

**ST MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES**



**THE EFFECT OF REWARD ON EMPLOYEE JOB
SATISFACTION IN LION INTERNATIONAL BANK**

**BY
MERHAWIT ASSEFA G/TADKAN**

**JULY 2017
ADDIS ABABA, ETHIOPIA**

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**A THESIS SUBMITTED TO ST. MARY'S UNIVERSITY,
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LIST OF ACRONYMS

LIB	Lion International Bank
CSM	Customer Service Manager
HRM/D	Human Resource Management/ Human Resource Division
MSQ	Minnesota Satisfaction Survey Questionnaires
SPSS	Statistical Package Software for Social Science
SD	Standard Deviation

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ABSTRACT

The research was undertaken to examine the effects of intrinsic and extrinsic rewards on employee job satisfaction at Lion International Bank. An explanatory research design with survey method and mixed approach is applied in this study. Using stratified random sampling technique 234 participants (employees) of the target bank-LIB were selected from the total population of 1,232 and Minnesota Satisfaction Questionnaire (MSQ) was distributed to selected sample out of them 220(94%) were collected. Descriptive analysis, correlation and multiple regression tests were applied for data analysis. The descriptive analysis results have shown that there is a moderate satisfaction for both intrinsic and extrinsic reward and the employee overall job satisfaction is low. The correlation results show that there is a positive, strong and significant relationship between rewards (intrinsic and extrinsic) and employees' job satisfaction. The multiple regressions also indicated that reward has significant effect on employee job satisfaction of the bank. Based on the results of the study it was concluded that the bank's employee were working in a state of dissatisfaction. Finally this study recommended that the bank should alter its current status of reward system and evaluate the atmosphere of overall job satisfaction.

Key words: Employee Job Satisfaction, Reward, Intrinsic Reward and Extrinsic Reward

CHAPTER ONE

INTRODUCTION

1.1 BACK GROUND OF THE STUDY

In the current competitive business environment, the organizations are facing a lot of challenges and among these issues, getting the right employees and retaining them is one of the most important ones. One of the main targets in any organization is adapting the changes of markets and employee needs. (Khan, Zarif, and Khan, 2011)

Over the years, a considerable amount of literature has been developed, which seeks to improve understanding in rewards systems and the extent to which they can influence the levels of employees commitment, motivation and eventually, job satisfaction. According to Lawler (1971), reward systems are one of the most widely researched and written subjects in the field of management and organizational behavior, yet it remains one of the less understood topics.

Job satisfaction is a workers sense of achievement and success on the job. It is generally perceived to be directly linked to productivity as well as to personal well-being. Job satisfaction implies doing a job one enjoys, doing it well and being rewarded for ones efforts. Job satisfaction further implies enthusiasm and happiness with ones work. Job satisfaction is the key ingredient that leads to recognition, incremental of income, promotion, and the achievement of other goals that lead to a feeling of fulfillment (Kaliski, 2007). The term job satisfaction refers to the attitude and feelings people have about their work. Positive and favorable attitudes towards the job indicate job satisfaction. Negative and unfavorable attitudes towards the job indicate job dissatisfaction (Armstrong, 2006).

Reward can be anything tangible or intangible that an organization provides to its employees either intentionally or unintentionally in exchange for the employees potential or actual work contribution to which employees as individuals attach a positive value as a satisfier or certain self-defined needs. (Shields,2007). According to

Armstrong (2009) Reward management is concerned with the formulation and implementation of strategies and policies the purpose which are to reward people fairly, equitably and consistently in accordance with the value to the organization and thus help the organization achieve its strategic goals it is also concerned with the development of appropriate organizational cultures, underpinning core values and increasing the motivation and commitment of employees. It deals with the design, implementation and maintenance of reward systems (reward process, practices and procedures that aim to meet the needs of both the organization and its stakeholders).

Reward system is very important tool that all banks can use to strait employees motivation and satisfaction in different ways. In other words, banks give rewards to employees and rewards system seek to attract employees to join the bank to keep than coming to work and also motivate them to perform to high level. A reward system is a scheme to perform of HR management which provides increases of those individual or group who perform well in any organization. Basically all types of rewards motivate to employees to perform well by attracting with well-designed compensation package by banks. All employees of any bank must believe effective performance will lead to certain rewards (Malik Muhammad Shafiq, Mohammad AkramNaseem, 2013, P 2).

Reward management is an important tool that management can use to channel employee motivation and satisfaction in desired ways. In other words, reward systems seek to attract people to join the organization to keep them coming to work, and motivate them to perform to high levels. The reward system consists of all organization components – including people processes rules and decision making activities involved in the allocation of compensation and benefits to employees in exchange for their contribution to the organization. In order for an organization to meet its obligations to shareholders, employees and society, its top management must develop a relationship between the organization and employees that will fulfill the continually changing needs of both parties. At a minimum the organization expects employees to perform reliably the tasks assigned to them and at the standards set for them, and to follow the rules that have been established to govern the workplace. Management often expects more: that employees take initiative, supervise themselves,

continue to learn new skills, and be responsive to business needs. At a minimum, employees expect their organization to provide fair pay, safe working conditions, and fair treatment. Like management, employees often expect more, depending on the strength of their needs for security, status, involvement, challenge, power, and responsibility (Puwanenthiren Pratheepkanth, 2011, P 85).

The work of Maslow (1954) has played a crucial role in developing and shaping many concepts in organizational behavior including job satisfaction. Based on Maslow's theory, some researchers have approached job satisfaction from a need fulfillment perspective. However during the last two decades, this approach has become less popular as more researchers are emphasizing on the cognitive process rather than the underlying needs. Therefore in contrast to the traditional view, job satisfaction was defined as all the feelings that an individual has about his/her job (Gruneberg 1976). This view was primarily based on cognitive processes which over the years have resulted in the attitudinal perspective and has now taken center stage in the study of job satisfaction (Spector 1997).

Another school of thought was developed based on the two factor theory of job satisfaction (Herzberg 1959) and suggested that both satisfaction and dissatisfaction are two separate constructs. Intrinsic factors named 'motivators' (i.e. factors which were inherent to the nature and experience of the job) were found to be 'satisfiers' and included: recognition, achievement, the work nature, level of responsibility. On the other hand extrinsic factors named 'hygiene factors' were found to be job dissatisfies and included: company rules, regulations, policies, hierarchy, supervision, salary, workplace environment and interpersonal relations. s Motivation – hygiene theory has been a key influencer in the study of the nature of job satisfaction and has been predominant in the development of measures for assessing job satisfaction. Thus job satisfaction has been defined and measured as a global.

Beyond the findings of these studies, there are still gaps with regard to knowledge of the specific effects of the influence of rewards on job satisfaction in the workplace, and the ways in which supervisors or managers can effectively manage employee

satisfaction. This study addresses both of these issues by examining the outcomes of employee satisfaction and rewards on work behavior. Accordingly, the purpose of this study is to investigate whether the relationship between perceptions of job satisfaction and increased customer satisfaction and loyalty are influenced by higher rewards and employee satisfaction in lion international bank. The main contribution of the study is to extend the HR literature on employee job satisfaction and ascertain new ideas from employees in the service sector on some of the contemporary variables that stimulate employee satisfaction. Extant literature suggest that correlates of job satisfaction including passion, talent use by employer, value congruence, fair pay, education, age, and gender (Westover et al.2010) are important in work organizations. This study will go beyond the underlying components of job satisfaction to unearth new insights of job satisfaction variables from employees in the service industry especially in bank.

The main objective of the paper is examining these two crucial issues of the human resource function, discover their relationship in a particular setting and to show whether reward systems influence the levels of job satisfaction among employees of Lion International Bank. And also the study aims to discover answers weather the two kinds of rewards can satisfy employees; which of the two kinds of rewards are the most influential factor for job satisfaction and identifying rewards that can help them to achieve high levels of job satisfaction in lion international bank.

1.2 STATEMENT OF THE PROBLEM

Job satisfaction represents a combination of positive or negative feelings that workers have towards their work. Meanwhile, when a worker employed in a business organization, brings with it the needs, desires and experiences which determinates expectations that he has dismissed. Job satisfaction represents the extent to which expectations are and match the real awards. Job satisfaction is closely linked to that individual's behavior in the work place (Spector1985).

Job satisfaction is the main factors to efficiency and effectiveness of business organizations. In fact the new managerial paradigm which insists that employees should be treated and considered primarily as human being that have their own wants, needs, personal desires is a very good indicator for the importance of job satisfaction in contemporary companies. When analyzing job satisfaction the logic that a satisfied employee is a happy employee and a happy employee is a successful employee.

Even if it is difficult for the management to satisfy and to motivate all employees and enhance their performance, it is important to look towards implementing effective reward practices that could encourage the ones that could be rewarded. Because in today's competitive and challenging business environment the management must try to acquire or retain a well-educated, motivated and experienced workers so as to be competitive in that market and to make the organization profitable.

The annual attrition rate of the Bank, 13% for the year 2014 – 2015 (Annual HR Report of LIB, 2014/15) 126 employees were resigned from the bank within one fiscal year. Furthermore, the satisfaction survey (annual satisfaction survey, 2014/15) conducted by the bank reveals reasons associated with employees and the working environment. As per the satisfaction survey high number of employees left the Bank for a variety of reasons, but they are more likely to leave for rewards-related reasons than other work-related issues. The recent report of human resource management first and second quarter of 2016/2017 state that about 45 employees left the company by different reasons which are need for better pay and benefits 38%, need for promotion 18%, looking suitable working hour, transfer, work load and dissatisfaction with cash related operations 11%, offered by other competitors and this separation of high skilled and potential employees adversely affecting the competitiveness of the bank. Therefore, in this study the researcher try to identify the effect reward could have on the job satisfaction with variables such as intrinsic and extrinsic rewards and identify the reward which contributes more to job satisfaction of the bank.

1.3 RESEARCH QUESTION

1.3.1 Basic question

What are the effects of rewards on Job Satisfaction among LIB employees?

1.3.2 Specific Questions

- How extrinsic and intrinsic rewards affect the employee job satisfaction?
- Is there any relationship b/n reward and employee job satisfactions?
- What is the effect of reward on employee job satisfaction?

1.4 OBJECTIVES OF THE STUDY

1.4.1 General Objective

The main objective of this study is to examine the effects of rewards on employee job satisfaction.

1.4.2 Specific Objectives

- To identify which reward contribute more to job satisfaction.
- To identify the effect of Intrinsic and extrinsic Rewards on employee's Job Satisfaction of the bank.
- To identify to what extent the employees are satisfied with the reward system and practices that is put into use in the bank.

1.5 HYPOTHESES

According to Edwards et al. (2006) there is an association between rewards and Job satisfaction; and rewards. Job satisfaction is inclined by rewards and motivation of employees (Spector1985). Ali and Ahmed (2009) confirmed that there is a statistically significant relationship between reward and job satisfaction. Both intrinsic and extrinsic rewards have positive and significant relationship with job satisfaction Novel Solomon (2015). Tariku Tadesse (2016) also confirmed that there is a significant relationship between extrinsic and intrinsic rewards with employees' job satisfaction.

The level of job satisfaction in private and public organizations is depending on the concerning to employees' level of motivation and rewards provided by the organizations. So, the following hypothesis has been developed:

- Hypotheses 1= There is a positive and significant relationship exists between intrinsic reward and employees job satisfaction.
- Hypotheses 2= There is a positive and significant relationship exists between extrinsic reward employees job satisfaction.
- Hypotheses 3= Reward has a positive effect on employees job satisfaction.

1.6 DEFINITION OF TERMS

Job satisfaction

Job satisfactions are the attitude and feelings people have about their work. Positive and favorable attitudes towards the job indicate job satisfaction. Negative and unfavorable attitudes towards the job indicate job dissatisfaction (Armstrong, 2006).

Reward systems

A reward system consists of the interrelated process and practices that combine to ensure that reward management is carried out effectively to the benefit of the organization and the people who work there. (Armstrong 2010).

Reward

The benefits that workers receive from their jobs (Kalleberg 1977)

Extrinsic rewards

Extrinsic rewards are defined as those remuneration factors that are external to the job such as pay, work condition, security, benefits, promotion contract of services and work environment. (Mansor, Borhannuddin, and Yusuf, 2012)

Intrinsic rewards

Intrinsic non-financial rewards related to responsibility, achievement and the work itself may have a longer-term and deeper impact on motivation. (Armstrong 2007)

1.7 SIGNIFICANCE OF THE STUDY

- To empirically inform decision makers and other concerned about the existing problem and to solve the problems regarding the reward and employee job satisfaction of the bank.
- To help the management in designing effective reward systems that effectively motivate employees and make them committed to the organization;
- Provide useful recommendations reward systems that their Employees expect of them;
- Contribute to the existing body of knowledge by addition a literature on the reward systems and job satisfaction of employees in the Ethiopian Banks.

1.8 DELIMITATION /SCOPE OF THE STUDY

To make this research manageable, the scope of the study is limited to employees of the lion international bank with a working experience of one or more years and the study is not include the whole employees of the bank due to constraints but representative employee was selected from the bank.

1.9 LIMITATION OF THE STUDY

- Lack of prior experience in conducting systematized research.
- Respondents were suspicious and be reserved to communicate freely and openly on what they really believe in.
- Some respondents are not dedicated enough to respond to all the questions, rather they leave some questions not answered.

- As only clerical employees are covered under the study, the effect of reward systems on non-clerical and less than one year experience employees was not known.

1.10 ORGANIZATION OF THE PAPER

The paper is organized in five chapter's i.e. Chapter One includes Background of the study, Statement of the problem, Research Questions, Objectives of the study, definition of terms, Significance of the Study, scope and limitation of the Study. Chapter Two includes: Review of Related Literature. Chapter Three: Methods of the Study: Research designs and Methods, population and sample design, Data collection procedures and Methods, Data analysis Methods and Ethical Issues. Chapter Four: Results and Discussion: Data analysis, presentation and Interpretation. Chapter Five: Summary, Conclusions and Recommendations. Finally the References and Appendix stated.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

INTRODUCTION

This chapter elaborates different literatures on job satisfaction, reward and motivation and also addresses related issues by going through definition of the concept, different theories and empirical evidences.

2.1 CONCEPT OF REWARD

Reward is the compensation which an employee receives from an organization (mainly refer to enterprises) for his or her service. It not simply contains direct currencies and other forms which can convert to currencies, but also a comfortable office, favorable interpersonal relationship inside the organization, having access to decision-making involvement, the challenge and sense of achievement, preferable growth opportunities and so forth these kinds of forms which is difficult to measure in various currencies (Armstrong ,2007).

Being reward is the major component of human resource it includes providing financial and non-financial payments to employees taking into account the value of their contribution. Reward is just more than providing financial and non-financial payment since organization must consider required behavior from employees which is take into account organizational values. After the identification of the required behavior and organizational values the reward systems provide the incentives and reinforcement for workforce behaviors that contribute to the implementation of strategies while development systems provide the workforce skills required for implementation (Thompson, 2002).

2.1.1 Types of reward

Intrinsic rewards

According to Gilley, Gilley, Quatro, & Dixon, (2009), an intrinsic reward is a self-administered motivational stimulus. In short, it is a reward that comes from inside the employee, and is thus experienced by the employee as a natural by-product of performing certain tasks/jobs. Intrinsic rewards are valued emotional states experienced in relationship to the job itself. Intrinsic motivation and rewards are affected primarily via job design and ongoing career development. Specific intrinsic rewards include feelings of competence, personal development, and autonomy. Intrinsic Rewards are derived from the workplace itself and are valued internally by the employee. These include opportunities for personal growth, quality of work life, job satisfaction, challenges, personal and professional development opportunities, a sense of belonging, freedom to act, visionary leadership.

Extrinsic Rewards

According to Mansor, Borhannuddin, & Yusuf, (2012), extrinsic rewards are defined as those remuneration factors that are external to the job such as pay, work condition, security, benefits, promotion contract of services and work environment. It also refers to the core organizational reality, as equitable rewards distribution does drive employee's morale. Extrinsic rewards drive employee's morale and the rewards distribution has always loomed large in corporations with performance appraisals in present eras of globalization. An extrinsic reward in fact fulfills employees' extrinsic factors or hygiene factors, invariably discouraging him from thinking of leaving the company. They are called extrinsic because they are external to the work itself and other people control their size and whether or not these are granted. Extrinsic rewards and resource investment have been seen as necessary tools to motivate employee's creativity, especially in formalized tasks. Extrinsic rewards played a dominant role in

earlier years, when work was generally more routine and bureaucratic, and when complying with rules and procedures were paramount.

2.1.2 Reward philosophy

Reward management is based on a well-articulated philosophy – a set of beliefs and guiding principles that are consistent with the values of the organization and help to enact them. The philosophy recognizes that, if human resource management (HRM) is about investing in human capital from which a reasonable return is required, then it is proper to reward people differentially according to their contribution i.e. the return on investment they generate. (Armstrong, 2007)

Distributive justice

Distributive justice refers to how rewards are provided to people. They will feel that they have been treated justly if they believe that the rewards have been distributed in accordance with the value of their contribution, that they receive what was promised to them and that they get what they need. (Jaques, 1961)

Procedural justice

Procedural justice refers to the ways in which managerial decisions are made and reward policies are put into practice. The five factors that affect perceptions of procedural justice as identified by Tyler, T R and Bies, R J (1990) are:

1. The viewpoint of employees is given proper consideration.
2. Personal bias towards employees is suppressed.
3. The criteria for decisions are applied consistently to all employees.
4. Employees are provided with early feedback about the outcome of decisions.
5. Employees are provided with adequate explanations of why decisions have been made.

Fairness

A fair reward system is one that operates in accordance with the principles of distributive and procedural justice. It also conforms to the 'felt-fair' principle formulated by Jaques(1961) this states that pay systems will be fair if they are felt to be fair. The assumptions underpinning the theory are that:

There is an unrecognized standard of fair payment for any level of work;

- Unconscious knowledge of the standard is shared among the population at work;
- Pay must match the level of work and the capacity of the individual to do it;
- People should not receive less pay than they deserve by comparison with their fellow workers.

2.2REWARD SYSTEMS

Reward system is an important tool that management can use to channel employee motivation in desired ways. In other words, reward systems seek to attract people to join the organization to keep them coming to work, and motivate them to perform to high levels. The reward system consists of all organization components – including people processes rules and decision making activities involved in the allocation of compensation and benefits to employees in exchange for their contribution to the organization (Puwanenthiren Pratheepkanth, ,2011).

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, & Ali, 2012)

Definitions of total rewards typically encompass not only traditional, quantifiable elements like salary, variable pay and benefits, but also more intangible non-cash

elements such as scope to achieve and exercise responsibility, career opportunities, learning and development, the intrinsic motivation provided by the work itself and the quality of working life provided by the organization. (Thompson, 2002)

2.3 REWARD MANAGEMENT

Reward management is an important tool that management can use to channel employee motivation and satisfaction in desired ways. In other words, reward systems seek to attract people to join the organization to keep them coming to work, and motivate them to perform to high levels. The reward system consists of all organization components including people processes rules and decision making activities involved in the allocation of compensation and benefits to employees in exchange for their contribution to the organization. In order for an organization to meet its obligations to shareholders, employees and society, its top management must develop a relationship between the organization and employees that will fulfill the continually changing needs of both parties. At a minimum the organization expects employees to perform reliably the tasks assigned to them and at the standards set for them, and to follow the rules that have been established to govern the workplace. Management often expects more: that employees take initiative, supervise themselves, continue to learn new skills, and be responsive to business needs. At a minimum, employees expect their organization to provide fair pay, safe working conditions, and fair treatment. Like management, employees often expect more, depending on the strength of their needs for security, status, involvement, challenge, power, and responsibility (Puwanenthiren Pratheepkanth, 2011, P 85).

According Shields (2007) Reward system exists in order to motivate employees to work towards achieving strategic goals which are set by entities. Reward management is not only concerned with pay and employee benefits (financial rewards). It is equally concerned with non-financial rewards such as recognition, training, development and increased job responsibility the way people are rewarded increasingly determines the survival of the organization, one of the most important tools at the hand of any management is to attract and retain competent human resource is to administering an

effective reward system. In order to achieve this goal an organization should decide on the type of tasks /objectives that should be rewarded, an organization can use reward management to show employees that their contribution to the organization is recognized.

Reward system is very important tool that all banks can use to strait employees motivation and satisfaction in different ways. In other words, banks give rewards to employees and rewards system seek to attract employees to join the bank to keep than coming to work and also motivate them to perform to high level. A reward system is a scheme to perform of HR management which provides increases of those individual or group who perform well in any organization. Basically all types of rewards motivate to employees to perform well by attracting with well-designed compensation package by banks. All employees of any bank must believe effective performance will lead to certain rewards (Malik Muhammad Shafiq, Mohammad AkramNaseem, 2013, P 2).

2.3.1 The psychological contract

According Guest (2007) a psychological contract is a set of unwritten expectations that exist between individual employees and their employers. The perceptions of both parties to the employment relationship of the reciprocal promises and obligations implied in that relationship. A psychological contract is a system of beliefs that encompasses the actions employees think are expected of them and what response they expect in return from their employer, and, reciprocally, the actions employers believe are expected of them and what response they expect in return from their employees. The concept of the psychological contract highlights the fact that employee/employer expectations take the form of unarticulated assumptions. Disappointments on the part of management as well as employees may therefore be inevitable. These disappointments can, however, be alleviated if managements appreciate that one of their key roles is to manage expectations, which means clarifying what they believe employees should achieve, the competencies they should possess and the values they should uphold. All this can be done through reward and performance management.

2.3.2 The employees point of view

Reward management policies should take account of the aspirations, expectations and needs of employees as stakeholders in the organization. Consideration has also to be given to the needs or views of other stakeholders, especially owners in the private sector and governments, local authorities and trustees elsewhere. Employee involvement is crucial to the development of reward policies and programmes. The wishes of employees need to be ascertained. Their comments on existing practices should be listened to and acted upon. They should be involved in the development of new reward processes, for example job evaluation, performance management and contingent pay. They should continue to be involved in the implementation and evaluation of these processes. (Armstrong, 2015)

2.3.3 Specific aims of reward management

Michael Armstrong (2006) states that there are some specific aims of reward management

Support the achievement of business goals and high performance

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

Support and develop the organizations culture

Reward management can support and help to change the organizations culture by:

- stressing the importance of high performance through contingent pay and performance management;
- reinforcing the behaviors required in a high-performance culture;
- emphasizing that upholding core values is a major criterion when assessing performance;

- linking rewards specifically to behavior that is in line with core values;
- Demonstrating that the organization cares about the well-being of employees through the provision of pensions and other benefits.

Define the right behaviors and outcomes

Reward management can define expectations through performance management and contingent pay schemes. Reward people according to the value they create and what the organization values. People are assessed according to the contribution they make to achieving organizational goals and rewarded. Having defined expectations, reward management can provide for people to be rewarded in line with the degree to which people meet them. Managers should be aware of the results expected from people and the behavior needed to achieve these results and to support the organization's values. The reward system should ensure that the results and behavior are valued and recognized.

Align reward practices with employee needs

Employees need to be paid fairly for what they do, in line with the principles of distributive and procedural justice and equity. Their needs for recognition can be directly satisfied by the reward system and a total rewards approach will enable other needs such as those for growth, responsibility and autonomy to be met. Segmentation of rewards may be appropriate to reflect the different needs of employees.

Help to attract and retain high-quality people

Pay levels are important means of attracting people to organizations, although the employer's reputation and the opportunities it provides for career development and scope to use skills and abilities are also important. Decisions to remain with an organization are affected by expectations on pay growth, feelings about the fairness of the reward system and comparisons with what could be earned elsewhere. This is what labor economists call the 'sorting effect'.

Win the engagement of people

Employee engagement takes place when people are interested in and positive, even excited, about their jobs and are prepared to go the extra mile to get them done to the best of their ability. A total rewards system can win the engagement of people through a mix of elements tailored to meet individual needs. These elements will include financial incentives but also other forms of non-financial rewards in the form of recognition, scope for growth and job design.

2.4 CONCEPT MOTIVATION

The term motivation derived from the Latin word mover, meaning to move. Motivation represents “that psychological process Motivation as defined by Robbins (1993) is the “willingness to exert high levels of effort toward organizational goals, conditioned by the effort’s ability to satisfy some individual need.” A need in this context is an internal state that makes certain outcomes appears attractive. An unsatisfied need creates tension that stimulates drives within the individual. These drives then generate a search behavior to find particular goals that, if attained, will satisfy the need and lead to the reduction of tension (Robbins, 1993).

2.4.1 Intrinsic motivation and extrinsic motivation

Motivation can be divided into two forms, intrinsic and extrinsic motivation. Amabile (1993) suggests that individuals are intrinsically motivation when they seek enjoyment and satisfaction of curiosity in the form of a personal challenge in the organization. Individuals are extrinsically motivation when they are engaged in the organization for the purpose of obtaining a goal excluding the work itself. From this knowledge of the two we can form the conclusion that there is a distinct difference between the two. However, research suggests that intrinsic and extrinsic motivation can indeed have an effect on each other. Amabile (1993) states that extrinsic motivation can work in opposition to intrinsic, there can also be an effect- “once the scaffolding of extrinsic motivation is taken care of, intrinsic motivation can lead to high levels of satisfaction and performance”. These are the strong beliefs of Amabile (1993) however, researchers argue that not all people are equally motivated; some employees are more intrinsically and others more extrinsically motivated (Furnham et al., 19980)

According to McCormick & Tiffin (1979) motivation can either be intrinsic or extrinsic. Intrinsic motivation is one of the most appropriate & strong influence on workers creativity.

2.4.2 Motivation theory

Maslow's hierarchy of needs

Abraham Maslow viewed motivation as being based off a hierarchy of needs, of which a person cannot move to the next level of needs without satisfying the previous level. Maslow's hierarchy starts at the lowest level of needs, basic physiological needs. Skemp-Arlt, K.M; Toupenca, R. (2007) Basic physiological needs include air, water, and food. Employers who pay at least a minimal living wage will meet these basic employee needs Silberstein, Shula Ashe 10r (2012) The next level of needs is referred to as safety and security needs (Skemp-Arlt, K.M; Toupenca, R. 2007)

This level includes needs such as having a place to live and knowing one is safe. Employers can meet these needs by ensuring employees are safe from physical, verbal or emotional hazards and have a sense of job security. Silberstein, Shula Ashe10r2012 The third level of needs is social affiliation and belonging Skemp-Arlt, K.M; Toupenca, R. (2007) This is the need to be social, have friends, and feel like one belongs and is loved. Implementing employee participation programs can help fulfill the need to belong. Silberstein, Shula Ashe10r(2012) Rewards such as acknowledging an employee's contributions can also satisfy these social and love needs. Silberstein, Shula Ashe10r(2012) The fourth level on the hierarchy is esteem needs Skemp-Arlt, K.M; Toupenca, R. (2007) This level is described as feeling good about one's self and knowing that their life is meaningful, valuable, and has a purpose. Employers should use the job design technique to create jobs that are important to and cherished by the employee. Silberstein, Shula Ashe10r(2012) These first four needs, Maslow called D-Needs (deficient) and called self-actualization the B-Need (being).

The last level Maslow described is called self-actualization Skemp-Arlt, K.M; Toupenca, R. (2007) this level refers to people reaching their potential states of well-

being. An employer who ensures that an employee is in the right job and has all other needs met will help the employee realize this highest need Silberstein, Shula Ashe10r(2012) Maslow further expanded self-actualization into four needs, namely, cognitive, aesthetic, self-actualization, and self-transcendence. (D'Souza, J.; Gurin, M. 2016).

Herzberg's two-factor theory

Frederick Herzberg developed the two-factor theory of motivation based on satisfiers and dissatisfies. Satisfiers are motivators associated with job satisfaction while dissatisfies are motivators associated with hygiene or maintenance. Satisfiers include achievement, responsibility, advancement, and recognition. Satisfiers are all intrinsic motivators that are directly related to rewards attainable from work performance and even the nature of the work itself. Dissatisfies are extrinsic motivators based on the work environment, and include a company's policies and administration such as supervision, peers, working conditions, and salary. Herzberg believed providing for hygiene and maintenance needs could prevent dissatisfaction but not contribute to satisfaction. Herzberg also believed that satisfiers hold the greatest potential for increased work performance .Work-life programs are a form of satisfier that recognizes the employee's life outside of work which, in turn, helps motivate the employee. (Skemp-Arlt, K.M; Toupence, 2007)

Vroom's expectancy theory

The expectancy theory of motivation was established by Victor Vroom with the belief that motivation is based on the expectation of desired out comes. The theory is based on three concepts: valence, expectancy, and force. Valence is the attractiveness of potential rewards, outcomes, or incentives. Expectancy is a person's belief that they will or will not be able to reach the desired outcome. Force is a person's motivation to perform. "In general, people will work hard when they think that it is likely to lead to desired organizational rewards". Vroom thought that people are motivated to work toward a goal if they believe the goal is worthwhile and if they perceive that their efforts will contribute to the achievement of that goal."(Moran, Barbara B. 2013)

Force = Valence x Expectancy x Instrumentality

Locke's goal theory

Edwin A. Locke's goal theory describes setting more specific goals to elicit higher performance and setting more difficult goals to increase effort. He also believed that, through employee participation in goal setting the employees would be more likely to accept the goals and have a greater job satisfaction. The goal theory's underlying assumption is that employees who participate in goal setting will set more difficult goals for themselves and yield superior performance. The theory is logical because employees are going to set more difficult goals but the goals will be attainable with increased effort. Sometimes organizations set goals that their employees will rarely, if ever, be able to meet. If the goals are always unattainable, there is no motivation to try accomplishing them. (Skemp-Arlt, K.M; Toupenca, 2007)

2.5 CONCEPT JOB SATISFACTION

Job satisfaction is a sensation that employees have about their work environment and their expectations towards work. Thus, job satisfaction can be recognized as what one wants or values from a job. Different kinds of satisfaction lead to diverse objectives and behaviors that ascend from different types of motivation in getting different types of rewards (Luthanset al. 2005).

Rewards with their aftermath relationship were expected to establish on satisfaction of the employee with their organization. Amabile et al. (1994) concluded that employee who reveals high job satisfaction is motivated by rewards, and rewards supported work engagement. Satisfaction of rewards in public and private sector employee has been established certainly associated with job satisfaction. Preceding research found that job satisfaction is associated with the monetary compensation (pay, promotion, and bonus) and non-monetary compensation is one of the most important explanatory variables in both sectors (A. Furham et al. 2009). Organizations like banking sector have determined a balance between the performance of the employees and their commitment to the work which in result of job satisfaction.

Reward and motivation are the two main factors that have an effect on the job satisfaction and motivation of employees. In reference to statistics, there is a significant relationship between reward and recognition, and between motivation and job satisfaction (Ali and Ahmed, 2009). Providing the financial benefit to employees without any prominent expression also loses its importance. Rewards have a direct link with the motivation and job satisfaction of the employees. Variations in rewards and recognition can bring a positive change in work motivation and job satisfaction of the employee (Ali and Ahmed, 2009). Job satisfaction as the level to which an individual has a positive attitude towards his job, either in general or towards a specific dimension. The attitudinal type of job satisfaction suggests that an individual would attempt to stay with a satisfying job and quit a dissatisfying job (Spector 1985).

Different studies treated job satisfaction as a predictor of significant behavioral outcomes, such as determined to leave, turnover, and absenteeism. The considering role of job satisfaction has also been inspected by several researchers. It has been a most researched topic and thousands of studies have been conducted on this single topic to measure the job satisfaction of industrial workers, teachers, bank officers, administrators, and managers in a variety of undertakings the world over (Sweeney, Hohenshil and Fortune 2002).

Job satisfaction is a worker's sense of achievement and success on the job. It is generally perceived to be directly linked to productivity as well as to personal well-being. Job satisfaction implies doing a job one enjoys, doing it well and being rewarded for one's efforts. Job satisfaction further implies enthusiasm and happiness with one's work. Job satisfaction is the key ingredient that leads to recognition, incremental of income, promotion, and the achievement of other goals that lead to a feeling of fulfillment (Kaliski, 2007). The term job satisfaction refers to the attitude and feelings people have about their work. Positive and favorable attitudes towards the job indicate job satisfaction. Negative and unfavorable attitudes towards the job indicate job dissatisfaction (Armstrong, 2006).

2.5.1 Theory of job satisfaction

Affect theory

Edwin A. Locke's Range of Affect Theory (1976) is arguably the most famous job satisfaction model. The main premise of this theory is that satisfaction is determined by a discrepancy between what one wants in a job and what one has in a job. Further, the theory states that how much one values a given facet of work (e.g. the degree of autonomy in a position) moderates how satisfied/dissatisfied one becomes when expectations are/aren't met. When a person values a particular facet of a job, his satisfaction is more greatly impacted both positively (when expectations are met) and negatively (when expectations are not met), compared to one who doesn't value that facet. To illustrate, if Employee A values autonomy in the workplace and Employee B is indifferent about autonomy, then Employee A would be more satisfied in a position that offers a high degree of autonomy and less satisfied in a position with little or no autonomy compared to Employee B. This theory also states that too much of a particular facet will produce stronger feelings of dissatisfaction the more a worker values that facet.

Dispositional approach

The dispositional approach suggests that individuals vary in their tendency to be satisfied with their jobs, in other words, job satisfaction is to some extent an individual trait. This approach became a notable explanation of job satisfaction in light of evidence that job satisfaction tends to be stable over time and across careers and jobs. Research also indicates that identical twins raised apart have similar levels of job satisfaction. Arvey, R. D.; Bouchard, T. J.; Segal, N. L.; Abraham, L. M. (1989).

A significant model that narrowed the scope of the dispositional approach was the Core Self-evaluations Model, proposed by Timothy A. Judge, Edwin A. Locke, and Cathy C. Durham in 1997. Judge et al. argued that there are four Core Self-evaluations that determine one's disposition towards job satisfaction: self-esteem, general self-efficacy, locus of control, and neuroticism. This model states that higher levels of self-

esteem (the value one places on his/her self) and general self-efficacy (the belief in one's own competence) lead to higher work satisfaction. Having an internal locus of control (believing one has control over her\his own life, as opposed to outside forces having control) leads to higher job satisfaction. Finally, lower levels of neuroticism lead to higher job satisfaction.

Equity theory

According, Walster, E. E. Berscheid and G. W. Walster. (1973) Equity Theory shows how a person views fairness in regard to social relationships such as with an employer. A person identifies the amount of input (things gained) from a relationship compared to the output (things given) to produce an input/output ratio. They then compare this ratio to the ratio of other people in deciding whether or not they have an equitable relationship.

Equity Theory suggests that if an individual thinks there is an inequality between two social groups or individuals, the person is likely to be distressed because the ratio between the input and the output are not equal. For example, consider two employees who work the same job and receive the same pay and benefits. If one individual gets a pay raise for doing the same work as the other, then the less benefited individual will become distressed in his workplace. If, on the other hand, both individuals get pay raises and new responsibilities, then the feeling of equity will be maintained.

Other psychologists have extended the equity theory, suggesting three behavioral response patterns to situations of perceived equity or inequity. These three types are benevolent, equity sensitive, and entitled. The level by each type affects motivation, job satisfaction, and job performance.

1. Benevolent-Satisfied when they are under-rewarded compared with co-workers
2. Equity sensitive-Believe everyone should be fairly rewarded
3. Entitled-People believe that everything they receive is their just due

Discrepancy theory

The concept of discrepancy theory is to explain the ultimate source of anxiety and dejection. An individual who has not fulfilled his responsibility feels the sense of anxiety and regret for not performing well. They will also feel dejection due to not being able to achieve their hopes and aspirations. According to this theory, all individuals will learn what their obligations and responsibilities are for a particular function, and if they fail to fulfill those obligations then they are punished. Over time, these duties and obligations consolidate to form an abstracted set of principles, designated as a self-guide. Agitation and anxiety are the main responses when an individual fails to achieve the obligation or responsibility. This theory also explains that if achievement of the obligations is obtained then the reward can be praise, approval, or love. These achievements and aspirations also form an abstracted set of principles, referred to as the ideal self-guide. When the individual fails to obtain these rewards, they begin to have feelings of dejection, disappointment, or even depression. (Higgins, E. T. 1999b).

Two-factor theory (motivator-hygiene theory)

Frederick Herzberg's two-factor theory (also known as motivator-hygiene theory) attempts to explain satisfaction and motivation in the workplace. This theory states that satisfaction and dissatisfaction are driven by different factors – motivation and hygiene factors, respectively. An employee's motivation to work is continually related to job satisfaction of a subordinate. Motivation can be seen as an inner force that drives individuals to attain personal and organizational goals. Motivating factors are those aspects of the job that make people want to perform, and provide people with satisfaction, for example achievement in work, recognition, promotion opportunities. These motivating factors are considered to be intrinsic to the job, or the work carried out. Hygiene factors include aspects of the working environment such as pay, company policies, supervisory practices, and other working conditions.

2.5.2 Dimensions of Job Satisfaction

According to Locke (1975), job satisfaction involves the following dimension:

- Work, which is inclusive of intrinsic interests, variety, opportunity for learning and enhances for success.
- Pay, including amount, fairness and equity.
- Promotion, including opportunities
- Recognition including raises for accomplishment and credit for work done.
- Benefits which include pension, medical, annual leave and vacation leave
- Working conditions such as equipment, ventilation and location
- Supervision includes supervisory style and influence and human relations
- Coworkers including competence, helpfulness and friendliness
- Company and management which includes concerns for the employee research.

2.6 EMPIRICAL REVIEW

According to McCormick and Ilgen (1985), job satisfaction is always the primary interest of researchers. This can be proven by Locke's report in 1976. He found that 'from as early as the work of Haprock in 1935 until Locke's review and critique in 1976, there are over 3000 published studies on job satisfaction'. McCormick and Ilgen (1985) believe that the complexity of the job's concept is caused by its facets such as opportunities for promotion, the work itself, pay and co-workers. Although the previous researchers found many job dimensions which are related to the job satisfaction either specifically or diverse, Locke (1976) found a new set of common dimension. This common dimension can describe most of the predictable variable in job satisfaction very well. McCormick and Ilgen (1985) also agreed that a common core job dimension is an index of job satisfaction over a wide variety of jobs. It can be classified as events and agents according to Locke.

Job satisfaction is a result of an individual's perception and evaluation of their job influenced by their own unique needs, values and expectations, which they regard as being important to them (Sempane,Rieger,&Roodt(2002).

Research has indicated that job satisfaction does not come about in isolation, as it is dependent on organizational variables such as structure, size, pay, working conditions and leadership, which represent the organizational climate (Sempane et al. 2002). However, if job satisfactions absent and other work opportunities present themselves, turnover could well increase (Martins & Coetzee 2007). Job satisfaction can be viewed as a reaction to a job, arising from what an individual seeks in a job in comparison with the actual outcomes that the job provides to the individual.

The article on factors affect job satisfaction in Pakistan banking sector by AamirIjaz ,Adeela Anwar ,Rab Nawaz lodhi and UmieHabiba suggest that there exists a positive correlation among the non-financial rewards and job satisfaction. Different non-financial rewards like learning & promotions, trainings, work autonomy, work life balance, working environment etc. play an important role in employee's satisfaction towards their jobs. It is concluded from the study that if the organizations want to get a quality output from their employees, they should accommodate them with nonfinancial rewards as much as possible along with the financial rewards.

An Empirical Study from Pakistan Impact of Reward and Recognition on Job Satisfaction and Motivation by Rizwan Qaiser Danish Showed that different dimensions of work motivation and satisfaction are significantly correlated and reward and recognition have great impact on motivation of the employees

The study conducted by Shagufta Sarwarand James Abugre on The Influence of Rewards and Job Satisfaction on Employees in the Service Industry on UK shows that role of employees' job satisfaction and the responsibilities of organizations in fostering good quality HRM practices in the service sectors, and offers an alternative pathway in employee satisfaction and performance. These results add to the evidence that HR practices influences business outcomes rather than the other way around.

The empirical study on Impact of Extrinsic Rewards on Job Satisfaction of Banking Sector Employees by Noreen Muhammad Faiza Maqbool Jinnah University for Women discovered that there is a constructive relationship between extrinsic rewards and job satisfaction. This study also proved that extrinsic rewards increase in feeling of fairness of employees and help them in work life balance and these variables derived job satisfaction of banking sector employees of Karachi Pakistan.

In the current competitive business environment, the banking companies are facing a lot of challenges and among these issues, getting the right employees and retaining them is one of the most important ones. In addition, today, the benefit of human resource is measured to be one of the most important advantages of any organization; and in order to acquire the results with the highest efficiency and effectiveness from human resource, motivation of employee is very essential. In fact, employees will do their highest when they feel or hope that their hard work are to be rewarded by their managers. In this regard, many factors are available that change employees performance such as worker and employer relationship, working conditions, job security, training and opportunity of development, and overall rewarding policies of the company. In addition, among the factors which impact employee job satisfaction, motivation, as a result of rewards, is the most important aspect. Dr. T. UshaPriya, and Mr. T. ShakthiEshwar An Investigative Analysis On Rewards, Motivation and Job Satisfaction of Employees in Commercial Banks-

Investing in this type of reward system can foster high-performance work teams and individuals, and help to achieve organizational goals. In this study on how reward systems can promote high performance work teams within a library environment, the researcher found that development and recognition is a shared responsibility between employee and management. So you must establish a clear connection between behavior and performance on one side and rewards on the other. Employees expected compensation and benefits as a normal parts of their rewards for working, but performance can be increased by adding to these typical rewards with recognition of achievements in front of peers, , (Rowland C. and Hall, R. (2014) Management learning, performance and reward: theory and practice revisited')

Although pay is an important part of the overall reward structure within an organization, there is no guarantee that it will lead to increased performance or even increased satisfaction. Whatever reward or combination of rewards and employee receives it needs to be meaningful. The argument that higher pay increases do not increase job satisfaction is explored in a study by Bhakta and Nagy (2005, p. 8). Using a series of psychophysical techniques with a group of 118 MBA students, it found that the pay satisfaction was the largest when in the lower percentage increase, rather than in the higher percentage increase, where the range was between 3% & 7% and 7% & 11%. In other words, there may be a point in which high pay increase may not lead to higher job satisfaction. Therefore, there is no reason to expect performance to be increased in this scenario

So rewards do not always have to be expensive, but for these low cost rewards to be successful, they need to fit in with the overall goals and management style of the company. One of the many reasons organizations establish operations across international boundaries is to take advantage of the differences in human resource management practices. According to Gunkel et al (2009, p. 308) in their study of a German multinational corporation at locations in China, Japan, Germany and the US, they found that employees in different countries have different preferences, both managerial and from a rewards point of view. This theory fits well with a total rewards approach for international managers as it allows them to vary the organizations reward system and tailor it to the specific country or culture they need to. Transplanting a managerial or HRM system from one country to another can have the opposite effect of what is desired in terms of performance and motivation. It also found that diminishing marginal utility exists over reward structures, where employees in one country can compare them to reward systems in other countries, and where this existed there was no increase in performance due to the rewards linked to this performance. It is important also to make your total rewards system distinctive from your normal compensation and benefits, otherwise it will not be seen anything more than the conventional rewards concept repackaged.

The research by Novel Solomon (2015) on the effect of reward on job satisfaction find that both intrinsic and extrinsic rewards together positive and significant relationship with job satisfaction using variable using variables such as working conditions, pay and benefit, nature of activity creativity and achievement.as per the research finding compensation and benefit, working relation and nature of the activity are found to be strong predictor of job satisfaction.

Recent research by Tariku Tadesse 2016 indicated that there is a significant relationship between financial and non-financial rewards with employees' job satisfaction. The financial reward component payment positively and significantly influence job satisfaction of employees' working in the case organization. The findings of the study revealed that nature of the job and working condition has strong effect on employees' job satisfaction as a result

2.7 CONCEPTUAL FRAMEWORK

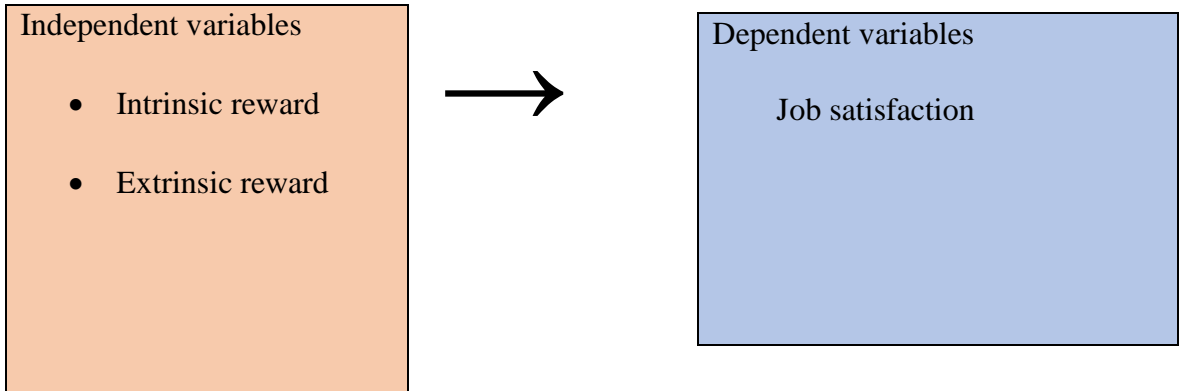
Job satisfaction is composition of intrinsic and extrinsic factors. It includes certain factors of satisfaction such as salary, allowances, encouragement, working conditions, supervision styles, organizational policies, reporting relations and self-sufficiency.

Job satisfaction is as a concept that should be embedded in a model or theory on the motivation of work behavior because job satisfaction plays an integral role in motivation theories. Job satisfaction encompasses aspects such as pay, supervision, benefits, and promotion opportunities, working conditions, co-workers and organizational practices (Griffin & Baterman, 1986). Job satisfaction is associated with how well people's personal expectations at work are aligned with outcomes. In his job satisfaction survey Spector (1985) identified and studied six facets of job satisfaction were namely: pay, promotion, supervision, benefits, contingent rewards, operating procedures, co-workers, nature of the work and communication which are so called intrinsic and extrinsic reward.

In this study the dependent variable Job Satisfaction will be studied with its independent variables intrinsic rewards like pay and benefits and extrinsic rewards

Recognition, promotion, nature of the job and working condition. The conceptual frame work has been developed referring the articles by Spector (1985) and after reviewing different literatures.

Figure: 2.1 Conceptual frameworks



Source: developed for the study

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

INTRODUCTION

The objective of this research is to examine the effect of reward on job satisfaction in Lion International Bank S.C. To this end, this chapter aims to give an overview of the research design and methodology that used to investigate the research problem. Thus, the research design, the data sources, population and the sampling technique, measuring instrument, data processing and analysis using statistical tools that are used in the entire study are presented in this chapter.

3.1 RESEARCH DESIGN

Burns and grove (2003:195) define a research design as a blueprint for conducting maximum control over factors that may interfere with the validity of the findings. According John W. Creswell (2004, P 245.) research designs define as a plans and the procedures for research that span the decisions from broad assumptions to detailed methods of data collection and analysis. This study adapted explanatory research design for explaining and interpreting relationships between reward and job satisfaction. It is characterized by the collection and analysis of quantitative data followed by the collection and analysis of qualitative data. The priority typically is given to the quantitative data, and the two methods are integrated during the interpretation phase of the study. It is typically used qualitative results to assist in explaining and interpreting the findings of a primarily quantitative study.

3.2 POPULATION AND SAMPLING DESIGN

3.2.1 Population of the study

The study with a total population of 1,232 permanent employees of the bank (HR Division report, Dec. 2016) had seven strata i.e. Executives, Directors, Division Managers, Branch Managers/Section Heads, Senior Officers/CSM and Officers'. The

employee from each strata are selected randomly from randomly selected branches which includes out branches and city branches. Employees who are non - clericals and below one year experience were not included in this research due to the short available time, expected rate of return from the study and the degree of literacy etc.

Sample size

The Sample size (234) was determined based on the sample size determination formula for. Here, in the study, the information used in the formula included assuming with 99% confidence level, estimated variance (2.58) and acceptable margin of error 0.01 and sampling size calculated by formula: (Kothari 2004).

$$Ss = \frac{N z^2 ((Se)^2 * (1-P))}{N Se^2 + ((z)^2 * p (1-p))}$$

Where; N = Total number of population

Z = standard value (2.58) for 99% reliability

Se = Sampling Error- 0.01

P = Largest possible proportion – 0.50

$$\frac{1232 * 2.58^2 + ((0.01)^2 * (1-0.5))}{1232 * 0.01^2 + ((2.58)^2 * 0.5(1-0.5))} = 234$$

Using the above formula, the calculated sample size was 234. and the sample was distributed to 234 respondents proportionally under the sample frame. Questionnaires were distributed to the respondents. From 234 questionnaires distributed, 220(94%) were collected and used for data analysis purpose.

3.2.2 Sampling Design

3.2.2.1 Sampling Method

According to Steven k. Thompson (2012) stratified sampling method is applied if a population is partitioned into strata. Kothari (2004), stratified sampling method is applied if a population from which a sample is to be drawn does not constitute a homogeneous group.

The study used stratified random sampling appropriate for selecting samples from the population which is diversified in terms of age, sex, educational qualification, job's variety and other parameters (are Executives, Directors, Division Managers, Branch Managers/Section Heads, Senior Officers/CSM and Officers).The participants' perceptions of job satisfaction on issues like reward practice has expected to be varied accordingly. A stratified random sampling allows us to take into account the different subgroups of people in the population

3.2.2.2 Sampling Frame

The study was used explanatory research type through the stratified random sampling method that from both Managerial and Non-Managerial staffs was participated. The Management staff members include senior executives, directors, and Division Managers branch managers and Non-Managerial includes: senior officers/CSM and Officers.

Population	Population Size	Sample Size
Senior Executive	1	
Directors	4	4
Division Managers	7	4
Branch Managers/Section Heads	15	12
Senior Officers/CSM	35	33
Officers	172	167

3.3 TYPES OF DATA AND INSTRUMENTS OF DATA COLLECTION

3.3.1 Types of Data

3.3.1.1 Primary data

According to Sekaran (2006), data that gathered for research from the actual site of occurrence of events are called primary data. For the purpose of this study, questionnaire used as the research instrument and distributed to the employee of lion international bank.

3.3.1.2 Secondary data

Refer to the data that gathered through existing sources by someone than the researcher conducting the current study such as company record, publication, industry analysis offered by the media, web publications. For this study, researcher gathered from different related Books Journals, Articles, and internal reports.

3.3.2 Instruments

The measuring instrument used for this study was the short form of Minnesota Satisfaction Questionnaire (.MSQ). To measure the intrinsic and extrinsic reward satisfaction factor as the independent variables and general job satisfaction as the dependent variable. The short-form MSQ used to make short and easy for respondents. The first part of the short-form MSQ asked about the demographic information of the participants. The second part measured three different dimensions such as: intrinsic, extrinsic and Overall Job satisfaction. All items were answered on a 5-point satisfaction scale (1 = very dissatisfied to 5 = very satisfied).

Validity

According to Creswel, (2003), validity refers to the extent to which the measurement instrument actually measures what it intended to measure. It is used to suggest

determining whether the findings are accurate from the standpoint of the researcher, the participant, or the readers an account. Validity is the most critical criterion and indicates the degree to which an instrument measures what it is supposed to measure. (Kothari, 2004).To test the validity of the questionnaire sample questionnaires were distributed for pilot sample Population and based on the comments corrections has been made.

Reliability

Reliability is the degree to which an assessment tool produces stable and consistent result. (Kothari, 2004).

Cronbachs alpha show whether the designed questionnaire is accurately to measure the latent variable and commonly used to see if the questionnaire with multiple likret scale questions are reliable. If alpha is >.9 excellent. 0.8-0.9 good .0.7-0.8 acceptable. 0.6-0.7 questionable 0.5-0.6=5-0.6 poor and <50 unacceptable. (Kothari, 2004).

This study also used the cronbachs alpha to determine the reliability of the questionnaire, and the result shows that the questionnaire good reliable even we can say that it is excellent reliable.

Table 3.1 Reliability statistics

Cronbaches alpha	no items
.896	24

3.4 DATA COLLECTION PROCEDURES

The data used in this study is both primary and secondary data. The primary are gathered from randomly selected sample employees of the bank by using Minnesota Satisfaction Questionnaire (MSQ) and quantitatively measured on a five point Likert scale. Secondary data also collected through document review from existing information available in reports of the bank, web site, books, articles and Journals.

3.5 METHODS OF DATA ANALYSIS

After the questionnaires had been collected the researcher checked if there were unintended participants who had filled the questionnaire distributed to the samples and had organized the returned questionnaire. Then the researcher performed the analysis process for the collected valid data using Statistical package for social science (SPSS). Descriptive analysis, Correlation analysis and regression analysis were used to analyze the result. Tables were also used to make easily understanding of the analysis

3.5.1 Descriptive Analysis

The transformation of raw data into a form that will make them easy to understand and interpret; rearranging, ordering, and manipulating data to generate descriptive information. Descriptive Statistics allows the researcher to give explanation of different pieces of data with a few indices. Descriptive statistics such as standard Deviation and means were obtained for the independent and dependent variables.

3.5.2 Correlation Analysis

Correlation Analysis refers to the strength of a relationship between two variables. A strong, or high, correlation means that two or more variables have a strong relationship with each other, while a weak or low correlation means that the variables are hardly related. Correlation analysis is the process of studying the strength of that relationship with available statistical data.

3.5.3 Regression Analysis

Regression analysis is a statistical process for estimating the impact among variables. It includes many techniques for modeling and analyzing several variables, when the focus is on the relationship between a dependent variable and one or more independent variables (or 'predictors'). The researcher use regression analysis to find out how the typical value of the dependent variable (Job satisfaction) changes when any one of the independent variables (intrinsic and extrinsic reward) is varied, while the other

independent variables are held fixed. It was used to measure the relative strength of independent variables on dependent variable.

Model for Regression Analysis

Multiple regression is used when we want to predict the value of a variable based on the value of two or more other variables.

The multiple regression models have written with Two independent variables (intrinsic and extrinsic reward) and one dependent variable Job satisfaction) as:

$$Y = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + e_i;$$

Where y =dependent variables, x_1, x_2 independent variables, β_0 is the intercept, β_1 measures of change in y with respect to x_1 , holding other factor fixed, β_2 measures of change in y with respect to x_2 , holding other factor fixed and e_i is error term.

3.6 RESEARCH ETHICS

The Organizations code of ethics taken in to account without significantly compromising findings of the study, so It could not be ethical to access some confidential documents of the organization. When the researchers anticipate data collectors, they need to respect the participants and sites for the research.(Creswell (2003, p. 64) In the study there should be maintain objectivity, courtesy and high professional standards through scientific process and no falsification, alteration or misrepresentation of data for political or other purposes. And it also kept or protected the confidentiality of the research subjects.

CHAPTER FOUR

RESULTS AND DISCUSSION

INTRODUCTION

This chapter deals with analysis and presentation of the data collected through questionnaire. Descriptive statistics frequencies, mean and standard deviation were used to analyze the data. The findings from the questionnaires were analyzed by using SPSS (version 20). Among the 234 questionnaires that were distributed to employees as a representative of the total population 220 questionnaires were properly filled and returned which is 94% response rate. The first part of the questionnaire consists of the demographic information of the participants. Whereas the second part intended to obtain respondents opinion and perception regarding intrinsic and extrinsic rewards of the bank.

4.1 DEMOGRAPHIC DATA

The demographic information of respondent gathered for this study were gender, age, marital status, education level, years of service, monthly income and current position as it is shown in table 4.1 below.

Table 4.1: Frequency Distribution and percentage of Demographic Data

Respondent profile			
Demographic Characteristics	Categories	Frequency	Percent
Gender	Male	157	71.4
	Female	63	28.6
Age	19-30	135	61.4
	31-40	76	34.5
	41-50	8	3.6
	50 +	1	.5

Marital status	Single	166	75.5
	Married	52	23.6
	Separated	2	.9
Educational level	Diploma	10	4.5
	BA degree	193	87.7
	Master +	17	7.7
Service year at LIB	1-4	189	85.9
	4-7	28	12.7
	7+	3	1.4
Job category	Clerical	176	80.0
	Professional	16	7.3
	Managerial	28	12.7
monthly income	3000-5000	3	1.4
	5001-7000	73	33.2
	7001-10,000	106	48.2
	10,000+	38	17.3
current position	Officer	167	75.9
	Senior officer	33	15.0
	Branch manager/section head	12	5.5
	Division manager	4	1.8
	Director	4	1.8

As show in the above table 4.1, about 157(71.4%) of the respondents are male and the remaining 63(28.6%) are female. This shows that, number of proportions between male and female employees in the company is not proportional. With regard to respondents' age category, the highest group of respondents i.e. 135(61.4%) fall under age category of 19-30. The next higher group 76 (34.5%) fall under age category 31-40. This implies that about 95.9% of the respondents are below 40 years of age,

Therefore, most of LIB employees are youngsters. The remaining group of respondents is between age category of 40 to 50 and above. From this result we can observe that the majority of employees are at the productive age group. Hence the Bank may not face the problem of aged employees but it also indicate that the bank safer to retain the younger employee.

With regard to respondents' marital status, 166 (75.5%) are single, 52(23.6%) are married and the rest 2 (9%) were separated. Research conducted on this area consistently indicates that married employees are more satisfied with their jobs than unmarried employee. The reason may be marriage imposes increased responsibilities that may make a steady job more valuable and important. So job satisfaction is required to have a steady job.

The table also shows 193(87.7%) of the respondents have first degree followed by number of respondents having masters degree which is 17(7.7%) and the rest belongs to have diplomas which is 10(4.5%).From this educational background of the respondents, one can easily understand that the employee taken as subjects of the study are capable of being properly understanding and answering of the questions provided to them and also are capable to take responsibility given by the bank.

Out of the respondents, 85.9% had worked for a period of 1-4 years, 12.7% for a period of between 4 and 7 years, 1.4 had been employed for more than 7 years while a few may be concluded that majority of the employees had been with the banks for less than 4 years which implies there is a problem in retaining for longer period of time, however. All respondents despite the period of service at the bank had useful knowledge required for the study.

When we see the occupational category of the respondents, the largest work force belongs to clerical category i.e.176 (75.9). Chasing this category is those grouped to be professional constituting 16(7.3%) and in third category are managerial making up 28(12.7%). From this data one can recognize that the majority of the respondent are clerical.

The above table also shows the salary classification, The participants were classified into five categories based on the salaries held at the time of the study. 3 (1.4%) of participants, were categorized under 3,000 to 5,000. The second categories were 5001 to 7,000, 73(33.2 %.) The third categories were classified as 7001 to 10,000, 106(48.2%). finally salary categorized above 10,000 constitutes 38 (17.3%).

Under job classification, the participants were classified into categories based on the Job grades in the bank. Table 4.1 illustrates that majority, 167(75.9%) of participants, were drawn from the officers of the bank. The other categories were senior officer/CSM, 33(15%), Branch Managers/Section heads Constitutes 12(5.5%), and Division Managers and Directors which constitutes 4(1.8%) for each position. Top level employees include those with responsible leadership positions at the banks' Head Offices and branch level such as Directors, Division Managers, and Branch Managers. Middle level employees are Senior Officers/Customer Service Managers, while officers at the bank Operational level. From this we can deduce that most of the respondents are officers or non-managerial which shows the level of job satisfaction on operational employee.

4.2 DATA ANALYSIS

The data collected from Employees of Lion International Bank Share Company through questionnaire was analyzed and presented below with the help of tables.

4.2.1 Descriptive Analysis of Reward Variables and Job Satisfaction

The research related questions were covered intrinsic Rewards, Extrinsic rewards and job satisfaction. In order to assess reward effects on employee's job satisfaction 11 intrinsic reward and 12 extrinsic reward related questionnaire total 23 were asked. The following Tables present the summarized descriptive analysis results of the respondents related to job satisfaction, extrinsic reward and intrinsic reward.

Survey scale: 1=Very Dissatisfied, 2= Dissatisfied, 3=I don't know, 4 = Satisfied and 5=Very Satisfied.

According to Zaidatol & Bagheri (2014) the mean score below 2.87 was considered as low, mean score from 2.88 up to 3.2 was considered as moderate and mean score above 3.3 was considers as high. This cut-off score was used to analyze the result of the descriptive analysis.

Table 4.2 Descriptive analysis result of extrinsic reward

Statement	Ver.dis. sat.	Dis.Sat .	I do not know	Sat	Ver.sat.	Mean	Std. Dev ⁿ
	F %	F %	F %	F %	F %		
The amount of pay for the work I do	47 21.4	88 39.1	8 3.6	71 32.3	8 3.6	2.58	1.242
The Chance to make as much money as my Friends	16 7.3	54 24.5	13 5.9	116 52.7	21 9.5	3.33	1.160
How my pay compares with that for similar jobs in other	54 24.5	60 27.3	22 10	71 32.3	13 5.9	2.68	1.310
Benefits (Health, Insurance Education, loan facility etc)	16 7.3	54 24.5	13 5.9	116 52.7	21 9.5	3.33	1.160
How my pay compares with	69	31	20 9.1	87	13	2.75	1.404

that of other workers.	31.4	14.1		39.5	5.9		
The opportunities for advancement on this job	16 7.3	99 45.0	38 17.3	56 25.5	11 5.0	2.76	1.069
The Way promotions given out on this job.	21 9.5	65 29.5	35 15.9	87 39.5	12 5.5	3.02	1.139
The Recognition I get for the work I do	37 16.8	58 26.4	23 10.5	91 41.4	11 5.0	2.91	1.245
The working conditions	17 7.7	57 25.9	32 14.5	84 38.2	30 13.6	3.42	1.202
The way company policies are put into practice	9 4.1	46 20.9	37 16.8	100 45.5	28 12.7	3.42	1.080
Hours worked each week and the working hour.	4 1.8	85 38.6	11 5.0	100 45.5	20 9.1	3.21	1.112
The way I am noticed when I do a good job	5 2.3	28 12.7	33 15.0	119 54.1	35 15.9	3.69	0.964

Table 4.2 shows the means and standard deviations of extrinsic reward variables .Factors such as pay, benefits, recognition, promotion, working condition, working hour, recognition, and opportunity for advancement and others rated by respondents. The result from this study shows that high mean was obtained for the item that states way they notice when they do good job(M=3.69,SD=0.964) second highest mean the working conditions (M=3.42,SD=.1.202) and the way company policy put into practice (M=3.42,SD=1.080.) , and low mean for other variables like the Chance to make as much money as their Friends(M=3.21,SD=1.112),working hour(M=3.21,SD=1.112), and promotion (M=3.02,SD=1.139) and also less mean scoring payment (M 2.58;SD 1.242), benefit, recognition and opportunity for advancement less than 3.00 mean for each. This result shows the company does not emphasis on those extrinsic reward variables.

Table 4.3 Descriptive analysis of intrinsic reward

Statement	Ver.di s.sat.	Dis.Sat.	I do not know	Sat.	Ver. sat.	Mean	Std. Dev ⁿ
	F %	F %	F %	F %	F %		
The chance to work alone on the job.	4 1.18	98 44.5	46 20.9	58 26.4	14 6.4	2.91	1.016
Being able to see the results of the work I do.	15 6.8	57 25.9	15 6.8	87 39.5	46 20.9	3.42	1.263
The chance to tell	15	45	29	92	39	3.43	1.194

people what to do	6.8	20.5	13.2	41.8	17.7		
The freedom to use my own judgment	36 16.4	74 33.6	25 11.4	47 21.4	38 17.3	2.9	1.376
The chance to try my own methods of doing the job	10 4.5	67 30.5	13 5.9	111 50.5	19 8.6	3.28	1.124
The way my co-workers get along with each other	53 24.1	60 27.3	8 3.6	80 36.4	19 8.7	2.79	1.390
The chance to be somebody in the community	18 8.2	50 22.7	32 14.5	98 44.5	22 10	3.25	1.156
The feeling of accomplishment I get from the job	51 23.2	66 30.0	13 5.9	76 34.5	14 6.4	2.71	1.323
The Spirit of cooperation among my co-workers	81 93.8	34 15.5	18 8.2	49 22.3	38 17.3	2.26	1.565
The way my boss handles his/her employees	50 22.7	34 15.5	8 3.6	100 45.5	28 17.7	3.1	1.424
The way my job provides for steady employment	1 0.5	30 13.6	62 28.2	107 48.6	20 9.1	3.52	0.857

Table 4.3 shows also the means and standard deviations of intrinsic reward variables. Intrinsic rewards are get from the work itself., so the result shows steady employment score high mean (M3.52, SD0.857) ability to see the result from the job (M3.42, SD1.263), the chance to tell people what to do also score high mean (M3.43, SD1.194), other doing job own method (M3.28 SD 1.124), chance to be somebody in community (3.25 SD 1.156) and the way boss are handle their employee (M3.1, SD1.424) .the chance to work alone ,freedom use to own judgment ,co-worker relationship, and feeling of accomplishment scores mean less than 3.00. This result indicated that the employee of LIB has moderate satisfaction on the intrinsic reward provided by the bank.

Table 4.4 Descriptive Analysis of Intrinsic Reward, Extrinsic Reward and Job satisfaction

	N	Mean	Std. Deviation
Intrinsic Reward	220	3.09	0.631
Extrinsic Reward	220	3.08	0.778
Over all Job Satisfaction	220	2.58	1.242

Descriptively, the average or mean level of job satisfaction on international bank 2.58 (SD = 1.242) on a five-point Likert Scale. This implies that on average the employees of Lion International Bank were not that much satisfied with overall job. On other hand the satisfaction on extrinsic reward and intrinsic reward is also low. The result shows that the bank`s employee job satisfaction affected by other factors rather than reward

4.3 RELATIONSHIP BETWEEN REWARD AND JOB SATISFACTION

The Pearsons Product Movement Correlation Coefficient was computed for the purpose knowing the relationship between rewards and job satisfaction of lion international bank employee.

In this research, two-tailed test was used as a relationship of the two variables considered is expected but the direction of the relationship is not known. But, with regard to the correlation that exists between the variables, when each variable is perfectly correlated with itself (obviously) and so $r=1$, when each variable is perfectly correlated but not with itself $r<1$ and when each variable is perfectly correlated but the direction of the relationship is opposite and so $r=$ negative value

Correlation is an effect size and so we can verbally describe the strength of the correlation using the guide that Evans (1996) suggests for the absolute value of r :

- 0.00 - 0.19 “very weak”
- 0.20 - 0.39 “weak”
- 0.40 - 0.59 “moderate”
- 0.60 - 0.79 “strong”
- 0.80 - 1.0 “very strong”

Table 4.5: Correlation coefficient Results of Relationships between Rewards and Job Satisfaction

	Over all Job satisfaction	Intrinsic Reward	Extrinsic Reward
Over All Job Satisfaction	1 .000	.620** .000	.635** .000
Intrinsic Reward	.620** .000	1	.840**
Extrinsic Reward	.635** .000	.840**	1

Correlation is significant at 0.01 levels (2-tailed)

The correlation analysis indicates that there is a significant and positive correlation exist between intrinsic reward and employee job satisfaction ($r=0.620$, $p >0.01$) and also extrinsic reward has significant and positive relation with job satisfaction ($r=0.539$, $p<0.01$).in terms of the relation strength both has strong relation with job satisfaction From this correlation result we can observe that increasing intrinsic reward and extrinsic reward has strong and positive effect on employees' job satisfaction.

4.4 EFFECT OF REWARD ON JOB SATISFACTION

Multiple Regressions analysis helps in order to measure the relative strength of independent variables on dependent variables i.e. to determine the impact of rewards on Job satisfaction of LIB employees.

4.4.1 Multiple Regression Analysis Results of intrinsic reward, extrinsic reward and Job Satisfaction

Table 4.6 Model Summary

Model	R	R Square	Adjusted Square	RStd. Error of the Estimate
1	.655 ^a	.429	.423	.943

Predictor: intrinsic reward and extrinsic reward

Dependent: Employee Job satisfaction

The model analysis includes the independent variable (intrinsic reward and extrinsic reward) and dependent variable (Job Satisfaction). The model summery indicate, the linear combination of the independent variable was significantly related to the dependent variable, $R=.655$, adjusted R square= $.423$ $F=81.366$ ($p=0.000$). An estimated 42.3% of total variation in the dependent variable, job satisfaction, is jointly explained by the predictors, intrinsic and extrinsic reward.

Table 4.7 Coefficient of regression analysis

	Unstandardized Coefficient		Standardize coefficient	t value	Significance
	B	Std. Error	Beta		
Constant	-1.220	3.17		-3.845	.000
Extrinsic reward	.758	.186	.385	4.068	.000
Intrinsic reward	.475	.151	.297	3.134	.002

Table 4.7 shows the coefficient of the intrinsic reward and extrinsic reward of multiple regression based on the result the multiple regression formula is drawn as :-

$$\text{Job satisfaction} = -1.220 + .385 \text{extrinsic reward} + .297 \text{intrinsic reward} + 2.011$$

The extrinsic reward beta .385 indicate when one unit of extrinsic reward increase job satisfaction increase by .385 and also one unit of intrinsic reward can add .297 on job satisfaction.

4.5 TESTING HYPOTHESIS

Based on the above regression multiple regression model the hypothesis of the study are tested and presented as follows

Hypothesis No 1

H 1 There is positive and significant relationships exist between intrinsic reward and employees Job Satisfaction.

As the above regression result shows table 4.6 intrinsic reward has $P < 0.05$ and Beta value .297 which shows that 29.7 % variance in employee job satisfaction is due to this variable. Thus intrinsic reward has positive and significant relation with job satisfaction. Therefore H1 is accepted.

Hypothesis No2

H 2 There is positive and significant relationships exist between extrinsic reward and employees Job Satisfaction.

Hypothesis Number two is also accepted because the p-value is less than 0.05 and the value of Beta .385 which shows that 38.5% change in employee job satisfaction is due to extrinsic reward. Significant relationships with employee's job satisfaction.

Hypothesis No3

H 3 Reward has a positive effect on employee's job satisfaction

Table 4.7 shows extrinsic and extrinsic reward have positive effect on employee job satisfaction jointly by 68.2% based on this reward has significant and positive effect by 68.2% on employee job satisfaction, as a result this hypothesis is accepted.

CHAPTER FIVE

SUMMARY OF FINDING, CONCLUSION AND RECOMMENDATION

Based on the finding of the research the following summary, conclusions and recommendations are presented

5.1 SUMMARY OF FINDINGS

- This study aimed to investigate the effect of reward system on job satisfaction in Lion international bank employees based on the questionnaire of randomly selected employees of 234. From the distributed 234 questionnaire 220 were returned and the response rate 94% which acceptable for data analysis and discussion of the study.
- In the descriptive analysis most of the respondents are male (71.4%), 61.4% aged in category of (19- 30) and 87.7 % of the respondents are BA/BSc holders. In addition, with regard to marital status most of the respondents are single (75.5 %) and are with service year 1-4 years (85.9 %).
- Descriptive statistics in the form of arithmetic means and standard deviations for the respondents were computed for the reward dimensions and overall job satisfaction of the bank employee. Based on the result mean values for intrinsic (M3.09, SD 0.631) and extrinsic reward (M3.08, SD 0.778) is moderate and the overall job satisfaction of the employee is low (M 2.58, SD = 1.242).
- The Pearson's Product Moment Correlation Coefficient result shows there is a significant and positive correlation exist between intrinsic reward and employee job satisfaction ($r=0.620$, $p >0.01$) and also extrinsic reward has significant and positive relation with job satisfaction ($r=0.539$, $p<0.01$).

- The model summary indicate, the linear combination of the independent variable was significantly related to the dependent variable, $R=.655$, adjusted $R\text{ square}=.423$ $F=81.366$ ($p=0.000$).The result implies an estimated 42.3% of total variation in the dependent variable, job satisfaction, is jointly explained by the predictors, intrinsic and extrinsic reward
- Regression result shows intrinsic reward has $P < 0.05$ and Beta value .297 which shows that 29.7 % variance in employee job satisfaction is due to this variable. This indicates intrinsic reward has positive and significant relationship with job satisfaction. The p-value is less than 0.05 and the value of Beta .385 which shows that 38.5% change in employee job satisfaction is due to extrinsic reward and existence of significant relationships with employee's job satisfaction. Based on the reward job satisfaction analysis p-value is less than 0.05 and the value of Beta .653 which shows that 65.3% change in employee job satisfaction is due to reward. This implies reward has significant relationships with employee's job satisfaction.
- The hypothesis test shows that there is significance and strong relationship between reward and job satisfaction and also reward has positive effect on employee job satisfaction. As a result the three hypothesis are accepted

5.2 CONCLUSION

Based on the findings of the study related demographic data and research variable analysis, the following conclusion is drawn

The bank has youngest, well educated, most unmarried and with low service year i.e. Less experienced employee. Based on this the company have difficult to retain because the employee have moveable profile.

Descriptive statistics in the form of arithmetic means and standard deviations for the respondents were computed for the reward dimensions and overall job satisfaction of

the bank employee. Based on the result mean values for intrinsic and extrinsic reward is moderate and the overall job satisfaction of the employee is low. This shows the bank employee are not satisfied. The low mean of the job satisfaction indicates that there are also other factors which make the employee dissatisfied.

The Pearson's Product Moment Correlation Coefficient was computed for the purposes of determining the relationships: The relationship between the different dimensions of the reward variables and employee's job satisfaction and relationship between rewards and job satisfaction. According the result of correlation, there is a statistically strong, significant and positive relationship between extrinsic rewards and job satisfaction. Hence, if rewards being offered to employees were to be altered, then there would be a corresponding change in job satisfaction. The results also indicate that there is a statistically positive significant and direct existing relationship between intrinsic rewards and job satisfaction, but this relationship is less as compared to the extrinsic rewards. However, if the change in intrinsic rewards accorded to employees is experienced, then there would be a corresponding change in work job satisfaction. Generally, the Regression Analysis for this study confirmed that Extrinsic Rewards and Intrinsic rewards have influential factor on job satisfaction of employees among LIB employee's.

The importance of reward in any organization is very cruiser for the employee's job satisfaction. It is natural process that human satisfaction is based on motivation and motivation can be increased with rewards. This study proves the hypothesis that extrinsic and intrinsic rewards positively change the employee's job satisfaction in lion international bank.

To generalize, analysis has shown a close relationship between two dimension of reward variables and employee job satisfaction. The result of this study suggests that both Intrinsic and Extrinsic rewards are important factors that banks need to emphasis to keep employees satisfied. Unsatisfied employees are subject to lower performance or even worse to leave organizations. As the employees stated, most of the factors they considered to leave the banks are for the reason of reward they are

not satisfied with or for better reward offer from another organization. Even though majority of employees rate reward variables as satisfied, the mean value for the variables indicates employees are unsatisfied with the reward they currently getting and may leave the organization any time for better reward.

5.3 RECOMMENDATIONS

Based on the above conclusions the following recommendations are forwarded

- Because in today's competitive and challenging business environment the management must try to acquire or retain a well-educated, motivated and experienced workers so as to be competitive in that market and to make the organization profitable
- The organization has to look for ways of improving the level of satisfaction. Especially by finding ways to improve the current payment system or scales area which shows low level of satisfaction. And also should revise the way promotion practices in the bank.
- Even if it is difficult to have the same level of satisfaction throughout all employees, the organization should look in to the level of satisfaction and the reason for the discrepancies and similarities among its different departments. These findings will therefore help in creating somehow similarities by developing best practices across the organization.
- The bank should conduct a measurement or survey on the existing level of satisfaction of its employees by external or internal professionals and effectively implement the areas of improvement pointed by its employees. This will enhance the job satisfaction and maximize the productivity of the bank.
- To create long term employee work motivation, the bank should use intrinsic rewards effectively together with extrinsic ones as they have long lasting effect
- Since employee job satisfaction affected by many factors other than reward, other researchers may explore to find out other variables like task autonomy,

work relation, organizational culture and leadership style and their effect on employee job satisfaction.

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Zeeshan Fareed^{1*}, Zain Ul Abidan², Farrukh Shahzad³, Umm-e-Amen⁴, and Rab Nawaz Lodhi⁵ The Impact of Rewards on Employee's Job Performance and Job Satisfaction

An Empirical Study Of The Factors Affecting Job satisfaction Evidence From Banking Sector of Pakistan Amir Ijaz ,Adeela Anwar, Rab Nawazlodhi , Umie Habiba

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Appendix

ST.MARY'S UNIVERSITY MA in General Business Administration

Questionnaires to be filled by Executive, Directors, Division Managers, Branch Managers/Section Heads, Senior Officers/CSM-Managers and Officers

Dear Respondent,

I am a postgraduate student of the above mentioned institution. I am currently undertaking a research project on the effect of rewards on employee' job satisfaction in LIB. Please recalls that you are selected as a possible participant because you are an employee of these organizations. Your participation in the study is completely voluntary.

The research work is for academic purpose only. Any information obtained in connection with this study will remain strictly confidential and not to be shared to any of your organization's administrators, supervisors, employees, etc.

The questionnaire will take approximately 10-15 minutes of your time. Your honest and true opinion will be valuable for this research. Thank you in advance for your assistance.

Instruction

- Don't write your name
- Put ✓ sign on the given box
- If u have any question call by this number **0967559013**

Merhawit Assefa

Demographic Information

1. Gender male female

2. Age 19-30 years old 31-40 years old
 41-50 years old >50 years old

3. Marital status single married separated
 Divorced widow

4. Educational level grad 12 or less than diploma level
 Bachelor Degree Masters and above

5. Service year at LIB 1-4 years 4-7 years > 7years

6 .Job Category managerial professional clerical

7. Monthly income in birr _____

8. What is your current position: _____

		Very Dissatisfi ed	Dissatisf ied	I don't know	Satisfied	VerySat isfied
Extrinsic Reward						
1	The amount of pay for the work I do					
2	The Chance to make as much money as my Friends					
3	How my pay compares with that for similar jobs in other					
4	Benefits (Health, Insurance , Education, loan facility etc)					
5	How my pay compares with that of other workers.					
6	The opportunities for advancement on this job					
7	The Way promotions given out on this job.					
8	The Recognition I get for the work I do					
9	The working conditions (heating, lighting, ventilation, etc) on this job.					
10	The way company policies are put into practice					
11	Hours worked each week and the working hour.					
12	The way I am noticed when I do a good job					
Intrinsic Reward						
13	Being able to see the results of the work I do.					
14	The chance to work alone on the job.					
15	The chance to tell people what to do					
16	The freedom to use my own judgment					
17	The chance to try my own methods of doing the job					
18	The way my co-workers get along with each other					
19	The chance to be somebody in the community					
20	The feeling of accomplishment I get from the job					
21	The Spirit of cooperation among my co-					

	workers					
22	The way my boss handles his/her employees					
23	The way my job provides for steady employment					
	Overall satisfaction					
	Your overall satisfaction					

Thank You for completing the questionnaire!!!

DECLARATION

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

Name

Signature & Date

ENDORSEMENT

This thesis has been submitted to St. Mary's University, School of Graduate Studies for examination with my approval as a University advisor.

Signature & Date

Advisor