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SCHOOL OF GRADUATE STUDIES

MASTER OF BUSINESS ADMINISTRATION

**AN ASSESSMENT ON THE EFFECT OF REWARD MANAGERMENTS PRACTICE ON
EMPLOYEE PERFORMANCE IN DASHEN BANK WEST A.A DISTRICT**

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DEPARTMENT OF BUSINESS ADMINISTRATION

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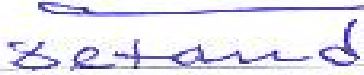
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Declaration

I am Tilahun walelign, hereby declare that “Assess the effect of reward managements practice on employee performance in Dashen bank. This is my original work and has not been presented for a degree in any other university and that all sources of materials used for the work have been duly acknowledged.

The study has offered for partial fulfillment of the degree of master of business administration (MBA).

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ABSTRACT

Human resources which are commonly seen as the most valuable assets of any organizations are a means for competitive advantage and play core roles to achieve organizational objectives. 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 research paper examined the effect of reward management practice on employees' performance in case of Dashen bank west A.A district. This research focus how different types of reward systems effect on employee performance and try to established which types of rewards management are more beneficial to the organization in the current business climate it operates in how can performance be enhanced and the required business outcomes accomplished? How can reward management contribute to this performance outcomes? Investigate the reward management practice implemented in the organization. The research conducted at all levels of employee Position. In the Methodology: A questionnaire designed to collect the data on the factors related to rewards like recognition, career development, work environment, benefit, promotion, empowerment, and employee performance. The data was collected from the employees of Dashen bank west A.A district. Explanatory method of research used since the study intended to explain cause and effect relationship between reward and employee performance. The target population was the employee of Dashen bank west A.A district. The Total number of respondents in this study was 190 with 46 non-response rate. Primary data was gathered using adopted questionnaires. Descriptive statistics was used to summarize the data. This includes Percentage, frequencies, mean and standard deviation. Tables and other figural presentations were appropriately used. Correlation analysis was used to identify the relationship between reward and employee performance. The regression analysis was used to measure statistical significance of the effect independent (predictor) variables on dependent (constant) variable, the findings obtained indicated that reward practices have a positive influence on employee performance. Furthermore, it provided suggestions to overcome the problems to improve employees' performance. Finally, standing on study findings, recommendations were provided to the organization to adjust its effective reward management practices with their respective correlation that could optimize employee performance.

Key words: recognition, empowerment, career development, work environment, benefit and promotion

List of acronyms

A.A:	Addis Ababa
GBPRRSs:	group based performance related reward systems
HRM:	human resource management
IBPRRSs:	individual based performance related reward systems
PRRS:	performance related reward systems
Sig:	significance
SPSS:	statistical package for social science

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CHAPTER ONE

INTRODUCTION

Under this chapter the researcher tried to introduce readers about background of the study, statement of the problem, research question, objective of the study, significance of the study, scope/delimitation of the study, limitation of the study, and organization of the study

1.1 Background/Rationale of the study

Currently, we understand technology is growing rapidly in the past decades, it brings huge impact on every sector including human resource, and however the contribution of human resource is very important for an organization. According to Armstrong (2006) People are the organization's key resource and organizational performance largely depends on them. The achievement or failure of an organization is mainly depending on the quality of the people who work there. Without positive and creative contributions from people, organizations cannot progress and grow.

In most cases, reward systems are designed to attract and retain skilled employees, to promote specific job behaviors appropriate for high level of performance and motivate employees to work harden in return to help the company achieve its strategic goals (Hume, 2000).

According to Cascio (2003) "Reward includes direct cash payments, indirect payments in the form of employee benefits and incentives to motivate employees to strive for higher levels of productivity." In human resource management, reward is referred to money and other non-monetary benefits given to an employee for providing services to the employer.

Employee compensation refers to all forms of pay going to employees and arising from their employment (Armstrong, & Talyer, 2014). Compensation/Reward is payment an employee receives for services rendered; and Reward management is one of the strategies used by human resource managers for attracting and retaining suitable employees as well as facilitating them to improve their performance.

It encourages good management-employee relationship and commitment and minimizes tension and conflicts. Compensation system is important to provide a good platform for equity and fairness which can increase employee productivity. The system ensures that both intrinsic and extrinsic needs of employee at all levels are adequately provided, and it develops organizational integrity, policy, procedures and practices capable of improving organizational productivity. Reward and compensation is concerned with employees and organization performance development through which better result can be achieved by to understanding and managing reward and compensation

within an agreed framework, planned goals, and standard and competency requirements (Armstrong, 2005, 2007 & 2010).

According to Dewhurst (2010), employees want to get both types of rewards means financial and non-financial rewards. Some employees prefer the financial rewards and other are non-financial rewards that opportunity to take an important tasks and projects, attention and encouragement of leadership. In this way employees feel that they are being valued by the employers and also feel that the company is seriously involved in employee's career and development.

The provisions of competitive compensations (financial, non-financial as well as good employee benefit package) are important in maintaining the employees engagement, reducing turnover, minimizing absenteeism and overall to ensuring the well-being of the organization for long period of time in current volatile environment (Armstrong, 2006)

Rewards need to be contingent on achieving desired performance levels rather than on merely doing certain tasks. It should be meaningful and valuable to the individual based on objective and goals. Rewards are not based on competitive struggles within the workplace, between conditions in the workplace and fulfillment of individual needs. However, a reward system needs to have a positive impact on behavior (Rahim &Daud, 2012).

According to Heng (2012), he identify, if organization fails to reward employees, it will directly affect to decrease employee performance and an efficient reward system can be a good motivator but an inefficient reward system can lead to de motivate the employees in terms of low productivity, internal conflicts, absenteeism, high turnover, lack of commitment and loyalty, lateness and felling grievances. Therefore, organization needs to develop strategic reward system for employees in order to retain competent employees which result to obtain sustainable competitive advantage.

The banking industry in Ethiopia is rapidly expanding both in number of banks, their branches and employees that they recruit. According to National Bank of Ethiopia data (NBE), there are 19 licensed government and private commercial banks in Ethiopia right now.

Dashen bank have a vision to be best in class bank in Africa and a mission of deploying highly motivated, skilled, and disciplined employees capable of providing banking products and services that can meet international best practices and standards (Annual Report June 30,2020). Therefore, Dashen Bank should improve its employee performance by deploying effective performance based reward system for successful attainment of its massive vision and mission.

For effective utilization of human assets sound human resource practices need to be adopted by organizations. Among other human resource practices reward systems plays a vital role in

employee's development and organization well-being. Keeping in view the existing competition for talent among the players competing in banking sector, effective human resource practices can help organizations to retain their employees.

The aim of this study is to assess how well the current reward system of Dashen Bank helps to generate employee performance. More specifically it aims to find out which aspects of the reward system functions well, and which aspects could be further developed and improved in order to increase employee performance.

Therefore, in the view of above concepts the study was conducted to identify the relationship between reward and employee performance in Dashen Bank. This result helps the Dashen Bank managers to give more attention to the variable that enhanced employee performance and to formulate effective reward management practice in the competing environment.

1.2 statements of the problem

Now a day's all firms or business entities are facing so many issues related to employee's job performance and reward management practice. Reward management is one of the most effective ways of increasing employee performance as depicted in the expectancy and instrumentality theories that reward management touch on the very aspects of employee performance such as their expectations and behavioral tendencies towards their work, (Tahir, Mehamood, & Ramzan, 2013). And as a consequence, the higher the degree of employee satisfaction result in the higher the possibility of generating customer satisfaction and loyalty (Zampetakis & Moustakis2007).

According Sita Mishra, (2010) noted in the service organization like banks that employee's play a vital part as the service offered to customers, and hence there is a need to ensure that they can proficiently deliver the promises made to customers in all service delivery encounters.

The research by Reilly and Brown (2008) contend that appropriate reward practices and processes, both financial and non-financial and managed in combination, can help to build and improve employee performance Their model based on research into how reward management practice influence performance through ; providing regular open feedback, building team work, career development ,and work life balance through applying variable pay strategy, team rewards, recognition to end up with the employee performance through satisfaction, feeling involved, developed and committed performance.

An analysis of the current trends show that most reward management decisions are based more on social and political processes rather than academic information on the merit of the reward management decision, (Chen & Hsieh, 2006). Besides, reward management is seen as one of the most effective ways of increasing employee performance as depicted in the expectancy and

instrumentality theories that reward management touch on the very aspects of employee performance such as their expectations and behavioral tendencies towards their work, (Tahir, Mehamood, & Ramzan, 2013)

Reward system is applied in the organizations is to motivate and to improve the commitments of the employee and best Performers employee of the organization to increase their salary and other benefits and to increase productivity of employee by providing necessary training to fill deficiency gap which ultimately enable employee to be satisfied from the job, but currently in Dashen Bank most of employees not satisfied by the reward management practice. They informally complains bias of the recognitions, lack of clear career development, lack of conducive work environment, lack promotion and lack of clear performance expectations.

This study therefore, seeks to fill this gap by assess the impact of reward management practice on employee performance the case of Dashen Bank west A.A district. Therefore the researcher will add a contribution to the area of interest. This study also contributes to the organization to establish Effective reward management practice and investigate the relationship between reward practice and its effect on employee performance in Dashen Bank. It makes employees more satisfied and committed to their jobs; this in turn can lead an organization to take strides towards success.

1.3 research question

Based on the above mentioned problems, the bellows research questions be raised to be addressed.

1. Which reward practice better improve the employee performance?
2. How does reward management practice affect the employee performance?
3. How does the effect of each reward practice on employee performance

1.4 research objectives

1.4.1 General objectives

The main objective of this study is to assess the effect of reward management practice on employee performance.

1.4.2 The specific objectives

- ✓ To analyze the relationship between each reward management practice and employee performance in Dashen Bank.
- ✓ To determine the effect of each reward practice on employee performance

- ✓ To determine which reward practice better improve the employee performance

1.5 Significance of the study

The findings of this study help the organization is to assess the effect of reward management practice on employee performance. Reward represents by far the most important and contentious element in the employment relationship, and is of equal interest to the employer and employee. This would improve the employee performance. So this study would provide guides to the organization the effective reward managements practice is the crucial point for improve the overall employee performance and which leads them toward improve the organization commitments and organization efficiently and effective achieve their overall goals.

This study would expand the depth of available knowledge on reward management practice on its employee performance in dashen bank.

This study would also contribute to the knowledge base on human resource management in the areas of the reward managements practice and their employee performance.

Based on the findings, recommendation and conclusion, this paper would give the organization an awareness about the link and its extent between the reward managements practice on its employee performance, which intern will help to take action to achieve the overall organization goal .

Finally, the study also contribute to the corpus of literature would help for future scholars as it will form foundation for their future studies and policymakers in related field.

1.6 Scope/delimitation of the study

In the general terms, the research conducted focuses on employee of dashen bank who are working in west district Addis Ababa. This study tried to assess the impact of rewards managements practice on employee performance in dashen bank. The study involve the permanents employee of the dashen bank.

Armstrong`s (2010), reward survey questionnaire or measurement tools were applied to collect data on reward. The Dashen Bank reward management system is analyzed in terms of extrinsic and intrinsic rewards. The extrinsic category, which is also called total remuneration, includes base pay, contingent pay, allowance, and employee benefits. The intrinsic rewards, on the other hand, encompass employee recognition, certificates, assignments in team responsibilities, and the like. So the study focuses on the extrinsic and intrinsic part of reward system.

For the purpose this study, and due to the cost and other resource limitation, the researcher delimit its scope on west district, that is found in Addis Ababa with the assumption that it could be representative of other branches in the country.

Geographically Dashen bank operates through a network more than 423 branch and the total employee is more than 9970 around the country.

1.7 limitation of the study

The researcher faced different limitations in the process of collecting relevant information such as lack of cooperation of the respondents and their commitment to complete filling the questionnaires as well as delaying in responding the questionnaires. The study is also limited only to the pieces of information that the respondents are willing to disclose the information. Were some of the limitations in the study

1.8 organization of the study

This research study are organized in five chapters as pointed out below.

Chapter one: This chapter is introduce the topic and explains the assessments of reward managements practice on employee performance is the focus of the study. The statements of the problem, research objective, questions, its significant, scope, limitation and definition of terms are also outlined here.

Chapter two: Literature review of the study is presented in this chapter. An overview of literatures on reward managements practices on employee performance specific those practices in relation to pay (salary and benefit), intrinsic reward and extrinsic reward, career growth opportunity and supervisor support was covered.

Chapter three: will Presents the research methodology and provides the research approach, design, population, sampling frame, sampling technique, sample size, data sources and types, data collection procedures and methods of data analyses.

Chapter four: In this chapter, had analysis of the collected data and interpretation are presented. Based on the data, further discussion on the findings was also made.

Chapter five: The final chapter presents the summary of findings with conclusion and recommendations.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

INTRODUCTION

2.1 THEORETICAL LITERATURE

2.1.1 Reward

A Reward can be defined anything that attracts an employee's attention and stimulates him to work it is the benefit that workers receive by performing a task and discharging a responsibility. Rewards is also defined as one of the valuable elements to motivate employees for contributing their best effort to generate innovative ideas that lead to better business functionality and further improve company performance both financial and Non-financial (Aktar, sachu, & Ali,2012).

Rewards are the positive reinforcements given by the organization. Rewards acts as effective motivators and help people to increase productivity and efficiency According to Mirkander (2010), cited in oroc, lapian and pandowo (2014) Reward is given by the individual or organization to the worker or employees as the following job they do. Reward is the benefit that arises from performing a task, rendering a service or discharging a responsibility.

Reward had been seen to be a vital instrument in employee performance. And a well-rewarded employee feels that he /she is being valued by the company that he/she is working for (Sajuyigbe, Bosede, & Adeyemi, 2010).

Employees will give their maximum when they have a feeling or trust that their efforts will be rewarded by the management.

There are many factors that affect employee performance like working conditions, worker and employer relationship, promotion and development opportunities, job security, and company's overall policies and procedures for rewarding employees etc. Aktar, Sachu and Ali (2012) Batol&Srivastava (2002) as cited in Khan, shahid and Nawab (2013) suggests that rewards as utilized by managers to show employees that their Effect of Reward Management Practice on employees 'Performance behaviors shall be valued.

Generally, a reward is given in return for a good work or in recognition of merit performance of a service rendered (Mansor, Borhannuddin and Yusuf, 2012)

2.1.2 Reward management practice

Reward management practice deals with the strategies, policies and processes required to ensure that the contribution of people to the organization is recognized by both financial and non-financial means. It is about the design, implementation and maintenance of reward systems (reward processes, practices and procedures), which aim to meet the needs of both the organization and its stakeholders. The overall objective is to reward people fairly, equitably and consistently in accordance with their value to the organization in order to further the achievement of the organization's strategic goals (Armstrong, & Stephens, 2005).

Reward management is not just about pay and employee benefits. It is equally concerned with non-financial rewards such as recognition, learning and development opportunities and increased job responsibility.

Most companies have developed their own reward managements practice contextual to their environment and based on their organizational culture. As a result, companies will achieve the aims of reward system; specifically fostering high work performance behavior and organizational objective achievement. (Hume, 2000) In addition, Stredwick (2005) stated that, reward that is aligned with the organization's business strategy will help to achieve competitive advantage, emphasize performance, encourage flexibility in working practices, oil the wheels of change, support key competencies and encourage local decision taking. Alignment of business strategy with each of the functional strategies will help to achieve organizational objectives. One of the functional strategies in organization is human resource strategy.

A reward managements practice is linked with many processes in HRM: recruiting new employees, motivating and steering current employees and also retaining the best employees. Rewarding is not only refer compensating people for their time at work but also aiming more and more on improving the performance of the individuals as well as that of the organization. It is highly desired in competitive business environment where organizations seek for improvement in productivity (Moisio et al 2007).

2.1.3 The objective of reward management practice

- Support the organization strategy
- Recruit and retain
- motive employees
- internal and external equity
- strengthen psychological contract
- financially sustainable

- comply with legislation
- efficiently administered

According to Armstrong & Stephens, (2005) the aims of reward management are to: — Reward people according to the value they create Align reward practices with business goals and with employee values and needs Reward the right things to convey the right message about what is important in terms of behaviors and outcomes Help to attract and retain the high-quality people the organization needs Motivate people and obtain their engagement and commitment, and Develop a high-performance culture. From my personal observation from the above objective of reward most of them are not applicable on the company. The aims of reward management are achieved by developing and implementing strategies, policies, processes and practices that are founded on a philosophy, operate in accordance with the principles of distributive and natural justice, function fairly, equitably, consistently and transparently, are aligned to the business strategy, fit the context and culture of the organization, are fit for purpose and help to develop a high-performance culture.

2.1.4 The importance of reward management practice

According to Armstrong (2010) Reward management supports the achievement of business goals by helping to ensure that the organization has the talented and engaged people in needs. It contributes to the achievement of high performance by ensuring that the reward system recognizes and encourages it. Reward management can define expectations through performance management and contingent pay Schemes.

2.1.5 Component of reward structure

- Behavior to be recognized must be linked with organizational mission.
- All staffs members, managers, seniors managements must be trained well for the implementation of an effective reward program.
- The program must be communicated well at all levels.
- Analysis and evaluation of program effectiveness

2.1.6 Parameters for reward program

The various parameters to be taken in to consideration for rewarding performance are as follows

- ✓ Level of job performance ability of an individual there by rewarding performance of an individual
- ✓ Extraordinary efforts put in by an employee in a given task.
- ✓ The longer stay in service of the company

- ✓ The individual with special skills is recognized and rewarded
- ✓ The employee who has done a job well despite being complex such employee are appreciated and awarded.
- ✓ Exhibition of leadership skills is another way of reward employees. Leadership skills used in getting the complex job done demand rewards.
- ✓ Contribution to process improvements
- ✓ Doing service above the normal routine
- ✓ Initiatives to work on special projects
- ✓ Initiatives in wastage reduction
- ✓ Higher quality work consistency
- ✓ High level of extraordinary work is rewarded.

2.1.7 the most important steps of reward practice

In order to give reward to employee in the work place, an effective program should be designed

1. Target the audience: one reward program cannot be fit everywhere. It must be designed keeping in mind the audience. Every employee is different what improve the performance one in the work place might not improve the performance other. Though the reward program can be customized individually, however the following need to be considers before designing an effective reward and recognition policy.

- What are the different types of jobs done by employees
- The total numbers of employees in the organization
- What can reward improve their performance
- What type of recognition is being provided by the company
- Does appreciation of employees matters for them
- How reward practice is communicated to employees

2. Choose the target

A) Indesigning an effective reward program chose your target carefully. Have a look at the type of behavior which one wants to improve through the reward and recognition policy. The behaviorhowever, should be measurable for instance decrease in accost.

b) Consider the various types of challenges being faced by your employees. How rewarding improve the performance.

c) Be reasonable while setting the goals for employees. Too many goals do not produce any fruit full result.

d) Are the goals practically achievable?

3. Know your budget

In case reward program is very fancy you might not be able to run it for long time. So before communicating your reward program to your employee defines your budget. Following should be considered in designing your budget.

- a) What kind of advertisements/promotion you plan for reward program
- b) How many recipients for reward program
- c) What is going to be the cost of the reward program
- d) Is it going to be formal or informal reward management program
- e) What is going to be the cost of administration
- f) The cost of training managers and supervisors

4. Determinant the criterion

A) The criterion must be chosen with due consideration

b) The time frame in which the target to be achieved must be communicated to employee

c) The criterion chosen for employee must be viewed as fair and quantifiable

5. Chose the type rewards

Chose the type reward you want to give your employee. The success of the program depend majority on how you want to reward performance. Choosing the type of reward is an important.

6. Communicate how your company is rewarding employee

The communication must be from the top to the bottom of the organization structure.

7. Evaluate the program

In order to know the effectiveness of the program

Try to understand

- The employee reaction towards the reward practice
- How well is the program understood
- How has the behavior changed
- Overall effectiveness of the reward program

Having a good reward system helps employee happy, loyal, to the company and eager to move up the ladder. so reward management is important for the following reason

- ❖ attracts new employee
- ❖ retains employees
- ❖ avoid the cost of hiring and training new employees
- ❖ build loyalty and honesty
- ❖ create a healthy work environments
- ❖ encourage positive attitudes and behavior
- ❖ makes employees more likely to seek advancements

2.1.8 Types of reward managements

There are two major types of reward which employees receive from their work. These are

2.1.8.1 Intrinsic

Intrinsic reward is the non-physical rewards. They cannot be seen or touched but are emotionally connected with the employees. in other word intrinsic reward 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

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

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 Youssef 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).

Achievement

The other type of non-financial reward is achievement. It is defined as the need for competitive success measured against a personal standard of excellence. This is one of the three major needs of employees at managerial position: achievement, power, and affiliation. Employees’ achievement motivation can be raised by organizations through processes such as job design, performance management, and skill or competency-related pay schemes (Malhotra, 2007).

Working environments

Pearson (1991), identifies that organizational values, supervisor style and physical condition are factors related to work environment. According to Kruger (1996) physical working condition pertains to the quantity of work and availability of resource, such as machine and tool, ventilation, lightning, workspace and air conditioning. Furthermore, according to Singleton (1989) climate condition play an influential role in differences in work behavior.

Career developments

According to Gomez m, (2012) career development is a formal approach taken by an organization to help its people acquire the skill and experiences needed to perform current and future job. The organization can offer this opportunity by providing people with a sequence of experience and training that will equip them for whatever level of responsibility they have the ability to reach. Talented individuals can be given the guidance and encouragement they need to fulfill their potential and achieve a successful career in tune with their abilities and aspirations.

2.1.8.2 Extrinsic reward

Extrinsic reward is physical and tangibles (visible) reward given to an individual or an employee for achieving something. They usually have monetary value such as salary hike, bonus, award, or public recognition, payments, leadership and different benefits.

Payment Heery and Noon (2001) defined pay as payment, in which include many components like basic salary, bonuses, pay for doing extra work and incentives". According to Yousaf et al. (2014) Employees are offered a financial reward for their services called pay which is a foremost requirement in human resource management. Employees who do their best want reasonable pay that satisfies their needs. An equitable pay makes them feel appreciated so they expect to pay according to their efforts because they do not want to be unacknowledged for their services. Benefits According to Lekovic & Marik (2013) Benefits are components of the system of compensation, have represented for long the field of harmonization of compensation. Benefits are the rewards, that are available to the employees in the organization can be seen as motivators that activate and orient further activities for attaining goals of the organization. Lekovic & Maric (2013) discussed benefits includes shorter work time, vacations and holidays, pensions, insurance (life, social, health, etc.), maternity leave, etc.

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Promotion

Promotion programs are mostly joined with reward programs they retain a different purpose altogether. Promotion programs are generally not monetary in nature though they may have a cost to the company. William (2016) every employees has a dream of social recognition and accomplishment to achieve. As a result, promotion fulfills the desire for achieving distinction and craving social approval. Promotion helps satisfying employees need for security, belonging and personal growth and individuals often feel that they have not been treated fairly if they so long without promotion. Working Conditions Working conditions is about providing healthy, safe and so far as practicable pleasant working environment for employees and this environment are where employee feels that they have reasons for doing work and get pleasure from doing their job. Armstrong (2006) & 13 Yousaf et al. (2014). This includes the relationships with colleagues, working hours, work load, availability of resources and the like.

Leadership/Supervisor

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).

2.1.9 Reward strategy and policies

2.1.9.1 Reward strategies

Reward strategy involves designing and implementing reward policies and practice which are most likely to support your organization objectives, delivering motivated and effective work force.

These set out what the organization intends to do in the longer term to develop and implement reward policies, practices, processes and procedures that will further the achievement of its business and HRM goal (Armstrong, 2010).

Reward is an expense in the sense that it reflects the cost of labor (Mondey and Noe, 1990), often governed by the organization reward policies. Glueck (1978) has identified three alternative strategies. These are:

The high-pay-level strategy:

Under this strategy organizations choose to pay higher than the average pay level that the market pays. The assumption is that a higher salary or wage will enable organizations attract and retain competent employees and this, in turn enhances employee's productivity.

The low-pay-level strategy:

In this alternative, the organization pays a minimum salary or wage to employees. This may be because a poor financial condition or the work doesn't require highly qualified personnel.

The comparable-pay-level strategy:

This strategy requires organizations to follow "equal pay for equal work". In this strategy employees are paid based on comparable value of jobs they are performing within the company and/or the market.

2.1.9.2 Reward policies

Armstrong & Murlis (2005) stated that policies provide guidelines for the implementation of reward strategies and design and management of reward process. They will be influenced strongly by the reward philosophy of the organization. The reward policies will be concerned with: the relative importance attached to market rates and equity, the relationship of rewards to business performance, the degree of flexibility required in the system, the need to involve employees in the design of the reward system, the need to communicate reward policies to employees, transparency, the publication of information on reward values and structures and processes to employees.

2.1.10 Approach to Reward Management

According to Armstrong (2010), the following are different approach to reward management practice:-

A) Stakeholder Approach

The purpose of human resource management is to meet the needs of all the stakeholders in the business – employees, customers, and suppliers and the public at large as well as management and shareholders. Reward management shares that purpose. In doing so, it can make a significant contribution to meeting the varied needs of stakeholders successfully. It is accordingly concerned with improving business performance, shaping the behavior of employees and developing a climate of trust and employee engagement. And reward management can best do this if it is evidence based.

B) Integrated Reward Management

Integrated reward management is an approach to reward management that provides for reward policies and practices to be treated as a coherent whole in which the parts contribute in conjunction with one another to ensure that the contribution people make to achieving organizational, departmental and team goals is recognized and rewarded. It consists of a related set of activities that impinge and impact on all aspects of the business and the HRM practices within it. Strategic integration: the vertical integration of reward strategy with business strategy. HRM integration: the horizontal integration of reward strategies with other HR strategies, especially those concerned with high performance, engagement, talent management and learning and development. Reward integration: the internal integration of reward to ensure various aspects cohere and that a total reward philosophy is adopted that means a full range of mutually supporting financial and non-financial rewards is used. 16

C) Strategic reward management

Strategic reward can be described as an attitude of mind to be convinced of the virtue of systematically deciding what must be done and to believe in the need to plan ahead and make the plans happen. In the words of Brown (2008) strategic reward is ultimately a way of thinking that you can apply to any reward issue arising in your organization, to see how you can create value. Its aim is to create reward processes which are based on beliefs about what the organization values and wants to achieve through engagement. It does this by aligning reward practices with both business goals and employee values.’ Strategic reward focuses on methods of achieving vertical, horizontal and internal integration.

D) Evidence-based reward management

It is the management of reward systems on the basis of fact rather than opinion, on understanding rather than assumptions, on grounded theory rather than dogma. It is concerned with establishing what constitutes good practice, although it does not assume that good practice is necessarily ‘best practice’. What works well elsewhere will not necessarily work as well within the organization. In general, best fit is more important than best practice.

2.1.11 Employee Performance

Performance management can be defined broadly as the process of taking systematic action to improve organizational, team and individual performance. It enables performance expectations to be defined and creates the basis for developing organizational and individual capability. For individuals and teams, performance management is associated with both financial and nonfinancial rewards (Armstrong, 2010).

According to Auginis (2007) PM is stated as: “A continuous process of identifying, measuring and developing performance in organizations by linking each individual’s performance and objectives to the organization’s overall mission and goals”.

As per Paul, W. T., & Laurel, J. M. (2010) performance is the way in which someone or something acts. It is any recognized accomplishment; a process or manner of functioning or operating; management execution. In other words, Performance can be defined as efforts along with the ability to put efforts supported with the organizational policies in order to achieve certain objectives

Performance is a complicated notion. As Bates and Holton (1995) emphasize, ‘Performance is a multi-dimensional construct.’ It has been pointed out by Campbell (1993) that the components of performance are: 1) job-specific task proficiency, 2) non-job-specific proficiency (e.g. organizational citizenship behavior), 3) written and oral communication proficiency, 4) demonstration of effort, 5) maintenance of personal discipline, 6) facilitation of peer and team performance, 7) supervision/leadership, and 8) management/administration. This concept of performance leads to the conclusion that when managing the performance of teams and individuals a few factors must be considered; including both inputs (behavior) and outputs (results).

In discipline of human resource management, different writers suggest the following indicators for measuring employee performance and they include: quality that can be measured by percentage of work output that must be redone or is excluded; Customer satisfaction that can be measured by the number of noble customers and customer feedback. Also, timeliness, measured in terms of how fast work is performed by the employee when given ascertain task; absenteeism/tardiness observed when employees absent themselves from work; and achievement of objectives measured when an employee has surpassed his/her set targets, he/she is then considered to have performed well to achieve objectives (Hakala, 2008; Armstrong, 2006). The management of individual performance within organizations has traditionally centered on measuring performance and allocating reward, with effective performance seen as the result of the interaction between individual ability and Effect of Reward Management Practice on employees Performance . It is increasingly being recognized that planning and an enabling environment have a critical effect on individual performance, with performance goals and standards, appropriate resources, supervision and support from the managers all being central (Torrington, Hall & Stephen, 2008).

2.1.12 The relation between reward and performance management

In the real world, it is very important to reward high performance levels because this motivates and control the performance. Indeed, reward strategies confirm the level and the merge of non-

financial and financial reward required to attract, maintain and inspire skillful competent, and capable employee to make the organization prosperous. Although some of these benefits are financial forms, such as option for salary sacrificing and competitive pay, there are a lot of non-financial benefits which firms can provide its employees. They are in fact some factor that may motivate the staff. Therefore, for managers, it is necessary to know what really inspires employees and perhaps they are not the same things that stimulate other employees.

The obvious reward practice should be carried out by the simplification of the connection b/n the given reward and additional effort (Porter et al., 1975). There also have been caution about the reward ways managed with in the reward system. In this regard, Porter et al. (1975) suggested that to achieve positive motivational properties, the organization distributed incentive reward have to be performance dependent, indeed, managers who attempt to run fair rewarding system seem to be more prosperous in performance rather than those who run in an unfair manner (Jensen, 2001). In this case, although the necessity of being fair in rewarding others seems to be understood clearly from theoretical view, bias in the performance evaluation has often been reported in different economics studies (Prendergast, 1999). Thus, clear fairness is needed to manage an optimistic association with the reward victory in an organization.

A reward system that is given for high performance is more effective in inducing high performance in the future than a reward that is not dependent on performance (Kanungo & Mendonca, 1994). Based on an empirical study Prokopenko (1987) stated that “a survey conducted in some Asian countries indicated that, with proper motivation of workers’ productivity can easily be raised as high as 90% in small and medium enterprise”. All of the above scholars agree that there is interrelationship between reward and employee performance.

Rewards can be used to improve performance by setting targets in relation to the work given e.g. surpassing some sales targets. When the employee surpasses their target, he or she can be given an additional amount to their salary; this will make them strive to achieve more (Maund, 2001). Research has proven that when human being are appreciated and praised they tend to improve their performance. This is another way an organization can apply as a reward so as to improve performance. Praise could be shown in the organization newsletter or in meetings. When managers take time to meet and recognize employees who have performed well, it plays a big role in enhancing employees’ performance (Torrington, Hall & Stephens, 2008).

Also experts noted that the suggested reward from the firms might strongly affect the staffs behavior related to the job and the organization that they work in (Lincoln & Galleberg 1990).

According to Herzberg & Mauser two factors theory, the reward can be both intrinsic and extrinsic so affecting the satisfactions level of the employee experience related to their job will happen.

2.1.13 Performance Related Reward Systems

The theory of Performance Related Reward Systems (PRRSs) is inevitably linked to two concepts: the notion of equity, or „norm of distributive justice“, and the notion of equality. The „norm of equity“ is the belief that individuals should be rewarded in proportion to their contributions, with those performing better being offered better rewards (Harris, 1999). This conforms in most cases to the feelings of most individuals regarding to rewards (Hills, Scott, Markham & Vest, 1987).

Rewarding employees according to their performance will motivate them to exert extra effort, function as a role model, which in turn should enhance overall organizational performance (Baruch et al, 2004; Lawson, 2000). In PRRSs, base pay is directly linked to one's performance and therefore there is a direct link between pay expenditures and individual productivity (Henderson, 1989).

PRRSs can be based on individuals or on groups. Individual Based PRRSs (IBPRRSs) have the advantage above group based that it embraces the „norm of distributive justice“ in its utmost form. Since it motivates employees individually, there is a good chance that outstanding performers will arise. In turn, they might set good examples and serve as a role model for other employees, which could enhance firm's overall performance. Group Based PRRSs (GBPRRSs) tend to ignore individual outstanding performers, which might cause them to put less effort into their job and just „go with the flow“ (Campbell, Campbell & Chia, 1998). Group Based systems might also allow group-members to not fully participate in all the processes, i.e. the free rider problem, which might lead to in-group dissatisfaction and conflicts. However, besides the disadvantages of Group based systems they also have some advantages.

First, it is generally a lot easier to measure group performance as compared to individual performance since jobs tend to be interrelated, unique individual contributions are hard to measure and employees tend not to be fully in control of their own results (Deming, 1986).

Second, individuals are not likely to agree with a disappointing evaluation and therefore lower reward. The complex system of self-evaluation makes it difficult for employees to accept lower appraisals from their supervisors as their own. This individual defensiveness is greatly reduced by the use of Group Based systems, where employees are not individually reviewed and not solely responsible for the outcomes (Campbell, Campbell & Chia, 1998). Third, Individual Based PRRSs might cause employees to focus only on „rewarded“ tasks and become single-minded and

inflexible. Group Based systems encourage employees to not only think about their own outputs, but also about achieving the unit's mission which requires good overall performance. Thus, in this system, many of the disadvantages of individual rewarding, such as measurement problems, acceptance problems, individual defensiveness and jealousy, are overcome.

2.2 Empirical review

The rewards systems for employees are now closely linked to the performance measurement indicators of the companies. If such reward does not commensurate with their job performance, this can lead to low motivation and high attrition, finally affecting service delivery (Thun & Sardana, 2012).

Having the right type of rewards program will help workers to grow, mature and ultimately add value to their organization. Pay, both „variable and base“, is key to ensuring to get the most value from the employees, especially high performers according to a report on salary surveys (Zingheim, 2010, p. 9). Organizations that spread pay more evenly drive away high performers and encourage the same type of average performance throughout the organization.

The real success of companies originate from employees' willingness to use their creativity, abilities and know-how in favor of the company and it is organization's task to encourage and nourish these positive employee inputs by putting effective reward practices in place. (Markova & Ford, 2011).

Praise could be shown in the organization newsletter or in meetings. When managers take time to meet and recognize employees who have performed well, it plays a big role in enhancing employees' performance (Torrington & Hall, 2006).

Rewards systems have traditionally been designed to attract and retain productive employees as well as to motivate them to increase their effort and output towards achieving the organizational goals (Phillips & Fox, 2003). Reward has therefore been seen to be a vital instrument in employee performance.

Total reward is seen as the combination of both the financial and non-financial rewards made available to the employees. It includes all type of rewards, direct and indirect, as well as intrinsic and extrinsic. Each aspect of rewards is being linked together as an integrated and rational whole to (Armstrong, & Stephens, 2005). The trend of reward method is changing from a simplex to a multiplex context due to the rapidly changing environment (Chen & Hsieh, 2006).

Apeyusi (2012) found that 47% of managers from the branches of the bank under study thought there was a positive relationship between rewards and employee performance whereas 53% of them disagreed with the statement. The study further revealed that more than half of the staff

indicated that they are prepared to work harder if they are given more incentives or paid better, indicating a positive relationship between reward and performance.

a market rate reward system is where an organization does an industry analysis to determine what the other players within the industry and more specifically its competitors gives as a reward to its employees in order to determine how to reward it employees. Such an organization in most cases sets its reward either at par with its competitors or above its competitors, (Candly, Clark, & Harol, 2005).

Researches argue that a reward at par with the competitors would keep the employees satisfied but not motivated as this would be the bare minimum to keep the employees from seeking higher rewards by moving to the competitors. The argument is that rewards lower than that offered by the market would lower both employee satisfaction and motivation to work as employees would seek to move to the organizations that pay higher (Osterman, 2006).

Armstrong (2010) noted that reward management is not just about pay and employee benefits. It is equally concerned with non-financial rewards such as recognition, learning and development opportunities and increased job responsibility.

Every employee has his or her own set of needs and motivators. Therefore, school principal should carefully select the right rewards that respond to individual needs. Some are motivated by money, while others motivated by recognition, increment of pay. Career advancement or personal growth; which is not direct or instant material benefits. Thus, it is wrong to assume that everyone shares the same motivator and needs (Lai, 2009)

2.2.1Hypothesis

H1:-recognition has significant and positive influence on employee performance.

H2:-empowerment is has significant and positive influence on employee's performance.

H3: - career development has significant and positive influence on employee's performance

H4: Working environment has significant and positive influence on Employee performance

H5: benefit has significant and positive influence on employee performance.

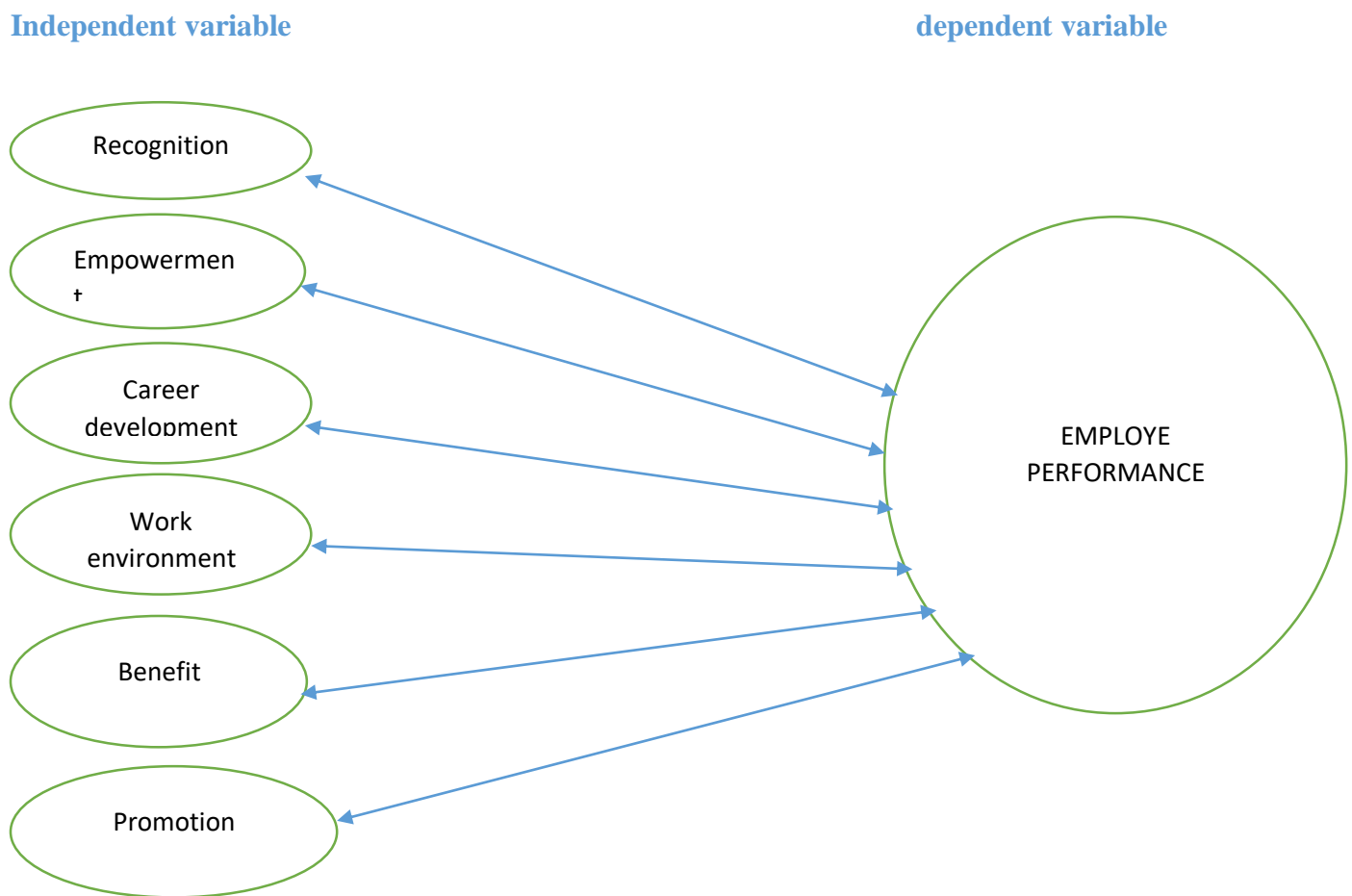
H6: promotion has significant and positive influence on employee performance

2.3 Conceptual Framework

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

Since the study will focus on the assessments on the effect of reward management practice on employee performance, different extrinsic and intrinsic rewards are considered and these extrinsic and intrinsic rewards are taken as independent variable. Within extrinsic reward payment, benefit and promotion are included and, the intrinsic reward variable are recognition, empowerment, work environment, career development and employees' performance is considered as dependent variable for this research. These independent and dependent variables are shown in the following conceptual framework.

Figure.1The diagrammatical representation of the Conceptual framework



Source: Armstrong, 2010

CHAPTER THREE

3. RESEARCH METHODOLOGY

This section describes the methodology that was employed in the study, such as description of the study area, research approach, research design, sample techniques and sample size, methods of data collection and data analyses procedures.

3.1 DESCRIPTION OF THE STUDY AREA

Dashen bank was incorporated as a Share Company it established on 10 September 1995 in accordance with the Commercial Code of Ethiopia of 1960 and the Licensing and Supervision of Banking Business Proclamation No. 84/1994. The Bank obtained a banking services license from the National Bank of Ethiopia.

Dashen bank was founded by eleven visionary shareholders and veteran bankers with initial capital of birr 14.9 million in September 1995. Dashen bank opened its doors for service on the 1st January 1996 with eleven fully-hedged branches. Dashen bank coined its name from the highest peak in Ethiopia, mount Dashen, and aspires to the unparalleled in banking service.

The head quartered in Addis Ababa, the bank is among the biggest private banks in Ethiopia. At the end of June 30, 2020, the total number of employees stood at 9970 out of which 6,116 are permanents while the remaining 3854 were contract and outsourced employees, it operates through a network of more than 423 branches, more than 10 dedicated bureau forex bureaus, more than 389 ATMS and more than 1283 POS terminals spread across the length and breadth of the nation. At the end of June 30, 2020 the total card holder's 1.1 million customers. At the end June 30, 2020 the total aggregate deposit amount 53.4 billion and the total assets reached birr 68.3 billion.

The bank also works in partnership with leading brands in the electronic payments industry (amex, visa, master card and union pay) and prominent money transfer operators (western union, money gram, express money and dahabshiil, ezremit, transfast, world remit and ria).

Over the years dashen Bank built itself into a progressive and modern banking institution, endowed with a strong financial structure and strong management, as well as a large and ever-increasing customers and correspondent base.

Finally this study area is assessing the effects of reward managements practice and employee performance in Dashen Bank. It is mainly focus on assess the effect of employee reward management practice (both intrinsic and extrinsic rewards) with the performance.

3.2 RESEARCH APPROACH

The researcher used mixed approach which is both qualitative and quantitative approach. According to John w. (2003) a mixed methods approach is useful to capture the best investigation result. The quantitative techniques utilized in this study have explanatory “ like percentage (%), ratio and tables have employed to show the results of the analysis and to facilitate the interpretation of data. The qualitative techniques of data analysis comprise the preparation of codebooks for questionnaires edited and coded have carried out for this research.

3.3 RESEARCH DESIGN

The purpose of this study is to assess the effect reward management practice on employee performance .due to this the researcher prefers use the explanatory research method, which is used to answer the research questions as it is considered appropriate. The aim of this explanatory research is to deeply assess the relationship of reward management practice with employee performance. In this study the researcher used quantitative data and the questionnaire are used to gather data on reward and employee performance. Further, Armstrong`s reward survey questionnaire or measurement tools are applied to collect data on reward. In this study collected data uploaded on computer in SPSS (Statistical Package for Social Sciences) version 20.0 software and normality of data was calculated.

3.4. DATA SOURCES

To fulfill the purpose of this research work, both primary and secondary types of data are gathered. Primary data are collected from the employee of the bank and human resource department of the bank and secondary data was obtained from annual reports, internal magazines and dashen public websites and external websites.

3.4.1 Primary Data sources

Primary data was collected with the aid of questionnaires. Close-ended questions would include in the research because it`s easy to analyze the data. The problem with open ended question is that it`s difficult to analyze the data. To make analysis easier, the closed ended questions had be provided with alternatives. The questionnaires are one type. This is very critical to enable the researcher gather employees` opinion on the relationship between performance and reward

managements practice. To complement the questionnaire, the researcher held informal discussions with workers and employees of the organization to know the various reward packages in place and basis upon which it was reviewed.

3.4.2 Secondary Data Sources

Secondary data are information or data already collected by other researchers or institutions, usually for different purposes (Blumberg et al., 2008). Secondary data enable the researcher to place the study in the context of existing knowledge as well as broadens the researchers understanding to the research topic (Blumberg et al., 2008). Secondary data sources are financial statements, collective bargaining agreements, and senior staff conditions of service, newspapers and manuals on the subject matter which gave the researcher information about the performance of employees. The internet as well as other relevant publications will also consulted.

3.5 Data Collection methods

The data was collected both from the primary data sources (using questionnaire and interview) and the secondary data sources. Structured questionnaires are used, to obtain data from the respondents. The questionnaires consisted of closed-ended questions. To ensure success, the questionnaires are short and simple, with questions moving from easy to more difficult ones (Kothari 2004). The questions captured data in line with the study objectives. A five point Likert scale was used, where 1=strongly Disagree, 2=Disagree, 3 = Neutral 4 = Agree, and 5=strongly Agree had used to capture the respondents view concerning on the current reward system. Interview had the other type of data collection instrument used in the study. This means of data collection instrument helps the researcher to get reliable information from the target population that how they feel and think about the problem. Consequently, the purpose of the interview had to substantiate the results obtained from the questionnaire thereby to get a greater depth of information. The interview questions is prepared in a semi structured type.

3.6 SAMPLE DESIGN AND SAMPLING TECHNIQUES

The study is particularly interested to assess the effect of reward managements practice on employee performance in Dashen bank west A.A district. Thus, the population of the research study is employees of Dashen bank who are working west district that are found in Addis Ababa. The sampling technique that is used in this study is a non-probabilistic convenience sampling technique. The preliminary survey undertaken by the researcher collected from the human resource transaction office of Dashen bank indicates that currently there are 748 permanent employees

qualitative method of data analysis had used. Moreover, to analyze the data obtained through interview qualitative method of data analysis employed.

3.7.1 Inferential Statistics

Inferential statistics is used to identify the degree of correlation between the variables using Pearson's Product – Moment Correlation. Further regression analysis is done to determine the degree of relationship between the independent variable (reward management practice) and dependent variables (employee performance). The model is tested by Multicollinearity Test, Linearity Test and Normality Test.

3.8 Ethical considerations

The researcher are consider implementing different ethical standards is not only important but also essential. Thus, the researcher was tried her best from requesting the consent of the organization, the respondents, keeping the confidentiality of the gathered information and the employees' anonymity up to informing well to concerned person for what purpose the study is intended for. In view of this, first to conduct this research paper on the organization, permission was requested and approval is gained. Second, participants are well assured that the response they gave is kept confidential, which is also state on the distributed questionnaire and the message is also forwarded in every communication. Thirdly, the purpose of the study is also state in the questionnaire well to make participants respond with their own consent.

3.9 Reliability and validity

A standard questioner on employee performance by Tang and Sarsfield - Baldwin's (1996), job satisfaction Allen and Meyer (1990 & 1997) is used to gather the data. These standard questioners proved to be valid and reliable in measuring the variables intended to measure with a Cronbach's alpha above 0.7.

A total of 20 questionnaires were distributed to the respondents. Then the returned 20 pilot instrument questioners are coded, analyzed, and a Cronobach's Alpha test is identified by SPSS IBM version 20.00. The pilot test result of reliability and validity was strong. However, during the main study based on the comments corrections has been made. Finally, the overall reliability of the scale used is enhanced to Cronobach's Alpha .944.

Table 3.6.1: Reliability Statistics for the entire scale

Cronobach's alpha	No of items
.944	42

CHAPTER FOUR

4 RESULT AND DISCUSSION

This study was conducted at Dashen bank in west A.A district to assess the effect of reward management practice on employee performance. The discussion was conducted by using the both primary and secondary source of data. The researcher distributed 236 questionnaires to employees of Dashen bank in west A.A district. Out of which 190 questionnaires are returned for different reason. So the response rate is 80.5%.

In the first section of this chapter the demographic characteristics of the respondents were discussed in summarized form. In this section the descriptive statistics (frequency, percent and standard deviations) of study variables were presented. This includes the Reward Management practices and employee performance variables used in this study. In the second section of this chapter, correlation analysis of main study variable and its significance were discussed. The last section of this chapter presents the regression analysis of the study variables.

4.1 descriptive analysis

The data collected through questionnaires are presented below with the help of tables.

Table 1 Personal or Demographic Characteristics of the Respondent

Participant response	Description	Frequency	Percent	St deviation
Participant sex	Female	56	29.3	
	Male	134	70.5	
	Total	190	99.5	.45713
Participant age	18-25	29	15.2	
	26-36	112	58.9	
	37-47	35	18.4	
	48-57	14	7.4	
	58 and above	0	0	
	Total	190	100	.77636
	College Diploma	21	11.1	

Participant education level	BA/BSC	128	67.4	
	MA/MSC	28	14.7	
	PHD	7	3.7	
	Total	191	100	0
Participant service years	1-2	50	26.3	
	3-4	55	28.9	
	5-6	30	15.8	
	6-10	28	14.7	
	10 and above	27	14.2	
	Total	190	100	1.38578
Participant marital status	Married	104	54.7	
	Unmarried	86	45.3	
	Total	190	100	.49907
Participant current organization position	Clerical	35	18.4	
	Professional	128	67.4	
	Administrative	27	14.2	
	Total	190	100	.57119
Participant salary ranges	1000-5000			
	5001-10000	35	18.4	
	10001-15000	51	26.8	
	Above 15000	104	54.7	
	Total	190	100	.77645

Source: own survey data 2021

Based on the above table 4.1, that shows the sex distribution of participant indicates that 56(29.3%) of respondents are female and 134(70.5%) are male. The data is showing that the male gender is prominent when we compare with female gender. The age of the respondents showed that 29 (15.2%) of the respondents fall 18-25 years, 112 (58.9%) were 26-36 years, 35(18.4%) were 37-47 year, 14(7.4%) were 48-57year. This shows that the majority of the respondents were in age range of 26-36 years, this shows that the organization has an opportunity to use the strategic and long term reward systems such as paying employees depend on their performance, rewarding them based on management objectives and rewards in recognition of series of achievements. Regarding to the education level of the respondents, 21(11.1%) were college Diploma, 128(67.4%) were

BA/BSC, 28 (14.7%) were MA/MSC And 7(3.7%) were PHD.so the majority of the respondent are degree holder, This shows they can give relevant information on subject matter of the study. When we come to the service year of the participant, 50 (26.3%) were 1-2 years, 55(28.9%) were 3-4 years, 30 (15.8%) were 5-6 years, 28(14.7%) were 6-10, and 27(14.2%) were 10 and above years. this shows the majority of the respondent 3-4 service years. The marital status of the participant showed 104(54.7%) were married and 86 (45.3%) were unmarried. This shows that most of the respondents are married. The current organization position 35(18.4%) were clerical, 128(67.4%) were professional and 27(14.2%) were administrative .this indicate the majority of the respondent are professional. Finally, the participant salary ranges showed that 35(18.4%) were 5001-10000, 51(26.8%) were 10001-15000 and 104(54.7%) their salary range fall in above 15000.This implies that the majority participant earn good salary ranges with in current market. And have paid average salary payment to its employees

4.2 assumption for regression analysis

Before applying regression analysis to test impact of reward management practice on employees' performance, some tests were conducted in order to ensure the appropriateness of data to assumptions regression analysis as follows.

4.2.1 Multicollinearity Test

In this section the correlation between employees performance and independent variables; recognition, empowerments, career development, work environment, benefit, promotion, and reward have been presented and analyze.

Table 2 Correlation Matrix (Only Independent Variables)

Correlations

		Recognitio n	empo werme nts	Career develo pment	Conducive work environment	Benefit	Promotion
Recognition	Pearson Correlation		.385**	.430**	.632**	.291**	.476**
	Sig. (2-tailed)		.000	.000	.000	.000	.000
	N	190	190	190	190	190	190

Empowerment	Pearson Correlation	.385**		.546**	.145*	.276**	.412**
	Sig. (2-tailed)	.000		.000	.046	.000	.000
	N	190	190	190	190	190	190
career development	Pearson Correlation	.430**	.546**		.278**	.511**	.568**
	Sig. (2-tailed)	.000	.000		.000	.000	.000
	N	190	190	190	190	190	190
conductive work environment	Pearson Correlation	.632**	.145*	.278**		-.032	.352**
	Sig. (2-tailed)	.000	.046	.000		.657	.000
	N	190	190	190	190	190	190
Benefit	Pearson Correlation	.291**	.276**	.511**		-.032	.223**
	Sig. (2-tailed)	.000	.000	.000		.657	.002
	N	190	190	190	190	190	190
	N	190	190	190	190	190	190
Promotion	Pearson Correlation	.476**	.412**	.568**	.352**	.223**	
	Sig. (2-tailed)	.000	.000	.000	.000	.002	
	N	190	190	190	190	190	190

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

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

According to Lewis-Beck (1993) suggestion in order to find out the multicollinearity problem, the bivariate correlations among the independent variables should be examined and the existence of correlation of about 0.9 or larger indicates a problem of multicollinearity. The results in the above correlation matrix shows that the highest correlation is 0.64. Since there is no correlation above 0.9 in this study, therefore it can be concluded that there is no problem of multicollinearity, the results show that the problem of multicollinearity did not exist between variables in the model.

4.2.2 Linearity test

Linearity refers to the degree to which the change in the dependent variable is related to the change in the independent variables. To determine whether the relationship between the dependent variable employees performance and the independent variables; both intrinsic and extrinsic reward (recognition, empowerment, career development, work environment, benefit, promotion and reward) is linear; plots of the regression residuals through SPSS software had been used.

4.2.3 Normality test

Table 3 promotion policy

		Statistic	Std. Error	
Recognition	Mean	3.2286	.13020	
	95% Confidence Interval for Mean	Lower Bound	2.9640	
		Upper Bound	3.4932	
	5% Trimmed Mean		3.2540	
	Median		3.0000	
	Variance		.593	
	Std. Deviation		.77024	
	Minimum		2.00	
	Maximum		4.00	
	Range		2.00	
	Interquartile Range		1.00	
	Skewness		-.427	.398
	Kurtosis		-1.161	.778

Career development	Mean		3.2286	.13020
	95% Confidence Interval for Mean	Lower Bound	2.9640	
		Upper Bound	3.4932	
	5% Trimmed Mean		3.2540	

	Median		3.0000	
	Variance		.593	
	Std. Deviation		.77024	
	Minimum		2.00	
	Maximum		4.00	
	Range		2.00	
	Interquartile Range		1.00	
	Skewness		-.427	.398
	Kurtosis		-1.161	.778
Work environment	Mean		3.6829	.14996
	95% Confidence Interval for Mean	Lower Bound	3.3799	
		Upper Bound	3.9860	
	5% Trimmed Mean		3.7033	
	Median		4.0000	
	Variance		.922	
	Std. Deviation		.96018	
	Minimum		2.00	
	Maximum		5.00	
	Range		3.00	
	Interquartile Range		1.00	
	Skewness		-.553	.369
	Kurtosis		-.548	.724
	promotion	Mean		4.5700
95% Confidence Interval for Mean		Lower Bound	4.4713	
		Upper Bound	4.6687	
5% Trimmed Mean			4.5778	
Median			5.0000	
Variance			.248	
Std. Deviation			.49757	
Minimum			4.00	
Maximum			5.00	

	Range	1.00	
	Interquartile Range	1.00	
	Skewness	-.287	.241
	Kurtosis	-1.957	1.478

According to Cramer, d (1998) the skewness and kurtosis measure should be as close to zero as possible, in SPSS. During in this time z value should be somewhere b/n -1.96 and +1.96.

All our data z values are with in -1.96 and +1.96 so that our data approximately normally distributed, in terms of skewness and kurtosis

Thus, from an examination of the information presented in all the above tests the researcher conclude that there are no significant data problems that would lead to say the assumptions of classical linear regression have been seriously violated.

4.3 Correlation analysis

Correlation analysis is used to describe the strength and direction of the linear relationship between two variables. According to Julie P. (2011), Pearson correlation coefficients (r) can only take on values from -1 to +1. The sign indicates whether there is a positive correlation (as one variable increases, so too does the other) or a negative correlation (as one variable increases, the other decreases). The size of the absolute value (ignoring the sign) provides an indication of the strength of the relationship. A perfect correlation of 1 or -1 indicates that the value of one variable can be determined exactly by knowing the value on the other variable. This part contain the relationship between d/t variable and employee performance. Below the correlation were presented in the following table.

Table 4 Summary of the correlation table

Construct	Measure type	Independent variables	Performance
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Recognition	Pearson correlation sig.(2-tailed N	1 190	.396** .000 190
Performance	Pearson correlation sig.(2-tailed N	.396** .000 190	1 \ 190
Empowerment	Pearson correlation sig.(2-tailed N	1 190	.102** .160 190
Performance	Pearson correlation sig.(2-tailed N	.102** .160 190	
Career development opportunities	Pearson correlation sig.(2-tailed N	1 190	.310** .000 190
Performance	Pearson correlation sig.(2-tailed N	3.10** .000 190	1 190
Work environment	Pearson correlation sig.(2-tailed N	1 190	.557** .000 190

Performance	Pearson correlation sig.(2-tailed N	.557** .000 190	1 190
Benefit	Pearson correlation sig.(2-tailed N	1 190	.284** .000 190
Performance	Pearson correlation sig.(2-tailed N	.284** .000 190	1 190
Promotion	Pearson correlation sig.(2-tailed N	1 190	.690** .000 190
Performance	Pearson correlation sig.(2-tailed N	.690** .000 190	1 190

Table 5 The relation b/n recognition and performance

Construct	Measure type		Recognition	Performance
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Recognition	Pearson correlation sig.(2-tailed		1	.396**
	N			.000
Performance	Pearson correlation sig.(2-tailed		190	190
			.396**	1
			.000	
	N		190	190

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

Source: own survey data 2021

As according to the above table 4.2.1 recognition has significant and strong positive correlation with employee performance since the value of Pearson correlation ($r=.396$ and $P<.01$).

Table 6the relation b/n empowerment and performance

Construct	Measure type	Empowerment	Performance
Empowerment	Pearson correlation	1	.102**
	sig.(2-tailed		.160
	N	190	190
Performance	Pearson correlation	.102**	1
	sig.(2-tailed	.160	
	N	190	190

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

As according to the above table 4.2.2 empowerment has significant and strong positive correlation with employee performance since the value of Pearson correlation ($r=.102$ and $P<.01$)

Table 7 the relation b/n career development and performance

Construct	measure type	Career opportunity	Performance
Career development opportunities	Pearson correlation	1	.310**
	sig.(2-tailed		.000
	N	190	190
Performance	Pearson correlation	3.10**	1
	sig.(2-tailed	.000	
	N	190	190

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

Source: own survey data 2021

As it is shows in the above table4.2.3 since ($r = .310$, $p < .01$) career development and employee performance has significant at .000 level and positive correlation ship. I.e. the decrease or increase of career development for employee has direct relationship with employee performance.

Table 8The relation b/n work environment and performance

Construct	Measure type	Work environment	Performance
Work environment	Pearson correlation	1	.557**
	sig.(2-tailed		.000
	N	190	190
Performance	Pearson correlation	.557**	1
	sig.(2-tailed	.000	
	N	190	190

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

Source: own survey data 2021

As it is shown in the above table 4.2.3 since ($r = .557, p < .01$) work environment and employee performance has a significant at .000 and positive correlation ship. I.e. the decrease or increase of work environment for employee has direct relationship with employee performance.

Table 9 the relation b/n benefit and performance

Construct	Measure type	Benefit	Performance
Benefit	Pearson correlation	1	.284**
	sig.(2-tailed)		.000
	N	190	190
Performance	Pearson correlation	.284**	1
	sig.(2-tailed)	.000	
	N	190	190

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

Source: own survey data 2021

As according to the above table 4.2.5 benefit has significant and strong positive correlation with employee performance since the value of Pearson correlation ($r = .284$ and $P < .01$).

Table 10 the relation b/n promotion and performance

Construct	Measure type	Promotion	Performance
Promotion	Pearson correlation	1	.690**
	sig.(2-tailed)		.000
	N	190	190
Performance	Pearson correlation	.690**	1
	sig.(2-tailed)	.000	
	N	190	190

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

Source: own survey data 2021

As it is shown in the above table 4.2.6 since ($r = .690, p < .01$) promotion and employee performance has a significant relationship at the .000 level and positive correlation. I.e. the decrease or increase of promotion for employee has a direct relationship with employee performance.

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

Source: own survey data 2021

4.4 Regression analysis

Through a correlation analysis it is identified that there is a significant relationship between the reward management and the dependent variables (employee performance). To what extent the variance in the dependent variables (employee performance) will be explained by the independent variable. According to Julie P. (2011), multiple regression is not just one technique but a family of techniques that can be used to explore the relationship between one continuous dependent variable and a number of independent variables or predictors (usually continuous). It allows a more sophisticated exploration of the interrelationship among a set of variables. Further, the end result of conducting multiple regressions is to develop the regression equation or the line of best fit between dependent variable and several independent variables. The three main types of multiple regression analyses are; standard or simultaneous, hierarchical or sequential; and stepwise. For this study, standard or simultaneous type of multiple regression analysis was used. To measure the statistical significance of the effect independent (predictor) variables on dependent (constant) variable, simple linear regression analysis is used to analyze reward management practice on employee performance.

Table 11 Recognition and performance

Model summary

Model	R	R Square	Adjusted square	Std.error of the estimate
1	.541 ^a	.292	.288	.75896

a. independent: constant (predictor) variable recognition

ANOVA

	Model	Sum of square	d.f	Mean square	F	Sig
1	Regression	26.117	1	26.117	34.963	.000 ^b
	Residual	140.435	188	.747		
	Total	166.552	189			

A. Dependent variable employee performance

B. independent: constant (predictor) variable recognition

Source: own survey data 2021

As according to the above model summary table the recognition value of adjusted R square = .288; $P < .05$; indicating that 28.8 % of the variance in employee performance is accounted for reward practice.

The ANOVA table shows table 4.8, the casual relationship between recognition and employee performance $F(1, 188) = 34.963$; $P < 0.001$ is significant at 0.001. This indicated that recognition is significantly affect employee performance.

Null hypothesis (H_0) the independent variables do not significant and explain the variance in employees' performance is not accepted but alternative hypothesis (H_1) is accepted.

Model summary

Table 12 Empowerment and performance

Model	R	R square	Adjusted square	Std.error of the estimate
1	.102 ^a	.010	.005	.93629

a. independent: constant (predictor) variable empowerment

ANOVA

	Model	Sum of square	d.f	Mean square	F	Sig
1	Regression	1.745	1	1.745	1.990	.160 ^b
	Residual	164.808	188	.877		
	Total	166.553	189			

A. Dependent variable employee performance

B. independent: constant (predictor) variable empowerment

Source: own survey data 2021

As according to the above model summary table the empowerment value of adjusted R square = .005; $P < .05$; indicating that 0.5 % of the variance in employee performance is accounted for empowerment.

The ANOVA table shows the overall significance of the model from a statistical perspective, the casual relationship between empowerment and employee performance $F(1, 188) = 1.990$; $P > 0.001$ is significant at 0.001. This indicated that empowerment is significantly effect on employee performance.

Null hypothesis (H₀) the independent variables do not significant and explain the variance in employees' performance is not accepted but alternative hypothesis (H₁) is accepted.

Model summary

Table 13 Career development performance

Model	R	R square	Adjusted square	Std.error of the estimate
1	.541 ^c	.292	.281	.79603

a. independent: constant (predictor) variable career development

ANOVA

	Model	Sum of square	d.f	Mean square	F	Sig
1	Regression	48.690	3	16.230	25.613	.000 ^d
	Residual	117.863	186	.634		
	Total	166.553	189			

A. Dependent variable employee performance

B. independent: constant (predictor) variable career development

Source: own survey data 2021

As according to the above model summary table the career development value of adjusted R square = .281; $P < .05$; indicating that 28.1 % of the variance in employee performance is accounted for career development.

The ANOVA table shows the overall significance of the model from a statistical perspective, the casual relationship between career development and employee performance $F(3, 186) = 25.613$; $P < 0.001$ is significant at 0.001. This indicated that career development is significantly affect employee performance.

Null hypothesis (H₀) the independent variables do not significant and explain the variance in employees' performance is not accepted but alternative hypothesis (H₁) is accepted.

Model summary

Table 14 Work environment and performance

Model	R	Rsquare	Adjusted square	Std.error of the estimate
1	.557 ^a	.310	.306	.78200

A .independent: constant (predictor) variable conductive work environment

ANOVA

	Model	Sum of square	d.f	Mean square	F	Sig
1	Regression	51.586	1	51.586	84.356	.000 ^b
	Residual	114.967	188	.612		
	Total	166.553	189			

A. Dependent variable employee performance

B. independent: constant (predictor) variable work environment

Source: own survey data 2021

As according to the above model summary table the work environment value of adjusted R square = .306; $P < .05$; indicating that 30.6 % of the variance in employee performance is accounted for work environment.

The ANOVA table shows the overall significance of the model from a statistical perspective, the casual relationship between work environment and employee performance $F(1, 188) = 84.356$; $P < 0.001$ is significant at 0.001. This indicated that work environment is significantly affect employee performance.

Null hypothesis (H_0) the independent variables do not significant and explain the variance in employees' performance is not accepted but alternative hypothesis (H_1) is accepted.

Model summary

Table 15 Payment (benefit) and performance

Model	R	R square	Adjusted square	Std.error of the estimate
1	.204 ^d	.042	.037	.88309

a. independent: constant (predictor) variable payment (benefit)

ANOVA

	Model	Sum of square	d.f	Mean square	F	Sig
1	Regression	6.382	4	6.382	8.183	.005 ^e
	Residual	146.613	185	.780		
	Total	152.995	189			

A. Dependent variable employee performance

B. independent: constant (predictor) variable payment (benefit)

Source: own survey data 2021

As according to the above model summary table the payment (benefit) value of adjusted R square = .037; $P < .05$; indicating that 3.7 % of the variance in employee performance is accounted for benefit.

The ANOVA table shows the overall significance of the model from a statistical perspective, the casual relationship between reward and employee performance $F(4, 185) = 8.183$; $P < 0.001$ is significant at 0.001. This indicated that benefit is significantly affect employee performance.

Null hypothesis (H_0) the independent variables do not significant and explain the variance in employees' performance is not accepted but alternative hypothesis (H_1) is accepted.

Model summary

Table 16 Promotion and performance

Model	R	R square	Adjusted square	Std.error of the estimate
1	.558 ^b	.311	.308	.74863

a. independent: constant (predictor) variable promotion

ANOVA

	Model	Sum of square	d.f	Mean square	F	Sig
1	Regression	47.632	1	47.632	84.991	.000 ^c
	Residual	105.363	188	.560		
	Total	152.995	189			

A. Dependent variable employee performance

B. independent: constant (predictor) variable promotion

Source: own survey data 2021

As according to the above model summary table the promotion value of adjusted R square = .308; $P < .05$; indicating that 30.8 % of the variance in employee performance is accounted for promotion.

The ANOVA table shows the overall significance of the model from a statistical perspective, the casual relationship between promotion and employee performance $F(1, 188) = 84.991$; $P < 0.001$ is significant at 0.001. This indicated that promotion is significantly affect employee performance.

Null hypothesis (H0) the independent variables do not significant and explain the variance in employees' performance is not accepted but alternative hypothesis (H1) is accepted.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATION

5.1 INTRODUCTION

The purpose of this study is to assess the effect of reward management practice on employee performance in Dashen bank. Accordingly, analysis and interpretation of the data obtained through questionnaires distributed to employees, interviews conducted with the concerned officials of the organization and relevant secondary sources were made in the previous chapter. Based on the analysis and interpretation, conclusions and recommendations of the study were made as follows.

5.2. Summary

The study was conducted to assess the effect of reward management practice on employee performance. In order to attain these, relevant data were gathered through questionnaire with 190 employees at Dashen bank west A.A district and the data was analyzed with the aid of descriptive statistics, correlation and regressions. Based on the discussion of the data, the following summaries are drawn.

- ❖ The majority of the respondents are males.
- ❖ As per the result of this study the majority of the research participant was found between the age ranges of 26-36 years
- ❖ This study implies that the majority of employees under this study are first degree graduate
- ❖ The result of the study shows that most of the participant are service year of the bank for 3 up to 4 years.
- ❖ The majority of the respondents current organization position are professional employees
- ❖ The majority of the respondent their salary range above 15000 birr
- ❖ The study shows that recognition has significant and strong positive relationship with employee performance. I.e. the decrease or increase of recognition for employee has direct relationship with employee performance. As the result indicates have an effect of increasing the overall performance by 28.8%

- ❖ The finding of the study indicates that, there is a significant correlation between empowerment and employee performance. It implies that the presence or absence of empowerment in the given organization has direct relationship with the employee performance. As the result indicates have an effect of increasing the overall performance by 0.5%
- ❖ The finding of the study indicates that, there is a significant strong correlation between career development and employee performance. It implies that the presence or absence of career development in the given organization has direct relationship with the employee performance. As the result indicates have an effect of increasing the overall performance by 28.1%
- ❖ According to the research finding conducive work environment have unique and strong significant and strong positive correlation with employee performance. . As the result indicates have an effect of increasing the overall performance by 30.6%
- ❖ According to the finding of this research payment or benefit has strong correlation and significant on employee performance. As the result indicates have an effect of increasing the overall performance by 3.7%
- ❖ According to the finding of this research promotion has strong correlation and significant on employee performance. As the result indicates have an effect of increasing the overall performance by 30.8%

5.3 Conclusion

The general objective of the study was to assess the effect of reward management practice on employee performance in Dashen Bank. The literature presented in chapter two indicates the different reward practices that leads to effect on employee performance. The study reveals that there is a highly considerate level of professional employees of the organization, performance is significantly influenced by all the selected reward practices. To this end Based on the analysis and the subsequent empirical findings the following points are concluded.

This study presents that when a reward management practice is conducted in an organization but some reward management practice is not highly concerned part of those so this leads to low performance of their employees.

Based on the finding, with regard to performance practice there are problems observed: some reward management practice not properly include the whole employee of the

organization. Due to these the employees are not satisfied with their jobs and lower performance in their jobs.

Based on the correlation analysis the relationship between reward management practice and employee performance observed strong and positive relationship. And the results of regression analysis observed that reward management practice has a significant positive effect on the employee performance in dashen bank. Hence, the higher the employees are satisfied with the reward practice in the organization, the higher perform of their employee performance will be and lead to better organizational performance.

Employees who have a high commitment will contribute significantly more to the organization, perform better, engage in organizational citizenship behavior, and less likely to engage in behaviors that are not productive or destructive behavior Allen and Meyer (1996). The results of this study support the basic assumption underlying this study that, when employees are satisfied with their work and feel committed to the organization, they tend to perform well their performance, and this leads to achieve the overall goal of the organization. This is because employees who have committed will be able to ensure that they working in good performance and internalize their organization goal.

In generally reward management practice has significant positive effect on the employee performance in the studied organization. Moreover, it has more direct significant effect on employee performance when the reward practice consider the whole employee the organization.

5.4 Recommendation

The main reason behind the existence of organizations is to attain the objective behind their establishment through their employees. However, this can be attained when organizations able to motivate their employees and make them to focus towards the goals of their respective organizations. Much of the results findings call the attention of the bank to make corrective action so as to improve employees" performance through effective reward system.

On the basis of the above findings, the following recommendations have been suggested

Recognition

- The bank can build the recognition or appreciation program for high performer may initiate other and used to retain the skilled and motivated employees.

- Since recognitions enhances employees' morale and improves organization productivity, the organization should prepare and apply the visible and use the information generated through performance appraisal for performance of the employees.

Empowerment

- Regarding empowerment, the findings indicated that there is poor practice. Therefore, it is recommended that the organization should continuously practice empower the employee of the organization, regardless of their sex, culture and language. And empower good performance and administer in a fair and transparent way which considers all employees.

Career development

- The organization should use clear and objective criteria to select employees for career development and the procedure must be systematized and based on rules and regulations.
- The selection criteria for career development should be communicated to all administrative staff members and the selection process should be transparent.

Conducive work environment

- Today's market trend, employees not only interested at the benefits entitlement and compensation packages offered by the company but they also seek for overall organizational conducive work environment, so the organization build the good work environment for their employees.
- Now The employee of the organization have a positive attitude towards the working condition; this doesn't mean the organization must keep the current practice as it is, instead the organization must still work on the creation of conducive working environment, since it will encourage high performers to improve their performance more.

Payment (benefit)

- It is recommended that to attract and retain competent employees, and must maintain its pay/salary scale to the highest level and upgrade its salary scale in response to internal and external condition and the salary increment/adjustment must be made within a logical period.

- Regarding benefit packages, if there is no attractive benefit package in the organization so, there should be a benefit packages which is equivalent with industry average and a periodic revision is necessary to initiate the employees for higher performance.

Promotion

- The process of employee promotion should be free from discrimination/favoritism on the basis of personal or family relationship.
- The selection criteria for promotion opportunities should be job related and the process should be conducted in a fairly and transparent manner. In addition, training methods suitable for the intended objectives should be selected carefully.
- Similar promotion procedure should be applied consistently in all branch of dashen bank. Furthermore, it was observed that few respondents are not understood the promotion policy, so the bank needs to periodically communicate the policy of promotion for employee currently worked in the bank and for new entrant communicate in the induction program of the bank.

In generally the organizations should include both financial and non-financial rewards with appropriate mix. Because in today's competitive and challenging business environment the management must try to acquire or retain a well-educated, motivated and experienced worker by combining the financial and non-financial rewards provided to be competitive in that market and to make the organization profitable.

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APPENDIX A
ST. MARY UNIVERSITY

Department OF BUSINESS ADMINISTRATION PROGRAM

Dear respondents, you are kindly requested to respond to the statements in the following questionnaire. The statements are related to An Assessment the effect of Reward management practice on employee performance in the case of Dashen bank for partial fulfillment of Masters of Arts Degree in Business Administration (MBA). Your responses are of great importance as this survey forms important part of the study. Your answers will be treated confidentially and will only be used for the purpose of the research.

If you are interested to have further information about this study or have any problem infilling this questionnaire you can contact me:

Tilahun walelign

Email tilahunwalelgn92@gmail.com

Thank you for your time!

GENERAL INSTRUCTION

PART 1 &2 Respondent's Personal Data or demographic information and research related question respectively Please put a mark (√) in the corresponding to your response.

PART 1 personal data or Demographic information

1. sex female male
2. age 18-25 26-36 37-47 48-57 58 and above
3. what is your education level
College diploma BA/BSC MA/MSC PHD
4. year of service in Dashen bank
1-2 3-4 5-6 6-10 10 and above
5. marital status married unmarried
6. current organizational position
Clerical Professional Administrative

7. Salary range you earn

1000-5000 5001-10000 10001-15000 above 15000

PART 2 Research Related Questions;

It is fairly obvious that people differ from one another in what they need and expect to get from different areas of their lives. Please think about the work you do and because most jobs are not perfect, consider what would make it better from your point of view. With each questions you have a choice of five answers. Choose one of them by putting (√) mark.

5. Strongly Agree 4. Agree 3. Neutral 2. Disagree 1. Strongly Disagree

	Intrinsic reward	1	2	3	4	5
1	The manager/ customer service manager are inspires well done employees.					
2	Proper recognition of best performers will motivate others.					
3	Conducive work environment will motivate employees to increase their performance.					
4	There is clear career development opportunity in the bank.					
5	Proper implementation of career development opportunities will increase employees" performance so as to step-up to the next position					
6	The bank's promotion policy is clearly communicated to all employees					
7	Usually the bank fills vacant position in the form of internal promotion					
	Extrinsic reward	1	2	3	4	5
1	There are sufficient financial rewards in the Dashen Bank					
2	Employees are rewarded based on his/her individual performance.					
3	High performers will get additional pay for their performance.					
4	The salary is satisfied me as compared to other employees in similar industries					
5	Bonus is given only for high performers.					
6	Transportation &housing allowance is enough to cover those costs					
7	The bank's housing and automotive loan policy is attractive					

8	Provision of extensive medical coverage will help to retain high performers					
9	Only financial rewards are enough to retain skilled employees					
	Performance Evaluation System of the Dashen Bank	1	2	3	4	5
1	Dashen Bank has periodic employee's performance evaluation program					
2	The content included in performance evaluation form is clear and understandable.					
3	The performance evaluation report reflects my true performance					
4	There is clear standard to call the employee high performer.					
5	There is additional benefit for high performers, who are highest performance evaluation score					
	Policy and Procedures in the Reward System of Dashen Bank	1	2	3	4	5
1	Dashen Bank has clear policy and procedure to implement the reward system					
2	Reward policies and procedures of Dashen Bank equally and consistently apply to all employees					
3	Employees of the bank know where to appeal when the reward policy and procedure are violated.					
4	Dashen Bank total reward system is just and fair					
5	Fair & equitable reward system enhances employees performance					
6	In the bank there is favoritism in rewarding employees					
7	I am rewarded based on my performance.					
8	There is need assessment program in the bank on how to reward employees					
9	The bank's decision making system include employee					
10	Employees have the chance to choose the way they like to be rewarded					
	Employee performance	1	2	3	4	5
1	The employees maintain high professionalism					
2	The employees Serve offer a prompt services.					
3	The employee Serve customer with fairness and justice					

4	The employee Serve customer diligently & meet the desired target					
5	The employee Handle customer in explosive situations calmly					

Thank you very much for your cooperation and have a nice day!

APPENDIX B
ST. MARY UNIVERSITY

Department OF BUSINESS ADMINISTRATION PROGRAM

To be answered by HR directors

You are kindly requested to respond to the statements in the following interview questions. The statements are related to An Assessment on the effect of Reward management Practices on employee performance in the case of Dashen Bank for partial fulfillment of Masters of Arts Degree in Business Administration (MBA). Your responses are of great importance as this survey forms important part of the study. Therefore, your genuine, honest, and prompt response is a valuable input for the quality of and successful completion of the project.

List of interview questions:

1. Is there a clear policy and procedure to implement the reward system in your organization?
What is the objective of the policy as stated in policy manual?
2. Do you think that the reward system of the Dashen Bank is serving its purpose?
3. Do you think the current reward system available in Dashen Bank is linked to the performance of employees?
4. Do you think the current reward policy is enough to retain skilled employee of the bank?
5. Do you think the current reward is sufficient?
6. How this department motivate high performer of the bank?
7. Is the performance evaluation system is effective? How the result of appraisal is treated?
Is it has effect on employees reward?
8. Do you think the reward system of Dashen Bank is competitive with other private or government banks?
9. . Finally, is there anything that you want to comment about current compensation and benefit practices of Dashen Bank?

Thank you very much for your cooperation and have a nice day!