



ST.MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES

**AN ASSESSMENT OF EMPLOYEE RECOGNITION PRACTICES AND
THEIR EFFECTES ON EMPLOYEES' MOTIVATION IN LION
INTERNATIONAL BANK**

BY: HAREGWA TEREFE
ID: SGS/0621/2012A

DECEMBER, 2021
SMU
ADDIS ABABA ETHIOPIA

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ID: SGS/0621/2012A

**A THISIS SUBMITTED TO ST. MARY'S UNIVERSITY SCHOOL OF
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GIRMA TEGENE (ASSO. PROFESSOR)

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ADDIS ABABA ETHIOPIA

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SCHOOL OF GRADUATE STUDIES
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Approved by Board of Examiners

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DECLARATION

I, the undersigned, declare that this thesis is my original work, prepared under the guidance of GirmaTegene (Asso. Prof). All sources of materials used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or full to any other higher learning institution for the purpose of earning any degree.

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St. Mary's University College, Addis Ababa

December, 2021

LETTER OF CERTIFICATION

This is to certify that Haregwa Terefe has carried out this project work on the topic “An assessment of employee’s recognition practice and their effects on employee’s motivation, a case of Lion International Bank S.C” under my supervision. This work is original and suitable for the submission in partial fulfillment of the award of Master Degree in Business Administration.

GirmaTegene (Assot. Prof)

Research Advisor

St. Mary’s University, Addis Ababa

December, 2021

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LIST OF ABBREVIATION/ACRONYMS

- ANOVA- analysis of variance
- ERG - Existence - Relatedness - Growth
- LIB-Lion International Bank S.C
- SPSS -Statistical Package for Social Science

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ABSTRACT

Reward management is one of the ways used by organizations for attracting and retaining suitable employees as well as facilitating them to improve their performance. This study aimed at assessing the employee recognition practice and their effects on employee motivation in Lion International Bank. The study adopted quantitative research design. Data was collected using questionnaires. A total of 296 questionnaires were distributed, out of which, 265 employees responded. Descriptive statistics (frequency tables, percentages) were used to present data. Mean and standard deviation were used to analyze the programs; Data were analyzed with the help of the Statistical Package for Social Sciences (SPSS) computer program. Regression analysis were used to test the relationship between the variables under study in relation to the objectives of the study. The finding of the study shows that positive and significant relationship between all independent variable which are payment, promotion, benefit, working condition, supervision, feedback and autonomy and dependent variable employee, motivation. This implies that, a significant portion of employees considered the recognition practices in Lion International Bank S.C. as less motivating unfair, not competitive and attractive and hence employees seemed to be less responsibility, less loyalty and belongingness and less committed to the organization. It is recommended to review the banks recognition practices that are factor that effect employee motivation.

Keywords: *payment, promotion, Benefits, Supervisor, working condition, feedback, Autonomy and Employee recognition and motivation.*

CHAPTER ONE:- INTRODUCTION

Under this chapter the researcher tried to introduce readers about background of the study, Historical back ground of the organization, statement of the problem, definition of the term, research questions, objectives of the study, significance of the study, scope/limitation of the study and delimitation of the study

1.1 Background of the Study

Human resource is the most valued tool and asset of the organization to compute with other organization (Armstrong, 2006). Without proper human resource practices, development cannot take place in any organization. For this time the human asset is the most important asset of the organization without which the organization cannot achieve its goals. So it should be seriously practiced in all the organization. Human resource practices such as employee empowerment and recognition are directly linked with the overall development of the organization (Pardodel Val and Martinez Fuentes, 2003). Now a day one of the most influential in organization are competitive advantage and core competence which is measured by the quality of employee they have, and an organization with fair and consistence Human resource policy, strategy and practices, Then employee feels loyalty and trustful for organization, which enables them to boost their commitment and motivation toward organization goals .As result the organization source of success is coming from talent, innovative and motivated employee.

Reward management is an important tool that management can use to channel employee motivation in desired ways. In other words, reward systems seek to attract people to join the organization and motivate them to perform to high levels. The reward system consists of all organization components including people processes rules and decision making activities involved in the allocation of compensation and benefits to employee in exchange for their contribution to the organization (Armstrong & Murlis, 2007).

In order to define some significant terms, it is expedient to commence with Armstrong and Murlis (1998), who describe reward management as the development, implementation, maintenance, communication and evaluation of reward processes. Importantly, rewards managements is also concerned with the development of appropriate organizational cultures, underpinning core values and increasing the motivation and commitment of employees. Furthermore, reward processes cover both financial and non-financial rewards. There are direct financial rewards which consist of payments in the form of wages, salaries and

bonuses. There are also the indirect financial rewards, or benefits, such as insurance plans (life, health etc.), retirement plans, sick leave etc. Finally, the non-financial rewards consist of the satisfaction that a person receives from the job itself, from the psychological and physical environment in which the person works (Mondy and Noe, 2002). In this modern world, People rather than finance are observed as the primary source of a company competitive advantage. A motivated employee has his/her goals aligned with those of the organization and directs his/her efforts in that direction (Kalimullah, 2010).

The success of any organization in the long run depends very much on the quality of its human resources. This is especially true in the service oriented industry like banking needs continuously service improvements which is impossible without motivated employee to meet the rising expectations of the customers.

Those factors that enhance employee motivation are fair pay, incentives, special allowances, fringe benefits, leadership, encouragement, trust, respect, joint decision making, quality of supervision, adequate working relationships, appreciation, chances for growth, loyalty of organization, identification and fulfillment of their needs, recognition, empowerment, inspiration, importance attached to their job, safe working conditions, training and information availability and communication to perform actions (Aguinis, 2009).

1.2 Historical Background of the Organization

Lion International Bank (LIB) was established on October 2, 2006. In accordance with Proclamation 84/94 and the commercial code of Ethiopia and officially inaugurated for public services on January 6, 2007.

With over 12,000 shareholders, Lion International Bank S.C. has a unique position in the commercial banking industry and is distinguished for its broad based participation of the public from all walks of life. Besides, Lion International Bank S.C. paid up capital is over Birr 2.2 Billion while its subscribed capital is Birr **3.9** billion which is relatively above average capital base. Article 310(1) of the commercial code of Ethiopia entitles the promoters' committee to 20% of the net profit of the bank for a period not exceeding three years.

However, they have relinquished this right by their own free will to enhance the capacity of the Bank. The Bank is led by eleven member of Board of Directors elected by the General

Assembly to decide on policy matters and oversee the overall performance of the Bank. The President of the Bank, is appointed by the Board of Directors, is responsible for the day to day activities and is accountable for the financial and operational performance of the Bank Based on firsthand information as well as annual report magazines published by the Bank.

LIB has the culture of rewarding and recognizing its employees. Using profits gained from loan services, Foreign Currency and Deposit Mobilization performance as a selection criterion, it provides awards and certificates of recognition to the top three best performing branches. And the Other forms of recognition include Bonus, salary increment, promotions, individual assignments in to high position and Growth the Branch grade etc.

All these practices and activities are evidence that LIB is trying to implement the philosophy of reward and recognition of employees. However, LIB seems not to have as such a strategy or program planned and developed for the cause. It is the researcher's belief that the Bank may not constantly monitor the implementation and evaluate the outcomes of its practices. If this is the case, then neither the reward nor the recognition practices are being properly implemented. There might be discrepancy in the method employees are selected for award and recognition. Where there is recognition not properly implemented, there are the negative impacts. For instance, Tahmincioglu (2004) argues that not properly planned monetary rewards may result in demoralizing the employees. It could also anger employees resulting in decreased productivity. If perceived inequitable, recognition may also create jealousy and negative competition among employees.

The organization may also lose its credibility among its employees and customers. Therefore, the purpose of this research is to assess the employee recognition practices its effects on motivation of LIB. It aims to find out the extent in which recognition is applied compared to the major dimensions of rewards practiced in the Bank. It also aims to investigate whether the recognition practice fulfills the quality criteria for effectiveness of employee recognition which include sincerity, responsiveness, hierarchical proximity, legitimacy, consistency, variability and equity.

1.3. Statement of the Problem

Organizations are established to accomplish specific objectives. The organization that wishes to achieve these objectives must have a competitive and comprehensive total reward system that is aligned with the organization business strategy and that reflects the competitive reality

of the labor market. Bonus, Payment, benefits, working condition, promotion and firing benefits are some of the major strategic components in creating this balance. However, several studies indicate that many organizations tend to focus compensation and benefits and miss the important component of recognition, which is practiced at low cost and yields high return (Deeprise, 1994).

Many companies do have employee reward systems in place. But, employee sometimes may not give their full effort because of lack of motivation due to poor or unsatisfying existing reward systems exercised by their organizations. Consequently, the organization should plan a suitable reward system to gain better results. Because of the correct reward system the employee's work motivation can boost up and enhance their commitment to their company (Akafo&Agyekum, 2015).

In banking industry the highly motivated employees serve as the best advantage for companies because their performance leads an organization to well accomplishment of its goals. In this highly competent and fast-growing industry, organizations seek to attract and retain highly qualified employees to improve and sustain the performance of their respective organizations.

However, seeking to acquire or acquiring of highly qualified employees may not result success without being able to motivate employees to attain the organizational goals. Motivation depends on certain intrinsic, as well as extrinsic reward which is collaboration results in fully committed employees. Ali and Ahmed, (2009) confirmed that if rewards or recognition offered to employees were to be altered: there would be a corresponding change in work motivation and satisfaction. (Ali and Ahmed, 2009).

According to both pink (2011) and Whiteley (2002) state that, motivation is crucial to obtain high performing employees. Until this study, many employees resigned from the bank due to the reason of lack of rewards and lack of motivations. The majority of LIB employees left the Bank for a variety of reasons. Among other factors, the recognition practices are believed to affect employees' motivation. However, a per the knowledge of the researcher, there is no study on the recognition practice and their effect on employees' motivation in LIB.

In this study, I tried to address the issue of what possible relationship exists between employee recognition practice and employee motivation in LIB. Effective implementation of recognition practice not only helps the organization but also guarantee a positive relationship

with the employee, through attractive payment, good benefit package, opportunity for promotion & recognition, quality of supervisor and on relatively variety and interesting work. Further it enhances the employee's commitment, motivation and engagement which can be a core competency for the organization

1.4. Research Questions

In order to meet the objectives of the study, the following research questions have been formulated:

1. What is the perception of LIB employees' about the extrinsic recognition practices?
2. What is the perception of LIB employee about the intrinsic recognition practices?
3. What is the relationship between the extrinsic recognition factors and employees' motivation?
4. What is the relationship between the intrinsic recognition factors and employees' motivation?
5. Which kinds of recognition practices are the most in affecting employees' motivation?

1.5. Objectives of the Study

1.5.1 General Objective of the Study

The main objective of the study is to assess employee recognition practices and their effects on- employees' motivation in Lion International Bank.

1.5.2 Specific Objectives of the Study

The specific objectives of the study are;

1. To assess the employees recognition practices
2. To asses to what extent the different extrinsic reward (payment, benefit, promotion, Working condition, feedback ,autonomy and supervision) motivates the employees
3. To find out the degree of effect of intrinsic reward on employees' motivation.
4. To identify which factors are more influential in affecting employees' motivation.

1.6. Significance of the Study

The researcher believes that this study does have a significant role to play in shading light on the advantages and constraints of employee recognition within the human resources management. What the findings of this research study would be to influence organizations to consider an appropriate and effective approach to recognition that would result in a way of

motivating an employees. In general could also benefit by incorporating and applying a controlling methods and coordinating the flow of effective and efficient employee recognition practices in their reward management systems. Furthermore, the study will have a paramount importance in providing a better ground for investors and other stakeholders so that they could recognize the importance of employee recognition, in particular, and employee reward, in general. Apart from these, the study could potentially serve as a literature for further research in the area.

1.7. Scope of the Study

The research is conducted to the Lion International Bank which is found at Head Office and Branch office in Addis Ababa, for this study; the study general gathered data on employee recognition practices and their effects on employees' motivation.

The study focuses on the employees' recognition practices and their effects on employees' motivation in Lion International Bank and thus the data only pertains to the Bank's employees in Addis Ababa city. Therefore, the results cannot be generalized to the whole banking industry of the country. Any term found in this study should be interpreted in relation to the recognition practices and their effects on employees' motivation in Lion International Bank in Addis Ababa city. The scope also includes the seven independent variables (payment, promotion, benefit, working conditions, leadership/supervision feedback and autonomy). And the dependent variable which is employees' motivation

1.8. Limitations of the Study

In as much as lots of commitment is employed in conducting an intensive and thorough study, certain impediments were encountered. A major problem encountered by the researcher during the data collection process was the reluctance of respondents to return the questionnaire in time. Insufficient secondary resources and lack of documentation on recognition practices and their effects on employees' motivation of the bank were also limitation to the study.

A case study, which is an in-depth investigation of a problem, has to be conducted over an extended period of time. However, due to the time and budget constraints, the research had to rely on a limited time frame. Of course, a significant effort has been made to ensure that data covering an extended period of time is gathered through the experience of the selected sample individuals.

○ **Definition of key Terms**

- **Recognition:** It is constructive, genuine feedback based on acknowledging people as sincere, worthy of respect, having needs, and equipped with their own personal expertise. (Brun & Dugas, 2002).

Recognition Practices: are the frequent (often daily or weekly) personal and habitual behaviors people do to express appreciation to others as well as the cultural and customary ways an organization has of showing people that they and their contributions are valued.

Reward- State the benefits that workers receive from their jobs and significant elements of employee job attitudes (Steers & Porter, 1991).

Extrinsic reward- is type of reward provided by employers in the form of pay to attract and retain employees (Hackman & Oldham, 1976).

Intrinsic reward- rewards that do not involve any direct payments and often arise from the work itself (Ajila & Abiola, 2004).

Motivation: Abraham Maslow (1954) defines motivation as the Cognitive, Aesthetic and Transcendence aspects, which drives a man towards a developmental change

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

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

1.9. Organization of the Study

The study is organized into five chapters. Chapter one as an introductory chapter deals with the back ground of the study, historical back ground of the organization, the statement of the problem, research objective, research questions, significance of the study, scope of the study, limitation of the study, definition of key terms and organization of the study. In the second chapter, the content of the literature review is discussed. It includes conceptual and theoretical background of the study in relation to concepts of Recognition, Reward, Motivation and Dimension of the recognition and motivation. The methodology of the study is discussed in chapter three that includes the research design, ideas about data source, sampling techniques, data collection tools, method of data analysis and ethical issues. The next chapter of the study i.e. chapter four is concerned about the analysis and presentation of findings of the data that was collected. After the analysis of the data, the conclusion and the recommendation of the research based on the findings are articulated in chapter five.

CHAPTER TWO:- REVIEW OF RELATED LITERATURE

2.1 Introduction

The focus of this chapter is to provide insight to the theoretical, conceptual and empirical literature on the employee recognition practices and their effects on employees' motivation. The chapter first makes an effort to explain the concept of motivation and recognition and the major dimensions of extrinsic rewards and intrinsic rewards among which one is effects of employee motivation. A brief overview of the reward and recognition practice of the study area, Lion International Bank, is also included in the chapter.

2.2 The Concept of Motivation

Different authors define motivation in different ways. Torrington et al., (2009), defined the term as the desire to achieve beyond expectations, being driven by internal rather than external factors, and to be involved in a continuous striving for improvement.

Armstrong (2010) describes motivation as the force that energizes, directs and sustains behavior. Motivation theory explains how motivation works and the factors that determine its strength. It deals with how money and other types of rewards affect the motivation to work and level of performance. It therefore influences decision on how people should be valued, the choice and design of financial rewards and the use of nonfinancial rewards. The most practical definition proposed by different social scientists is that, motivation is a psychological processes that origin the stimulation, direction and persistence of behavior

2.3 Types of Motivation

There are two types of motivation at work as originally identified by Herzberg et al (1957). These are:-

2.3.1 Intrinsic motivation

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

inherent in individuals and not imposed from outside. Sleimi & Davut(2015) usually, presence of this type of motivation has a special affirmative effects one employees, it enhance employees concerning about their work, make them trying to do their duties at the best ways, and it increase employees willingness and adherence toward their jobs

2.3.2 Extrinsic Motivation

Extrinsic motivation is what it is done to or for people to motivate them. This includes rewards such as increased pay, praise, or promotion and punishment, such as disciplinary action withholding or criticism Armstrong (2006). They are often determined at the organizational level and may be largely outside the control of the individual managers Joseph (2015). Extrinsic motivation is related to doing something for economic outcome Sleimi & Davut (2015).Extrinsic motivation can have an immediate and powerful effect, but it will not necessarily last long.

2.4 Theories Related to Motivation

A central aspect for all organizations is to motivate their employees. From an organizational perspective, the motivation is important due to the fact that it can empower high-performing employees to stay within the organization. Additionally, the employees can through a higher degree of motivation develop their overall skills in their specific job task and be more engaged to perform at a higher level (Alvesson & Sveningson, 2008).

Motivation theories can be classified as content (need) or process (approach to motivation) theories. The content theories attempts to identify the specific factors that motivates people and it helps us to understand what people will or will not value as work rewards. Alternatively, process theories offer more dynamic approach and are more interested in understanding the process of developing motives. Thus, there is less emphasis on specific factors that cause behavior (Beardwell, et al, 2004).

2.4.1 Content Theories of Motivation

I. Maslow's hierarchy of Need theory

The needs of human beings are arranged in a hierarchy based on their importance. The hierarchy has five levels from the lowest physiological need, safety needs, social needs; esteem needs and to the highest need of self –actualization and each preceding need has to be met in order to reach self-actualization.

Maslow's theory of motivation believes that humans are always in need. Whenever attain some goals, he/she is motivated to go to the next step or hierarchy. Maslow's theory of

motivation states that when a lower need is satisfied, the next highest becomes dominant and the individual's attention is turned to satisfying this higher need Armstrong (2006).

Maslow's five levels of hierarchy of needs from the top to the bottom are mentioned below:-

- ♣ Self-Actualization – reaching your maximum potential, doing you own best thing.
- ♣ Esteem – respect from others, self-respect, recognition.
- ♣ Social Needs (Belonging) – affiliation, acceptance, being part of something.
- ♣ Security (Safety) Needs – physical safety, psychological security.
- ♣ Physiological Needs – hunger, thirst, sex, rest.

ERG Theory

Alderfer in his theory published in 1972 argues that there are three groups of core need—existence, relatedness, and growth. In contrast to the hierarchy of needs theory, the ERG theory demonstrates that (1) more than one need may be operative at the same time, and (2) if the gratification of a higher level need is stifled, the desire to satisfy a lower-level need increases. Maslow's need hierarchy follows a rigid, step like progression (Robbins, 1998). Maslow's physiological and safety needs belong together to existence needs. Relatedness can be harmonized to belongingness and esteem of others. Growth is the same as Maslow's self-esteem plus self-actualization. Both Maslow and Alderfer tried to describe how these needs, these stages of needs become more or less important to individuals.

McClelland's theory of needs

This was developed by David McClelland and his associates. In the early 1960s McClelland—built on Maslow's work – described three human motivators. McClelland claimed that humans acquire, learn their motivators over time that is the reason why this theory is sometimes called the 'Learned Needs Theory'. He affirms that we all have three motivating drivers, and it does not depend on our gender or age. One of these drives or needs will be dominant in our behavior. The theory focuses on three needs: achievement, power, and affiliation. They are defined as follows:

1 Need for achievement: The drive to excel, to achieve in relation to a set of standards, to strive to succeed

2 Need for power: The need to make others behave in a way that they would not have behaved otherwise.

3 Need for affiliation: The desire for friendly and close interpersonal relationships (Robbins,1998; Wilson, 20

The process of motivation according to content theory

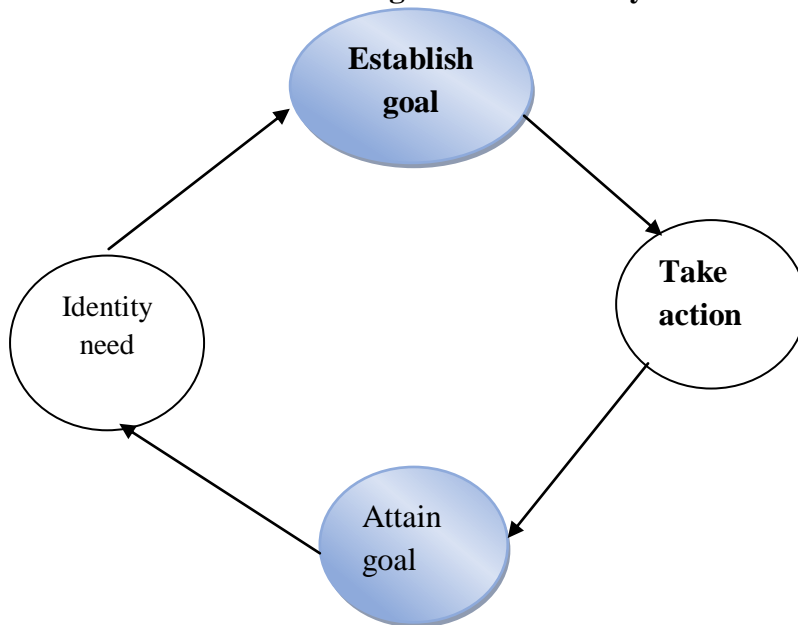


Figure 1process of motivation (Armstrong, 2005)

2.4.2 Process Theories of Motivation

Process Theories of Motivation tries to explain how behavior change occurs and why individuals act in different ways. In other words, they focus on how workers need influence their own behavior. Process theories originate from early cognitive theories, which state that behavior is the result of conscious decision-making processes. Following are the most famous process theories: Reinforcement Theory, Expectancy Theory, Equity Theory, and Goal Setting Theory, from which some them will be discussed (Tosi, Rizzo & Carroll, 1994).

✓ **Goal-Setting Theory**

Latham and Locke (1979), argue that setting goals are a fundamental aspect in achieving motivational effectiveness. In addition, the authors emphasize that those goals, which are unrealistic and arbitrary, could become a demotivating aspect for the organization’s employees. According to their analysis, goals that are designed to as lightly difficult approach are the ones that to a greater extent are motivating the employees to greater productivity. On the other hand, goals that are too hard to achieve or too easy to reach is resulting in a less productive action by the employees.

✓ **Theory of Expectancy**

The underlying motive behind the reward system is to motivate employees to perform at a higher level when attractive rewards are offered. (Jacobsen & Thorsvik, 2002)

The core of the expectancy theory is relying on employees' willingness to perform a certain activity. This is depending on the extent to which a specific target is rewarded, which for example could be a higher salary or a promotion within the organization. If the employee within the organization perceive the reward as valuable, the performance will be greater. On the other hand, if the rewards are demotivating the employee, the performance will be poorer. (Alvesson & Sveningsson, 2008).

It is essential that the reward is of a nature which is preferred by employees. The higher degree of an actual desire for the reward, will affect to which extent the employees are motivated to put down greater effort to perform. It is fundamental that there is a clear-cut connection between a higher degree of effort, and that these actions are leading to the preferred reward. This is the expectancy parameter, which summarize the individual employee's degree of expectancy to put down the effort in alignment with the organization. The achieved results are depending on factors such as roles, ability to perform a certain action and other human resources, which affect the ability to reach the result. Therefore, employees within the organization are often to a great extent motivated to act in a certain way. Hence, not all of the employees have the ability to perform actions that leads to the preferred result. (Jacobsen & Thorsvik, 2002).

Jacobsen & Thorsvik (2002) further describes how the theory of expectancy is reflecting the fact that if employees' motivation is zero, the expected performance will as well be zero. Consequently, the reward system need to be tailored to motivate high performance through the rewards and designed in a manner in which employees clearly see the relationship between these two parameters.

✓ **Equity Theory**

Equity theory focuses on people's perceptions of the fairness of their work outcomes compared with, or corresponding to, their work inputs (Armstrong, 2009). The theory in fact complements expectancy and need theories by shedding light how people perceive the relationship between the outcomes they receive from the organization and the inputs they contribute.

2.5 The concept of recognition

Recognition is a form of employee motivation in which the company identifies and thanks employees who have made positive contributions to the company's success. In an ideal company, motivation flows from the employees' pride of workmanship.

‘Recognition is constructive, genuine feedback based on acknowledging people as sincere, worthy of respect, having needs, and equipped with their own personal expertise.’ (Brun & Dugas, 2002). According to Armstrong (2010), recognition is one of the most effective ways of rewarding employees. This is because employees have strong desire to know that their efforts and achievements are noticed and valued by the organization. Recognition makes people feel respected which increases their self-esteem. Since it is a means of feedback, it acts as a positive reinforcement on employees’ performance. Most researchers have written that organizations implement employee recognition programs to benefiting their employees as well as to gain a number of organizational results (De Cenzo and Robbins, 2010; Armstrong, 2010; Silverman, 2004; Schuler et al. 2014). According to World at Work (2003), creating a positive work environment was the top reason for the 80% of the companies surveyed when responding to why they implemented employee recognition programs. Other goals revealed by the report included performance motivation, desired behavior reinforcement, increasing employee retention, and decreasing employee turnover (Daniel and Metcalf, 2005).

According to Daniel and Metcalf (2009), recognition is a return on an employee's effort and dedication at work, as well as his or her results. An employee recognition program can be a great morale-building tool for any organization, whether large or small. An effective recognition program can lead to innovation, higher productivity and greater job satisfaction for the workers (Beer and Walton, 2014). Employee recognition programs could include several levels of recognition, from a simple Certificate of Appreciation to Employee of the Month to awards given on the division and companywide level, recognition should be provided to those who exceed expectations and earn the award (Steers and Porter, 2011). Recognition is one of the strong motivation factors; employees feel comfortable when they are praised and recognized (Armstrong, 2007). No resource is more critical to an organization’s success than its human resources are (Denisi and Pritchard, 2016). The concept of reward and recognition has gained much importance in the current times and has captured the attention of organizational managers and researchers equally (Mandal and Dalal,

2006). Consequently, different organizations use reward and recognition as motivational techniques for employee's better performance (Beer and Walton, 2014). These reward and recognition are provided in the form of monetary and non-monetary benefits for certain desirable behaviors (Storey, 2013). Employees don't only want a good salary and benefit package, they also want to be valued and appreciated for their work (Wiese and Coetzee, 2013). When employees feel recognized and involved, they're much less likely to worry about money and security (Elton & Gostick, 2006). A recognition program can help employers meet their organizational goals by helping attract and retain high-performing employees.

2.6 Employee Recognition

Employee recognition, according to Harrison (2005), involves the timely, informal and/or formal acknowledgement of a person's behavior, effort or business result that supports the organization's goals and values, and which clearly has been beyond normal expectations. Recognition has been held to be a constructive response and a judgment made about a person's contribution, reflecting not just work performance but also personal dedication and engagement on a regular or ad hoc basis, and expressed formally or informally, individually or collectively, privately or publicly, and monetarily or non-monetarily (Brun & Dugas, 2008). As rightly stated by (Nyakundi, Karanja, Charles & Bisobori, 2012) the aim of employee recognition is to allow individuals to know and understand that their work is valued and appreciated, provides a sense of ownership and belongingness, improves morale, enhances loyalty and increases employee retention rate in the organization.

According to Brun & Dugas (2008:718) note that recognition: Has not been systematically conceptualized nor has it been subject to a satisfactory theoretical integration, which is reflected in the vagueness of the written corpus on the issue. Employees not only want compensation but also need to be valued by their supervisors. It will increase employees' morale. Employees will be well motivated if they are recognized by the supervisors (Saunderson, 2004)

2.7 Reward

Reward is defined as anything that extrinsically or intrinsically reinforced, and has the ability to maintain and improve the employees' behavior in an organization (Goodale, Koerner & Roney, 1997). Reward is the compensation, which an employee receives from an organization for exchanging of the service offered by the employee or as the return for the

work done (Zhou, Qian, Henan & Lei, 2009). The term reward is broader than compensation and it encompasses everything given by the organization and will satisfy the employees' needs (Hagen, 1985) claim that reward and incentive systems exist from the inception of an organization.

2.7.1 Types of Reward

1. Extrinsic Rewards

Extrinsic rewards are the physical benefits provided by the organization that satisfy an employee's basic need for survival and security and derive from factors associated with the job context. This includes financial payments such as pay, bonus, fringe benefits and nonfinancial such as working condition and managerial behavior. Bratton & Gold (2007) and Vijauakumar & Subah, (2013). Their common thread is that they are external to the job and come from an outside source, mainly management.

~ PAYMENT

As suggested by Buchan et al (2000), the range of financial rewards vary from pay to direct and indirect financial benefits. Pay or compensation is a type of financial reward given to employees on the basis of the services or performance they provide to the organization (Rynes, et al, 2004). Any payment made to an employee in return of his/her input towards the organization is also called compensation. A definition given by WordatWork (2000) states that compensations are basic rewards mainly provided to fulfill employees' financial needs. The most common forms of pay or compensation include bonuses, wages, salaries and tips. As noted by Rynes, et al (2004), money is one of the top factors that motivate people as they need it to fulfill their basic needs. Hence some claim it to motivate employees more than any other incentive. According to them, however, there are studies to show that this is not entirely true. Rynes & et al (2004) cites different studies to demonstrate both claims. In their review of literatures of 16 studies, Herzberg et al (1957) showed that the importance of pay was placed sixth after job security, interesting work, opportunity for advancement, appreciation, and company and management. Lawler (1971), who conducted a review on 49 studies, found out that pay was ranked as the third factor in motivating employees. Similarly, after collecting more than 50,000 applicants to rank the importance of rewards, Jurgensen (1978) claimed that pay was the fifth and seventh factor in motivating men and women respectively. Conducting a survey on more than 35,000 employees, Perin (2003) also came up with the conclusion that the rank of pay in retaining employees was sixth. On the other hand, in a

Metaanalysis on interventions that enhance productivity, Locke et al (1980) found that an average increase of 30% was demonstrated after the introduction of individual pay. In a similar metaanalysis, Guzzo and Katzell (1985) concluded that of all interventions, financial pay had the largest impact on productivity. Similar results have also been reached by Judiesch (1994), Stajkovic and Luthans (1997) and Jenkins et al (1998). Rijalu & et al (2014) also conducted a study to investigate the role of compensation and its components towards 1337 academic staffs work motivation in Jimma University. Their findings indicated that there is a relationship between compensation and its components and employee work motivation.

↳ **BENEFITS**

Apart from cash payments, employees may receive different compensations referred to as benefits. Organizations make certain arrangements to provide employees with forms of value other than salaries in order to improve the well-being of their employees. These arrangements may include retirement plans, health life insurance, sick pay, holidays, disability insurance, vacation arrangements, or loans provided to employees (Armstrong, 2010). While these are tangible, intangible benefits may include appreciations, better office environment, company cars and others. Both tangible and intangible benefits may create an optimistic, motivating work environment and increases output and productivity (Rynes & et al, 2004). They are a means to improve employee commitment by making an indication that the organization does care for employees' well-being (McNamara, 2013). Armstrong (2006) notes that by placing benefits practices, organizations aim to attract and retain qualified employees, meet employees' individual needs and increase employees' commitment to the organization. According to him, however, motivating employees is not among the aims of benefits. The reason is that instead of directly affecting their performance, benefits tend to generate employees' positive attitude which in turn increases their commitment and the organizational performance gradually. In line with this, Wordat Work (2000) claims that benefits, which aim to mainly satisfy employees' needs of protection, are less likely to be performance-based.

↳ **PROMOTION**

Promotions provide opportunities for personal growth, increased responsibility, and increased social status. The structure of the company's reward system the means through which employees earn promotion, salary increases, or other rewards is important in determining satisfaction reward structures that hinder professional development or provide little

recognition for employees 'contributions to company success lead to lower levels of satisfaction. On the other hand, reward structures that provide reasonable and adequate opportunities for employees' contributions to be recognized and rewarded are associated with more positive attitudes about the job (Robbins 1998P. 210).

Luthans (1992, P. 68) further maintains that promotions may take a variety of different forms and are generally accompanied by different rewards. Promotional opportunities therefore have differential effects on job satisfaction, and it is essential that this be taken into account in cases where promotion policies are designed to enhance employee satisfaction.

🌀 **Working Condition**

A better workplace environment leads to increased employee commitment and productivity. It boosts employee motivation and improves productivity. Employees are motivated to work by a work environment where they feel they have reasons for doing the work and get pleasure from doing it. In working conditions where employees are not provided with adequate resources, tools, training, software supplies lead to de-motivation and lesser productivity. Inefficient working conditions including poor ventilation, seating, lightening, and noise can cause anxiety and decrease the output (Huges, 2007). Lack of praise, recognition and promotions in the workplace affect the motivation of employees. As a result, the absenteeism rate increases and employees are less likely to continue the job (Roeloelofsen, 2002).

🌀 **Leadership/Supervision**

Leaders play a vital role in reward management. They exist to get things done through people, ensuring that the task is achieved but also building and maintaining constructive and supportive relationships between themselves and members of their team and between the people within the group Armstrong (2005).

2. Intrinsic Rewards

Intrinsic rewards refer to psychological enjoyment and satisfaction of change, sometimes called 'Psychic income'; that a worker derives from her or his paid work, and that satisfies higher level needs for self-esteem and personal development. These drive from factors inherent in the way in which the work is designed that is the job content. This includes design features, such as the degree of variety of the work and the content of autonomy as well as the significance attributed to the work (Bratton & Gold J 2007). Intrinsic rewards are related to the worker's perception of the job and, hence, are affected by job design; intrinsic rewards

may be called as non-financial/non-monetary rewards Velnampy (2009). According to Ajimal et al (2015) intrinsic rewards have the great importance to integrate the commitment in employees. Organization provided the opportunities to employees by their performance for the recognition and acknowledgement as rewards and in result the employee emotionally attached with organization due to being recognized. The intrinsic rewards are more helpful for employers to develop and construct the emotional attachment among employees towards organization goals and objectives.

☞ **Recognition/Feedback**

Recognition is an appreciation to be shown to individuals for their achievements either informally on a day-to-day basis. Recognition can be provided by positive and immediate feedback from managers and the other forms of recognition are public ‘applause’, retreats, trips abroad and long-service awards, all of which can function as rewards Armstrong (2007). According to William (2016) outstanding employees expect their effort to be 14 acknowledged by the organization. People need to know not only how well they have achieved their objectives or done their work but also that their achievements are appreciated. Employees become more loyal to their organization if organization recognizes their work.

☞ **Empowerment/Autonomy**

Employee participation in decision making improves effectiveness and innovation and at the same time it enhances employee motivation and trust in the organization. An equal opportunity of participation in decision making can be effective in giving employees a sense of pride and ownership. When the employees are empowered to take action, it gives them the ownership of their job. The empowerment helps them to take responsibility of their job and impact of their performance on the organization Yousaf et al. (2014). The human resource practices that focus on employee decision making, power, access to information and plays important role in motivating employee. William (2016) 2.1.7. Motivation is a powerful force that a person attempt to attain specific goal and

2.8 The Dimension of Employee Recognition

Formal Recognition: is the concept of reinforcing employee accomplishments through formal company programs, such as an employee of the month program (Stajkovic, 2009). It consists of structured recognition programs with clearly defined objectives, processes, and criteria linked to rewarding and recognizing individuals, teams, or departments on a company-wide level for achieving specific business targets, exemplifying specific

organizational values, or performing actions that go above and beyond normal work expectations. According to Punke (2013), this approach is extremely organized recognition involving recognizing employees who have done so many years of service at the organization.

Informal recognition: - is low cost or no cost. Examples include acknowledging an employee in a meeting in front of peers, saying thank you for a job well done, or acknowledging a specific trait or quality that stands out. (Ann, Gilley et.al, 2009).

Day-to-day recognition:-It is a type of recognition practices that are frequent (daily or weekly), low or no cost, often intangible and often reliant on interpersonal skills for positive feedback that can be given to all employees. According to Harrison (2005), the day-to-day recognition brings the benefit of immediate and powerful reinforcement of desired behavior and sets an example to other employees of desired behavior that aligns with organizational objectives. To him, it gives individuals and teams at all levels the opportunity to recognize good work by other employees and teams, and it also gives the opportunity for them to be recognized on the spot for their own good work.

Public Recognition: This is recognition that aims to appreciate an excellent work performed by an employee and make it visible to everyone else. An example of such recognition is a ceremony held to appreciate a completion of a project. Also a good example could be to post an employee's successful performance on a spot that can be seen by others.

Private Recognition: The management of an organization may send an employee a letter recognizing to recognize his/her contribution or may provide its support when an employee is in a difficult event. These are examples of private recognition, which is a type of recognition with more personal features focusing on the performance of individual or group of employees.

Individual Recognition: Individual recognition basically aims at rewarding individual employees. Examples of such recognition may include applause for employee to appreciate his/her performance or writing a recommendation letter for an employee wishing to change departments.

Collective recognition: This is a type of recognition that focuses on group of employees or work team. For instance, a ceremony held to recognize teamwork is an example of this subcategory.

2.9 Types of Employee Recognition Practices

In relation to employee recognition programs, there are four recognition practices: existential recognition, recognition of work practice, recognition of job dedication, and recognition of results. These four recognition practices recognize employees as full-fledged individuals as well as workers capable of being committed to their jobs by investing time and energy to perform duties competently and deliver concrete results (Amoatema & Kyeremeh, 2016). These practices use direct compensation to show acknowledgement and appreciation for employees.

Existential Recognition:-This recognition is focused on the individual and/or group. Through existential recognition, individuals are granted the right to voice their opinions about and influence decision-making, as well as the course of their own and the organization's actions (Brun & Dugas, 2008). A vertical interaction level example of this is authorizing flexible work schedules.

Recognition of Work Practice:-This recognition focuses on the performance of employee's job procedures, including their competencies and proficiencies. An organizational interaction level example of this is rewarding innovation by granting awards.

Recognition of Job Dedication:-This recognition also involves the work process but focuses more on the involvement of employees either independently or within a team. This includes aspects such as contribution, commitment, and engagement. A horizontal interaction level example of this is a letter of thanks and/or acknowledgement from a manager to an employee for their dedication to a project.

Recognition of Results:-This recognition focuses on the end result/product of employee work in relation to the corporation's objectives/goals. As an expression of judgment, appreciation and gratitude toward an individual or team, recognition of results is concerned primarily with the effectiveness, benefit and value of the work performed (Brun & Dugas, 2008). An organizational interaction level example of this is awarding bonuses as incentives to accomplish goals.

2.10 Empirical Literature Review

2.10.1 Benefits of Employee Recognition

Employee recognition has been identified to be a highly effective motivational instrument that can have significant positive impact on employee job satisfaction and performance as well as overall organizational performance (Zani, Rahim, Junos, Samonol, Ahmad &

Merican, 2011) and (Rahim & Duad, 2013). From the perspective of Freeman (1978), when effective recognition is provided in the workplace, favorable working environment is produced, which motivates employees to become committed to their work and excel in their performance. Highly motivated employees serve as the competitive advantage for an organization because their performance leads an organization to well accomplishment of its goals and business strategy as well as achieve growth and prosperity (Danish & Usman, 2010; Imran, Ahmad, Nisar & Ahmad, 2014).

However, a demotivated environment has been identified to produce low or courage less employees who hardly practice their skills, lack innovativeness and not fully commitment to the extent an organization needs.

2.10.2 Impacts of Employee Recognition

Various scholars also agree that, apart from benefiting their employees, organizations implement employee recognition programs hoping to gain a number of results (DeCenzo and Robbins, 2010; Armstrong, 2010; Silverman, 2004; Schuler et al. 2014).

According to the Armstrong (2010), employee recognition is an effective tool that motivates employees and improves performance engagement by promoting behaviors the organization appreciates. Recognition highlights employees' importance increasing their satisfaction and motivation for further performance. Since work can affect our mental health directly, employees who receive recognition for their achievement will tend to have better mental health. As cited in the web article, Brun and Dugas (2002) found out that lack of employee recognition was the second cause of distress among employees surveyed in Quebec

Some authors highlight the essential nature of employee recognition as a vector of motivation (Dutton 1998; Appelbaum and Kamal 2000; Saunderson 2004; Grawitch Gottschalk and David 2006), identity (Dejours 1993) and component of meaningful work (Mow 1987; Morin 1996, 2001). Indeed, it acts as a personal development agent as well as a binder and dynamic factor in industrial relations. It also proves to be pivotal to workplace mental health. In fact, Brun and Biron et al. (2003) reveals that a lack of recognition constitutes the second-largest risk factor for psychological distress in the workplace. Among managers, for instance, it would appear to constitute a stress-tolerance factor and a key element in their ability to handle difficult professional situations (Dany and Livian 2002). One of the most important sources of organizational mobilization and engagement (Wills, Labelle, Gue'rin and Tremblay 1998; Tremblay, Gay and Simard 2000), recognition plays a key role in the success

and continuity of organizational change (Atkinson 1994; Fabi, Martin and Valois 1999; Evans 2001). Moreover, it promotes on-the-job learning (Lippit 1997) and is a building block of learning organizations (Griego, Geroy and Wright 2000). Finally, by contributing to employee job satisfaction, it has a positive impact on organizational productivity and performance (Applebaum and Kamal 2000). Admittedly, most employees express a need to be recognized by their supervisors, co-workers and clients, regardless of their job status or type (Brun 1999, 2000).

2.11 Conceptual Frame Work

This study involves intrinsic and extrinsic rewards as independent variables. In independent variables extrinsic reward includes Six dimensions such as payment, promotion, Benefits, work Content, supervision/Leadership and Working condition. As for the intrinsic reward, it includes two dimensions such as Recognition and Autonomy. Also as dependent variable the study involves employee's motivation. After the careful study of Literature Review, the following conceptual Model is formulated to illustrate the relationship between the two variables.

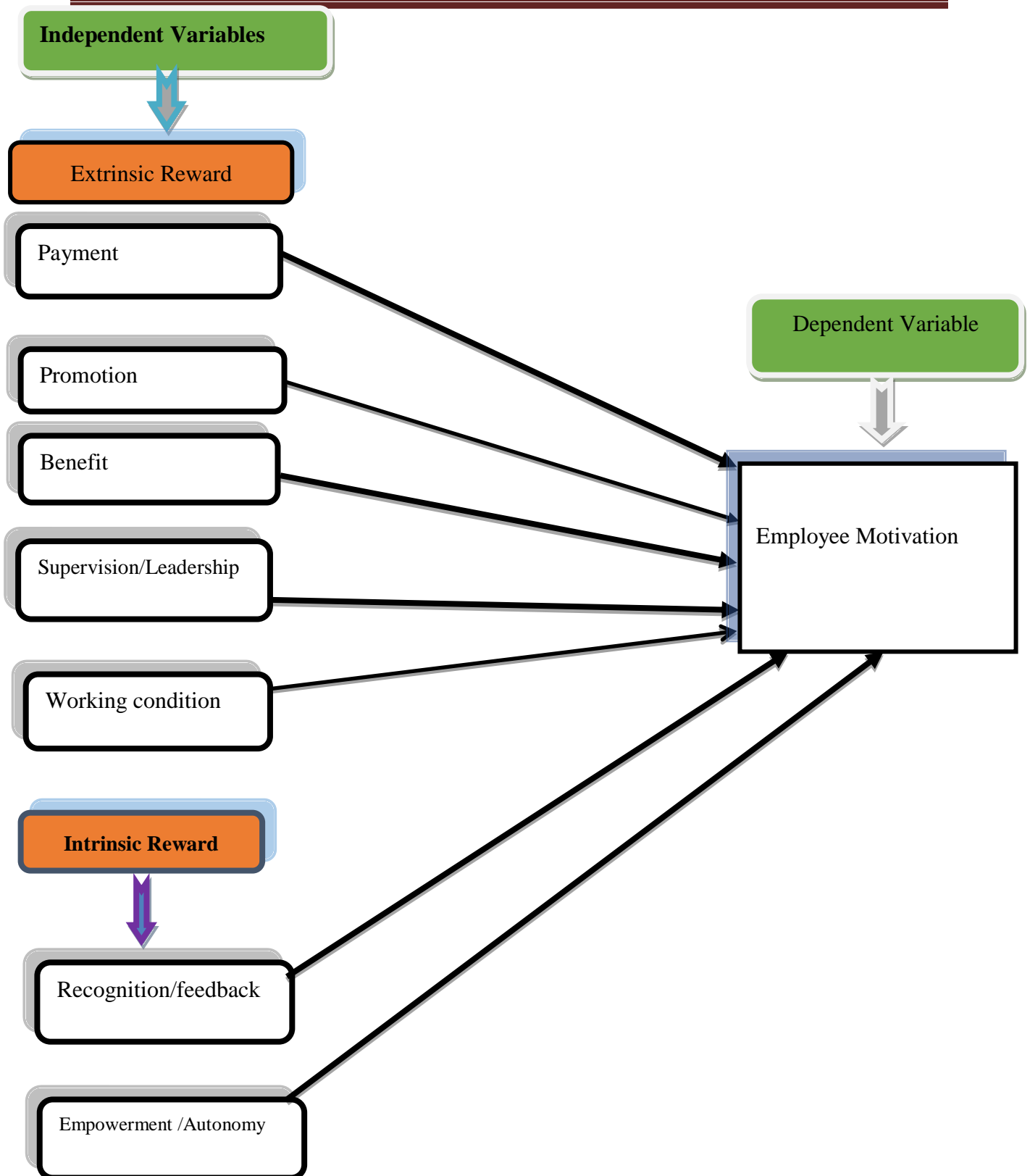


Figure 2 Conceptual Framework of the Study

Source: Developed by the Researcher (2021)

CHAPTER THREE: - RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

This chapter describes the research methods and procedures in the whole process of data collection. It also shows the techniques used and the reasons for using them. In particular, this chapter consists of the research design, population and sampling techniques, research instruments, validity and reliability of research instruments, methods of data analysis and ethical consideration.

3.2 Research Design

In order to achieve the objectives of the study, the research were use explanatory research. The research approach is quantitative.

Creswell (1994) states that if the research intends to explain, identifies and relates variables in questions, observes and measures information and employs statistical procedure, quantitative approach is the best method to use. Therefore, based on the research problem that this paper intends to discover, the study employed quantitative approach to collect primary data. This study chooses this method as it is essential for collecting numerical data to explain a particular phenomenon and particular questions. With this respect, the main target of the study was to investigate the assessment of employee recognition practices and their effects on employee's motivation in Lion International Bank S.C.

3.3 Population of the study and sampling technique

Lion International Bank S.C has a total of 5,480 employees' all over the country. Population for this study are employees of LIB working at head office, and city branches located in Addis Ababa, which are 1,147 in number. Sampling used for the collection of data is probability sampling for better generalization of the study findings. The researcher used simple random sampling technique to select the participants (employees at head office and city branches located in Addis Ababa) of the study. Simple random samplings provide a known non-zero chance of the selection for each population element and consider a special case in which each population element has a known and equal chance of selection.

As cited by Glenn, (2012), there are several approaches to determine the sample size, this includes using a census for small populations, imitating a sample size of similar studies using published tables and applying formula to calculate a sample size.

The investigator preferred the formula derived by Taro Yamane, (1967) cited in Glenn, 2012, based on the information from the data, for the population of 1,147 at 5% margin of error and 95% confidence level as the formula provided appropriate sample size which address financial ,time and accessibility constraints.

The sampling technique used is:

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

The formula used to calculate the sample size of the study (Yamane, 1967)

Where n = the sample size, N= population size, and e = level of precision.

$$n = \frac{1,147}{1 + (1,147)(0.05)^2} = 296$$

Therefore, from target population of 1,147 employees, the researcher was select 296 employees as sample to distribute the questionnaires. Since the number of people in each branch is not the same, the number of samples for each branch was taken based on their proportion of number of employees.

3.4 Data Collection Instruments

The main data collection instrument that was utilized in this study was questionnaire. According to Leary (2004), questionnaire is usually inexpensive, easy to administer a large number of employees and less time-consuming and normally gets more consistent and reliable results than other instruments. The study has both primary and secondary sources. The primary data was collected from the responses overall representatively sampled participants in the company using the structured in close-ended questions by which the respondents chose one of the alternatives of a five Likert rating scale measurement where: Strongly Disagree(SD)=1; disagree(D)=2; Neutral(N)=3; Agree(A)=4; and Strongly agree(SA)=5. Secondary data was collected through document review from existing information available in books, company magazines, organizational reports, brochures, journals, published and unpublished researches, internet and other materials.

3.5 Data Collection Procedures

The questionnaire was self-distributed at head office and the selected branches. The study subjects were selected using lottery method from the total population. A structured questionnaire sent via messenger to all participants and study subjects were requested to

complete and send back the questionnaire in a closed envelope. Orientations on completion of questionnaires were provided to head office and branch focal person for the study. And the questionnaire has, as its cover page, an explanation about the research to clarify points on the objective, the topic under study, and future use of the study.

3.6 Method of Data Analysis

The data collected from employees through questionnaire were analyzed mainly by the help of SPSS version 16. After the collected data was rearranged, edited and calculated in order to become complete, it was analyzed using descriptive statistics. The descriptive statistics (mean, frequency, percentage and standard deviations) was used to analyze the general trends of the data. The descriptive statistics was analyzed using the statistical package for social sciences (SPSS) version 16. Was employed to know cause and effect of the relationship between variables and to assess the impact different types of reward dimension.

3.7 Validity and Reliability

Reliability refers to the consistency of results obtained from responses to a data collection instrument. It shows whether there is consistency in test administration and scoring. In other words, it shows whether the item responses are consistent across constructs and stable over time. The validity issues that might arise in quantitative methods research may relate whether one can draw meaningful and useful inferences from scores on the instruments.

The study was conduct pilot test and employed a series of steps to check the reliability and validity of both the instruments and the findings. The questionnaires internal consistency was checked; different questions were incorporated and the researcher was check whether responses to those questions are consistent with the other responses given to questions in the questionnaire. In order to get accurate data, the researcher has also checked content validity criteria validity and construction validity of the questionnaires.

Preliminary analysis was also made to ensure that the information gathered is adequate and appropriate enough to investigate the research questions.

Reliability Statistics

| Cronbach's Alpha | Cronbach's Alpha Based on Standardized Items | N of Items |
|------------------|--|------------|
| .931 | .934 | 8 |

3.8 Ethical Considerations

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

Information obtained was held in strict confidentiality by the researcher. Respondents' "anonymity was kept so that participants would feel free and safe to express their ideas. Issues regarding employee" personal data, policies and strategies of the Bank and other highly classified information that need to be kept confidential were done same, and finally the researcher fully acknowledges the works all authors that researcher have been used for this study.

CHAPTER FOUR:- DATA ANALYSIS AND INTERPRETATION

4.1. Introduction

This chapter were discuss the quantitative data collected from research respondents using instruments such as close ended questionnaire, responses from officers up to Management Employees of Lion International Bank S.C, and the secondary data from selected document review. The collected quantitative data have been analyzed and interpreted using simple descriptive statistics SPSS version 16 software used to summarize findings. The data have been displayed with tables, frequency, percentage, mean and standard deviation. Lastly, based on the results, generalization has been provided.

4.2. Rate of Survey Response

For this research different data collection tools were applied to gather information from identified respondents. Accordingly, 296 survey questions were distributed and 265(89.53%) was returned.

4.3 Reliability Analysis

Reliability is used to test the internal consistency among the variables or items through a summated scale (Hair et al., 1996). Cronbach's Alpha is used to measure how well a set of items or variable measure a single uni-dimensional structure. Accordingly, the cronbach alpha value for all the scales was found to be greater than 0.6. As can be seen from the below table all the scales the value for cronbach alpha is closer to one, except promotion which is even closer to 0.6 and it is possible to accept it.

Table 1 Reliability Analysis

| Dimensions | Number of attributes | Cronbach's alpha |
|----------------------------|-----------------------------|-------------------------|
| Payment | 4 | .881 |
| Promotion | 4 | .692 |
| Benefit | 4 | .546 |
| Supervisor | 4 | .430 |
| Working condition | 4 | .846 |
| Autonomy | 3 | .654 |
| Feedback | 4 | .781 |
| Recognition and motivation | 7 | .930 |
| Reliability of total score | 35 | .966 |

Table 2 Descriptive statistics of Recognition practices

Item Statistics

| | Mean | Std. Deviation | N |
|-------------------|-------------|-----------------------|----------|
| Payment | 2.9162 | .99655 | 265 |
| Promotion | 3.0651 | .92281 | 265 |
| Benefit | 2.3104 | .65795 | 265 |
| Supervision | 3.4906 | .93004 | 265 |
| working condition | 3.2972 | 1.03314 | 265 |
| Feedback | 3.3415 | 1.01894 | 265 |
| Autonomy | 3.7673 | .65836 | 265 |
| Motivation | 2.9666 | .90758 | 265 |

Source on survey 2021

4.4 Demographic Characteristics of Respondents

The demographic characteristics of respondents are presented to inform readers about the composition of respondents. This section provides with a representation of the composition of the respondents. Information on employees of Lion International Bank S.C demographics such as gender, age, Marital States, educational background, Job Category and work Experiences are the basic features considered in this study.

Table 3 Profile respondent

| S.N | Variables | Type | Frequency | Percent | Valid Percent | Cumulative Percent |
|-----|--------------------|-------------------|------------|--------------|---------------|--------------------|
| 1 | Gender | Male | 158 | 59.6 | 59.6 | 59.6 |
| | | Female | 107 | 40.4 | 40.4 | 100.0 |
| | | Total | 265 | 100.0 | 100.0 | |
| 2 | Age Group | 20-30 Years | 83 | 31.3 | 31.3 | 31.3 |
| | | 31-40 Years | 131 | 49.4 | 49.4 | 80.8 |
| | | 41-50 Years | 51 | 19.2 | 19.2 | 100 |
| | | Above 50 Years | - | - | - | |
| | | Total | 265 | 100.0 | 100.0 | |
| 3 | Marital Status | Single | 80 | 30.2 | 30.2 | 30.2 |
| | | Married | 172 | 64.9 | 64.9 | 95.1 |
| | | Separated | - | - | - | - |
| | | Other | 13 | 4.9 | 4.9 | 100 |
| | | Total | 265 | 100.0 | 100.0 | |
| 4 | Level OF Education | College Diploma | 13 | 4.9 | 4.9 | 4.9 |
| | | First Degree | 173 | 65.3 | 65.3 | 70.2 |
| | | Master's Degree | 79 | 29.8 | 29.8 | 100.0 |
| | | Total | 265 | 100.0 | 100.0 | |
| 5 | Service in LIB | Up to 2 Years | 14 | 5.3 | 5.3 | 5.3 |
| | | 2 to 4 Years | 58 | 21.9 | 21.9 | 27.2 |
| | | 4 to 6 Years | 98 | 37.0 | 37.0 | 64.2 |
| | | More than 6 Years | 95 | 35.8 | 35.8 | 100.0 |
| | | Total | 265 | 100 | 100 | |
| 6 | Job Category | Officer | 126 | 47.5 | 47.5 | 47.5 |
| | | Professional | 77 | 29.1 | 29.1 | 76.6 |
| | | Line Management | 41 | 15.5 | 15.5 | 92.1 |
| | | Other | 21 | 7.9 | 7.9 | 100.0 |
| | | Total | 265 | 100.0 | 100.0 | |

- **Gender**

As shown in the above (**table 4.2**), employees' gender composition shows 107 of the respondents are female and 158 of them are male. This shows 40.4% of them are female whereas 59.6 of the respondents are male. This indicates that relatively well distributed the number of proportions between male and female employees in the sample.

- **Age**

We can also see the age composition of employees who are incorporated in the research work. As show in the above (**table 4.2**), 83 employees that hold 31.3% of the respondents fall under the age between 20-30 years; and majority of the respondents fall in the age category of 30-40 years constitute 49.4% of the respondents. However, the number of respondent between 41-50 years and those who are 50 above are 19.2% respectively. This implies that majority of the respondents are less than forty years.

- **Marital Status**

With regard to respondents' marital status, 80(**30.2%**) are single, 172(64.9%) are married and the other 13(4.9%) unknown. Research conducted on the area consistently indicates that married employees are ready to accept responsibility and to perform more with compared to unmarried employees (Austromet. A11988; Federico et.al.1976; Garrison and Muchinsky 1977; Watson 1981.)

- **Education**

The study was interested in using level of education because in the current competitive banking industry the one who has skilled staff play significant role in achieving personal and organizational goal. Education also influences employee's capacity of retaining, attracting new customers to the bank and the bank competitiveness in the industry. Majority of the employees were skilled.

Regards to the level of education, 173 (65.3%) of current employee respondents are first degree holders, and about 79(29.8%) of the respondents have master's degree. And also 13(4.9%) of the respondents have college diploma. Generally, this implies the respondents have enough level of knowledge to respond questions regarding the employee recognition and their effects on employee motivation.

- **Experience In LIB**

Regarding length of service, 14(5.3%) of the worker served the organization for a period of two years, 58(21.9%) of the workers have a service for a period of between 2 and 4 years, 98(37%) had been employed for 4 to 6 years while the remaining of the worker 95(35.8%) had been in service for More than 6 years. This implies that most of the employees had been with the Lion International Bank between 2- 6 years.

- **Job category**

Finally under job category of the respondents which were officer, 126(47.5%) were professional (29.1%) and the rest of respondents were Managerial level 21(7.9%). This implies that the majority of the respondents were officer.

4.5 Descriptive Statistics Analysis

4.5.1 Data Analysis

The data collected from Employees of Lion International Bank Share Company through Questionnaire is analyzed and presented in the below sections with the help of tables. The descriptive statistics on the data analysis and procedures are presented on the basis of questions

Included in the employee motivation factors of the independent variable i.e. recognition.

4.5.2 Variables and employee motivation

In section two of the questionnaire, Research related questions were covered such as: Intrinsic Rewards, Extrinsic rewards and employee motivation. In order to assess reward effects on employee's motivation seven variables were selected and included in the questionnaires; 28 questions in seven sub sections from Recognition and Five questions to assess employee motivation. Accordingly, the analysis of each recognition variables and employee motivation is as follows:

Likert scale: 1=Strongly Disagree, 2= Disagree, 3=Neutral, 4 = Agree, 5=Strongly Agree.

Table 4 : Descriptive Statistics Analyzing of Payments effects on Employee motivation

Payments

| S.N | Item Statistics | Frequency | | | | | Mean | SD |
|---|---|-------------------|---------------|---------------|----------------|----------------|-------|-------|
| | | Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree | | |
| | | 1 | 2 | 3 | 4 | 5 | | |
| 1 | My salary is fair when compared with that of similar jobs in other companies. | 52 (19.6%) | 58 (21.9%) | 72 (27.2%) | 67 (25.3%) | 16 (6.0%) | 2.76 | 1.203 |
| 2 | The basis of payment, for example overtime payment is reasonable | 102 (38.5%) | 81 (30.6%) | 19 (7.2%) | 51 (19.2%) | 12 (4.5%) | 2.21 | 1.264 |
| 3 | The bank paid me incentives for all jobs I perform in the bank. | 39 (14.7%) | 93 (35.1%) | 36 (13.6%) | 89 (33.6%) | 8 (3.0%) | 2.75 | 1.157 |
| 4 | The salary increment is fair and periodical | 21 (7.9%) | 40 (15.1%) | 40 (15.1%) | 107 (40.4%) | 57 (21.5%) | 3.52 | 1.209 |
| 5 | Pay scale of the bank treats each employee equitable | 26 (9.8%) | 50 (18.9%) | 40 (15.1%) | 107 (40.4%) | 42 (15.8%) | 3.34 | 1.230 |
| Over all perception of employees towards the payment of bank | | | | | | | 2.916 | 1.213 |

Source: From researcher Owen survey data, 2021.

As regards the fairness of salary, basis of payment (OT), incentives paid by the bank, fairness and periodically salary increment, and scale of payments by the bank to treats each employee equitable compared to other banks the majority response with the value of 2.76, 2.21, 2.75, 3.52, and 3.34 indicates that salary, basis of payment (OT), incentives paid by the bank are

not fair (not reasonable). The result implies that the amount of salary, basis of payment (such as OT), incentives paid by the bank were likely to undesirably affects the motivation of employees. Generally, as indicated in the above table, descriptive statistics analyzing of respondents in the study area indicated that the mean score and standard deviation concerning five items these are the fairness of salary, basis of payment (OT), incentives paid by the bank fairness and periodically salary increment, and scale of payments by the bank to treats each employee equitable were, grand mean score of 2.916 and standard deviation of 1.213 respectively. This result shows that payments is the main factors that affected employee motivation.

Table 5 Descriptive Statistics Analyzing of Promotions effects on Employee motivation..

| S.N | Item Statistics | Frequency | | | | | Mean | SD |
|---|---|-------------------|---------------|----------------|---------------|----------------|-------|-------|
| | | Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree | | |
| | | 1 | 2 | 3 | 4 | 5 | | |
| 1 | I'm satisfied with promotion system of the bank | 65 (24.5%) | 84 (31.7%) | 77 (29.1%) | 29 (10.9%) | 10 (3.8%) | 2.38 | 1.084 |
| 2 | All staffs has equal opportunity to be promoted | 21 (7.9%) | 37 (14.0%) | 93 (35.1%) | 96 (36.2%) | 18 (6.8%) | 3.20 | 1.027 |
| 3 | Staff are promoted in a fair and honest way | 15 (5.7%) | 49 (18.5%) | 105 (39.6%) | 52 (19.6%) | 44 (16.6%) | 3.23 | 1.106 |
| 4 | The criteria for promotion are acceptable | 22 (8.3%) | 45 (17.0%) | 45 (17.0%) | 97 (36.6%) | 56 (21.6%) | 3.45 | 1.230 |
| Over all perception of employees towards the Promotion of bank | | | | | | | 3.065 | 1.112 |

Source: From researcher Owen survey data, 2021.

According to the above-stated table, **promotions** effects on employee motivation that measure about four items were provided as follows. Concerning the result of the respondents, whether there employees are satisfied or not with promotion system of the bank, the mean score is 2.38 and standard deviation of 1.084. This implies that the promotion system of the bank is probable to adversely affect the motivation of employees.

From the above table item two, the mean score of whether all staffs has equal opportunity to be promoted with in the bank compared to another banks, the mean score is 3.20 and a standard deviation of 1.027. This shows that promotion opportunity for the staff's members is not equal. This indicates that an equal promotion opportunity is likely to adversely affect the motivation of employees.

Concerning to whether there is fair and honest way of Staff promotion within the organization compare to other banks, the mean score and standard deviation results were 3.23 and 1.106 respectively. This indicates that the system of staff promotion is not fair and not honestly implemented, which means that system of staff promotion is likely adversely affect the motivation of employees.

On the other hand, regarding to the criteria for promotion are acceptable or not in a working place compared to other banks the majority response with the value of the mean score and standard deviation was 3.45, and 1.230 respectively and indicates that promotion criteria implemented by the bank is not acceptable. The result implies that the promotion criteria implemented by the bank is likely to adversely affect the motivation of employees.

To sum up the above table result, the grand mean score and standard deviation of promotion criteria implemented by the bank result responded by the respondents was 3.065 and 1.112 respectively. This result shows that **promotions** is the another factors that affected employee motivation.

Table 6 Descriptive Statistics Analyzing of Benefits effects on Employee motivation.

| S.N | Item Statistics | Frequency | | | | | Mean | SD |
|--|--|-------------------|---------------|---------------|---------------|----------------|-------|-------|
| | | Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree | | |
| | | 1 | 2 | 3 | 4 | 5 | | |
| 1 | Transportation benefit is fair with the current cost of transportation service | 215 81.1% | 40 15.1% | 10 3.8% | - | - | 1.23 | .502 |
| 2 | There is equal treatment each staff in the benefit policy of the bank | 25 (9.4%) | 69 (26.0%) | 56 (21.1%) | 50 (18.9%) | 65 (24.5%) | 3.23 | 1.327 |
| 3 | The bank's loan (Mortgage loan) policy is attractive | 130 (49.1%) | 59 (22.3%) | 56 (17.4%) | 22 (8.3%) | 8 (3.0%) | 1.94 | 1.127 |
| 4 | Employees understand the available benefit package | 45 (17.0%) | 77 (29.1%) | 54 (20.4%) | 52 (19.6%) | 37 (14.0%) | 2.85 | 1.307 |
| Over all perception of employees towards the benefits of the bank | | | | | | | 2.312 | 1.066 |

Source: From researcher Owen survey data, 2021.

As regards the fairness of current transportation cost benefit, staff treatment equality in the benefit policy of the bank, attractiveness of bank’s loan (Mortgage loan) policy, and availability of package benefits by the bank compared to other banks the majority response with the value of 1.23, 3.23, 1.94, and 2.85 indicates that current transportation cost benefit, staff treatment equality in the benefit policy of the bank, attractiveness of bank’s loan (Mortgage loan) policy, and availability of package benefits by the bank were likely to undesirably affects the motivation of employees. Generally, as indicated in the above table, descriptive statistics analyzing of respondents in the study area indicated that the mean score and standard deviation concerning four items these are the fairness of current transportation cost benefit, staff treatment equality in the benefit policy of the bank, attractiveness of bank’s

loan (Mortgage loan) policy, and availability of package benefits were, grand mean score of 2.312 and standard deviation of 1.066 respectively. This result shows that Benefits is also one of the main factors that affected employee motivation in the study area.

Table 7: Descriptive Statistics Analyzing of Supervision/Leadership effects on Employee motivation.

| S.N | Item Statistics | Frequency | | | | | Mean | SD |
|--|---|-------------------|---------------|---------------|----------------|----------------|-------|-------|
| | | Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree | | |
| | | 1 | 2 | 3 | 4 | 5 | | |
| 1 | My supervisor treat me fairly with other staffs | | 48 (18.1%) | 30 (11.3%) | 133 (50.2%) | 54 (20.4%) | 3.73 | .986 |
| 2 | My supervisor Support me in case of problems | 20 (7.5%) | 14 (5.3%) | 65 (24.5%) | 114 (43.0%) | 52 (19.0%) | 3.62 | 1.091 |
| 3 | My Supervisor is cooperative | 19 (7.2%) | 56 (21.1%) | 75 (28.3%) | 86 (32.5%) | 29 (10.9%) | 3.19 | 1.109 |
| 4 | My supervisor involve me in decision making | 22 (8.3%) | 20 (7.5%) | 96 (36.2%) | 77 (29.1%) | 50 (18.9%) | 3.43 | 1.130 |
| Over all perception of employees towards the benefits of the bank | | | | | | | 3.492 | 1.079 |

Source: From researcher Owen survey data, 2021.

As indicated in the above table 4.5, the fairness of supervisor treatments, supervisor support in case of problem solving, cooperativeness of supervisor, and employees involve in decision making with their supervisor by the bank compared to other banks the majority response with the value of 3.73, 3.62, 3.19, and 3.43 indicates that the fairness of supervisor treatments, supervisor support in case of problem solving, cooperativeness of supervisor, and employees involve in decision making with their supervisor by the bank were less likely has negative effects on the motivation of employees. Generally, as indicated in the above table,

descriptive statistics analyzing of respondents in the study area indicated that the mean score and standard deviation concerning four items these are the fairness of supervisor treatments, supervisor support in case of problem solving, cooperativeness of supervisor, and employees involve in decision making with their supervisor were, grand mean score of 3.492 and standard deviation of 1.079 respectively. This result shows that **supervision/leadership** is also another factors that affected employee motivation in the study area.

Table 8 Descriptive Statistics Analyzing of Working Condition effects on Employee motivation.

| S.N | Item Statistics | Frequency | | | | | Mean | SD |
|---|---|-------------------|---------------|---------------|----------------|----------------|-------|-------|
| | | Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree | | |
| | | 1 | 2 | 3 | 4 | 5 | | |
| 1 | The supporting equipment that helps my jobs is enough and motivating. | 43 (16.2%) | 34 (12.8%) | 32 (12.1%) | 107 (40.4%) | 49 (18.5%) | 3.32 | 1.351 |
| 2 | The working environment is attractive | 45 (17.0%) | 25 (9.4%) | 76 (28.7%) | 106 (40.0%) | 13 (4.9%) | 3.06 | 1.171 |
| 3 | All the Necessary Resources for work are available | 5 (1.9%) | 40 (15.1%) | 54 (20.4%) | 133 (50.2%) | 33 (12.5%) | 3.56 | .956 |
| 4 | I am motivated in flexible working hours of the bank. | 16 (6.0%) | 69 (26.0%) | 69 (26.0%) | 57 (21.5%) | 54 (20.4%) | 3.24 | 1.216 |
| Over all perception of employees towards the Working condition of the bank | | | | | | | 3.295 | |

Source: From researcher Owen survey data, 2021.

As regards the access to equipment supports, creation of attractive working environment, available of necessary resources for work, and working hours flexible to motivate employees in the study area compared to other banks the majority response with the value of 3.32, 3.06, 3.56, and 3.24 indicates that access to equipment supports, creation of attractive working environment, available of necessary resources for work, and working hours flexible to motivate employees by the bank were likely to adversely affects the motivation of employees. Generally, as indicated in the above table, descriptive statistics analyzing of respondents in the study area indicated that the mean score and standard deviation concerning four items

these are access to equipment supports, creation of attractive working environment, available of necessary resources for work, and working hours flexible to motivate employees were, grand mean score of 3.295 and standard deviation of 1.174 respectively. This result shows that **working condition** is also one of the main factors that affected employee motivation in the study area.

Table 9 Descriptive Statistics Analyzing of Feedback effects on Employee motivation.

| S.N | Item Statistics | Frequency | | | | | Mean | SD |
|--|---|-------------------|---------------|---------------|---------------|----------------------|------|-------|
| | | Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree | | |
| | | 1 | 2 | 3 | 4 | 5 | | |
| 1 | I am praised regularly for my work | 19 (7.2%) | 45 (17.0%) | 57 (21.5%) | 99 (37.4%) | 45 (17.0%) | 3.40 | 1.164 |
| 2 | I receive constructive criticisms about my work | 27 (10.2%) | 83 (31.3%) | 79 (29.8%) | 33 (12.5%) | 43 (16.2%) | 2.93 | 1.223 |
| 3 | There is credit for the job I am doing in the bank. | 26 (9.8%) | 21 7.9% | 97 (36.6%) | 86 (32.5%) | 35 (13.2%) | 3.31 | 1.110 |
| 4 | I am recognized for the extra effort I am put at work | 18 (6.8%) | 28 (10.6%) | 53 (20.0%) | 77 (29.1%) | 89 (33.6%) | 3.72 | 1.224 |
| Over all perception of employees towards the Feedback of the bank | | | | | | | 3.34 | 1.180 |

Source: From researcher Owen survey data, 2021.

As indicated in the above table 4.7, descriptive statistics analyzing whether the employees praised regularly for their work, voluntariness to receive constructive criticisms about their work, credit of job, for the job, and recognitions of work for the extra effort by the bank workers compared to other banks the majority response with the value of 3.40, 2.93, 3.31, and 3.72 indicates that whether the employees praised regularly for their work, voluntariness to receive constructive criticisms about their work, credit of job, for the job, and recognitions of work for the extra effort by the bank workers were likely to adversely affects the motivation of employees. Generally, as indicated in the above table, descriptive statistics analyzing of respondents in the study area indicated that the mean score and standard deviation concerning four items these are employees praised regularly for their work, voluntariness to receive constructive criticisms about their work, credit of job, for the job, and recognitions of work

for the extra effort were, grand mean score of 3.34 and standard deviation of 1.180 respectively. This result indicates that **feedback** is also another factors that affected employee motivation in the study area.

Table 10 : Descriptive Statistics Analyzing of Empowerment and Autonomy effects on Employee motivation.

| | Variables | Frequency | | | | | Mean | SD |
|--|---|-------------------|--------------|---------------|----------------|-----------------------------|-------|------|
| | | Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree | | |
| | | 1 | 2 | 3 | 4 | 5 | | |
| 1 | I am encouraged to handle daily problem when they occur | 18 (6.8%) | - | 77 (29.1%) | 126 (47.5%) | 44 (16.6%) | 3.74 | .814 |
| 2 | I have control over how I solve daily problem | - | 3 (1.1%) | 61 (23.0%) | 147 (55.5%) | 54 (20.4%) | 3.95 | .692 |
| 3 | I have certain degree of autonomy in my work | - | 21 (7.9%) | 89 (33.6%) | 127 (47.9%) | 28 (10.6%) | 3.61 | .782 |
| Over all perception of employees towards the Autonomy and Empowerment of the bank | | | | | | | 3.766 | .763 |

Source: From researcher Owen survey data, 2021.

As indicates the above table, the employees encouragements of daily problem handling, overcoming and ability to solve daily problem, and degree of autonomy in their work in the study area compared to other banks the majority response with the value of 3.74, 3.95, and 3.61 indicates that employees encouragements of daily problem handling, overcoming and ability to solve daily problem, and degree of autonomy in their work by the bank were likely to adversely affects the motivation of employees. Generally, as indicated in the above table, descriptive statistics analyzing of respondents in the study area indicated that the mean score and standard deviation concerning three items these are employees encouragements of daily problem handling, overcoming and ability to solve daily problem, and degree of autonomy in their work were, grand mean score of 3.766 and standard deviation of .763 respectively. This result shows that **empowerment and autonomy** is also one of the main factors that affected employee motivation in the study area.

Table 11 Descriptive Statistics Analyzing of Recognition and Motivation effects on Employee motivation.

| S.N | Variables | Frequency | | | | | Mean | SD |
|--|---|-------------------|---------------|----------------|----------------|-----------------------------|-------|-------|
| | | Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree | | |
| | | 1 | 2 | 3 | 4 | 5 | | |
| 1 | The payment practices motivates me | 53 (20.0%) | 33 (12.5%) | 79 (29.8%) | 73 (27.5%) | 27 (10.2%) | 2.95 | 1.269 |
| 2 | The promotion practices motivates me | 19 (7.2%) | 47 (17.7%) | 145 (54.7%) | 40 (15.1%) | 14 (5.3%) | 2.94 | .909 |
| 3 | The benefits packages are motivating | 76 (28.7%) | 58 (21.9%) | 100 (37.7%) | 18 (6.8%) | 13 (4.9%) | 2.37 | 1.115 |
| 4 | The leadership practices are motivating | 16 (6.0%) | 65 (24.5%) | 119 (44.9%) | 40 (15.1%) | 25 (9.4%) | 2.97 | 1.009 |
| 5 | The recognition practices are fair and motivating | 15 (5.7%) | 72 (27.2%) | 70 (26.4%) | 86 (32.5%) | 22 (8.3%) | 3.11 | 1.071 |
| 6 | The employment empowerment practices are motivating | 11 (4.2%) | 59 (22.3%) | 73 (27.5%) | 89 (33.6%) | 33 (12.5%) | 3.28 | 1.072 |
| 7 | The working condition is conducive and motivating | 27 (10.2%) | 48 (18.1%) | 62 (23.4%) | 116 (43.8%) | 12 (4.5%) | 3.14 | 1.092 |
| Over all perception of employees towards the Recognition and motivation of the bank | | | | | | | 2.965 | 1.077 |

Source: From researcher Owen survey data, 2021.

From the study result in the above (table 4.9) descriptive statistics analyzing the empowerment and employee’s motivation practices in lion international bank, which their grand mean result are found the majority reaction of respondent’s total mean for all dimensions in concerning with empowering and motivation shows a grand mean of 2.965, which indicate low average numbers of the respondents perception regarding to empowerment and employee’s motivation. The result shows that the mean score was low and the employee’s empowerment and motivation in lion international bank were not good compared with other banks. This was mainly because of many reasons such as weak employee’s motivation, weak benefits packages to motivating employees, weak payment practices to motivates employees, weak promotion practices of motivates, weak leadership practices to motivating employees, weak recognition practices, low employment empowerment practices and motivating, and conducive working condition and weak employees motivation practice were the main reasons that affects the motivation of employee’s in lion international bank. Due to these reasons, the employee’s **recognition and**

motivation practices in lion international bank is relatively low that of the other similar bank organizations.

4.6. Inferential Analysis

4.6.1 Correlation Analysis

Correlation analysis determines to explore the strength as well as the direction of the relationship between the study variables specifically, payment, promotion, benefit, supervision/leadership, working condition, recognition/feedback, empowerment /autonomy (independent variables), and employee motivation which is the dependent variable.

The researcher was used Pearson’s product-moment correlation coefficient- Pearson’s r. According to (Chee & Queen, 2016) Pearson’s r is a measure of the linear relationship between two interval or ratio variables and can have a value between -1 and 1. The benefit of using Pearson’s r is, it is a simple way to assess the association between two variables. Whether they share variance, if the relationship is positive or negative, and the degree to which they correlate. In this study, Pearson’s product-moment correlation coefficient- Pearson’s r was used to determine the independent and dependent variables.

Table 12 : correlation between dependent and independent variables /N=265/

| | Payment | Promotion | Benefit | Supervision | Working condition | Feedback | Motivation |
|-------------------|---------|-----------|---------|-------------|-------------------|----------|------------|
| Payment | 1 | | | | | | |
| Promotion | .685** | 1 | | | | | |
| Benefit | .566** | .586** | 1 | | | | |
| Supervision | .642** | .590** | .404** | 1 | | | |
| Working condition | .844** | .595** | .516** | .485** | 1 | | |
| Feedback | .693** | .576** | .547** | .689** | .689** | 1 | |
| Autonomy | .785** | .553** | .567** | .493** | .818** | .703** | 1 |
| Motivation | .881** | .692** | .546** | .430** | .846** | .654** | .781** |

**.

Correlation is significant at the 0.01 level (2-tailed).
 The above table shows the correlation between independent variables, and dependent variables. The correlate matrix indicated that there is a positive relationship between payment, promotion, benefit, supervision/leadership, working condition,

recognition/feedback, empowerment /autonomy (independent variables), and employee motivation which is the dependent variable which is $\beta = .881^{**}, .692^{**}, .546^{**}, \text{ and } .430^{**}, .846^{**}, .654^{**}, \text{ and } .781^{**}$ ($P = 0.00$) respectively.

The result from the above table shows the correlation analyses among all constructs for the employee' motivation in lion international bank. The result tells that there are significant positive correlations between payment and employee' motivation ($r = .881^{**}, p < 0.000$), the result tells that there are significant positive correlations between payment and employee' motivation ($r = .881^{**}, p < 0.000$).

On other hand, there is a positive correlation between working condition and employee' motivation in lion international bank ($r = .846^{**}, p < 0.000$). The correlation coefficient demonstrates that there is a positive relationship between promotion, benefit, supervision/leadership and employee' motivation in lion international bank score $.692^{**}$ and $.546^{**}$ respectively, which shows that having positive relations on employee' motivation in lion international bank.

If r is close to 1, the two variables have a strong association. This indicates whether changes in one variable are strongly correlated with changes in the other variable or whether the problem of Multicollinearity exists.

As we have seen from the above table, the highest effect is payment on employee' motivation found correlated with the employee' motivation in Lion international bank numerically by ($r = .881^{**}, p < 0.000$). This number is very close to 1, or there is a strong relationship between an independent variable and dependent variables. Therefore, we can conclude that there is a strong relationship between payment and the employee' motivation in lion international bank.

On the other hand, When r is near to 0, there is no or weak association between the independent and dependent variables. This indicates that changes in one variable are unrelated to changes in the other.

4.7. Diagnostics tests / Assumption/

According to (Field, 2013), to run linear regression, checking critical assumptions is essential and it is helpful to conclude the population under study. In this regard, the following

preliminary analysis (Regression diagnostics) was conducted to verify the assumptions & CLRM like linearity, normality, Multicollinearity, and homoscedasticity test or assumptions.

4.7.1. Assumption1: Linearity test

According to (Hayes et al., 2012) the relationship between the independent and dependent variable needs to be a linear function to conduct linear regression analysis. As a result, the linearity of the relationship between independent and dependent variables was tested using SPSS V16s software and scatter plots showing the relationship between the two variables (IV and DV). The scatter plot of residuals indicates that the points lied in a reasonably straight line from bottom left to top right. Therefore, it shows linearity. An underlining assumption of regression analysis is that the relationship between the variables is linear which means the points in the straight-line plot must form a pattern that can be approximated with a straight line.

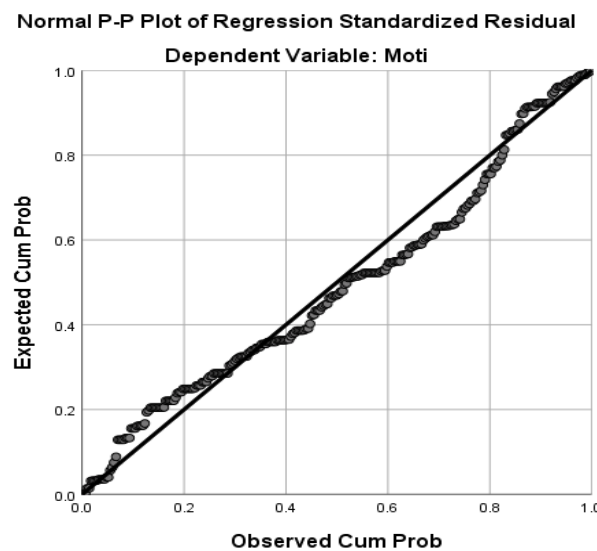


Figure 3 : Test of linearity

Source: own survey, 2021

4.7.2. Assumption2: Normality Test

As (Ghasemi & Zahediasl, 2012), noted that the assumption of normality is important in research while using regression and helpful to generalize the results of the analysis beyond the sample collected. Normality test refers to the linear regression analysis requires all variable.

Normality tests can be seen in the data distributed when the curve does not pass through either the left or the right (Ghasemi & Zahediasl, 2012) It shows that the data output was normally distributed. To test the normality of the data, kurtosis and skewness value was checked using SPSS 16. Skewness measures the degree to which cases are clustered towards one end of an asymmetry distribution. In general, the further the value of skewness is from zero, the more likely it is that the data are not normally distributed (Field, 2016). Kurtosis measure the level of peak in a histogram. The high peak has positive kurtosis, while the flatter distribution has negative kurtosis. A histogram is simply a graph that plots a frequency distribution of data for a variable. The variable's values are represented on the X-axis, while the frequency (the number of data points with that value) is represented on the Y-axis. Histograms are an excellent tool to see if your data is regularly distributed. A normal distribution is a distribution of data that clusters around the mean.

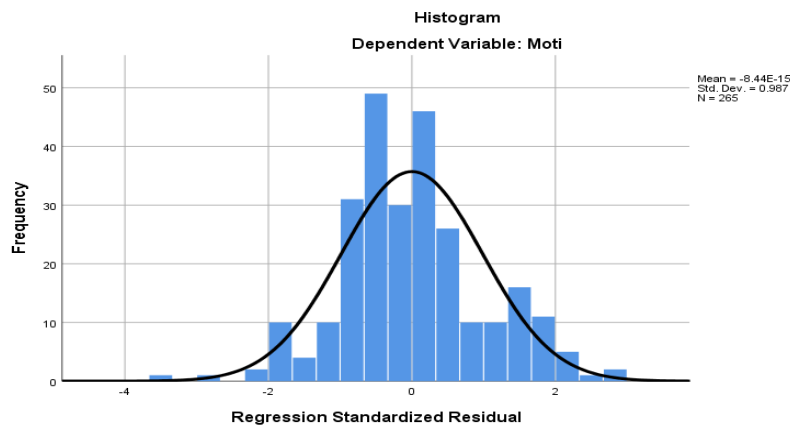


Figure 4 Normality Tests of Residuals

Source: own survey, 2021

4.7.3. Assumption 3: Multicollinearity Test

According to (McClelland et al., 2017), most regression programs can compute variance inflations factor (VIF) for each variable, and as a rule of thumb; VIF above 5.0 shows problems with the Multicollinearity test. Values for “Tolerance” below 0.1 indicate serious problems, although several statisticians suggest that value for “Tolerance” below 0.2 are worthy of concern. Multi co-linearity of the regression analysis refers to how strongly interrelated the independent variables in a model are. As we can see from the following table, the tolerance values are 0.187, 0.436, 0.401, 0.389, 0.206, 0.3119 and 0.266 for each independent variables (Pay, Pro, Ben, Supervision, Working, Feed, and Auto) which are

above 0.10 and the variance inflations factors (VIF) values are also 5.358, 2.295, 1.820, 2.491, 4.844, 3.137, and 3.760 respectively. Therefore, in this study, the table below shows that the Variance Inflation Factors (VIF) and tolerance fall within the acceptance range (VIF = 1 - 10, tolerance = 0.1 – 1.0).

Table 13 Test of Multicollinearity

| Model Constant | Collinearity Statistics | |
|-------------------|-------------------------|-------|
| | Tolerance | VIF |
| Payment | 0.187 | 5.358 |
| Promotion | 0.436 | 2.295 |
| Benefit | 0.401 | 1.820 |
| Supervision | 0.389 | 2.491 |
| Working condition | 0.206 | 4.844 |
| Feedback | 0.3119 | 3.137 |
| Autonomy | 0.266 | 3.760 |

Dependent Variable: Motivation

Source: own survey, 2021

4.7.4. Assumption4: Homoscedasticity Test

Homoscedasticity is the extent to which the data values for the dependent and independent variables have equal variances (Olvera & Zumbo, 2019). At each level of the predictor variables, the variance of the residual terms should be constant. It means that the residuals at each level of the predictors should have the same variance, therefore, checking for this assumption is helpful for the fitness of the regression model. In this regard, to plot the homoscedasticity test, as supported by Erik (2014), the researcher plot the standardized residuals, or error (ZRESID) on the Y-axis and the standardized predicted value of the dependent variable based on the model (ZPRED) on the X-axis and the result is presented as follows.

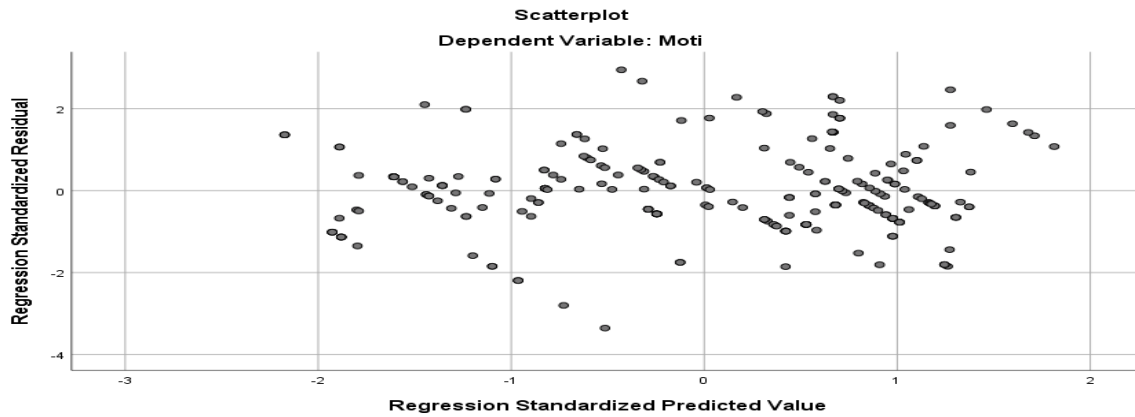


Figure 5. Homoscedasticity Test

Source: own survey, 2021

Thus, the scatter plot shows that the majority of the point are concentrated around zero (0) which shows that no violation of homoscedasticity.

4.7.5 Assumption5: Autocorrelation Test

Autocorrelation is an assumption that the errors are linearly independent of one another (uncorrelated with one another). The value of Durbin-Watson statistics ranges from 0 to 4. The residuals are considered independent (not correlated) if the Durbin-Watson statistic is around 2, with a range of 1.50-2.50 acceptable (Babatunde, 2014). The errors are said to be auto-correlated if they are correlated with one another. The popular Durbin- Watson test was used to determine whether or not autocorrelation existed. The rejection / non-rejection rule would be given by selecting the appropriate region from the following figure:

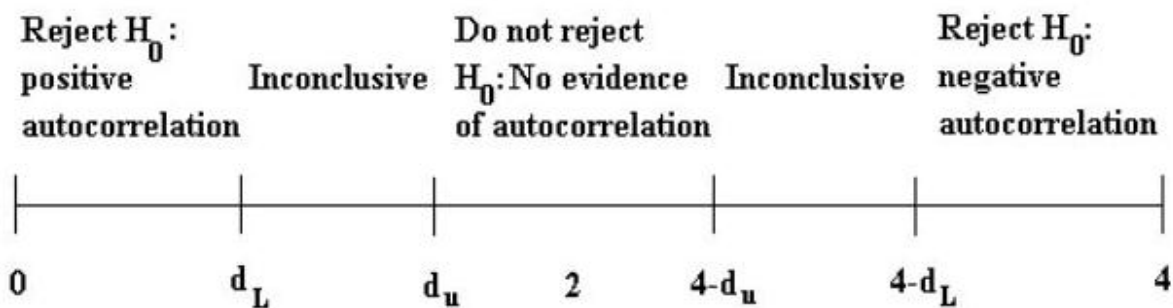


Figure 6 Durbin-Watson test

The regression output of this test indicates

Durbin-Watson test of autocorrelation

4.8 Regression Analysis

Regressions analysis helps in order to measure the relative strength of independent variables i.e. determine the recognition or reward practice effect on employee motivation in LIB, as depicted in table below, the result revealed R2 value .873 this indicates that of variance that explained the employee motivation of LIB in terms of payment, benefit, promotion, supervision, working condition, autonomy and feedback.

Table 14 Regression analysis

Model Summary^b

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
|-------|-------------------|----------|-------------------|----------------------------|---------------|
| 1 | .934 ^a | .873 | .869 | .32842 | .853 |

a. Predictors(Constant), autonomy, supervision, benefit, promotion, feedback, working condition and payment

b. Dependent variable: motivation

ANOVA^b

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|-------|------------|----------------|-----|-------------|---------|-------------------|
| 1 | Regression | 351.609 | 7 | 50.230 | 174.808 | .000 ^a |
| | Residual | 73.847 | 257 | .287 | | |
| | Total | 425.457 | 264 | | | |

a. Predictors: (Constant), Autonomy, Benefit, Feedback, Supervision, Promotion, payment, Working1

b. Dependent Variable: Motivation

Coefficients of regression model

| Model | Unstandardized Coefficients | | Standardized Coefficients | T | Sig. |
|-------------------|-----------------------------|------------|---------------------------|--------|------|
| | B | Std. Error | Beta | | |
| (Constant) | .595 | .197 | | 3.021 | .003 |
| Payment | .432 | .039 | .409 | 11.222 | .000 |
| Promotion | .146 | .037 | .125 | 3.908 | .000 |
| Benefit | -.397 | .069 | -.157 | -5.800 | .000 |
| Supervision | -.323 | .040 | -.251 | -7.981 | .000 |
| Working condition | .367 | .040 | .390 | 9.063 | .000 |
| Feedback | .316 | .037 | .290 | 8.600 | .000 |
| Autonomy | .058 | .063 | .037 | .912 | .363 |

Dependent variable: employee motivation

Among the predictor variables like the payment, benefit, supervision, promotion, feedback and working condition made a statistically significant prediction in predicting the dependent variable, employee motivation. To evaluate the contribution of each independent variable to the dependent variable, one can see the Beta value. The beta value for predictor variable, payment, was .409 which implies that this predictor variable made the first strong positive and statistically significant contribution in explaining the dependent variable (employee motivation) when the variance explained by all other variables in the model is controlled for. In addition, working condition made a statistically significant prediction to the dependent variable with Beta value of .390. This implies that working condition made the second strong and positive contribution in predicting the criterion variable employee motivation. Feedback made the third strong positive contribution. Promotion made the fourth strong contribution. Benefit the least or relatively weak contribution to the dependent variable, employee motivation.

4.9 Discussions

The purpose of study was to examine employee recognition practice and their effects on employees' motivation. The results are quite according to the respondents. Although all dimensions of employee recognition practices like payment, promotion benefits, working condition, supervision and feedback have positive relation with employee's motivation but the payment and working condition have the low mean values as compared to other dimensions and highly positive relation with employees' motivation. This shows that employees are demotivated with their payment and working condition.

The mean value of Autonomy ($M=3.766$) is higher than the other values this means that, if an employee does have freedom in the working environment and friendly relationship with their supervisor on the job. This implies that employees are motivated with autonomy recognition practice. When Pearson Product Moment Coefficient Correlation was calculated purposely for determining the relationship between different dimensions of recognition practices along its relationship with employees' motivation it was found very interesting results. Although the relationship indicated that there is a positive relationship between payments, promotion, benefit, supervision/leadership, working condition, Recognition/feedback, empowerment /autonomy (independent variables), and employee motivations but the relationship between autonomy and motivation has less significance. Even if autonomy has higher mean value, which implies employee's motivation was highly due to their relationships between autonomy but it is moderately correlated with employees' motivation.

The values of Correlation Coefficient in case of significant relationship vary from lowest **.430**** to highest **.881****. The lowest value corresponds with supervisions while highest value is for Payment and working condition. This is due to the fact that there are socio-cultural issues that hinder in the way of employees productive aspects of life and they feel difficulty in performing duties alone or away from others. A very strong reason complimenting that payment and working condition are highly related with employee motivation was the cost of living is quite high that's why most employees give much attention towards attractive payment.

CHAPTER FIVE: - MAJOR FINDINGS, CONCLUSION, AND RECOMMENDATIONS

5.1 Major Findings

The main objective of this study is to assess employee recognition practices and their effects on employees' motivation in Lion International Bank and the specific objectives also include assessing the employees recognition practices, assessing to what extent the different extrinsic reward (payment, benefit, promotion, Working condition, feedback ,autonomy and supervision) motivates the employees, finding out to what extent intrinsic reward has effects on employees' motivation, and to identify which factors are more influential in affecting employees' motivation. Therefore, the overall findings of this study is discussed as follows;

Concerning the payments effects on employee motivation, this study confirms that the availability of fair payment to employees has a vital role for to motivate employees and it also helps the organization to increases its business profitability. These findings are supported by (Abenet Azemera, 2020), the mean measurement values of these variables revealed that an employee of the bank is moderately satisfied concerning payment, benefit package, and promotion.

The overall perception of respondents towards the rewarding practice of the bank in terms of payment, benefits package, and promotion dimension, the mean values of these independent variables indicates (m=2.916), (m= 2.312) and (m=3.065) respectively. Consequently, these values are fall under 2.312 to 3.065 which was set as a decision rule. The mean measurement values of these variables revealed that an employee of the bank is moderately satisfied concerning payment, benefit package, and promotion.

On the other hand, the perception of respondents towards supervision/leadership, working conditions, feedback and empowerment and autonomy, overall average mean result shown as (m= 3.492), (m=3.295), (m=3.34) and (m=3.766) respectively. Accordingly, as per the decision rule set, these values are categorized between 3.5 up to 3.766. Therefore, employees of the bank are said to be satisfied with the supervision/leadership, working conditions, Feedback and Empowerment and Autonomy given to them. Meanwhile, the average mean value for all dimensions about the motivation level of employees, show a mean value of 3.26. This value indicates that employees of the bank were moderately satisfied with the overall motivation level of the bank.

The reward practice of lion international bank it is found that the mean of extrinsic reward variables such as payment, benefits, promotion, and working condition rated by respondents. The result from this study shows that Payment, Benefit, Promotion, Supervision and working condition. With regard to their result, the extrinsic reward practiced in the bank is somehow satisfactory. The Mean of intrinsic reward variables such as supervision/leadership, working conditions, feedback and empowerment and autonomy (3.473) rated by respondents. From the result it is observed that, the intrinsic reward practiced in the lion international bank is also somehow satisfactory. The response of the respondent for that dependent variable of motivation with the mean result show that is somewhat above average. This implies that the employees of the lion international bank are moderately motivated.

Results from Pearson's product moment correlation coefficient revealed that, there is positive and statistically significant relationship between extrinsic and intrinsic reward and employee motivation. Rather Pearson correlation result shown that empowerment have significant relationship with motivation.

The Regression result also shown the reward variables has the positive and significant effect on employee motivation with $p > 0.03$. About extrinsic and intrinsic reward, the regression result shows extrinsic reward and an intrinsic reward has positive and significant effect on employee motivation.

5.2 Conclusions

The purpose of the study is to assess the effect reward on employee's motivation and based on the findings of the research, the following decisions was drawn; the descriptive statistics on extrinsic and intrinsic reward depicts the mean of extrinsic reward is rage from 3.684 - 3.366 this indicates as seen by the respondents of Lion international bank S.C somewhat above average. Reward and employee motivation relationship result was shown in Pearson correlation coefficient leads to conclusion that there is strong and significant correlation between all dimensions with employee motivation except empowerment.

Conclusion drawn from regression result is that payment, benefit, promotion, working condition, supervision, empowerment, and recognition has positive significant effect on employee motivation in Lion international bank S.C. The research find indicates that intrinsic and extrinsic rewards have much importance to motivate employees and increases the level of employee's job satisfaction.

5.3 Recommendation

Based on the major findings of the study, the following recommendations are forwarded with the view to improve the contributions of reward packages to the country in general and the study area in particular.

- ❖ From the findings the study recommends that reward packages must be valuable to the employees and should be based on realistic and reliable standards. The rewards exercised at Lion international bank S.C must be clearly identified and should have some meaning for the employees and easily understood by the workers so that they can easily calculate personal cost benefits for various levels of effort put by them.
- ❖ The Lion international bank S.C management body should consider that both extrinsic and intrinsic reward are important for employee motivation and also give emphasis for both types of rewards to improve employees' motivation.
- ❖ Applying an effective total rewards system may result satisfied, engaged and productive employees. As a whole, it is assumed that by making some adjustment in the reward, the Lion international bank S.C able to raise employee work motivation and improvement company performance.
- ❖ Lion international bank S.C. should consider a more structured reward system that considers both intrinsic and extrinsic rewards, which in turn will promote a higher performance culture in the bank.
- ❖ To increase the employee's performance, the reward system plays a essential role. The proficiency of an employee can be enhanced if some working organization entertains its employees by rewards.
- ❖ Lion international bank S.C. management should expect from its employees that they should comply with the rules and bring revolutionary change and betterment in order to add new skills to their jobs.
- ❖ On the other hand, employees should expect from their organization that their organization provides a fair salary, better and safe working environment.
- ❖ To be competitive enough with the current stiff market and to overcome the future challenges as well as to attain the bank's long term strategic objectives, missions, and visions, the researcher recommended that Lion international bank S.C. should pay competitive and attractive salary scale to retain and motivate its workforce.

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APPENDIX



School of graduate studies Masters of Business Administration

An Assessment of Employee Recognition practices and their effects on Employees Motivation in Lion International Bank S.C

Questionnaire

The objective of this questionnaire to collect data about the “Assessment of Employees Recognition practices and their effects on Employees Motivation in Lion International Bank S.C.” and the information that you provide me will be used as primary data in my study. The study is meant for academic purpose only and the information you supply will be kept confidential. I, therefore, kindly request you to fill the questionnaire honestly and accurately, so that quality of information you provide determines the ultimate reliability of the study.

I would like to express my sincere appreciation and deepest thanks in advance for sparing your precious time as well as frank and prompt responses in filling the questionnaire.

Instruction

- ☞ Please put a “√” mark on your choice in the space provided
- ☞ No need of writing your name

Part I. Personal information

1. Gender

Male

Female

2. Age

20-30

31-40

41-50

Above 50

3. Educational level

College Diploma

First Degree

Masters Degree

Other

4. Marital Status

Single

Married

Separated

Other

5. Years of experience in LIB

Up to 2 years

2-4 Years

4-6 Years

More than 6 years

6. Job Category

Officer

Professional

Line Management

Other

Part II: EMPLOYEES' OPINION ABOUT 'TO WHAT EXTENT DOES EACH REWARD PACKAGES MOTIVATES THEM

| S. N | Statement | Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
|------------------------------|--|-------------------|----------|---------|-------|----------------|
| | | 1 | 2 | 3 | 4 | 5 |
| Payment | | | | | | |
| 1 | My salary is fair when compared with that of similar jobs in other companies. | | √ | | | |
| 2 | The basis of payment, for example overtime payment is reasonable | | √ | | | |
| 3 | The bank paid me incentives for all jobs I perform in the bank. | | √ | | | |
| 4 | The salary increment is fair and periodical | √ | | | | |
| 5 | Pay scale of the bank treats each employee equitable | √ | √ | | | |
| Promotion | | | | | | |
| 1 | I'm satisfied with promotion system of the bank | √ | | | | |
| 2 | All staffs has equal opportunity to be promoted | √ | | | | |
| 3 | Staff are promoted in a fair and honest way | √ | | | | |
| 4 | The criteria for promotion are acceptable | √ | | | | |
| Benefit | | | | | | |
| 1 | Transportation benefit is fair with the current cost of transportation service | | | √ | | |
| 2 | There is equal treatment each staff in the benefit policy of the bank | √ | | | | |
| 3 | The bank's loan (Mortgage loan) policy is attractive | √ | | | | |
| 4 | Employees understand the available benefit package | | √ | | | |
| Supervisor/Leadership | | | | | | |
| 1 | My supervisor treat me fairly with other staffs | | √ | | | |
| 2 | My supervisor Support me in case of problems | | | √ | | |
| 3 | My Supervisor is cooperative | | √ | | | |
| 4 | My supervisor involve me in decision making | | | √ | | |
| Working Condition | | | | | | |

| | | | | | | |
|---------------------------------|---|---|--|---|---|--|
| 1 | The supporting equipment that helps my jobs is enough and motivating. | | | √ | | |
| 2 | The working environment is attractive | √ | | | | |
| 3 | All the Necessary Resources for work are available | | | | √ | |
| 4 | I am motivated in flexible working hours of the bank. | | | | √ | |
| Feedback | | | | | | |
| 1 | I am praised regularly for my work | | | √ | | |
| 2 | I receive constructive criticisms about my work | | | | √ | |
| 3 | There is credit for the job I am doing in the bank. | | | | √ | |
| 4 | I am recognized for the extra effort I am put at work | | | √ | | |
| Empowerment and Autonomy | | | | | | |
| 1 | I am encouraged to handle daily problem when they occur | | | √ | | |
| 2 | I have control over how I solve daily problem | | | | √ | |
| 3 | I have certain degree of autonomy in my work | | | | √ | |

Part III Recognition and Employee Motivation

| S. N | Statement | Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
|------|---|-------------------|----------|---------|-------|----------------|
| 1 | The payment practices motivates me | √ | | | | |
| 2 | The promotion practices motivates me | | √ | | | |
| 3 | The benefits packages are motivating | √ | | | | |
| 4 | The leadership practices are motivating | √ | | | | |
| 5 | The recognition practices are fair and motivating | | √ | | | |
| 6 | The employment empowerment practices are motivating | | √ | | | |
| 7 | The working condition is conducive and motivating | √ | | | | |

Thank you!