Latham point out is that goals allow employees to take on greater effort and is functioned as a stimulating function. If the organization had tougher goals, the employees would put more effort in comparison with low-setting goals, which provide less effort by the employees. Thirdly, goals are providing persistence affection to the employees, which imply that employees that control their own time to reach the goal increase their effort in the task. Finally, the authors describe that goals are encouraging employees to use their overall knowledge and expertise to solve the task.

2.2 Empirical Review

Several empirical studies have been conducted by many researchers to examine the impact of motivation and satisfaction and therefore job performance.

Aland mark federal Work-life conflict study involving 31500 working Canadians found that "frustration and working conditions are the main reasons stated by those thinking of leaving their jobs" (Informal Recognition, n.d. p 67) 60% tends to leave their job because of working conditions.55% cited lack of recognition and appreciation, and 40% wanted more time to spent with their loved once and to do personal activities.

According to Tippet and Kluvers (2009), there is a significant positive relationship between intrinsic rewards and employee motivation. There is a positive relationship between extrinsic rewards and employee motivation (Hafiza, Shah, Jamsheed & Zaman, 2011).

On the other hand, however, productivity at work decreases as a result of the absence of the suitable incentives (Palmer, 2012). Nadia Sajjad al (2011), revealed on their study, that there is a significant and positive relationship between financial rewards and employee motivation. But they had observed that organizations are not offering right amount of financial rewards to their employees. Therefore, it can be concluded that success is not possible without reward systems which are best aligned with the structure and goals of the organization.

A study conducted by Eisenberger, Rhoades, and Cameron (1999), factors such as good performance, high perceived self- determination, and performance-reward expectancy positively impact employee's intrinsic motivation. In other words, if employees expect to be rewarded for performing a task well, their motivation will increase to perform it well.

A study aimed at investigating the effect of reward management on employee motivation in Ethio-Telecom by Ephriem Temitime (2016) was undertaken on the total population of 324 respondents. According to descriptive statistics of this study, mean results, the mean value of motivation is 3.54 this shows that employees in ethio telecom moderately motivated. Results from Pearson's product moment correlation coefficient revealed that, there is moderately strong and statistically significant relationship between total reward and employee motivation. The model summary of multiple regression analysis also showed that the proportion of the variation in employee motivation explained by the liner combination of intrinsic and extrinsic reward is 60% (from R squared value) which is statistically significant at 99% confidence level. More over providing career growth opportunity to the employees yield moderate motivating effect up on employee motivation.

A study done by Wiscombe (2002) which was conducted with managers revealed that 90.5% felt that recognizing employees helps them to better motivate their employees, 84.4% showed that by providing non-financial recognition to employees when they perform well helps to increase their

performance. 84.4% indicated that recognizing employees for good work makes it easier to get the work done ,77.7% agreed that recognizing helps to be productive.

Findings form the literature

A review of related literature is a detailed review of existing literature related to the topic of a thesis. As shown on the above theoretical and empirical review, focus more detailed about motivation and rewards. Different scholars are studies how motivation and reward are significantly related.

It was difficulty of adequate empirical research in the company for this study however the researcher obtain some empirical studies and the major finding from empirical study has there is strong and statistically significant relationship between reward and employee motivation.

2.3 Conceptual Framework

A conceptual framework refers to the extent a researcher conceptualizes to be the relationship between contextual variables in the study and shows the relationship graphically or diagrammatically Mugenda & Mugenda, (2003). The relationship describes the association between the independent variables and the dependent variables. Among the dimension of motivation, variables chosen for the study are:

The independent variable: payment (Satisfaction with salary), promotion (opportunities offered for advancement), recognition (acknowledgment for a job well done), benefit (schemes given for being a member of an organization: pension, medical scheme, leave), work content (task significance, variety of tasks, feedback), work condition (safety, availability of resource, working hours, relationship with other employees) and the dependent variable: employee work motivation.

Independent Variables
Payment
Benefits
Promotion
Working Condition
Work content
Recognition
Challenging & interesting Job
Empowerment & Autonomy

Dependent Variables
Motivation
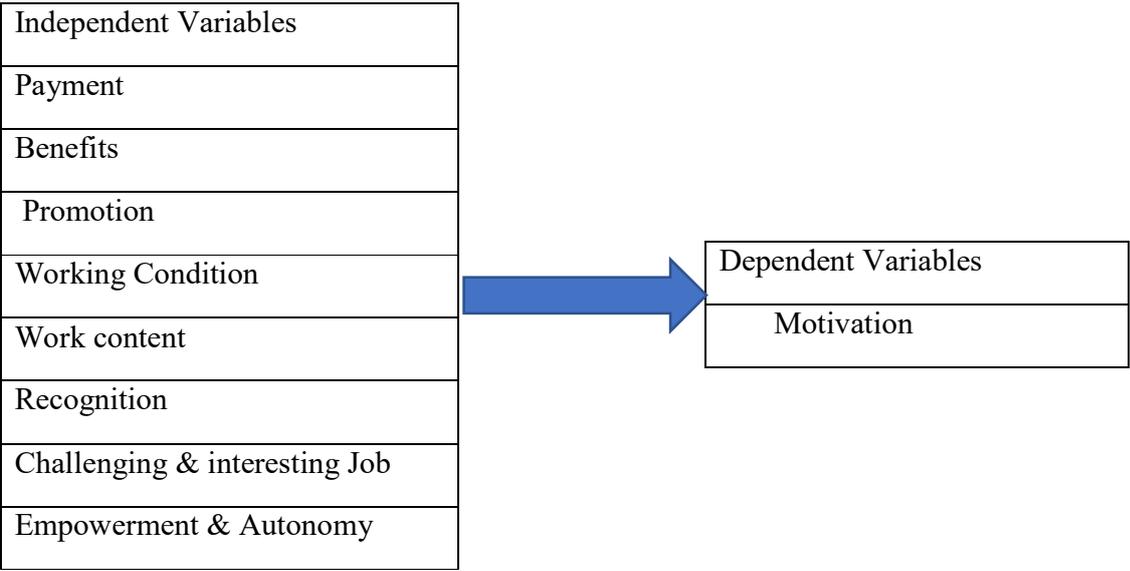
CHAPTER THREE

3   RESEARCH METHODOLOGY

This chapter presents the research design and methodology of the study. It is presented under the following sections: description of the study area, the research design, population and sample technique, data sources and data collection method and finally method of the data analysis.

3.1   Description of the Study Area

Meta Abo Brewery Share Company manufactures and markets beer. The company was founded in 1963 and is based in Sebeta, Ethiopia. As of January 10, 2012, Meta Abo Brewery Share Company has been operating as a subsidiary of Diageo plc. The company is currently involved in producing a variety brand of beers and distributing a variety of branded whiskies to the Ethiopian market. This study area is assessing the effects of rewards and employee motivation in Meta Abo Brewery Share Company. It mainly focuses on examining the employee motivation with both intrinsic and extrinsic rewards.

3.2   Research Design

Quantitative research is a means for testing objective theories by examining the relationship among variables. These variables, in turn, can be measured typically on instruments, so that numbered data can be analyzed using statistical procedures. Creswell (2009).

To assess the effect of rewards and employee motivation, quantitative research approach were employed and the research design of the study was explanatory research design because, the objective of the study identified was to understand the cause and effect relationship of intrinsic and extrinsic rewards on employee motivation.

3.3   Population and Sampling

3.3.1   Population

The study population comprise a total of 348 employees of Meta Abo all permanent employees from various organizational departments. The study population refers to the total collection of elements which one would like to study or make inferences. The population aspect however refers to the individual participant or object on which the measurement is taken (Cooper and Schindler, 2011).

The sample size is determined by the following relation (Yemane, 1967)

$$n = \frac{N}{1 + Ne^2}$$

n= sample size

N=population size

 e= level of precision

 n=   348

     1+348*(0.05)2

n= 186

N=348

Table 2: Population size

Department	Population	Percentage
Corporate Relations	2	1
DBS	4	1
Finance	18	5
General Management	2	1
Human Resources	8	2
Legal	5	1
Marketing	9	3
Sales	96	29
Supply	192	58
CC&E	3	1
Spirits	9	3
Total	348	100%

Source: Meta Abo Brewery S.C HR Data 2020

The location of the sample population was Addis Ababa (head office) and Sebeta where the factory is located. The sample population are permanent employees of Meta Abo departments of corporate erlations, DBS, finance, general management, HR, legal, marketing, sales, supply, CC&E and Spirits department.

3.3.2   Sampling Technique

Kothari (2004) defines sampling technique as a definite plan for obtaining a sample from the sampling frame. For this study the researcher used stratified sampling technique as it assures the representation of the entire sample in the population. The technique provides for the probability of inclusion of all the department in the sample and proper representative of each department under

each job position which is necessary for this study. Stratified sampling technique also help to reduce bias on any one given area as departments with higher population had more respondents. Total of population of size (N) = 348, which consists of 11 departments, in proportional allocation of statistical method, the sample size for the stratum is given by $ni = Ni(\frac{n}{N})$. The researcher divided the strata into corporate relations, DBS, finance, general management, HR, legal, marketing, sales, supply, CC&E and spirits departments with higher population having more respondents.

3.4 Data sources and data collection method

3.4.1 Data sources

To be able to answer the research questions, the researcher applied both primary and secondary sources of data.

Primary data

The primary data are collected using a questionnaire and it is based on the work satisfaction and motivation questioner developed by De Beer (1987). The questionnaire has two sections: the first part contains the biographic information which represents the demographic information about the sample population. The second part contains the work satisfaction information, which contains questions related to payment, benefits, work content, working environment, promotion and recognition.

Secondary data

The secondary data is obtained through numerous resources which included; published and unpublished documents that were related to the factory. These are articles, different books, websites, journals, scientific reports which are considered being important to the study. The secondary data helped the researcher to have an in-depth understanding about reward and the effect of reward on employees of the company.

3.4.2 Data collection Instrument

The main data collection instrument utilized in this study was questionnaire to examine the reward system and its effect on employees work motivation in Meta Abo. The questionnaire contains two sections. The first part contains the biographic information which represents the demographic information about the sample population. The second part covers the work satisfaction and motivation part, which contains questions related to payment, benefits, work content, working condition, empowerment, promotion and recognition.

In this study the eight given constructs have been measured by forty questions using a five-point Likert scale adapted from the study conducted by Ha, et al. (2011).

- **Biographic information**

The biographic information part is a self-developed questioner that contains the following personal information of the respondents: - gender, age, job classification, educational background, years employed in the organization.

- **Work satisfaction and motivation information**

This part of the questioner consists of six dimensions that impact employee's satisfaction and motivation.

The six dimensions of the questionnaire

According to De Beer (1987) the six dimensions are as follows:

1. Payment probed respondents' satisfaction with salary.
2. Promotion probed for the opportunity that the organization offers for its employees.
3. Recognition probed whether the respondents were receiving the recognition and feedback for the jobs they perform.
4. Benefit looked at whether the benefits such as pension, medical scheme, and leaves were satisfactory.
5. Working conditions were probed as the fifth factor and looked at opportunity to interact with colleagues and interpersonal relationships
6. Work content probed the respondents' feelings about the type of work they do.

3.5 Method of Data analysis

The purpose of data analysis is to reduce accumulated data to a manageable size, developing summaries, looking for patterns, and applying statistical techniques Cooper and Schindler (2011). To fulfill the objective of the research, the data analysis is done. The data that are collected from the primary survey were summarized, compiled, edited, and coded. Descriptive and inferential statistics were employed for the data analysis process by using computer software called Statistical Package for social scientists (SPSS) version 20.

The descriptive statistics includes frequencies, percentages, means and standard deviation and the inferential statistics includes correlation analysis and regression analysis.

3.6 Ethical Considerations

There are certain ethical protocols that have been followed by the student researcher. According to Creswell (2012), "as the researcher anticipate data collector, the need to respect the participants and sites for the research". The questionnaires papers were answered anonymously by the respondents and their identities were treated as confidentially as possible.

3.7 Reliability and Validity

The two major criteria which is applied to evaluate the quality of the study are validity and Reliability.

3.7.1 Validity

Validity refers to the extent to which measurement of instrument actually measure what is intended to measure. In this study all variables are inspected by the researcher and research advisor to ensure that research items were adequate and a thorough representation of the construct under investigation. For the purpose of enhancing the research instrument, for testing the questionnaire for clarity and for providing a coherent research questionnaire, a literature review was also performed.

3.7.2 Reliability

Reliability is concerned with the internal consistency of the items. According to Hair (2007) reliability is defined as the extents to which a variable or a set of variable is consistent in what it is extended to measure. To determine the reliability of the scales for internal consistency of the questionnaires, Cronbach's Alpha was measured. Cronbach's alpha is a tool for assessing reliability scale which normally ranges between 0 and 1. According to George and Mallery (2003) a Cronbach's alpha coefficient greater than 0.9 implies excellent, greater than 0.8 is good, greater than 0.7 is acceptable, greater than 0.6 is questionable, greater than 0.5 is poor, and less than 0.5 is unacceptable".

Table 3: Cronbach alpha for measures of the variables

Variables	No. of items	Crobach's Alpha
Motivation	4	.801
Challenging	4	.854
Empowerment	4	.844
Recognition	3	.802

work content	6	.806
working condition	5	.813
Benefit	4	.841
Promotion	4	.804
Payment	6	.831

Source: - Survey result, 2020

As shown in table 3, a scan at the above table implies all alpha values for the respective dimensions were well above the suggested cut-off value of 0.7 (Cronbach, 1951), hence implying the reliability of the instrument that measures the study constructs, i.e. the items under the respective scales could properly measure the dimension of concern. The lowest alpha value was 0.801 and it was in the case of both quality indictor and response time indicator, whereas the highest was for challenging indicator with the alpha value of 0.854. It shows that acceptable internal consistency, which were combined into a single scale which suggests a strong positive item-homogeneity in this measuring instrument. This indicates as an indication of test reliability.

CHAPTER FOUR

4 DATA PRESENTATION, ANALYSIS AND INTERPRETATION

This chapter presents data analysis and interpretation of the data collected from the field on the study using questionnaire as a data collection tool. The data were generated through a set of questionnaires administered to the respondents. Tables, simple percentage and other common statistical tools are used in presenting and analyzing the data generated. Furthermore, brief explanatory discussions are attached to tables for clarity purpose.

4.1 Sample and Response Description

In this chapter practice of rewards and motivation in Meta Abo Brewery S.C is discussed in detail. Even if 186 questionnaires papers were distributed among the employees, only 144 were responded appropriately giving a 77% response which is acceptable to make this study accurate. The obtained data were analyzed through Statistical Package for Social Sciences (SPSS) version 20. The statistical methods involved those of descriptive (mean and standard deviation) and inferential statistics (Pearson Correlation and one-way ANOVA) for predicting of employees work motivation.

Table 4.1: Response Rate per Strata

Department	Sample size	Response	Percentage
Corporate Relations	1	1	100%
DBS	2	2	100%
Finance	9	8	89%
General Management	1	1	100%
Human Resources	4	3	75%
Legal	3	3	100%
Marketing	5	4	80%
Sales	51	37	73%
Supply	103	80	78%
CC&E	2	2	100%
Spirits	5	3	60%
Total	186	144	77%

Source: researcher's own compilation of Survey data 2020

4.2 Demographic Information of the Respondents

Table 4.2: Demographic Analysis of Respondents

		Count	Percent
All Respondents		144	100 %
Gender	Male	90	62.5%
	Female	54	37.5%
	Total	144	100 %
Age	21-30 years old	43	29.9%
	31-40 years old	60	41.6%
	41-50 years old	30	20.8%
	51 and Above	11	7.7%
	Total	144	100%
Education	Diploma	41	28.5%
	Degree	80	55.6%
	Master's	20	13.9%
	PHD	3	2%
	Total	144	100 %
Work experience in Meta Abo	Less than 5 years	33	22.9%
	5 - 6 years	52	36.1%
	7 - 11 years	36	25%
	Above 11 years	23	16%
	Total	144	100 %
Manager or Not	Yes	54	37.5%
	No	90	62.5%
	Total	144	100 %
Your Department	Corporate Relations	1	0.7%
	DBS	2	1.3%
	Finance	8	5.5%
	General Management	1	0.7%
	Human Resources	3	2.1%
	Legal	3	2.1%
	Marketing	4	2.8%
	Sales	37	25.7%
	Supply	80	55.6%
	CC&E	2	1.3%
	Spirits	3	2.1%
	Total	144	100 %

Source: Researcher's Survey finding (2020)

table 4.2 presents the gender distribution of the respondents. Out of 144 respondents 90(62.5%) were males while 54(37.5%) were females, which shows that most of the populations in the company are men.

As table 4.2 shows, the age group of respondents, the larger number of respondents is between the ages of 31-40 old which adds to 60 respondents and represents to 41.6 %. The second largest age groups are 21-30 years of old which consist 43(29.9%) of the total respondents. The remaining covers 30(20.8%) and 11(7.7%) of the population which accounts below the age of 41-50 and above 51 years of old, respectively.

Regarding to education level of the research participants 41(28.5%) of the respondents has completed diploma education. 80(55.6%) of the respondents have completed bachelors' and 20 (13.9%) of participants have completed Master's degree in various fields and 3(2%) of the respondents have completed PhD.

The table depicts also the experience, the respondents working in the institution 33(22.9%) of have worked in the year category of less than 5 years , 52(36.1%) respondents work in the institution in the year category of 5 - 6 years, 36(25%) respondents work in the institution in the year category of 7 - 11 years and 23(16%) respondents work in the institution in the year category fall under above 11 years. This can imply that since most employees have worked for more than 5 years, it's likely to say the respondents are aware of their working environment.

 The table also shows the majority of the respondents 90 (62.5%) are not managers and the remaining 54(37.5%) are managers.

As table 4. 2 shows, 80(55.6%) of the respondents are from Supply department, 37(25.7%) of the respondents are from Sales department, 8(5.5%) of the respondents are from finance department, 4(2.8%) of the respondents are from marketing department, 3(2.1%) of the respondents are from HR, legal and Spirit department, 2(1.3%) of the respondents are from DBS and CC & E department while 1(0.7%) from corporate relation and general management department.

4.3   Descriptive Analysis

In this section, the collected data were entered and reported using SPSS. frequency and percentage of level of agreement of the respondents with regard to questions asked in each of the reward dimensions and mean value motivation with respect to respondents" category is analyzed and presented.

Descriptive statistics in the form of arithmetic mean and standard deviation for the respondents were computed for all the eight reward dimensions namely payment, promotion, benefit, working condition , work content , recognition, empowerment and challenging & interesting task that have been assessed through the questionnaire from the company.

		challenging	Empowerment	Recognition	work content	working condition	benefit	Promotion	payment
N	Valid	144	144	144	144	144	144	144	144
	Missing	0	0	0	0	0	0	0	0

Source: Own Survey, 2020

4.3.1   Employee Motivation

Table 4.3: Descriptive statistic of motivation

Dependent Variable	N	Mean	SD
Motivation	144	3.56	.672

Source: Own Survey, 2020

As we can see in the table 4.3, the statistical results show the means and standard deviations of motivation. Motivation(mean=3.56) this indicates that the employees of the Meta Abo Brewery S.C are moderately motivated.

4.3.2   Extrinsic Reward

Table 4.4: Descriptive statistic of extrinsic reward

Extrinsic Reward Variable	N	Mean	SD
Payment	144	3.24	.445
Promotion	144	3.64	.541
Benefit	144	2.71	.504
Working Condition	144	3.60	.456
Work content	144	3.59	.546

Source: Own Survey, 2020

As the above table 4.4 shows, the statistical results of means and standard deviations of extrinsic reward Payment (mean=3.24), Promotion (mean=3.64), Benefit (mean=2.71), working condition (mean=3.60) and work content (mean=3.59) evaluated by respondents.

4.3.3 Intrinsic Reward

Table 4.5: Descriptive statistic of intrinsic reward

Intrinsic Reward Variable	N	Mean	SD
Empowerment	144	3.75	.579
Recognition	144	3.81	.577
Challenging	144	2.95	.578

Source: Own Survey, 2020

As depicted in the above table 4.5, statistical results of means and standard deviations of intrinsic reward such as empowerment (mean=3.24), recognition (mean=3.24) and challenging (mean=3.24) assessed by respondents.

4.3.4 Correlation Analysis

Correlation analysis is computed to see how significantly work motivation is related to the independent variables, the pearson's product moment correlation coefficient was computed for the purpose of determining the relationship between reward and employee's motivation in Meta Abo Brewery S.C.

According to Bartz (1999), correlation analysis is useful way of exploiting relation among variables. The value of the coefficient (r) ranges from -1 up to +1. The value of coefficient of correlation (r) indicates both the strength and direction of the relationship. If r = -1 there is perfectly negative correlation between the variable. If r = 0 there is no relationship between the variable and if r = +1 there is perfectly positive relationship between the variables.

Table 4.6: Association strength measure of variables

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

Source: Bartz (1999)

Table 4.7: correlation coefficient result of relationships between rewards and job motivation

		Mot	Chall	Emp	Reco	Wcont	W Cond	Ben	Prom	Pay
Mot	Pearson Correlation	1								
	Sig. (2-tailed)									
Chal	Pearson Correlation	.313**	1							
	Sig. (2-tailed)	.000								
Emp	Pearson Correlation	.384**	.017	1						
	Sig. (2-tailed)	.000	.838							
Rec	Pearson Correlation	.585**	.188*	.335**	1					
	Sig. (2-tailed)	.000	.024	.000						
Wcont	Pearson Correlation	.551**	.282**	.280**	.669**	1				
	Sig. (2-tailed)	.000	.001	.001	.000					
Wcond	Pearson Correlation	.521**	.200*	.314**	.562**	.614**	1			
	Sig. (2-tailed)	.000	.016	.000	.000	.000				
Ben	Pearson Correlation	.460**	.103	.184*	.268**	.202*	.327**	1		
	Sig. (2-tailed)	.000	.220	.027	.001	.015	.000			
Pro	Pearson Correlation	.559**	.290**	.287**	.669**	.744**	.606**	.279**	1	
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.001		
Pay	Pearson Correlation	.390**	.127	.254**	.530**	.333**	.390**	.196*	.349**	1
	Sig. (2-tailed)	.000	.131	.002	.000	.000	.000	.019	.000	

Source: Bartz (1999)

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

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

Where, Pay= payment, ben= benefit, prom= promotion, Wcond= working condition, Wcont= work content, chall=challenging, Reco=recognition, Emp= empowerment, Mot= motivation

As we can see from the above Table independent variables like payment (r=0.390, p<0.01) ,challenging(r=0.313, p<0.01)) and empowerment (r=0.384, p<0.01) have the lowest correlation with the dependent variable (motivation) while promotion (r=0.559, p<0.01), benefit (r=0.460, p<0.01), working condition(r=0.521, p<0.01), work content (r=0.551, p<0.01) and recognition (r=0.585, p<0.01) have positive and significant correlation with motivation.

4.4 Effect of Reward on Motivation

4.4.1 Effect of Payment on Motivation

Table 4.8: Effect of payment on motivation

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.390a	.152	.146	.621

a. Predictors: (Constant), payment

ANOVAa

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	9.805	1	9.805	25.415	.000b
	Residual	54.784	142	.386		
	Total	64.590	143			

a. Dependent Variable: motivation

b. Predictors: (Constant), payment

Source: Own Survey, 2020

As indicated in table 4.8 the model exposed R Square value of 0.152 indicates that 15.2 % of the total variance happened in employee motivation was clarified by the stated by payment. It also shows that the values of payment can perfectly predict the values of the dependent variable by 15.2%.The adjusted R² of 0.146 shown that payment fit to the model by 14.6%.

The ANOVA Table shows the overall significance of the model from a statistical perspective. As the significance value of F statistics shows a value (.000), which is less than p<0.05, the model is significant.

4.4.2 Effect of Promotion on Motivation

Table 4.9: Effect of promotion on motivation

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.559a	.312	.307	.559

a. Predictors: (Constant), promotion

ANOVAa

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	20.161	1	20.161	64.438	.000b
	Residual	44.428	142	.313		
	Total	64.590	143			

a. Dependent Variable: motivation

b. Predictors: (Constant), promotion

Source: Own Survey, 2020

As it shown in table 4.9, the model exposed R Square value of 0.312 indicates that 31.2 % of the total variance happened in employee motivation was clarified by the stated by promotion . It also shows that the values of promotion can perfectly predict the values of the dependent variable by 31.2%.The adjusted R² of 0.307 shown that promotion fit to the model by 30.7%.

The ANOVA table shows the overall significance of the model from a statistical perspective. As the significance value of F statistics shows a value (.000), which is less than p<0.05, the model is significant.

4.4.3   Effect of Benefit on Motivation

Table 4.10: Effect of benefit on motivation

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.460a	.211	.206	.599

a. Predictors: (Constant), benefi

ANOVAa

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	13.644	1	13.644	38.030	.000b
	Residual	50.946	142	.359		
	Total	64.590	143			

a. Dependent Variable: motivation

b. Predictors: (Constant), benefit

Source: Own Survey, 2020

As indicated table 4.10, the model exposed R Square value of 0.211 indicates that 21.1 % of the total variance happened in employee motivation was clarified by the stated by benefit. It also shows that the values of benefit can perfectly predict the values of the dependent variable by 21.1 %. The adjusted R^2 of 0.206 shown that benefit fit to the model by 20.6%.

The ANOVA table shows the overall significance of the model from a statistical perspective. As the significance value of F statistics shows a value (.000), which is less than $p < 0.05$, the model is significant.

4.4.4 Effect of working condition on Motivation

Table 4.11: Effect of working condition on motivation

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.521a	.272	.267	.576

a. Predictors: (Constant), working condition

ANOVAa

Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	17.552	1	17.552	52.989	.000b
1	Residual	47.037	142	.331		
	Total	64.590	143			

a. Dependent Variable: motivation

b. Predictors: (Constant), working condition

Source: Own Survey, 2020

As indicated table 4.11 the model exposed R square value of 0.272 indicates that 27.2 % of the total variance happened in employee motivation was clarified by the stated by working condition. It also shows that the values of working condition can perfectly predict the values of the dependent variable by 27.2 %.The adjusted R^2 of 0.267 shown that working condition fit to the model by 26.7%.

The ANOVA table shows the overall significance of the model from a statistical perspective. As the significance value of F statistics shows a value (.000), which is less than $p < 0.05$, the model is significant.

4.4.5 Effect of work content on Motivation

Table 4.12: Effect of work content on motivation

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.551a	.304	.299	.563

a. Predictors: (Constant), work content

ANOVAa

Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	19.616	1	19.616	61.934	.000b
1	Residual	44.974	142	.317		
	Total	64.590	143			

a. Dependent Variable: motivation

b. Predictors: (Constant), work content

Source: Own Survey, 2020

As indicated table 4.12 the model exposed R Square value of 0.304 indicates that 30.4 % of the total variance happened in employee motivation was clarified by the stated by work content. It also shows that the values of work content can perfectly predict the values of the dependent variable by 30.4 %.The adjusted R² of 0.299 shown that working condition fit to the model by approximately 29.9%.

The ANOVA table shows the overall significance of the model from a statistical perspective. As the significance value of F statistics shows a value (.000), which is less than p<0.05, the model is significant.

4.4.6 Effect of Recognition on Motivation

Table 4.13: Effect of recognition on motivation

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.585a	.342	.338	.547

a. Predictors: (Constant), recognition

ANOVAa

Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	22.109	1	22.109	73.902	.000b
1	Residual	42.481	142	.299		
	Total	64.590	143			

a. Dependent Variable: motivation

b. Predictors: (Constant), recognition

Source: Own Survey, 2020

As it shown in table 4.13 the model exposed R Square value of 0.342 indicates that 34.2 % of the total variance happened in employee motivation was clarified by the stated by recognition. It also shows that the values of recognition can perfectly predict the values of the dependent variable by 34.2 %. The adjusted R^2 of 0.338 shown that recognition fit to the model by 33.8%. The ANOVA table shows the overall significance of the model from a statistical perspective. As the significance value of F statistics shows a value (.000), which is less than $p<0.05$, the model is significant.

4.4.7 Effect of Empowerment on Motivation

Table 4.14: Effect of empowerment on motivation

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.384a	.148	.142	.623

a. Predictors: (Constant), empowerment

ANOVAa

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	9.544	1	9.544	24.622	.000b
	Residual	55.045	142	.388		
	Total	64.590	143			

a. Dependent Variable: motivation

b. Predictors: (Constant), empowerment

Source: Own Survey, 2020

As it shown in table 4.14 the model exposed R Square value of 0.148 indicates that 14.8 % of the total variance happened in employee motivation was clarified by empowerment. The adjusted R^2 of 0.142 revealed that empowerment relation with employees fit to the model by approximately 14.2%.

The ANOVA table shows the overall significance of the model from a statistical perspective. As the significance value of F statistics shows a value (.000), which is less than $p<0.05$, the model is significant.

4.4.8   Effect of Challenging and interesting task on motivation

Table 4.15: Effect of challenging and interesting task on motivation

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.313a	.098	.092	.641

a. Predictors: (Constant), challenging

ANOVAa

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	6.323	1	6.323	15.410	.000b
	Residual	58.266	142	.410		
	Total	64.590	143			

a. Dependent Variable: motivation

b. Predictors: (Constant), challenging

Source: Own Survey, 2020

As depicted table 4.15 the model exposed R Square value of 0.098 indicates that 9.8 % of the total variance happened in employee motivation was described by challenging. The adjusted R^2 of 0.092 revealed that challenging relation with employees fit to the model by approximately 9.2%.

The ANOVA table shows the overall significance of the model from a statistical perspective. As the significance value of F statistics shows a value (.000), which is less than $p<0.05$, the model is significant.

4.5   Regression Analysis

Upon the completion of the correlation analysis, regression analyses were run to find any association between the independent variables (extrinsic and intrinsic reward), and the dependent variable (motivation).

4.5.1   Regression result on Extrinsic and Intrinsic Reward

Table 4.16: Regression result of extrinsic and intrinsic reward

Dependent. Variable	Independent Variable	R square	Adjusted R square	Sig.
Motivation	Extrinsic reward	0.484	0.465	.000
	Intrinsic reward	0.433	0.421	.000

Source: Own Survey, 2020

As indicated in the regression summery of the table, independent variable (payment, promotion, benefit, working condition, work content, recognition, empowerment and challenging) was significantly related to the dependent variable(motivation). The coefficient of relationship illustrates that the value of R^2 for extrinsic reward is 0.484 (48%); whereas R^2 for intrinsic reward is 0.433 (43%). so that the regression result shows extrinsic reward and an intrinsic reward has positive and significant effect on employee motivation.

4.6 Chapter Summary

This chapter has presented the findings of the study by giving brief explanations on the figures presented. Demographics of the population were presented in the form of tables and frequency analysis was used to give percentages. The demographics analyzed were gender, age group, department, education, work experience and manager in the organization also presented the findings (in the form of tables), to the impact of reward on employee motivation. The researcher then continued with the correlation analysis to see if the independent (payment, promotion, recognition, benefit, challenging, empowerment work content and working condition) variables had any significant effect on the dependent variable (work motivation).The next chapter gives the study's major findings, conclusion and offers recommendations.

CHAPTER FIVE

5 SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

In this chapter summary, conclusions and recommendations are presented, respectively.

5.1 Summary of findings

The study has tried to assess the effect of reward on employee's motivation in Meta Abo Brewery S.C. .hence , based on the results of the study obtained through distributing questionnaire for randomly selected 186 employee of meta abo brewery. From the distributed questionnaire 144 were returned and the response rate was 77 percent which is acceptable for data analysis and discussion of the study.

The demographic information of Meta Abo Brewery S.C. employee's shows that the majority of the respondents are male (62.5%) and almost their work experience is above 5 years (36.1%) which indicates that they are well aware of their working environment. The age distribution shows that most of respondents are aged in the range of 31-40 with 41.6 % of the total respondents. Among the respondents (62.5%) of the respondents were not Manager and (37.5%) are Managers. and the majority of the respondents (55.6%) are degree holders.

Descriptive statistics was applied to indicate for the means of the independent variables. The mean score for the variables are as follows: payment (3.24), promotion (3.64), benefit (2.71), working condition (3.6), work content (3.59), recognition (3.81) , challenging (2.95) and empowerment (3.75) for Meta Abo Brewery S.C. The result shows that Meta Abo Brewery S.C employees were moderately motivated by both intrinsic (non-financial) rewards and extrinsic (financial) rewards.

Correlation coefficient was computed in order to determine the relationship between reward and employee work motivation in meta abo brewery. It indicates that there is a significant and positive relationship between all the eight dimensions with work motivation and satisfaction questionnaire; The eight dimensions include, payment ($r=0.390$, $P<0.01$), promotion($r=0.559$, $P<0.01$), benefit ($r=0.460$, $P<0.01$), working condition ($r=0.521$, $P<0.01$), work content ($r=0.551$, $p<0.01$), recognition ($r=0.585$, $P<0.01$), challenging($r=0.313$, $P<0.01$)   and empowerment ($r=0.384$, $P<0.01$). Hence, the results indicate that there is a significant statistical relationship between all of the eight dimensions with work motivation therefore all the dimensions have a positive influence on work motivation.

The model summary of regression analysis shows that challenging(0.009) ,empowerment(0.009) , recognition(0.031) and   benefit(0.000) have positive and significant effect on motivation but

rewards such as work content(0.143) ,working condition(0.364) ,promotion(0.410) and payment(0.377) do not have significant effect on employee's motivation by means of p>0.05.

The regression result shows Rewards (extrinsic and intrinsic) has positive and significant effect on employee motivation.

5.2 Conclusions

In this study, the two types of rewards financial and non-financial, their relation to motivation and their effect on employees' was explored through quantitative approach by applying mean, standard deviation, correlation and regression then concluded that there is a positive and significant relationship between reward and work motivation which means any change in the rewards can change the level of motivation for better or worse.

The result of descriptive analysis shows that all variables of mean value is above the average. This implies that employees attitude towards the reward programs given by the company is moderately motivated and mean value of motivation (3.56) shows that the level of motivation in the company is moderately motivated for both(extrinsic and extrinsic) rewarding system in Meta Abo Brewery S.C.

The outcome of correlation between motivation and reward (financial and non-financial) is strong and significant correlation with employee motivation.

From the regression result we can conclude that challenging, empowerment , recognition and benefit have positive and significant effect on employee's motivation while work content , working condition , promotion and payment has no impact on employee motivation in Meta Abo Brewery S.C.

5.3 Recommendations

The findings from this study indicate employee are moderately satisfied but still need for the company to address strong reward variables identified and implement recommendations to improve work motivation of employees. It is seen that there is a positive and significant relationship between reward and employee work motivation which means rise in the different rewards necessarily changes the level of employees work motivation. Therefore, the management responsible should use different strategies and policies in order to strongly motivate employees. Based on the findings and analysis of the study, the following recommendations are suggested.

- The study showed employees in Meta Abo Brewery S.C are moderately motivated for more employee satisfaction management should focus on additional rewards to motivate employees and retain them.

- Reinforcement should be given for good service with more emphasis given to creating a positive environment for work well done. The management should use different methods of reinforcement in order to motivate the employees such as, a letter of recognition and a small honorarium for a job well done, trainings should be offered for employees who outshine in their performance.

- Finally, a positive work environment is a productive work environment. Human resource management in Meta Abo Brewery S.C should consider that by making some modification in the reward, the company able to raise employee work motivation and achieving the organization's overall goal.

- This study also recommends future researchers to be directed to explore how other variable like supervisor , career development , work balance, job security and, responsibility can influence employee motivation.

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ST. MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES
DEPARTMENT OF BUSINESS ADMINISTRATION

Questionnaire to be filled by Employees of Meta Abo Brewery S.C

Dear Sir/Madam

Dear respondents I am conducting a research study on work motivation within your organization for academic purpose. The aim of this study is to determine whether rewards have an impact on employee motivation.

The attached document contains questions related to specific aspects of your job in order for the researcher to determine your feelings about the aspects stated. It would be greatly appreciated if you would assist by completing the attached questionnaire. There are two sections to be completed First, there is a biographic questionnaire and secondly, there is a Work Satisfaction and Motivation Questionnaire.

Given your busy schedule and because I realize that completing the questionnaire will add to an already busy work day. I have tried to make the questionnaire as short as possible and it should take approximately 15 minutes to complete both questionnaires.

Please be assured that all responses will remain confidential, all respondents will remain anonymous and only grouped data will be presented.

Thank you for your willingness to complete this questionnaire

I. **Biographical Information**

Part one: please circle the letter that applies for you

1. Gender

a) Male   b) Female

2. Age

a) 21-30 years   b) 31-40 years   c) 41-50 years   d) >50 years

3. Educational Background

a) Diploma   b) Degree   c) Master's   d) PhD

4. How long have you served in Meta Abo

a) Less than 5 years   b) 5-6 years   c) 7-11 years   d) Above 11 years

5. Are you a line manager

a) Yes   b) No

6. Your current Department ------------------------------------

II.   **Work Satisfaction and Motivation Questionnaire**

Part two: Please indicate the extent to which you agree or disagree with the statement by putting tick (√) mark with the corresponding score value.

Regarding to extrinsic reward

No	Statement	Levels of Agreement				
		Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
A	**Payment**	1	2	3	4	5
1	My salary is satisfactory in relation to what I do					
2	I earn the same as or more than other people in a similar job					
3	The basis of payment, for example overtime payment is reasonable					
4	Salary increases are decided on a fair manner					
5	Performance related incentives improve my work motivation					
6	The payment system is clearly stated and communicated to all employees					
B	**Promotion**					
1	I will be promoted within the next two years					
2	Everyone has an equal chance to be promoted					
4	Staff promotion is done in a fair and honest way					
4	The criteria for promotion are acceptable					
C	**Benefit**					
1	I don't have problem with my arrangements for leave					
2	My medical and insurance structure is satisfactory					

3	There is equal treatment for product allocation or beer gift					
4	There is equal treatment of each staff in the benefit					
D	**Working Condition**					
1	I have never over worked					
2	My working hours are reasonable					
3	I get the opportunity to mix with my colleagues and to communicate on aspects of our work					
4	All the resource needed to perform my job are readily available					
5	I have good relationship with my co-workers					
E	**Work Content**					
1	I am interested in what I do					
2	I regard the content of my work as responsible					
3	I am proud to say what kind of work I do					
4	I feel like I have a job security					
5	My work contributes for the future success of the organization					
6	I know exactly what my mistakes are					

Regarding to intrinsic reward

F	**Recognition**					
1	Meta Management team are recognizing employees whose effort make difference					
2	Recognize employee equally for their effort					
3	The criteria for the recognition programs has been clearly explained to me					
G	**Empowerment**					
1	I am involved in decisions making that affect my work					
2	I participate in setting the goals and objectives for my job					

3	I have access to the information I need to make good decisions					
4	I am independent of others when I perform my work					
H	**Challenging and interesting task**					
1	My workload is reasonable					
2	I am constantly looking for ways to do my job better					
3	I feel encouraged to come up with new and better ways of doing things					
4	I perform challenging work and it makes me happy					
J	**About Motivation**					
1	Management is really interested in motivating the employees.					
2	Do you think that the incentives and other benefits will influence your performance?					
3	Have you been nominated for training development program for the last seven months?					
4	Overall, I am motivated both intrinsic and extrinsic reward practice of my organization.					

Thank You!