



**ST. MARY'S UNIVERSITY**

**SCHOOL OF GRADUATE STUDIES**

**EFFECT OF REWARD ON EMPLOYEE MOTIVATION WITH JOB SATISFACTION  
AS A MEDIATING VARIABLE; IN THE CASE OF NILE INSURANCE HEAD OFFICE**

**BY**

**HLINA TELEGN GIRUM**

**JULY, 2021**

**ADDIS ABABA, ETHIOPIA**

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SGS/0182/2012A

A THESIS SUBMITTED TO ST. MARY'S UNIVERSITY SCHOOL OF GRADUATES  
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## **DECLARATION**

I, Hlina Tegegn, hereby declare that the research titled "EFFECT OF REWARD ON EMPLOYEE MOTIVATION WITH JOB SATISFACTION AS A MEDIATING VARIABLE; IN THE CASE OF NILE INSURANCE HEAD OFFICE," is my original Work. This thesis has not been submitted to any other institution or in accordance with any other degree program, and all sources of material included in the thesis have been properly acknowledged.

**Name-** Hlina Tegegn Girum

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

**Date –** JULY, 2021

## **CERTIFICATION**

This is to certify that Hlina Tegegn completed her research under my supervision (Prof. Berhanu Endeshaw) for the partial fulfilment of her Masters of Business Administration at St. Mary's University, Addis Ababa, on the subject "EFFECT OF REWARD ON EMPLOYEE MOTIVATION WITH JOB SATISFACTION AS A MEDIATING VARIABLE; IN THE CASE OF NILE INSURANCE HEAD OFFICE." The thesis is an original work that has never been applied for a degree at this or any other university. It is sufficient for Masters in Business Administration submissions.

**Advisor Name-** \_\_\_\_\_

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

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## **LIST OF ABBREVIATION/ACRONYMS**

**VIF-** variance inflation factor

**ANOVA-** Analysis of Variable

**SPSS-** Statistical Package Software for Social Science

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## **ABSTRACT**

*This study examines the effect of reward practice on employee motivation with job satisfaction as mediating variable on the case of Nile Insurance S.C Head Office. For the given study, the researcher has used the two reward types namely intrinsic reward and extrinsic reward. The research was carried out using both primary and secondary data sources. A self-administered questionnaire was created to gather pertinent data from the chosen respondents. Census was used for the given paper. Accordingly, data were gathered from 132 employees working under Nile. Explanatory and descriptive survey designs were used in this research. The researcher used a descriptive research design to explain what it is or how the condition appears, as well as correlation analysis to demonstrate the relationship between the dependent, independent, and mediating variables. Based on the analysis made between the different variables, results have showed that there is a significant positive relationship between reward variables and employee satisfaction as well as employee motivation. Moreover, the descriptive results shows that employees incline toward intrinsic reward when compared to the extrinsic reward provided by the company. Multiple regression result has showed that reward have a significant effect on employee motivation. At the end, the study concluded that both the reward variables should be used in a proportional way to increase employee satisfaction as well as their motivation in their work place.*

**Key word-** *Reward, Employee Satisfaction, Employee Motivation, Intrinsic Reward and Extrinsic Reward*

## CHAPTER ONE

### 1.1 Background of the study

Reward system is an imperative instrument that administration can utilize to channel representative inspiration in wanted ways. Its look for to pull in individuals to connect the organization to keep coming to work, and motivate them to perform to high levels. Reward is about the design, implementation and maintenance of various systems such as reward processes, practices and procedures to meet the need of both organization as well as stake holders. Most companies have developed their own reward system contextual to their environment and based on their organizational culture. A reward system comprises both financial and non-financial rewards (Khan, 2011).

The Basic objective is to reward people fairly, equitably and consistently after taking into account their values to the organization in order to achieve organizational goals. The reward management has been developed over the decades from un-realistic expectations to search for new realism, focus on business driven, for making alignment of rewards with strategies in business strategies, initiating initiatives, to make focus on financial rewards and incentives to the total rewards, employees' engagement and organizational commitments and many more as per need from time to time (Rosen, 2006). Job satisfaction is a worker's sense of achievement and success on the job. It is generally perceived to be directly linked to productivity as well as to personal wellbeing. It implies doing a job one enjoys, doing it well and being rewarded for one's efforts. Job satisfaction is the key ingredient that leads to recognition, incremental of income, promotion, and the achievement of other goals that lead to a feeling of fulfilment (Kaliski, 2007). The term job satisfaction refers to the attitude and feelings people have about their work. Positive and favourable attitudes towards the job indicate job satisfaction. Negative and unfavourable attitudes towards the job indicate job dissatisfaction (Armstrong, 2006).

According to Nursebo (2012) ; 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. Identifying and emphasizing on factors affecting financial or non-financial rewards is a very important matter for an

organization. This is important because motivating factor for all employees is not similar. Some employees might be motivated by financial reward and the same reward may not motivate other employees with in the same organization. It is also crucial for a firm to design best combination of financial and non-financial reward for its employees. In some cases, financial reward becomes the source of demotivation if it is not carefully planned and applied. In most organizations poor reward systems lead to lower satisfaction and in turn produces very low organizational commitment. Employees who experience job satisfaction are more likely to be productive, effective performers and committed to the organization. Research has shown that increased job satisfaction improves employees' organizational commitment, performance and creativeness, and reduces absenteeism and turnover (Oshagbemi, 2010). R). (Bratton & Gold, 2007) state that ; Poor reward packages are seen by employees as a source of unfairness in the system which causes the employees to become dissatisfied with their jobs resulting into lack of commitment thus affecting their overall performance.

A number of studies were made under the title of effect of reward on employee satisfaction but none of them used a mediating variable like motivation in their research. Due to this there is an issue which needed to be addressed, on how the mediating variable or motivation multiply the satisfaction of employees in addition to the reward given by the given company. The major objectives of the paper are on addressing these two crucial issues which are related with one of the functions of HR. The study also answers how closely those variables are interrelated with each other.

## **1.2 Background of the Organization**

Nile Insurance Company S.C was founded with a subscribed capital of Birr 12 million on 11 April 1995. The company's paid-up capital is currently increased to Birr 100 million. It is a legal business organization registered by the National Bank of Ethiopia's licensing and supervising body (NBE). It is one of the oldest private insurance companies to compete. The industry has over 19 years of dedicated and professional experience and is committed to excellence. The company is sponsored in various parts of the world by more than 9 reputable and renowned international reinsurers. Over the past years, the company has grown from birr 448-million-birr capital, from 149 shareholders, from 4 to 51 branches both in the capital and regional cities, and has more than 54,000 customers across the country. The total asset of the company has reached birr 1.6 billion. This tremendous

growth was largely driven by the active participation of its valuable Employees, Customers, Shareholders, and other Stakeholders. Nile provides both general and long-term insurance solutions along with engaging in promising investments across the country.

### **1.3 Statement of the problem**

Rewards have been as the most powerful motivators of performance that leads to job satisfaction. Currently, business climate rewards have become more important than ever for several reasons. Managers have fewer ways to influence employees and shape their behaviour. If their needs are satisfied the staff would be motivated to perform effectively and efficiently. An employee expects intrinsic and extrinsic rewards for their services and efforts. In the absence of equitable pay, training and development opportunities and recognition, employees get dissatisfied and do not perform to the standards. The dissatisfaction resulting from the unavailability of the two types of reward usually leads to high employee turnover poor performance. Effective recognition for their effort enhances employee motivation and increases employee productivity, enhances discretionary efforts, a higher degree of motivation, minimizes employee turnover ratio and employee absenteeism and leads to higher degree of employee retention, all of which contribute to improved organizational (Hareghewein, 2014).

According to Brian (2005);’... the unreliable reward system brings the ‘compensatory damage’ that has hugely detrimental effects to the financial performance of the organization. It results in significantly reduced human productivity, increased human conflict within the organization, and perceptions of internal unfairness. The reward program still can be doubted and questioned on its value and the fairness or equity level in its dissemination among employees. In establishing an effective reward system within organization and cultivating a culture towards continuous improvement and efficiency, backing this up with the appropriate level or combination of rewards at that particular point in time is important. In order for managers to successfully motivate their employees, there is a need for them to determine the appropriate and the sufficient motivation factors to use. The reward practices and related polices have their own impact in employee’s satisfaction. Usually, companies link their reward system with employees’ performance and it affects the employees’ satisfaction if the system is not sound.’



Beyond the finding of the above studies, the researcher takes a look at doubts that the company's reward exercise has not met their necessities as they do not recognize which reward practice framework makes it easier for workers to enhance their job overall performance. Types of intrinsic and extrinsic rewards are not allocated equally or fairly. As a result, there was a sense of unfairness among employees, as well as a bad working atmosphere. In this connection, the researcher is quite inquisitive about investigating the effect of reward on employee job satisfactions in accomplishing the company's ordinary objective. The problem is that incentive systems are occasionally built without consulting people, and as a result, they may not be able to meet the needs and expectations of employees. As a result, we can say that the compensation structure is poorly organized, and as a result, workers are unable to fully empower themselves. If this issue isn't always well addressed from the outset, it will be so hard for the organization to accomplish its goals and realize its dream. To the great of the know-how of the researcher, no research was completed using motivation as a mediating variable among incentive practice and satisfaction of employees.

Therefore, the purpose of this research is to analyse the effect of reward on employee motivation with mediating variable job satisfaction and also to try to analyse whether or not the previously mentioned problems exist and to recommend appropriate recommendations regarding the given issue.

## **1.4 Objectives of the study**

### **1.4.1 General objective**

The general objective of the study is to analyse the effects of reward on employee motivation with job satisfaction as mediating variable in the case of Nile Insurance.

### **1.4.2 Specific objectives**

- ❖ To examine which reward scheme has more impact on employee motivation
- ❖ To investigate the relationship between reward and employee motivation
- ❖ To determine the effect of reward on job satisfaction

## **1.6 Significance of the study**

The study will be beneficial to have a clear understanding of the relationship between incentives and employee satisfaction as mediating variable motivation. The research, on the other hand, assists the company management in developing successful incentive programs that effectively

inspire workers and increase their work motivation to the organization. This study can be used as a resource for researchers who want to develop their expertise in this field. It also allows the researcher to gain a deeper understanding of the topic. Furthermore, it will also give suggestions and recommendations about the reward types that their workers expect from them.

### **1.7 Scope of the study**

The study is only limited to one of the human resource functions of the company. i.e Reward  
Sample size of the given research, is only confined to employees working in Nile Insurance Head Office. This illustrates the study's geographical scope. The study, includes both intrinsic and extrinsic variables, it does not imply that all variables will be addressed, and some variables will be omitted. Since the dependent variable is subject to other reward variables factors, failing to answer all reward variables that have an effect on job satisfaction could have an impact on the study's outcome.

### **1.8 Limitation of the study**

The main challenge during the data collection phase may have been respondents' unwillingness to complete the questionnaire, as well as a scheduling conflict between respondents and the researcher. Failure to address all reward variables that have an impact on job satisfaction may have an impact on the study's outcome because the dependent variable is also affected by other reward variables. Corona, have made things difficult enough as the researcher was not able to conduct structured interview with HR department. With limited time, the researcher was able to conduct non structured interview via zoom meeting to gather some information related with the current reward practice of Nile Insurance S.C. This conversation allows the researcher to be more spontaneous and ask questions that are based on the interviewees' comments during the interview.

### **1.9 Operational Definitions**

**Reward System** - is made up of interconnected processes and procedures that ensure successful reward management for the good of the company and its employees. (Armstrong, 2009)

**Intrinsic Rewards** - Intangible or psychological rewards such as gratitude, meeting new challenges, optimistic and caring supervisor attitude, and work rotation after achieving a goal. (Hafiza, Shan, &Jamshed, 2011).

**Extrinsic Reward** - are monetary rewards that are unrelated to the work or mission that the employee is doing. Salary or pay, benefits, bonuses, promotions, job protection, and so on are examples of extrinsic rewards. (Hafiza, Shan, &Jamshed, 2011)

**Job Satisfaction**- employees' overall positive or negative attitudes about their jobs and work environments are referred to as job satisfaction. (John Shields,2007)

### **1.10 Ethical consideration**

In order to collect relevant and acceptable data, confidentiality and privacy are some of the most critical cornerstones in the field of research activities. The researcher will assure the purpose of the research paper and confidentiality of any information gathered through questionnaire on the introductory part of the paper. All target population samples will be handled in an ethical manner. In addition, during the data collection, a brief summary of the title, aims and objectives of the given study will be made clear to the target population. Information concerning the participants will be safeguarded by the researcher.

### **1.11 Chapter division**

The given paper will be divided into five different sections. The first chapter deals with the introduction part of the study which includes background of the study, statement of the problem, research question research objective, significance of the study, scope of the study, and limitation of study, and organization of study. Review of related literature presented in the second chapter. The third chapter focuses on research methodology. The fourth chapter concentrated on data analysis and interpretations and on the fifth chapter summary of findings, conclusions and recommendation is presented. At the end of the chapters reference and annexes attached.

## **CHAPTER TWO**

### **2. REVIEW OF THE RELATED LITERATURE**

#### **INTRODUCTION**

The intention of this chapter is to examine the comprehensive body of literature relating to practices in reward management systems. The section starts by providing the definition of the reward, and issues related with employee satisfaction. This literature review also discusses the work of different researchers on the importance of the method of complete reward.

#### **2.1 THEORETICAL CONCEPTS**

##### **2.1.1 Concept of reward**

The benefit earned for performing a mission is the reward. It is a constructive stimulus or reward that can be provided in the behaviour strengthening process. Today's employees want their employer to offer more than just an hourly wage or salary; they want additional considerations that will enrich their lives. These considerations in an employment setting are called employee benefits. Benefits are the program an employer uses to supplement cash compensation that employee receives (Decenzo and Robbins, 2002). According to Armstrong (2007); Reward is the compensation which an employee receives from an organization (mainly refer to enterprises) for his or her service. It not simply contains direct currencies and other forms which can convert to currencies, but also a comfortable office, favourable interpersonal relationship inside the organization, having access to decision-making involvement, the challenge and sense of achievement, preferable growth opportunities and so forth these kinds of forms which is difficult to measure in various currencies.

Torrington (2008) discussed; the terms reward and compensation are used interchangeably, but the term compensation is fading away slowly. Since compensation does not accurately describe the reward management. Currently, "Remuneration" is a more straightforward word which means payment. Remuneration encompasses the benefits that are extrinsic and intrinsic in nature and value to the employees. The organization would need to make sure that employees,, would need to be motivated and stay focused on the Organization goals and vision. Reward management plays a significant role in the employee morale and motivation for the betterment of the overall organization. "Reward" is not a perfect term to use because it suggests a special payment for a

special act, but it is best available for describing the whole range of elements which combine to make work “rewarding” and worthwhile rather than “unrewarding” and thankless. Accordingly, reward can be satisfactory and personal to employees“ where all organization employees“ are aligned to the reward strategy. The reward strategy should be fair, transparent and competitive.

According to (Lawler, 1990); The potential benefits to organizations of rewarding performance are many. They include motivating employees to perform better, increasing the retention of effective employees and decreasing the retention of ineffective employees, and creating a culture that values performance. These are clearly outcomes that any knowledge-based organization would like to achieve and indeed may need to achieve in order to be competitive. Unfortunately, it is one thing to state the potential advantages of effectively rewarding performance and quite another to achieve those advantages by doing so. Rewarding people involves reward management process concerned with the design, implementation and maintenance of reward systems that are geared to improvement of organizational, team and individual performance. It includes both financial and non-financial rewards (Armstrong, 2007).

In relation to employee efficiency, most companies have difficulties defining these incentives equally to fit the organizational demands. Therefore, what kind of compensation scheme to assign and at what time and whether or not - wage-based, wage-based, annual merit-based or managers' personal recognition, etc. With regards to the various steps of performance appraisal under rewards systems, it is evident that employees and supervisors would come into terms with goals and policy framework of the organization and develop personalized non-salaried based rewards that correlate with the specific objectives (Wilson, 2004).

Motivated employees are willing to go the extra mile when their job requires it. They tend to be more productive, energized and creative. Unmotivated employees are likely to exert little effort and avoid additional work assignments as much as possible. Work motivation is desired but it is not a constant phenomenon that every employee possesses. Individual characteristics and organizational factors influence motivation. Thus, organizations require mechanisms that encourage a consistent level of motivation to ensure their sustainability. Extrinsic rewards encourage an employee to be motivated to do the work being rewarded because of its instrumental value. A mechanical engineer will be motivated to improve the quality of products if higher quality is externally rewarded (e.g., through a bonus). The organization’s emphasis on intrinsic rewards

will also enhance an employee's motivation (e.g., due to the enjoyment of the work it-self). Using the mechanical engineer example, the engineer will be motivated to improve the quality of products if he enjoys doing it (Monica Franco,2015).

### **2.1.2 Reward system**

The system of employee incentive refers to initiative by various companies to reward success and empower workers at the level of individual and/or community. The company should identify group or organizational objectives to be accomplished in designing a reward scheme, and the particular activities or performance that will receive rewards.in every company, reward system is critical feature. They are able to consciously engage and renew an organization's overall sense of community and mission. Incentives for professional workmanship an employee success may be given by properly administer incentive scheme. Similarly, low morale, unproductive result's and evens a high percentage of employee turnovers can result from a poorly managed incentive scheme. Sziligy (2003) discussed that; a reward system is successful when the staffs interpret its policies as even handed, consistent, and relevant. Rewarding and recognizing employees is a sensitive business. It can motivate people to explore more effective ways to do their jobs or it can utterly discourage such efforts.

Reward programs are effects or activities that meet work-related needs in the organization. They are much more than just bonus plans and stock options, but although they also include intrinsic rewards, they often include extrinsic forms such as promotions, non-cash bonuses, holiday vacations, or a manager's basic "thank you.". A properly administered system of rewards has the capacity not only to improve incentives for quality workmanship and staff performance but also strategically attract skilled employees to join the organization whereas the reverse may lead to unproductive performance and even to a high incidence of staff turnover (Sziligy ,2003 el at). Reward system exists in order to motivate employees to work towards achieving strategic goals which are set by entities. Reward management is not only concerned with pay and employee benefits (financial rewards). It is equally concerned with non-financial rewards such as recognition, training, development and increased job responsibility (Shields, 2007).

### **2.1.3 Reward Management**

Reward management is concerned with the strategies, policies and processes needed to ensure appreciation and reward of the importance of individual and the contribution they make to achieve organizational, departmental and team objectives, it is about the design, implementation and maintenance of reward system which aim to satisfy the needs of both the organization and its stakeholders, and operate fairly, equitably and consistently. These systems include arrangements for assessing the value of jobs through job evaluation and market pricing, the design and management of grade and pay structure ,performance management processes, schemes for rewarding and recognizing peoples according to their individual performance or contribution and/or team or organizational performance and the provision of employee benefits.it should be emphasized 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 stated by Armstrong and Murlis (2007); reward management is concerned with the formulation and implementation of strategies and policies in order to reward people fairly equitably and consistently in accordance with the value they bring to the organization. It deals with the development of reward strategies and 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 employees'. Reward management is based on a well-articulated philosophy – a set of beliefs and guiding principles that are consistent with the values of the organization and help to enact them. The philosophy recognizes that if HRM is about investing in human capital from which a reasonable return is required, then it is proper to reward people differentially according to their contribution (i.e. the return on investment they generate). The philosophy of reward management also recognizes that it must be strategic in the sense that it addresses longer-term issues relating to how people should be valued for what they do and what they achieve. Reward strategies and the processes that are required to implement them have to flow from the business strategy. ... (Armstrong, 2010).

#### **2.1.3.1 Significance of Reward Management**

According to Armstrong (2010) ; Reward management supports the achievement of business goals by helping to ensure that the organization has the talented and engaged people it needs. It contributes to the achievement of high performance by ensuring that the reward system recognizes

and encourages it. Reward management can define expectations through performance management and contingent pay schemes. Reward management policies in association with HR policies can help to create a working environment that provides for the just, fair and ethical treatment of employees. These are policies about treating people properly and avoiding the creation of unacceptable reward practices that reflect badly on the organization.

#### **2.1.4 Types of Reward System**

Organizations are projected to be more aggressive in empowering employees in this competitive environment because the job satisfactions of the employees are important for the entire organizational performance. For this purpose, in order to accomplish the mission, vision and priorities of the company, the effectiveness of managing employee morale should not be overlooked. Motivation such as the satisfaction of employees with their work or the reward given to them leads to better organizational performance. DeCenzo & Robbins, (2012) discussed; Reward is a token of appreciation, given by the employer to the employee for his/her service to the company. A well-designed reward system motivates employees and helps in building positive emotional response towards the job. It also leads to higher and better performance of employees, which has direct impact on the productivity of the company. There are two types of rewards, extrinsic and intrinsic rewards;

##### **2.1.4.1 Extrinsic Reward**

Extrinsic (external) incentives are known as factors of remuneration that are external to the job, such as salaries, working conditions, protection, benefits, service promotion contracts and the work environment. It also refers to the core organizational truth, as the distribution of equal rewards drives the morale of workers (Solomon Keefe , 2019)

###### **2.1.4.1.1 Promotion**

According to (Gohari, Ahmadloo& Hosseinpour, 2013) Promotion is an important feature of the lifestyle and career of workers, influencing other levels of work experience and can have an apparent effect on other aspects of the job, such as job attachment and responsibilities. Additionally, if workers place an important value on it, promotion will influence the instrument of exerting better efforts. If not, businesses would concentrate on raising pay to reward high effort and efficiency. In fact, the workers may be worth the promotions as they increase the amount of job services.



#### **2.1.4.1.2 Pay and benefit**

As a reward for contributing their valuable time and resources to achieving the organization's goal, a company should design good payments for the employees. A good payment is encouraging and is a significant factor that impacts work satisfaction. Benefits are additional services offered in addition to their salaries to the workers. (Thomas,2009)

#### **2.1.4.1.3 Working condition**

According to Shanks (2007) factors such as temperature, lighting, ventilation, hygiene, noise, working hours, and resources are all part of working conditions. Employees may feel that poor working conditions will only provoke negative performance, since their jobs are mentally and physically demanding.

#### **2.1.4.1.4 Contingent pay/Cost of Living Adjustment**

Contingent/merit pay are given as increments to the base pay in recognition to the past work behaviour of an employee. The pay adjustment may also be done based on changes in what other employers are paying for the same work, change in the overall cost of living, or change in experience or skill. Merit pay programs evaluate past performance of individual and then decide on the size of the increase (Milkovich , 2009).

#### **2.1.4.2 Intrinsic Reward**

According to (Ryan & Deci, 2000); Intrinsic reward is an act of doing an activity for its inherent satisfaction rather than for some separable consequence. It fulfils employee's intrinsic factors or motivators, thus motivating him. Examples include by giving challenging task, getting involved in decision-making process, giving a higher rank in hierarchy etc. Not all these rewards require any increased in salary but the employee is still being motivated, feeling a sense of satisfaction of being given the opportunity of working at a higher management rank.

#### **2.1.4.2.1 Recognitions**

As part of a general reward package, recognition schemes allow people to be shown appreciation for their accomplishments, informally on a day-to-day basis or through formal recognition arrangements. They may take place silently between executives and their team employees or be visible success awards. A recognition scheme can be formal and organization wide, providing scope to recognize achievements by gifts or treats or by public applause (Armstrong (2010).

By completely complying with their corporate plan through a wellbalanced reward and appreciation program for workers, most companies have made tremendous success. Not only do workers want attractive salaries and benefits, but they also want their contributions to be equally respected, acknowledged and handled. Recognition is the timely, informal or formal acknowledgment of a person's or team's behaviour, effort or business result that supports the organization's goals and values, and which usually is beyond normal expectations. A meaningful, thoughtful employee appreciation program is about valuing employees' efforts and having respect for who they are and what they do (shanks, 2007).

#### **2.1.4.2.2 Achievement**

The other type of intrinsic reward is recognition. It is defined as the need for competitive success measured against a personal standard of excellence. This is one of the three major needs of employees at managerial position: achievement, power, and affiliation. Employees' achievement motivation can be raised by organizations through processes such as job design, performance management, and skill or competency-related pay schemes. some people set their personal goal and are motivated to work hard to achieve them. Other than desire to achieve goals, people are motivated by the desire to learn, to improve skills and to be competitive. They find it satisfying to prove their abilities to themselves and to others. (Coon & Mitterer, 2010)

#### **2.1.4.2.3 Training**

According to (Armstrong, 2007; Employees are provided instruction to enhance their abilities in order to fulfil their jobs and progress in their careers.) The provision of learning opportunities, the selection of individuals for high-profile training courses and programs, and the organization's focus on the development of new skills as well as the improvement of existing ones may all be important motivators. In addition to motivation, he also mentions that many people now regard access to training as a key element in the overall reward package.

#### **2.1.5 Job Satisfaction**

Job satisfaction is an individual's subjective viewpoint encompassing the way he/she feels about his/her job and the employing organization. Moreover, job satisfaction is the pleasurable emotional state that results from the achievement of job values (Courtney &Younkyoung, 2017). Job Satisfaction of rewards in public and private sector employee has been established certainly associated with job satisfaction. Furthermore job satisfaction is associated with the monetary

compensation (pay, promotion, and bonus) and nonmonetary compensation is one of the most important explanatory variables in both sectors (Getta.k and K.M.Pandey ,2011). Aziri (2011) state that...; job satisfaction is considered as a positive emotional status from the point of view of job or experience in work. It explains that employees develop an attitude towards their jobs considering their behaviours, beliefs and emotions. It has been found that employees are perceived to be satisfied with their jobs, if they consider their jobs to be fulfilling and rewarding. The level of satisfaction among the employees is generally considered as an essential component for organizational success (Javed, 2014).

Two kinds of job satisfaction were found by Mueller & Kim (2008); first, the general feeling about the job, and secondly, the feelings about the aspects of the job, such as benefits, pay, status, growth opportunities, work climate, and employee relationships. The considerable time spent by employees at the work place makes job satisfaction a significant factor since dissatisfaction can have an adverse impact on the individual's personal life. Saari & Judge (2004) state that the relationship between job satisfaction and performance is more important for those doing difficult jobs than for those in less demanding jobs. (Mullins, 2005) state that; Job satisfaction is a dynamic and multifaceted notion that can mean various things to different individuals. Job satisfaction is generally related to motivation, but it is not clear what this relationship is about. Satisfaction is not the same as support. Satisfaction with the work is more of a mindset, an inner state.

Spector (1997) lists three important features of job satisfaction. First; organizations should be guided by human values. Such organizations will be oriented towards treating workers fairly and with respect. In such cases the assessment of job satisfaction may serve as a good indicator of employee effectiveness. High levels of job satisfaction may be sign of a good emotional and mental state of employees. Second, the behaviour of workers depending on their level of job satisfaction will affect the functioning and activities of the organization's business. From this it can be concluded that job satisfaction will result in positive behaviour and vice versa, dissatisfaction from the work will result in negative behaviour of employees. Third, job satisfaction may serve as indicators of organizational activities. Through job satisfaction evaluation different levels of satisfaction in different organizational units can be defined, but in turn can serve as a good indication regarding in which organizational unit changes that would boost performance should be made.

### **2.1.6 Motivation**

Motivation is important to an organization because it increases the performance level of employees, decreases employee's turnover and absenteeism, and helps in accepting of organizational changes. Motivation is a factor that exerts a driving force on our actions and work. For a company, motivation is critical because it increases employee performance levels, reduces employee turnover and absenteeism, and helps to embrace organizational changes. Motivation is a factor in our behaviours and work that exerts a driving force. Bradley, 2013) state that...; There is no definitive motivation technique or a reliable and effective method that works for every one in every situation rather it should be adapted to fit the circumstances.

According to Daft (2005); employee motivation affects productivity, and part of manager's job is to channel subordinates' motivation towards the accomplishment of the organization's vision or goals". A poorly motivated employee will be costly to the organization in terms of lower productivity and performance, excessive staff turnover, increased expenses, higher use of manager's time and a negative effect on the morale of colleagues. Why employee motivation is important? To succeed, managers will need to learn new roles and reinvent others such as applying flexible motivation approaches in working with a multicultural, hybrid, diverse employee. Many organizations invest a great deal of time and money in designing incentive schemes that are failing to achieve their objective of motivating employees. Large amounts of money are spent on financial incentives, while ignoring non-financial incentives. The goal of motivation is to encourage people to work hard and energetically toward employee goals. If employees work smart and work hard, they will realize their full potential, to their own and the company's benefit. (Kotler & Armstrong, 2008).

## 2.2 EMPIRICAL REVIEW

Several studies have been conducted in various parts of the world on the effects of reward systems on employee motivation and satisfaction. Following that, there will be a discussion of some of the studies. Samuel G/kidan (2017) ‘ ‘ the effect of reward in employees’ job satisfaction on the case of lion international bank s.c.’’. He has found that.....;. In general, the study finding shows that reward variables have effect on the employee job satisfaction. The existence of best reward practices the more employee job satisfaction and the higher the improvement of the organization’s performance. In general, the study finding shows that reward variables have effect on the employee job satisfaction. The existence of best reward practices the more employee job satisfaction and the higher the improvement of the organization’s performance.’’

In the year 2012, Muhammad Javed , Mustajab Khan , Maqsood Ahmed conducted a research under the title of ‘ ‘ effect of rewards on job satisfaction evidence from pakistan.....’’. The results of regression analysis show that job satisfaction is more dependent on extrinsic rewards as compared to intrinsic rewards. The results and its implications for managers have also been discussed. The data was collected for this study from telecom sector in Pakistan on call centre employees. Through the analysis, the value of beta of extrinsic rewards is positive (.352) and significant ( $p < 0.000$ ) and this proves that extrinsic rewards have positive impact on job satisfaction. The other variable intrinsic rewards (.231) have significantly ( $p < 0.000$ ) but less positive impact on job satisfaction as compared to extrinsic rewards. The hypothesis H1 is accepted and this shows that there is significance relationship between intrinsic rewards and job satisfaction H2 is accepted and this shows that there is also significant positive relationship exist between job satisfactions.’’

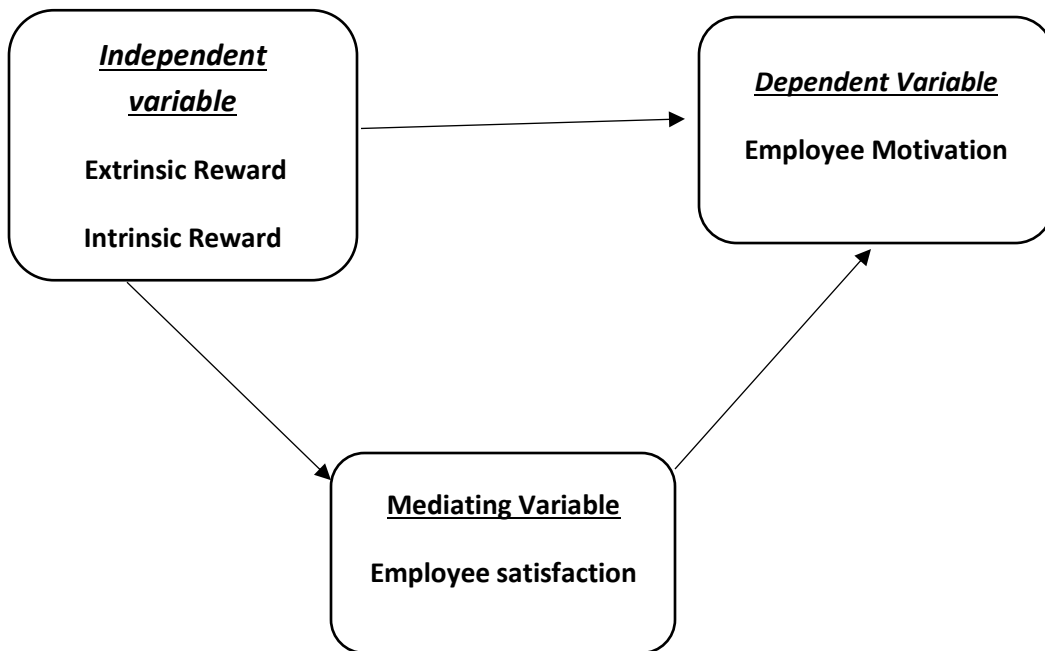
Rizwan Qaiser Danish \*, Muhammad Khalid Khan , Ahmad Usman Shahid , Iram Raza, Asad Afzal Humayon (2015) had investigated ‘ ‘Effect of intrinsic rewards on task performance of employees: Mediating role of motivation’’. The findings of the present study indicated that intrinsic rewards moderately correlated with task performance and there was a full mediation of extrinsic and intrinsic motivation and slightly low mediation of job satisfaction with the dependent and independent variables of the study. The employees who are appreciated by intrinsic rewards within the organization not only perform well according to their job description but also get motivated positively for the welfare of organization and for them. Employees

struggle when their organization appreciate their work, reward them, respect them and consider them as a vital part of the organization. The employees efficiently do their jobs, behave effectively in the organization, and remain loyal to their organization. Reward management system and performance appraisal techniques can be improved by paying attention on human resource management approaches that improve the performance of the organization.”

Ruth Tegene (2020) have conducted a research on “the effect of reward management system on the performance of employees through the mediating role of motivation: in the case of ethio telecom”.....; The results indicated that there is significant relationship between total reward and employee performance. In addition, there is also an essential relationship between total compensation, employee morale, and employee performance. Furthermore, the study points out that intrinsic incentives lead greatly to improving employee performance relative to extrinsic rewards. And extrinsic incentives contribute greatly to improving employee morale as opposed to intrinsic rewards. The study concludes that companies should concentrate on both intrinsic and extrinsic incentives rather than concentrating solely on one of them in order to maximize employee satisfaction and employee performance.”

### 2.3 CONCEPTUAL FRAMEWORK

A conceptual model formulated to illustrate the relationship between effects of some intrinsic and extrinsic reward and employee motivation with a mediating variable of job satisfaction. The below figures show the conceptual framework of employee motivation is as dependent variable and, extrinsic rewards (Benefit, opportunity for Promotion,) and intrinsic reward (Work environment, and training and development) are taking as independent variables, along with taking job satisfaction as the mediating variable.



*Figure 2-1 Conceptual Framework*

### **2.3.1 Hypothesis**

**H1:** Intrinsic Reward system is positively correlated with employee job satisfaction

**H0:** Intrinsic Reward system is not positively correlated with employee job satisfaction

**H2:** Extrinsic Reward system is positively correlated with employee job satisfaction

**H0:** Extrinsic Reward system is positively correlated with employee job satisfaction

**H3:** Intrinsic Reward system is positively correlated with motivation

**H0:** Intrinsic Reward system is not positively correlated with motivation

**H4:** Extrinsic Reward system is positively correlated with motivation

**H0:** Extrinsic Reward system is not positively correlated with motivation

**H5:** Employees Motivation has a positive effect on employee satisfaction

**H0=** Employees Motivation has no positive effect on employee satisfaction

**H6=**Employee Motivation significantly mediates between reward and employee satisfaction



## CHAPTER THREE

### 3. RESEARCH DESIGN AND METHODS

#### 3.1 Research Design and Methods

This section includes methods and design used to gather and analyse the given data to undergone the research. Research methods include all the techniques and methods which have been taken for conducting research whereas research methodology is the approach in which research troubles are solved thoroughly.

##### 3.1.1 Research design

The main aim of the given study is to investigate effect of reward on employee satisfaction with mediating variable motivation. The research used descriptive design, which is concerned with describing the characteristics of an individual or a group. According to Kothari (2004) descriptive research design was concerned with specific predictions of the relationship between independent and dependent variable. It also helps the researcher will use this type of research design to find the effect of reward on employees job satisfaction. Descriptive research approach is a type of research that describes a population, situation, or phenomenon that is being studied. it is important to have a proper understanding of what a research problem is about before investigating why it exists in the first place. On the other hand, explanatory research was deployed to explain, understand and predict the cause-and-effect relationship between the variables (Neuman, 2014) that is reward (independent variables), employee motivation (mediating variable) and employee job satisfaction (dependent variable).

##### 3.1.2 Research Approach

Mixed research approach was used to obtain relevant and accurate information that can answer the objectives of given study. Qualitative approaches were deployed to assist in explain and interpreting the findings of a quantitative study while quantitative research approach was used in the research that places emphasis on numbers and figures in the collection and analysis of data

#### 3.2 Population, Sample Technique and Sample Size Determination

##### 3.2.1 Target population

In research method, population is the entire aggregation of items from which samples can be drawn (Yahiya, 2011). The population of the study will include employees working on the head office level of Nile insurance.

### **3.2.2 Sampling Technique and Sample Size**

Census approach was used to identify the effects of reward on employee satisfaction with using motivation a mediating variable. Census is about the use of the whole population as the pattern although cost considerations make this not possible for huge populations (Zikmund ,2000). The target population for the study includes employees of Nile Insurance Company. The questionnaires were distributed to 144 of the employees of Nile who are currently working at head office.

### **3.3 Methods of data collection**

The aim of all data collection is to collect quality information that then converts into accurate data analysis and to provide a compelling and reliable response to questions asked. In order to meet the stated research objectives this research used mixed approach for gathering both primary and secondary data. Hence these data should be collected carefully, the study's researchers collected them by using adequate questionnaire as primary sources and make use of different reliable publishes as secondary sources, for the best outcome of this project. Phone Interview (zoom meeting) was conducted as a non-structured interview with the HR department. The researcher has distributed the questionnaire to employees who are working under the given company and willing to respond questions based on the sample size for the head office staffs. Questionnaires were used as an instrument to collect primary data from the respondents. The written questionnaire was adopted and self-administrated. They were hand-delivered to the participants in order to gain the highest possible response rate. For the secondary data's the researcher used different literatures done under the same title.

### **3.4 Data analysis Techniques**

The data were analysed statistically to generate descriptive and inferential explanations for the variables under the given study. The researcher performed the analysis process for the collected valid data using Statistical package for social science (SPSS). The descriptive method used parameters such as mean, standard deviation and frequency. To evaluate the effect, correlation analysis and regression analysis were used. Tables were used to make the study easy to understand.

### **3.5 Validity**

According to Creswel (2003) ...; validity refers to the extent to which the measurement instrument actually measures what it intended to measure. It is used to suggest determining whether the findings are accurate from the standpoint of the researcher, the participant, or the readers an

account. Validity is the most critical criterion and indicates the degree to which an instrument measures what it is supposed to measure.

In order to avoid an issue that may lead to low data validity and reliability, pilot testing is a preliminary process done to pre-test the research instrument. A pilot study was carried out to help identify mistakes in data collection instruments and to make the required changes to ensure the collection of valid and reliable data. For this study, the reliability and validity of the pilot taste of the established questionnaire were checked by taking 10-15 sample population which are not part of the given study. The questionnaires were altered and redesigned based on the results of the pilot test.

### **3.6 Reliability**

Reliability is the consistency and stability of the measurement, or the degree to which an instrument measures the same way each time it is used under the same condition with the same subjects (Drost, 2013). Cronbach's alpha is one of the most commonly accepted measures of reliability. It measures the internal consistency of the items in a scale. It indicates that the extent to which the items in a questionnaire are related to each other. According to Bhattacharjee (2012); It is a coefficient of reliability and it is commonly used as a measure of the internal consistency or reliability. For the purpose of this given research the Cronbach alpha is 0.76 which is acceptable.

### Reliability Test Result of the Variable

<b>Variables</b>	<b>No of Items in the scale</b>	<b>Cronbach's Alpha Result(<math>\alpha</math>)</b>
<b>Recognition</b>	4	0.7
<b>Training and Development</b>	4	0.65
<b>Performance Appraisal</b>	4	0.74
<b>Bonus</b>	3	0.83
<b>Promotion</b>	3	0.709
<b>Working Environment</b>	3	0.63
<b>Employee Motivation</b>	4	0.78
<b>Job Satisfaction</b>	4	0.76

## **CHAPTER FOUR**

### **4. DATA PRESENTATION, ANALYSIS AND INTERPRETATION**

#### **4.1 INTRODUCTION**

The data presentation and interpretation are the topics of this chapter. The aim is to make the debate more accessible and to aid in a deeper understanding of the research findings. The data from the analysis is introduced, evaluated, and interpreted in this chapter. The presentation begins with the respondents' demographic and personal details. Finally, the statistical methods of analysis were addressed, including descriptive, correlation, and regression analyses using the SPSS version 23 computer software program. A total 144 questionnaires were distributed to collect relevant information from the sample respondents out of which 132(91.6%) were returned.

#### **4.2 Demographic Information of Respondent**

The first section of the questionnaire consists of the demographic information which includes gender, age, educational level, work experience, and work position of employees under Nile S.C Head Office.

NO	Factors	Category	Frequency	Percentage
1.	Gender	Male	91	64.5%
		Female	53	36.8%
2.	Age	Below 25	11	8.3%
		25-35	43	32.5%
		35-45	45	62.9%
		Above 45	13	12.1%
3.	Educational level(Background)	First Degree	87	65.7%
		Masters's Degree	31	23.4%
		Others	14	10%
4.	Work Experinece	1-3 Years	27	20.45%
		3-5 Years	48	36.3%
		Above 5 Years	57	43.1%
5.	Work Poistion	Managerial	15	11.3%
		Non-Managerial	119	90.1%

*Source of own survey*

**Table 4.1- Demographic characteristics of Respondents**

According to the above table, 64.5 percent (91) of total respondents were male, while the remaining 36.8% (53) were female. This clearly indicates that the number of male workers in the company is higher than the number of female employees, implying that men employees performed and filled

the majority of the tasks and roles. This indicate that majority of the response of the given research paper are represented by the male sample size.

When it comes to respondents' age ranges, the 35-40 age group has the largest number of respondents (62.9%). The next highest age group is 25-35, which accounts for 43 (32.5%) of the total. And 16 people (4.9 percent) are over the age of 40. The remaining respondents are under the age of 25, accounting for 8.3% of the total (11 respondents). Most of the respondents fall under the age category of 35-45 which imply that, they are matured and serious enough to fill up the given questionnaires in a responsible way.

In terms of qualifications, 87 workers (65.9%) have a First Degree, 31 (23.4%) have a Master's Degree, and the remaining 14 (10%) are in the Other category. From this we can conclude that, majority of the employees are degree holders, which means that Nile Insurance S.C workers are well-educated. This in turn imply that, respondents have the ability to understand and fill the required information for the given research paper.

On the other hand, out of 132 respondents, 27 (20.45%) had been employed for a period of one to three years, 48 (36.3%) for a period of three to five years, and the remaining 57 (43.1%) had been employed for a period of more than five years. Employees are presumed to have a lot of experience and a good understanding of their company's incentive strategy, system, practices, and procedures, implying that they will be able to give a reliable response which shows the real picture of reward practiced in Nile Insurance's and the respondents can be trusted to perform meaningful research since the majority of the workers served for more than five years. The presence of high-ranking staff indicates that Nile Insurance has a low turnover rate.

Regarding the work position of the respondents, almost half of them rely on non-managerial position constituting 90.1% (119) of the total population, the remaining 11.3% (15) of the employees fall under the category of managerial position.

### **4.3 Descriptive Analysis**

This portion of the chapter summarizes and interprets the findings of the research. Descriptive statistics, such as frequency, percentage, mean, and standard deviation, were used to show the respondents' degree of agreement with the implications. The respondents' responses to the

variables mentioned below were scored on a five-point Likert scale indicating with, 1=strongly disagree, 2 =disagree, 3=neutral, 4=agree, and 5=strongly agree. Zaidatol .A (2009) state that; a mean score of 3.80 is considered high, a score of 3.40-3.79 is considered moderate, and a score of less than 3.39 is considered low satisfaction, and the incentive activities in the sample were evaluated along these lines.

#### 4.3.1 Respondents Descriptive Analysis of Intrinsic Reward

**Table 1- Employee perception regarding Recognition**

NO	Item	SA	A	N	D	SD	MEAN	SD
1.	I receive a proper recognition for performing well in my job	29	63	12	21	7	3.651	1.145
<b>Percentage (%)</b>		21.9%	47.7%	9%	15.9%	5.3%		
2.	The recognition provided by the company helps to enhance job satisfaction	16	77	11	20	8	3.5606	1.071
<b>Percentage (%)</b>		12.1%	58.3%	8.3%	15.15	6%		
3.	The Recognition given for a good work enables employees to perform better	57	44	11	19	1	4.0682	1.035
<b>Percentage (%)</b>		43.1%	33.3%	8.3%	14.3%	0.75%		
4.	The recognition provided, helps to retain employees	22	68	9	16	5	3.6515	1.084
<b>Percentage (%)</b>		16.6%	51.5%	6.8%	12.1%	3.7%		

The above Table-1 shows the response rates of respondents on the recognition given by Nile Insurance S.C. For the question ‘‘ I receive a proper recognition for performing well in my job’’ majority of the given sample respondents agree with this idea. The respondent’s rate is 21.9%



Strongly agree,47.7% agree,9% neutral,15.9% disagree and the rest 5.3% fall under the category of Strongly agree. The mean shows that the majority of respondents are inclined to agree.

With regarding the question saying ‘ ‘ The recognition provided by the company helps to enhance job satisfaction’ ’ majority respondents fall between Agree and Strongly Agree categories with a percentage of 58.3% and 12.1% respectively implying, the company is giving enough recognition that will help them to increase the job satisfaction level of the employee under Nile. On the other hand, 15.1% Disagreed and 6% Strongly disagreed expressing their disagreement saying they are dissatisfied with the recognition given by the company. The mean shows that the majority of respondents are inclined to agree.

A large majority of respondents (57 percent, or 43.1 percent) strongly agreed that receiving praise for good work motivates workers to do better work. Although 44 percent (33.3%) of people agree with the assertion. In addition, 19 (14.3 percent) of respondents disagree with the assertion, while 1 (0.75%) strongly disagrees. Just 11 (8.3%) of the respondents were undecided about the argument. The mean shows that the majority of respondents are inclined to agree.

According to the results of the survey, the majority of respondents agreed that "the recognition offered helps to retain employees." This equates to approximately 68.5% (51.5%) of the total respondents. In addition, a small number of respondents, specifically 16 (12.1%), disagree. While 9 percent (6.8%) were undecided. In addition, 5 (3.7%) of respondents strongly disagree with the argument. The remaining 22 respondents (or 16.6%) strongly agree with the comment. The respondents fell under the agree scale, as seen by the Grand Mean above. This indicates that the majority of workers were pleased with the company's recognition.

**Table 2-Employe perception regarding Training and Development**

NO	Item	SA	A	N	D	SD	MEAN	SD
1	There is equal access to job-related training opportunities.	4	16	26	69	34	2.4	0.78
<b>Percentage (%)</b>		3%	12.1%	19.6%	52.2%	25.75%		
2	My organization has a sponsorship programs that assist employees to pursue academic and professional education programs.	5	17	9	74	28	2.29	0.92
<b>Percentage (%)</b>		3.7%	12.8%	6.8%	56%	21.2%		
3	The company have good training and orientation opportunity	32	74	10	14	2	3.9	0.96
<b>Percentage (%)</b>		24.2%	56%	7.5%	10.6%	1.5%		
4	There are really high chances of training on my job.	9	10	3	68	42	2.31	1.12
<b>Percentage (%)</b>		6.8%	7.5%	22.7%	51.5%	31.8%		

Majority of the respondent disagree (52.2%) with the statement that says ‘ There is equal access to job-related training opportunities. While (25.75%) Strongly agree with the statement. Also (3%) and (12.1%) of the respondents agree and strongly agree saying there is an equal access training given by the company. The remaining 19.6% Neither agree or disagree with the given statement. Generally, this implies that the respondents incline toward disagree.

My organization has a sponsorship programs that assist employees to pursue academic and professional education programs and a large percentage of respondents (56%) disagree and 21.2% strongly disagree with the argument. Contrary to this, 12.8% of the respondent agree with the statement. In addition to this,6.8% were neutral. The remaining 3.7% respondent strongly agree.

The mean shows that the majority of respondents are inclined to disagree. Respondents were also asked whether they think that the company have good training and orientation opportunity, the majority of respondents (56%) agreed with 24.2 %strongly agreeing with the assertion, compared to 10.6 % disagreeing. Furthermore, it reveals that (7.5%) of the workforce were neutral, although (21.2%) strongly disagrees with the argument. The mean shows that the majority of respondents are inclined to disagree.

Respondents were also asked if the company have good training and orientation opportunity, a large majority of them (56%) agreed with this assertion. Another 24.2% agrees wholeheartedly with the comment. The remaining 14 respondents disagree with the assertion (10.6%) and are neutral (7.5%). Just 1.5% of respondents strongly disagree. The mean shows that the majority of respondents are inclined to agree.

Finally, the majority of respondents, specifically (51.5%) of the workers, disagree that there are really high chances of training on my job. Though 31.8% strongly disagree with the assertion, the remaining 22.7% are undecided. In addition, 7.5% and 6.8% of respondents appear to agree and strongly agree with the argument, respectively.

**Table 3- Employees perception regarding Performance Appraisal**

NO	Item	SA	A	N	D	SD	MEAN	SD
1.	Job promotions of Nile is strictly based on performance appraisal	31	58	6	25	12	3.5	1.28
<b>Percentage (%)</b>		23.4%	43.9%	4.5%	18.9%	9%		
2.	The company conducts regular performance appraisal discussion with the employees	4	6	17	51	56	2.42	1.23
<b>Percentage (%)</b>		3%	45.4%	12.8%	38.6%	42.4%		
3.	The existing performance appraisal has significant impact on job motivation	14	67	22	17	12	3.4	1.125
<b>Percentage (%)</b>		10.6%	50.7%	16.6%	12.8%	9%		
4.	The Performance appraisal system of the company is adequate	6	22	23	70	11	2.75	1.3
<b>Percentage (%)</b>		4.5%	16.6%	17.4%	53%	8.3%		

As shown in the above table employees were asked ‘Job promotions of Nile is strictly based on performance appraisal’ large portion(43.9) of the respondents agreed and 23.4% Strongly agreed with the above statement. Whereas, 18.9% disagreed and 9% strongly agreed with the arguments. The mean shows that the majority of respondents are inclined to agree.

When asked whether the organization has ongoing performance assessment discussions with staff, 45.4 percent of respondents agree with the assertion. (38.6%) of the respondents disagree with the

assertion, while (12.8%) are undecided. Furthermore, 3% strongly agree with the assertion, while 42.4 % strongly disagree. The implication of the mean suggests that the majority of respondents are inclined to disagree. The majority of those polled agree with the existing performance appraisal has significant impact on job motivation, with 50.7% of respondents agreeing. (10.6%) strongly agree with the assertion, while (16.6%) expressed neutrality. Just 12.8 % and 10.6% disagree and strongly agree with the assertion, respectively. The mean shows that the majority of respondents are inclined to agree. Furthermore, a large number of respondents (53 %) tend to disagree with the assertion that the company's performance assessment method is sufficient. (16.6%) also agrees wholeheartedly with the assertion. While the others (17.4%) were undecided. The remainder (8.3%) and (4.5%) Strongly disagree and strongly agree with the statement, respectively.

### 4.3.2 Respondents Descriptive Analysis of Extrinsic Reward

*Table 4- Employee perception regarding Bonus*

NO	Item	SA	A	N	D	SD	MEAN	SD
1.	Bonus is given according their efforts and contributions	15	31	28	43	15	2.2	1.213
<b>Percentage (%)</b>		11.3%	23.4%	21.2%	32.5%	11.3%		
2.	The bonus scheme of Nile is motivating employees to perform better	20	58	16	26	12	3.36	1.218
<b>Percentage (%)</b>		15.1%	43.9%	12.1%	19.6%	9%		
3.	The company bonus payment is based on extra ordinary performance	27	74	8	17	6	3.75	1.06
<b>Percentage (%)</b>		20.4%	56%	6%	12.8%	4.5%		

The majority of respondents (32.5%) disagree with the argument Bonus is given according their efforts and contributions, and 11.3% strongly disagree. Although 23.4 percent of respondents agree with the assertion, 15 respondents (11.3 %of the total workforce) strongly agree. The rest (21.2 %) were indifferent. The mean shows that the majority of respondents are inclined to disagree. According to the report, the majority of respondents (43.9 percent) agreed that the bonus scheme of Nile is motivating employees to perform better, while (12.1 percent) were neutral and (15.1 percent) strongly agreed. The majority (19.6%) and (9%), respectively, disagree and strongly disagree with the assertion. The mean shows that the majority of respondents are inclined to agree.

Respondents were asked whether, the company bonus payment is based on extra ordinary performance, with (56 %) agreeing with the assertion and (6 %) disagreeing with the statement. Approximately 12.8% of employees disagree with the argument. Just 4.5% of the respondents

strongly disagree with the assertion. The mean shows that the majority of respondents are inclined to disagree.

**Table 5- Employee perception regarding Promotion**

<b>N0</b>	<b>Item</b>	<b>SA</b>	<b>A</b>	<b>N</b>	<b>D</b>	<b>SD</b>	<b>MEAN</b>	<b>SD</b>
<b>1.</b>	The job promotions of Nile are fair and equitable	24	63	12	26	7	3.53	1.15
<b>Percentage (%)</b>		18.1%	47.7%	9%	19.6%	5.3%		
<b>2.</b>	The employees are pleased with the Job promotion of the company	55	39	13	13	12	3.87	1.31
<b>Percentage (%)</b>		41.6%	29.5%	9.8%	9.8%	9%		
<b>3.</b>	Qualification and experience are considering to promotion	32	63	10	14	13	3.5	1.23
<b>Percentage (%)</b>		24.2%	47.7%	7.5%	10.6%	9.8%		

The majority of respondents (47.7%) decided that the job promotions of Nile are fair and equitable. In addition, a large number of respondents (19.6%) disagree. Though 9% were undecided. Furthermore, 19.6% of respondents strongly disagree with the comment. The rest of the respondents (18.1%) strongly agree with the assertion. The mean shows that the majority of respondents are inclined to agree. The overwhelming majority of respondents (41.6%) strongly agreed that the employees are pleased with the Job promotion of the company. Although 29.5% of the respondents agree with the assertion. In addition, 9.8% of respondents disagree with the assertion, with 9% strongly disagreeing. Only (9.8 %) of the respondents were neutral with statement. The mean shows that the majority of respondents are inclined to strongly agree. When it comes to Qualification and experience are considering to promotion, a larger percentage of respondents (47.7%) agree. While (24.2%) of the workforce strongly agrees with the assertion,

(10.6 %) disagrees, and (7.5%) are undecided. Just 9.8% of the workforce firmly agrees with this assertion. The mean shows that the majority of respondents are inclined to strongly agree.

**Table 6- Employee perception Working Environment**

<b>N0</b>	<b>Item</b>	<b>SA</b>	<b>A</b>	<b>N</b>	<b>D</b>	<b>SD</b>	<b>MEAN</b>	<b>SD</b>
<b>1.</b>	There are suitable working conditions.	52	44	9	18	9	3.84	1.26
<b>Percentage (%)</b>		39.3%	33.3%	6.8%	13.6%	6.8%		
<b>2.</b>	Facility availability on my work place is adequate	14	20	11	79	8	2.31	1.065
<b>Percentage (%)</b>		10.6%	15.1%	8.3%	59.8%	6%		
<b>3.</b>	The existence of safe working conditions has encouraged me to give sustained high performance at work.	58	52	12	6	4	4.16	0.98
<b>Percentage (%)</b>		43.9%	39.9%	9%	4.5%	3%		

The majority of respondents, approximately 39.3% of the workforce, agree with the argument, while 13.6 % disagree with there are suitable working conditions. Although 33.3% of the workforce strongly agrees with the assertion, 6.8% of the workforce is neutral. Just 6.8% of employees strongly disagree with the argument. The mean shows that the majority of respondents are inclined to strongly agree. When asked whether facility availability on my work place is adequate, the majority of respondents disagreed with the argument, with 59.8% disagreeing. In addition, 15.1 % of those polled agreed with the assertion. Despite the fact that 8.3% of respondents were neutral, the remaining 6% of employees strongly disagree with the assertion. The mean shows that the majority of respondents are inclined to disagree.43.9% of the respondents strongly agreed that the existence of safe working conditions has encouraged me to give sustained high performance at work. Neutrals account for 9% of the total. In addition, 39.9% of those polled agree



with the assertion, while 4.5 % disagree. Just 3% of the population strongly disagrees with the statement. The mean shows that the majority of respondents are inclined to agree.

### 4.3.3 Respondents Descriptive Analysis of Employee Motivation

*Table 7- Employee perception regarding Employee Motivation*

<b>N0</b>	<b>Item</b>	<b>SA</b>	<b>A</b>	<b>N</b>	<b>D</b>	<b>SD</b>	<b>MEAN</b>	<b>SD</b>
<b>1.</b>	The level of motivation in my performance affects my absenteeism level on work.	18	83	13	14	4	3.73	0.931
<b>Percentage (%)</b>		13.6%	62.8%	9.8%	10.6%	3.1%		
<b>2.</b>	The management is interested with motivating employees.	14	62	21	8	17	3.62	0.945
<b>Percentage (%)</b>		10.6%	46.9%	15.9%	6.2%	12.8%		
<b>3.</b>	My view and opinion are taken into consideration when decisions are made	2	6	16	82	27	2.36	1.62
<b>Percentage (%)</b>		1.5%	4.5%	12.1%	62.1%	20.4%		
<b>4.</b>	The reward inspires me to improve my productivity.	43	62	12	11	4	3.97	1.09
<b>Percentage (%)</b>		32.5%	46.9%	9%	8.3%	3.3%		

As indicated in the table, respondents were asked if the level of motivation in my performance affects my absenteeism level on work. The majority of respondents (62.8%) strongly agree with the argument, while only 13.6% disagree. Although (3.1%) of respondents strongly disagree with the comment, and 14 respondents, or 10.6% of the total workforce, disagree with it. The remaining 9.8% were neutral. The mean shows that the majority of respondents are inclined to agree. The management is interested with motivating employees and a high number of respondents agreed (46.9%) tend to agree with the statement, while 10.6% strongly agreed. Also, 6.2% of the respondent disagree, while 12.8% strongly disagree. The remaining 15.9% were neutral. The mean

shows that the majority of respondents are inclined to agree. For the question ‘My view and opinion are taken into consideration when decisions are made’ majority of the respondents (62.1) disagree with the above statement, while 20.4% strongly disagree. The remaining 1.5% ,4.5% and 12.1% incline toward strongly agree, agree and neutral respectively. The mean shows that the majority of respondents are inclined to disagree. The reward inspires me to improve my productivity, according to 46.9% of respondents, while 9.3% were neutral, 8.3% disagree, 32.5 percent strongly agree, and the remaining 3.3 strongly agree. The mean shows that the majority of respondents are inclined to agree.

#### 4.3.4 Respondents Descriptive Analysis of Employee Satisfaction

*Table 8- Employee perception Employee Satisfaction*

<b>N0</b>	<b>Item</b>	<b>SA</b>	<b>A</b>	<b>N</b>	<b>D</b>	<b>SD</b>	<b>MEAN</b>	<b>SD</b>
<b>1.</b>	I am satisfied with cooperation between colleagues in the department.	45	61	4	14	8	3.92	1.143
<b>Percentage (%)</b>		34%	46.2%	3.1%	10.6%	6.2%		
<b>2.</b>	I feel very positive and favorable about my job	53	34	21	15	9	3.801	1.26
<b>Percentage (%)</b>		39.3%	25.7%	15.9%	11.3%	6.8%		
<b>3.</b>	The benefit package we have is equitable.	57	52	14	5	4	4.15	0.971
<b>Percentage (%)</b>		43.1%	39.3%	10.6%	3.7%	3.1%		

The majority of respondents (46.2%) agree with the statement (I am satisfied with cooperation between colleagues in the department.), while the remaining 3.1 % are neutral. It also reveals that 34% of the workforce strongly agrees with the assertion, although 10.6% disagree. Only 6.2% respondents strongly disagree with the statement. The mean shows that the majority of respondents are inclined to agree. Respondents were also asked they feel very positive and

favourable about their job, and the majority of the workers (39.3%) strongly agree and (25.7%) agree with the assertion. While the others (15.9%) are undecided. In addition, 11.3 % of respondents disagree with the assertion, while 6.8% strongly disagree with it. The mean shows that the majority of respondents are inclined to s agree.

The majority of respondents (43.1%) agreed that the benefit package we have is equitable., whereas 10.6 %are neutral. It also reveals that (39.3%) of the workforce strongly agrees with the argument, although (11.3 %) disagree. Just 6.8% of those polled strongly disagreed with the comment. The mean shows that the majority of respondents are inclined to agree.

#### 4.4 Correlation Analysis

The research used Variable Motivation to mediate the relationship between incentives (extrinsic and intrinsic) and job satisfaction. Pearson product-moment correlation coefficient is used to determine the intensity of the relationship between variables (r). Pearson product-moment correlation coefficient (r) values usually range from -1 to +1. The sign shows whether there is a positive or negative correlation between variables. Two or more variables having a correlation coefficient 0 implies, that the variables have no predicting value to each other. According to Cohen (1998) cited by Warokka . (2012) .... ranges of coefficients are stated as follows

*Table 9-Interpretation of r*

<i>Value of r</i>	<i>Description</i>
<b>0.50-1</b>	High
<b>0.30-0.49</b>	Moderate
<b>0.29-0.10</b>	Low

**Table 10 - Correlation between Variables**

		Correlations							
		Recognition	Training and Development	Performance Appraisal	Bonus	Promotion	Working Environment	Employee Motivation	Employee Satisfaction
Recognition	Pearson Correlation	1							
	Sig. (2-tailed)								
	N	132							
Training and Development	Pearson Correlation	.312**	1						
	Sig. (2-tailed)	.000							
	N	132	132						
Performance Appraisal	Pearson Correlation	.309**	.501**	1					
	Sig. (2-tailed)	.000	.000						
	N	132	132	132					
Bonus	Pearson Correlation	.196*	.317**	.333**	1				
	Sig. (2-tailed)	.025	.000	.000					
	N	132	132	132	132				
Promotion	Pearson Correlation	.260**	.241**	.351**	.349**	1			
	Sig. (2-tailed)	.003	.005	.000	.000				
	N	132	132	132	132	132			
Working Environment	Pearson Correlation	.460**	.227**	.290**	.078	.335**	1		
	Sig. (2-tailed)	.000	.009	.001	.375	.000			
	N	132	132	132	132	132	132		
Employee Motivation	Pearson Correlation	.265**	.211*	.200*	.411**	.412**	.299**	1	
	Sig. (2-tailed)	.002	.015	.021	.000	.000	.000		
	N	132	132	132	132	132	132	132	
Employee Satisfaction	Pearson Correlation	.507**	.421**	.369**	.161	.334**	.581**	.307**	1
	Sig. (2-tailed)	.000	.000	.000	.064	.000	.000	.000	
	N	132	132	132	132	132	132	132	132

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

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

The above table shows the correlation between different variables used in the research. The variables used were Recognition, Training and Development, Performance, Bonus, Promotion and

Working condition as independent variables, Employee motivation as Mediating variable and Employee Satisfaction as dependent variables.

According to the table, there is a significant Positive relationship between dependent and independent variable. Working environment and Employee satisfaction has a strong and positive correlation ( $r=0.581$ ,  $p<0.05$ ). This implies a favourable working environment will boost the level of satisfaction of employees in the work place.

The correlation between Performance Appraisal and Employee satisfaction was found to be low ( $r=0.369$ ,  $p<0.05$ ). Promotion and Employee Satisfaction were also low having a correlation coefficient ( $r = 0.334$ ),  $p<0.05$ ). This imply we should reject the null hypothesis as the result came up to be positively related with one another.

The relationship between the independent variable and Mediating Variables were also presented. Overall, a Positive Correlation were obtained through the correlation test. Low correlation was found between Employee motivation and Bonus having ( $r =0.265$ ,  $p<0.05$ ), Training and Development having ( $r =0.211$ ,  $p<0.05$ ), Performance Appraisal ( $r =0.20$ ,  $p<0.05$ ) and Working Environment ( $r=0.299$ ,  $p<0.05$ ). Indicates that those variables were statistically significant and changes in the same direction.

The correlation between Bonus and Employee Motivation was moderate ( $r=0.411$ ,  $p<0.05$ ), Promotion and Employee Motivation ( $r=0.412$ ,  $p<0.05$ ) were also moderate. Positive coefficients indicate that when the value of one variable increases, the value of the other variable also tends to increase too. Lastly, Correlation between dependent and moderating variables were obtained having a Moderate and Positive relationship ( $r=0.307$ ,  $p<0.05$ ) which shows that there is insignificant (low degree) of relation among them.

#### **4.5 Test for assumption of Regression Analysis**

Various types of models were evaluated in order to prepare the data for analysis and to obtain accurate study results. Multicollinearity, Homoscedasticity, and Independence of Residuals were the three characteristics used in the research.

### 4.5.1 Multicollinearity Test

The concept of multi-collinearity refers to the relationship that occurs between explanatory variables. When there is a problem of multicollinearity, the amount of knowledge about the impact of explanatory variables on dependent variables decreases, and as a result, many explanatory variables can be mistakenly judged as unrelated to the dependent variables when they are in reality linked (Brooks, 2008).

Multicollinearity can be determined using correlation coefficients, as well as resistance and VIF values. As stated by Sekaran and Bougie (2016) ...; The acceptable tolerance and variance inflation factor (VIF) values, are above 0.10 and below 10.

**Table 11- Multicollinearity of variables**

Model		Collinearity Statistics	
		Tolerance	VIF
1	Recognition	.723	1.384
	Training and Development	.700	1.428
	Performance Appraisal	.655	1.528
	Bonus	.711	1.407
	Promotion	.708	1.413
	Working Environment	.696	1.438
	Employee Motivation	.708	1.413
a. Dependent Variable: Employee Satisfaction			

### 4.5.2 Homoscedasticity (Equal Variance)

The assumption of homogeneity of variance (equal variance) is used to compute multiple regressions in which the model errors have an unknown but finite variance that is constant across all levels of the predictor variables. Visual analysis of a plot of the standardized residuals (errors) by the regressions standardized expected value will verify this statement.... (Tigest Ergete,2018),

**Table 12- Homoscedasticity (Equal Variance) of Variables**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	29.914	2	14.957	37.003	.000 <sup>b</sup>
	Residual	52.143	129	.404		
	Total	82.057	131			
a. Dependent Variable: Employee Satisfaction						
b. Predictors: (Constant), Extrinsic, Intrinsic						

The tables shows that regardless of the magnitudes of effect each independent variable has on the dependent variable, all independent variables have an influence on it. The p-values of the ANOVA statistic are significantly smaller than 0.01. The errors have a continuous variation, it can be inferred.

#### **4.5.3 Independence of Residuals**

**Table 13-Model Summary-Durbin Watson**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.602 <sup>a</sup>	.363	.358	.63428	1.986
a. Predictors: (Constant), Reward					
b. Dependent Variable: Satisfaction					

The residuals' independence is one of the assumptions for multiple regressions. Durbin-Watson statistics can be used to calculate the residuals' independence. The Durbin-Watson statistic has a range of 0 to 4 for its value. (Tigist Ergetie,2018). If the Durbin-Watson statistic is about 2, and the appropriate range is 1.50 - 2.50, the residuals are independent (not associated from one observation to the next). The performance value of Durbin-Watson for this analysis is 1.986, which its approximate value is 2 meaning that there is no association between the residuals or no autocorrelation problem so we can proceed to the regression analysis.

## 4.6 Multiple Regression Analysis

The researcher used multiple regression to investigate the effect of reward over the dependent variable of employee motivation: with the mediation function of job satisfaction over the dependent variable, after checking all of the applicable assumptions of the classical linear regression model for the data used. The independent variables can be used as a predictor for the dependent variable in multiple regressions. The coefficient of determination  $r^2$  (also known as the regression coefficient) determines the strength of the association between one dependent variable and one or more independent variables. Between -1 and +1 is the regression coefficient. -1 denotes a completely unfavourable relationship, whereas +1 denotes an ideal partnership. (Saunders, 2012)

### 4.6.1 Regression analysis of Reward and Employee Motivation

*Table 14 - Model Summary of Reward and Employee Motivation*

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.528 <sup>a</sup>	.279	.267	.53134
a. Predictors: (Constant), Extrinsic, Intrinsic				

The coefficient of multiple correlation R, which measures the degree of link between selected rewards and employee motivation, is 0.528 in the preceding model summary. The adjusted r square has a value of 0.279. This means that the two types of reward practices account for 28% of the difference in employee motivation.



**Table 15- ANOVA of Reward and Employee Motivation**

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	14.060	2	7.030	24.900	.000 <sup>b</sup>
	Residual	36.419	129	.282		
	Total	50.479	131			
a. Dependent Variable: Motivation						
b. Predictors: (Constant), Extrinsic, Intrinsic						

The overall model's significance was verified in the ANOVA table by a p-value of 0.000, which is less than the alpha stage, i.e. 0.05, indicating that the independent variables taken together have a statistically relevant relationship with the dependent variable under investigation.

**Table 16 - Coefficients<sup>a</sup> of Reward and Employee Motivation**

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.677	.380		4.412	.000
	Intrinsic	.013	.112	.010	.111	.001
	Extrinsic	.581	.099	.522	5.880	.000
a. Dependent Variable: Motivation						

#### 4.6.2 Regression Analysis of Reward and Job Satisfaction

**Table 17- Model Summary of Reward and Job satisfaction**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.604 <sup>a</sup>	.365	.355	.63578
a. Predictors: (Constant), Extrinsic, Intrinsic				
b. Dependent Variable: Job Satisfaction				

The coefficient of multiple correlation R, which measures the degree of link between selected rewards and job satisfaction, is 0.365 in the preceding model summary. The adjusted r square has a value of 0.279. This means that the two types of reward practices account for 36.5% of the difference in job satisfaction.

**Table 18– ANOVA of Reward and Job Satisfaction**

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	29.914	2	14.957	37.003	.000 <sup>b</sup>
	Residual	52.143	129	.404		
	Total	82.057	131			
a. Dependent Variable: Job Satisfaction						
b. Predictors: (Constant), Extrinsic, Intrinsic						

The overall model's significance was verified in the ANOVA table by a p-value of 0.000, which is less than the alpha stage, i.e. 0.05, indicating that the independent variables taken together have a statistically relevant relationship with the dependent variable under investigation.

**Table 19 - Coefficients<sup>a</sup> of Reward and Job Satisfaction**

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.082	.455		.179	.858
	Intrinsic	.668	.134	.415	4.974	.000
	Extrinsic	.381	.118	.269	3.226	.002

a. Dependent Variable: Job Satisfaction

#### 4.6.3 Regression Analysis of Employee Satisfaction and Employee Motivation

**Table 20- Model Summary Employee Satisfaction on Employee Motivation**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.307 <sup>a</sup>	.094	.087	.75623

a. Predictors: (Constant), Employee Satisfaction

Employee Satisfaction and Employee Motivation have a relationship of  $R = 0.304$ , as seen in the table above. According to the table,  $R^2 = 0.094$ , which means that extrinsic reward accounts for 9.4 percent of the variations with a major impact on employee satisfaction.

**Table 21- ANOVA Employee Satisfaction Variables on Employee Motivation**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	7.712	1	7.712	13.486	.000 <sup>b</sup>
	Residual	74.345	130	.572		
	Total	82.057	131			

a. Dependent Variable: Employee Motivation  
b. Predictors: (Constant), Employee Satisfaction

The F-value is calculated by dividing the Mean Square Regression (7.712) by the Mean Square Residual -0.572, resulting in  $F = 13.486$ . The model in this table is statistically significant ( $\text{Sig} = .000$ ) based on the findings. As a result, Employee Satisfaction is a predictor of employee motivation.

**Table 22- Coefficients<sup>a</sup> Employee Satisfaction variable on Employee Motivation**

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.466	.413		5.963	.000
	Motivation	.391	.106	.307	3.672	.000

a. Dependent Variable: Satisfaction

The table above shows the extent of employee satisfaction effect on employee Motivation as well as its importance. (Employee motivation=0.391, t=3.672, p<0.01) are the statistical effects.

Employee satisfaction is a statistically significant indicator of employee motivation, according to the findings.

$$Y = mx + b$$

Y = Employee Motivation,

Mx = Coefficient of X

b = Constant

$$Y = 2.457 + 0.106$$

The significance level for all products is less than 0.01 based on the findings in the ANOVA table above. As a result, we dismiss the null hypothesis and consider the alternative hypothesis.

Employee satisfaction, in other words, has a positive impact on employee motivation.

#### **4.6.4 Mediating Role of Motivation**

SPSS Process Version 23 by Andrew F. H was used to test the mediation effect of motivation.

**Table 23-Mediation Role of Job satisfaction between Reward and Employee Motivation**

Model	Variables Entered	Variables Removed	Method
1	Intrinsic, Extrinsic <sup>b</sup>	.	Enter
2	Job satisfaction	.	Enter
a. Dependent Variable: Employee Motivation			
b. All requested variables entered.			

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.604 <sup>a</sup>	.365	.355	.63578
2	.606 <sup>b</sup>	.367	.352	.63692
a. Predictors: (Constant), Intrinsic, Extrinsic				
b. Predictors: (Constant), Intrinsic, Extrinsic, Job satisfaction				
c. Dependent Variable: Employee Motivation				

The results of the mediator study of Job satisfaction between total reward and employee Motivation are shown in the table above. When Job satisfaction is used a moderating variable,

the regression between the variables which implies that Job satisfaction is a multiplier variable between the independent and dependent variable. (R=0.606)

#### **4.7 Hypothesis Testing**

Hypothesis testing was carried out in this study using Pearson Correlation to determine whether there was a positive or negative relationship between each of the independent variables and the dependent variable.

❖ **H1- Intrinsic Reward system is positively correlated with Employee Job Satisfaction**

The outcome of the variable Intrinsic Reward correlation indicates that ( $\beta = .560, p < 0.05$ ) has a positive relationship with employee satisfaction. As a result, the findings support the hypothesis that Intrinsic Reward have a positive impact on Employee Satisfaction among employees.

❖ **H2- Extrinsic Reward system is positively correlated with Employee Job Satisfaction**

The outcome of the variable Extrinsic Reward correlation indicates that ( $\beta = .493, p < 0.05$ ) has a positive relationship with employee satisfaction. As a result, the findings support the hypothesis that Extrinsic Reward have a positive impact on Employee Satisfaction among employees.

❖ **H3- Intrinsic Reward system is positively correlated with Employee Motivation**

The outcome of the variable Intrinsic Reward correlation indicates that ( $\beta = .292, p < 0.05$ ) has a positive relationship with Employee Motivation. As a result, the findings support the hypothesis that Intrinsic Reward have a positive impact on Employee Motivation among employees.

❖ **H4- Extrinsic Reward system is positively correlated with Employee Motivation**

The outcome of the variable Extrinsic Reward correlation indicates that ( $\beta = .528, p < 0.05$ ) has a positive relationship with Employee Motivation. As a result, the findings support the hypothesis that Extrinsic Reward have a positive impact on Employee Motivation among employees.

❖ **H5- Employees Motivation has a positive effect on Employee Satisfaction**

The outcome of the variable Extrinsic Reward correlation indicates that ( $\beta = .307, p < 0.05$ ) has a positive relationship with Employee Motivation. As a result, the findings support the hypothesis that Extrinsic Reward have a positive impact on Employee Motivation among employees.

❖ **H6- Job satisfaction is positively and significantly mediating reward and Employees Motivation**

The outcome of the variable Job satisfaction correlation indicates that ( $\beta = .606, p < 0.05$ ) has a positive mediating relationship with Reward variable and Employee Motivation. As a result, the findings support the hypothesis is accepted.

#### **4.7.1 Discussion**

The association between the three factors is depicted in the research paper (Reward, Employee satisfaction and Motivation). Pearson Correlation was used to evaluate whether there was a positive or negative link between each of the independent factors and the dependent variable in order to test the hypothesis. Intrinsic reward types were analysed to see if they have a positive correlation with employee satisfaction and motivation, and the same was done for extrinsic reward types. The results show that they are positively correlated and the p-value is less than 0.05, implying that the hypothesis is accepted and the null hypothesis is rejected. This suggest that for every unit increase in compensation, there will be a corresponding increase in employee satisfaction in the business, assuming all other variables remain constant. The only difference I've noticed is that the amount of correlation results varies since different reward kinds are used in their research. The findings back the claims made by many researchers under the same title.

Different researcher proved that a company's reward system highly affects the employee satisfaction and the motivation they have at their work place. In any firm, the value of reward is critical for employee job satisfaction. Human pleasure is a natural process that is dependent on motivation, which can be increased by rewards. The idea that extrinsic and intrinsic rewards affect employee work satisfaction is proven in different research papers. Consider the following research: MERHAWIT ASSEFA G/T SADKA performed her research on "The effect of incentive on employee work satisfaction; on the case of Lion International Bank". Her findings revealed a strong relationship between job satisfaction and the various sorts of rewards used in the

organization. According to her research results shows that ‘‘.....there is a statistically strong, significant and positive relationship between extrinsic rewards and job satisfaction. Hence, if rewards being offered to employees were to be altered, then there would be a corresponding change in job satisfaction. The results also indicate that there is a statistically positive significant and direct existing relationship between intrinsic rewards and job satisfaction, but this relationship is less as compared to the extrinsic rewards. However, if the change in intrinsic rewards accorded to employees is experienced, then there would be a corresponding change in work job satisfaction.’’ These results were observed in many research as company are more practicing the extrinsic reward than the intrinsic once.

To generalize, investigation has revealed a strong link between two incentive dimensions and employee job satisfaction. According different researchers, both intrinsic and extrinsic rewards are crucial variables that companies should emphasize in order to keep staff satisfied.



## CHAPTER FIVE

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

#### 5.1 Summary of Major Finding

The purpose of this study was to evaluate the impact of a reward management system on employee satisfaction using motivation as a mediating variable in the case of Nile Insurance Addis Ababa. 132 (91.6%) valid surveys were collected and used in the study out of 144 disseminated surveys. Statistical program for social science software was used to examine the data collected (SPSS). For testing the hypotheses, regression analysis was used. The hierarchical multiple regression analysis and linear regression were used. Prior to performing the regression analysis, the link between the independent, mediating, and dependent variables was discussed using Pearson's Product Moment Correlation Coefficient and interpretation of r value.

For the many aspects that were examined through the questionnaire, descriptive statistics in the form of arithmetic means and standard deviations for the respondents were generated and presented. The descriptive statistics show that the existing practice of recognition, training and development, performance appraisal, bonus, promotion, and working environment of the organization is moderately satisfied by the majority of respondents, but it still needs to be improved.

Under the result of multiple regression held for each variable, Results shows that the results obtained from the hypothesis are accepted. According to the findings, there is a strong link between all aspects of reward variables and employee work satisfaction. This study's findings imply that both intrinsic and extrinsic rewards are significant areas on which Nile should focus in order to keep staff happy.

**Table 24- Summary of Hypothesis Result**

<b>NO</b>	<b>Summary of Hypothesis Result</b>	<b>Results Obtained</b>	<b>Decision Made</b>
<b>H1</b>	Extrinsic Reward have a positive impact on Employee Satisfaction among employees.	$\beta = .560, p < 0.05$	Accepted
<b>H2</b>	Extrinsic Reward have a positive impact on Employee Satisfaction among employees.	$\beta = .493, p < 0.05$	Accepted
<b>H3</b>	Intrinsic Reward have a positive impact on Employee Motivation among employees.	$\beta = .292, p < 0.05$	Accepted
<b>H4</b>	Extrinsic Reward have a positive impact on Employee Motivation among employees.	$\beta = .528, p < 0.05$	Accepted
<b>H5</b>	Employees Motivation has a positive effect on Employee Satisfaction	$\beta = .307, p < 0.05$	Accepted
<b>H6</b>	Job satisfaction is positively and significantly mediating reward and Employees Motivation	$\beta = .606, p < 0.05$	Accepted

## **5.2 Conclusion**

According to the research, there is a link between employee satisfaction and reward practice. Furthermore, both intrinsic and extrinsic rewards are demonstrated to have a considerable impact on employee motivation in a different manner when used. As a result, the study concludes that intrinsic rewards are more important than extrinsic rewards in increasing employee satisfaction. Nile company focus more on the extrinsic reward only which in turn dissatisfies employees as they want both the reward types in a proportional way to enhance satisfaction. Employees will be more motivated to work well if both forms of incentives are available. Even though, Intrinsic reward contributes a lot in motivating employees. extrinsic rewards are important in enhancing the employee motivation. Its impact is instrumental in improving employee morale. The employee's motivation, is also affected by the job satisfaction an employee has on his work.

In summary, it is feasible to conclude from the study's findings that both intrinsic and extrinsic rewards are essential variables in Nile Insurance employees' motivation. According to the findings, the majority of respondents said they were dissatisfied with their current remuneration in the firm, which may cause them to hunt for a new job with a higher remuneration. All of this either gives the employee the abilities and motivation they need to perform well or makes a pleasant working environment for them.

## **5.3 Recommendation**

Employees are fairly satisfied, according to the findings of this study, but the organization still has to address the identified strong incentive variables and execute recommendations to boost employee work motivation. Based on the finding of the paper the researcher highly recommends the following things.

- ❖ Employees should be included in the reward design process. It is difficult to personalize rewards to meet the needs of employees without their input. Organizations should recognize the types of demands in the hierarchy that workers prefer, and then create and implement appropriate reward systems.
- ❖ Bonus should be given by accordance to their effort and contribution made by each individual. This will enhance the work motivation of employees to perform well.

- ❖ The researcher highly recommends the management to motivate employees to increase their job performance so as to increase their satisfaction in return. Employee motivation must be ensured by managers. Employee well-being should be prioritized, and health and wellness services should be developed to meet their needs.
- ❖ Use intrinsic incentives in conjunction with extrinsic ones to build long-term employee job incentive because they have a long-term impact.

If companies can apply these recommendations, they will reap the rewards of happier employees who are prepared to put in more discretionary effort to help their companies succeed. Combining discretionary effort with enabling work environments will provide firms an even stronger competitive advantage, allowing them to compete for talent in the marketplace.

**For future research:** - Other reward variables should be included in future research to see if other factors influence employee work satisfaction. This research will serve as a foundation for further development and advancement in this field, as well as an input for future researchers who need to delve deeper into the subject.

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# APPENDICES

## **APPENDIX**

## Appendix 1- STATISTICAL RESULTS

<b>NO</b>	<b>Item</b>	<b>N</b>	<b>MEAN</b>	<b>SD</b>
1.	I receive a proper recognition for performing well in my job	132	3.651	1.145
2.	The recognition provided by the company helps to enhance job satisfaction	132	3.5606	1.071
3.	The Recognition given for a good work enables employees to perform better	132	4.0682	1.035
4.	The recognition provided, helps to retain employees	132	3.6515	1.084
5.	There is equal access to job-related training opportunities.	132	2.4	0.78
6.	My organization has a sponsorship programs that assist employees to pursue academic and professional education programs.	132	2.29	0.92
7.	The company have good training and orientation opportunity	132	3.9	1.43
8.	There are really high chances of training on my job	132	2.31	1.12
9.	Job promotions of Nile is strictly based on performance appraisal	132	3.5	1.28
10.	The company conducts regular performance appraisal discussion with the employees	132	2.42	1.23
11.	The existing performance appraisal has significant impact on job motivation	132	3.4	0.125
12.	The Performance appraisal system of the company is adequate	132	2.75	1.3
13.	Bonus is given according their efforts and contributions	132	2.2	1.213

14.	The bonus scheme of Nile is motivating employees to perform better	132	3.36	1.218
15.	The company bonus payment is based on extra ordinary performance	132	3.75	1.06
16.	The job promotions of Nile are fair and equitable	132	3.53	1.15
17.	The employees are pleased with the Job promotion of the company	132	3.87	1.31
18.	Qualification and experience are considering to promotion	132	3.5	1.23
19.	There are suitable working conditions.	132	3.84	1.26
20.	Facility availability on my work place is adequate	132	2.31	1.065
21.	The existence of safe working conditions has encouraged me to give sustained high performance at work.	132	4.16	0.98
22.	The level of motivation in my performance affects my absenteeism level on work.	132	3.73	0.931
23.	The management is interested with motivating employees	132	3.62	0.945
24.	My view and opinion are taken into consideration when decisions are made	132	2.36	1.62
25.	The reward inspires me to improve my productivity	132	3.97	1.09
26.	I am satisfied with cooperation between colleagues in the department.	132	3.92	1.143
27.	I feel very positive and favourable about my job	132	3.801	1.26
28.	The benefit package we have is equitable.	132	4.15	0.971

## Appendix 2- QUESTIONNAIRES

**ST. MARY'S UNIVERSITY**  
**SCHOOL OF GRADUATE STUDIES**  
**DEPARTMENT OF BUSINESS ADMINISTRATION**

Dear respondent,

This study is aimed to investigate the effect of reward on employee satisfaction with mediating variable motivation in the case of Nile insurance. Below various statements related to reward management practices are listed. Please convey how much these practices are prevailing in your company by showing your level of agreement/disagreement on a five-point scale. All information obtained in this survey will be gathered anonymously and the results are used for academic purpose only so please answer as honestly and accurately as possible.

**Instruction**

- No Need to write your name
- Please put a tick mark (√) in the box.

If you have any question to be clarified contact me through the following address. Tel:+251936-73-06-08, hlinegegn09@gmail.com

**PART ONE: General Information of the respondents**

**1. Gender**

**Male**                       **Female**

**2. Age**

Below 25     25-35     35-45     Above 45

**3. Educational level**

First Degree                       Master's Degree

Others

**4. Work Experience in Nile Insurance**

1-3 Years                       3-5 Years

Above 5 years

**5. Work position**

Managerial

Non-Managerial

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: 1-Strongly disagree 2- Disagree, 3- Neutral 4 – Agree 5- Strongly Agree

**Part Two : Question related to reward practices (extrinsic and intrinsic)**

NO	Item	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
	<b>Intrinsic Reward</b>					
<b>I</b>	<b><i>Recognition</i></b>					
1.	I receive a proper recognition for performing well in my job					
2.	The recognition provided by the company helps to enhance job satisfaction					
3.	The Recognition given for a good work enables employees to perform better					
4.	The recognition provided, helps to retain employees					
<b>II</b>	<b>Training and Development</b>					
1.	There is equal access to job-related training opportunities.					

2.	My organization has a sponsorship programs that assist employees to pursue academic and professional education programs.					
3.	The company have good training and orientation opportunity					
4.	There are really high chances of training on my job.					
<b>III</b>	<b>Performance Appraisal</b>					
1.	Job promotions of Nile is strictly based on performance appraisal					
2.	The company conducts regular performance appraisal discussion with the employees					
3.	The existing performance appraisal has significant impact on job motivation					
4.	The Performance appraisal system of the company is adequate					

	<b>Extrinsic Reward</b>					
<b>I</b>	<b>Bonus</b>					
	Bonus is given according their efforts and contributions					
2.	The bonus scheme of Nile is motivating employees to perform better					
3.	The company bonus payment is based on extra ordinary performance					
<b>II</b>	<b>Promotion</b>					

1.	The job promotions of Nile are fair and equitable					
2.	The employees are pleased with the Job promotion of the company					
3.	Qualification and experience are considering to promotion					
<b>III</b>	<b>Working environment</b>					
1.	There are suitable working conditions.					
2.	Facility availability on my work place is adequate					
3.	The existence of safe working conditions has encouraged me to give sustained high performance at work.					

**Part Three: Questions related to Employee Motivation**

No	Item	Strongly agree	Agree	Neutral	Disagree	Strongly Disagree
1.	the level of motivation in my performance affects my absenteeism level on work					
2.	The management is interested with motivating employees					
3.	My view and opinion are taken into consideration when decisions are made					
4.	The reward inspires me to improve my productivity.					

**Part Four: Questions related with Employee Satisfaction**

<b>No</b>	<b>Item</b>	<b>Strongly Agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
<b>1</b>	I am satisfied with cooperation between colleagues in the department					
<b>2.</b>	I feel very positive and favourable about my job					
<b>3.</b>	The benefit package we have is equitable					

**THANK YOU FOR COMPLETING THE QUESTIONNAIRE!!**