



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

**ASSESSMENT OF NON-FINANCIAL REWARD SYSTEM
PRACTICE: THE CASE OF AWASH BANK S.C**

BY

EMNET GADISSA SGS/0034/2009B

JUNE, 2019

ADDIS ABABA, ETHIOPIA

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**A THESIS SUBMITTED TO ST.MARY'S UNIVERSITY, SCHOOL
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DEDICATION

This thesis is dedicated to my late father Gadissa Guluma; who always taught me to value education more than anything, I wish you are here to see this Dad.

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ACRONYMS/ABBREVIATIONS

AIB – Awash International Bank S.C

BOD – Board Of Directors

ATM – Automated Teller Machine

POS - Point Of Sale

NBE - National Bank of Ethiopia

HR – Human Resource

IFRS – International Financial Reporting Standard

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ABSTRACT

The study was designed to assess the Non-financial reward practice of Awash Bank .Typically there are various types of non-financial rewards but for this study training, Performance management, career development, supervision, recognition and quality of work life were selected. To achieve the stated objective study data were collected from employees working at the head quarter through questionnaire and for issues that cannot be addressed using questionnaire a structured interview conducted with the Manager Training and Development Division and HR Senior staffs. The validity of the questionnaire was checked by communicating with the advisor and to measure the reliability of the questionnaire Cronbach Alpha were used. The total number of the target population was 1018 out of this 125 were chosen as a sample respondents .The developed questionnaire was distributed to the sample respondents using stratified sampling, from the distributed questionnaire 95% (119) were collected. Descriptive statistics and frequencies were utilized to analyze the data and Interpretation is made by mean and percentage. The findings of the study demonstrated that even if the Bank is giving job related training it doesn't have the power to retain the employees. Concerning the performance appraisal, it is not linked with promotion and also the banks promotional policy lacks transparency, fairness and equitability due to this the employees are not motivated to perform their tasks. Besides this the result shows that the recognition practice of Awash Bank is not effective on satisfying and retaining its employees. Therefore, the researcher generally recommends Awash Bank to give high emphasis and work on the non-financial rewards practices to enhance satisfaction, motivation and retention of employees.

Key words: Non-financial reward, employees, satisfaction, motivation, retention

CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

Human resources are the life-blood of any organization. Numerous authors mentioned about Human resource as a unique and a very important resource; among them (Senyucel, 2009) stated that the importance of employees in organizations' is huge because it is the people in the organization that plan, design, implement, sustain and end an organization's life.

Even though most of the organizations are now a day's focus on gaining a competitive advantage through equipment advancement, technology improvement, implementation of good marketing strategy and other elements. However, the success or failure of an organization is largely depends on the quality of the people working therein because whether the company advance its equipment's or improve its technology the organization will not succeed without positive and creative contributions of its employees (Hargreaves & Jarvis, 1998).

In order to get the best effort and commitment from employees companies may use financial rewards like base pay, contingent or variable pay, share ownership and other monetary employee benefits or non-financial rewards such as the work environment, including recognition, quality of working life considerations, the opportunity to learn and develop skills and work/life policies. The issue related with reward is not only the concern of companies; employees are also give a great attention to the attractiveness of reward system of the organization when deciding to join new companies. As it is discussed by (Itika, 2011) when individuals decided to take up a job, there are various factors they consider; such as working conditions, the reputation of the organization, training opportunities, and security of tenure and perhaps most importantly, reward for the job. Even if the attractiveness of the reward package depends on personal perceptions, the higher the reward the better the chance of attracting, utilizing, motivating and retaining the best human resource in the organization.

Different authors discussed about the type of rewards which has longer effect on employee retention and motivation. As (Armstrong, 2007) described extrinsic rewards provided by employers will help to attract, retain and also it may decrease dissatisfaction of employees for limited periods but Intrinsic rewards related to responsibility, achievement and the work itself have a longer-term and deeper impact on motivation. This indicates that a non-financial reward has more powerful and long-lasting impact on employee performance as compared to the financial rewards. Therefore, the study assesses the non-financial reward system practice of Awash Bank. By expecting that the study will give insight on the drawback of the current non-financial reward practice to the management of the Bank.

1.2. Background of the Organization

Awash International Bank (AIB) S.C. was established in November 1994 G.C as the first private commercial bank in Ethiopia following the proclamation of the licensing and supervision of banking business No. 84/1994; it acquired its license from National Bank of Ethiopia on November 10, 1994. The bank finally opened its doors for services on February 13, 1995. Awash International Bank S.C was established with paid-up capital of Birr 24.2 million, which presently has grown to Birr 6 billion capital.

The company provides full-fledged banking services. The major services of the Bank, among others, are: mobilization of deposits, provision of credit services, International banking services, money transfer services and safe deposit services and the major non-traditional service delivery channels include, ATMs, POS terminals, mobile banking and internet banking.

As of June 2018, the total asset of the bank reached to Birr 55 billion with over 366 branches across the major areas in Ethiopia and convenient sites in Addis Ababa. In line with the Bank's policy to attract and retain talented employees, the total staff strength of the Bank reached to 7,881 by the end of June 30, 2018. During the previous fiscal year the bank allocated over Birr 25 million budget and provide training to 5,925 employees and also financially assist 760 employees pursuing their future education at higher institutions.

1.3. Statement of the Problem

The banking business now a days, it is becoming a challenge and banks have been working in a stiff competition. Since banks are service giving companies, the quality of their service depends on its employees. Having efficient and competent staff become the competitive advantage for any banks in the industry; Due to this Banks in the industry gives high emphasis on motivating and retaining their human resources.

Among the factors that helps to motivates and retain employees reward system of the company has a greater impact. Rewarding people involves reward management processes concerned with the design, implementation and maintenance of reward systems that are geared to the improvement of organizational, team and individual performance. It includes both financial and non-financial rewards (Armstrong, 2009). However over the years regarding on attracting and retaining employees, Banks in the industry give greater emphasis only to monetary rewards such as the base salary and benefits. A journal written on Ethiopian Business Review titled “Staff Retention: The Way Ethiopian Banks Do” (2014) stated that to with stand the challenge of high turnover and to be competitive in the industry several Ethiopian banks offer attractive salary and benefit packages. Similarly an article published on Addis Fortune on November 23, 2016 by (Endeshaw, 2016) focused on the monetary rewards when comparing the Banks in the industry. He describes it as Banks have been competing with each other in terms of salaries and benefits to their employees, from entry level to upwards. In addition to this many of the research done on reward management practice of Banks in Ethiopia give greater emphasis to financial rewards. For example the research done by Eden Negash on 2016 “Assessment of Reward Management System Practices” the researcher discussed more about the financial rewards offered by Awash Bank and overlooked the non-financial rewards by asserting that the company’s reward system mainly consists of financial rewards. In addition to this as it is observed on a survey Awash Bank is also give high emphasis to financial rewards to motivate and retain its employees; by providing its employee’s satisfactory salary, annual bonuses and annual salary increment for their contribution.

Besides this the bank is using a retention technique where the employees will sign a commitment form to serve the company for a minimum of half year, if not they will pay back the gross bonus amount to the bank. Even if the bank is using these strategies to retain its employees senior employees of the Bank are leaving the bank and joining other private banks & Commercial Bank of Ethiopia every year. Since non-financial rewards are the one factor for retaining and motivating employees besides the financial rewards, the research assesses the current Non-financial reward system practice of Awash Bank.

1.4. Research Questions

The study tried to answer the below listed questions:

- What are the non-financial rewards practiced in Awash Bank?
- How Awash Bank utilizes its non-financial rewards to motivate its employees?
- To what extent does the non-financial rewards practiced by the bank is accepted by the employees?
- How does Awash Bank use non-financial reward to retain its employees?

1.5. Research Objectives

The general and specific objectives of the study are discussed below:

1.5.1 General Objective

The general objective of the study is to identify the current non-financial reward practice of Awash Bank.

1.5.2 Specific Objectives

The specific objectives of the study are:

- To assess the non-financial rewards practiced by the Bank.
- To know how Awash bank uses its non-financial rewards to motivate its employees.

- To assess the acceptance of the current non-financial rewards of the bank by the employees.
- To know how Awash Bank is uses its non-financial reward package for retaining its employees.

1.6. Significance of the Study

Reward management is not just about pay and employee benefits. It is equally concerned with non-financial rewards such as recognition, learning and development opportunities and increased job responsibility (Armstrong, 2007). Accordingly reward management deals with formulation of strategies, policies and processes to ensure that the contribution of employees in the organization is recognized fairly.

In general the finding of this study has practical relevance both for the organization and other organization in the industry.

Specifically;

- For the BOD and management of Awash Bank, it enables them to gain insight about the drawback of the current non-financial reward policy so that they can improve the current practice.
- To other organizations in the industry, it allows them to design non-financial reward system; so as to motivate and retain skilled employees.
- It also serves as base for interested researchers in conducting future study on the issue.

1.7. Scope of the Study

The research is delimited to the following geographical, conceptual and methodological coverage

1.7.1 Geographical

This study has a focus on examining the non-financial reward practices of Awash Bank. To make the scope of the study manageable, the study was geographically delimited to the head quarter employees which are 1,018 in number.

1.7.2 Conceptual

The non-financial rewards are categorized in to learning and development and the work environment. Under learning and development there are Workplace learning and development, Training, Performance management & Career development. The sub-types under work environment are Core values of the organization, Leadership, Employee voice, Recognition, Achievement, Job design and role development, Quality of work life, Work life balance & Talent management (Armstrong, 2009). But for this study training, performance management, career development, leadership, recognition, and Quality of work life are selected

1.7.3 Methodological

In order to select sample respondents the research was delimited to stratified random sampling technique. The study has further delimited to standardized questionnaire and interview to collect data from respondents.

1.8. Organization of the Study

The research paper is organized in five chapters. Accordingly: Chapter one deals with background of the study and organization, statement of the problem, research question, objective of the study, significance of the study and scope of the study. In chapter two both theoretical and empirical literatures were reviewed and the findings of some related studies conducted in the area are presented. In the third chapter the research design and methods that were used to collect

data and analyzing the collected data are presented. In the fourth chapter presentation of data and interpretation were presented. In the final fifth chapter summary of findings, conclusions and recommendations were presented.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

In this chapter both theoretical and empirical literatures in the area of nonfinancial reward are reviewed. The theoretical reviews begin by discussing about reward and its types. Since the research paper is based on nonfinancial reward, the research reviews various literatures concerning nonfinancial rewards. Following this, reward management and employee retention along with factors that influence retention are discussed. Finally various theories of motivation that are relevant to the study are briefly discussed. After the theoretical review, different empirical studies were reviewed and the chapter ends up by presenting the conceptual frame.

2.1. Theoretical Literature

2.1.1 What is Reward?

Reward in Human Resource Management is the achievement or benefit received by employees for their job performance in an organization. (Anku, Amewugah, & Glover, 2018) Reward is generally understood as the total amount of financial and non-financial compensation or total remuneration provided to an employee in return for labor or service rendered at work. As the above authors define reward has both monetary and non-monetary values and it is offered to employees in return for their service or contribution given for the employer. The combination of the above rewards available to employees is named total reward. (Armstrong & Taylor, 2014) Defines Total Reward as the combination of financial and non-financial rewards made available to employees. The various aspects of reward, namely base pay, contingent pay, employee benefits and non-financial rewards, which include intrinsic rewards from the work itself, are linked together and treated as an integrated and coherent whole.

Many researchers agreed that implementing appropriate reward practice and process that combines both financial and nonfinancial reward approach is helpful for every organization. (Armstrong, 2007) Listed the benefits of a total reward approach in its book as;

- It will mark a deeper and longer-lasting impact on the motivation and commitment of employees.
- It will enhance the employment relationship
- It will bind employees strongly to the organization because of the organizations flexibility to meet their needs.
- It will help for attracting and retaining talented employees.

2.1.2 Types of Reward

The Towers Perrin model of total reward is a frequently used model that shows the categories of rewards in a four quadrant matrix. According to this model total reward combines the impact of the two major classes of reward, which are transactional rewards and relational rewards.

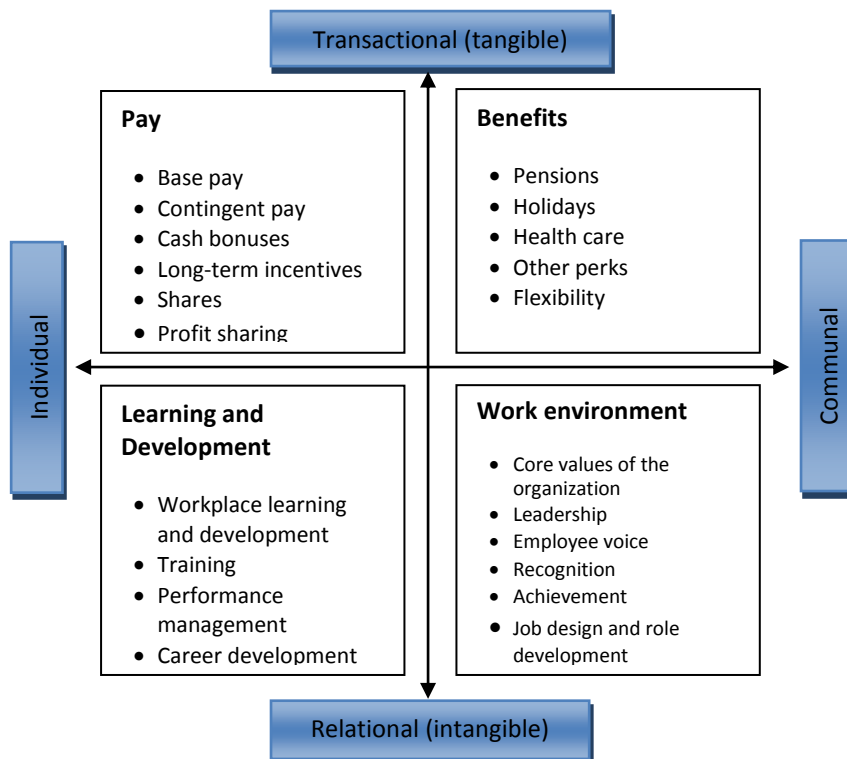


Fig 2.1 Towers Perrin model of total reward

The transactional rewards are rewards arising from transactions between the employer and employees concerning pay and benefits. They are financial in nature and are essential to recruit and retain staff but can be easily copied by competitors. The other class of total reward is relational rewards; they are intangible types of rewards that are not a part of an employee's pay. These types of rewards are essential to enhance the value of the financial reward and they are also less easy to imitate by competitors.

2.1.2.1 Relational /Non-Financial/ Rewards

A reward given that does not involve cash is categorized under relational reward. As it is shown in Towers Perrin model of total reward the types of rewards that are typically included as non-financial are put in to two categories; learning and development and work environment.

I. Learning and Development

(Armstrong, 2009) Learning and development strategy represents the approach an organization adopts to ensure that now and in the future, learning and development activities support the achievement of its goals by developing the skills and capacities of individuals and teams. Walton book (as cited in Armstrong, 2009) he described learning and development as human resource development and defines it as Strategic human resource development which involves introducing, eliminating, modifying, directing and guiding processes in such a way that all individuals and teams are equipped with the skills, knowledge and competences they require to undertake current and future tasks required by the organization. Therefore, as it is described by the above authors the aim of learning and development is to improve work force capabilities, skills and competencies to remain successful.

A. Workplace learning

The aim of workplace learning is training employees by supporting, structuring and monitoring their learning on the job. It can be used as a rewarding strategy by offering employees the opportunity to develop their skills. (Armstrong, 2007) People develop their skills, knowledge and understanding through dealing with the challenges posed by their work. This can be described as continuous learning, and line managers can be encouraged and trained to enhance this process.

B. Training

Training is given for employees to upgrade their skills to perform their jobs and gradually to develop their careers. (Armstrong, 2007) The availability of learning opportunities, the selection of individuals for high-prestige training courses and programs and the emphasis placed by the organization on the acquisition of new skills as well as the enhancement of existing ones can all act as powerful motivators. In addition to motivation he also mentions that many people now regard access to training as a key element in the overall reward package.

C. Performance Management

Performance management is a continuous process of setting objectives, assessing progress and providing on-going coaching and feedback to ensure that employees are meeting their objectives and career goals. It is known that a well-developed performance management system provides a secure frame work within which the many types of rewards can be allocated. (Torrington, Hall, & Taylor, 2008) Mentions about managing individual performance in organizations traditionally centered on assessing performance and allocating reward, with effective performance seen as the result of the interaction between individual ability and motivation.

D. Career Development

Career development is the ongoing process of developing one's career by the support of managers and organizations. (Torrington, Hall, & Taylor, 2008) Defines career in their book as the pattern or sequence of work roles of an individual upward movement and advancement in work roles.

Also (Armstrong, 2007) Emphasizes that organization can offer career development opportunity by providing people with a sequence of experience and training that will equip them for whatever level of responsibility they have the ability to reach. Rewarding people through career development is associated with the process of talent management, which deals with the recruitment and retention of talented people and their career progression. By using career development as a rewarding strategy a company can get benefits like ; Attracting potential recruits, enhancing organizations image, reduce staff turnover by encouraging employee commitment and it will also help to motivate and increase job performance of employees because employees can see some possible movement and progress in their work.

II. Work Environment

The Total Reward Association defines workplace environment as the total cluster of observable physical, psychological and behavioral elements in the workplace. (Msengeti & Obwogi, 2015) Mentions about workplace environment in their journal as it includes not only the physical elements around the work area of an employee but also all things that form part of the employee's involvement with the work itself. A positive work environment is believed to make employees feel good about coming to work and provide the necessary motivation to sustain them throughout the day. Pfeffer book (as cited in Armstrong, 2007) discussed that Creating a fun, challenging, and empowered work environment in which individuals are able to use their abilities to do meaningful jobs for which they are shown appreciation has greater effect on increasing employee performance and motivation.

According to Towers Perrin model work environment includes Core values of the organization, Leadership, employee voice, recognition, achievement, Job design and role development, quality of work life, work life balance, and talent management. Furthermore (Armstrong, 2007) elaborates the above components of work environment as follows;

A. Core Values of the Organization

To identify the significance of the core values of an organization as a basis for creating a rewarding work environment John Purcell and his colleagues at Bath University conducted a research by taking the most successful companies which have a clear vision and a set of integrated values, which were embedded, enduring, collective, measured and managed because they were concerned with sustaining performance and flexibility. The finding of the research shows that there is clear evidence existed between positive attitudes towards HR policies and practices, levels of satisfaction, motivation and commitment, and operational performance.

B. Leadership

Leadership can be defined as a process by which a person influences others to accomplish an objective and directs the organization in a way that makes it more organized and coherent. Leaders in organizations are the source of many relational rewards such as recognition through feedback, scope to carry out meaningful work and exercise responsibility and the opportunity to grow through workplace learning and training. They are crucial to the success of performance management processes and may make or strongly influence contingent pay decisions.

C. Employee Voice

Having a voice in the businesses of the firm is rewarding because it recognizes the contribution people can make to the success of the organization or their team. Employees can have a voice as an aspect of the normal working relationships between them and their managers and this is linked closely to the other relational reward factors inherent in those relationships, concerning recognition, achievement and responsibility.

But the organization, through its policies for involvement, can provide motivation and increase commitment by putting people into situations where their views can be expressed, listened to and acted upon.

D. Recognition

Recognition is one of the most powerful methods of rewarding people. They need to know not only how well they have achieved their objectives or carried out their work but also that their achievements are appreciated. Recognition can be provided by positive and immediate feedback from managers and colleagues that acknowledge individual and team contributions. It is also provided by managers who listen to and act upon the suggestions of their team members. Other actions that provide recognition include promotion, allocation to a high-profile project, and enlargement of the job to provide scope for more interesting and rewarding work.

There are other forms of recognition such as public ‘applause’, status symbols of one kind or another, sabbaticals, treats, trips abroad and long-service awards, all of which can function as rewards. But they must be used with care. Financial rewards, especially achievement bonuses awarded immediately after the event, are clearly symbols of recognition to which are attached tangible benefits, and this is an important way in which mutually reinforcing systems of financial and nonfinancial rewards can operate.

E. Achievement

The need to achieve applies in varying degrees to all people in all jobs, although the level at which it operates will depend on the orientation of the individual and the scope provided by the work to fulfill a need for achievement. People feel rewarded and motivated if they have the scope to achieve as well as being recognized for the achievement. When the motivation for achievement is high it will result in discretionary behavior. As defined by (Purcell, Kinnie, Hutchinson, Rayton, & Swart, 2003) Discretionary behavior refers to the choices that people make about how they carry out their work and the amount of effort, care, innovation and

productive behavior they display. It is the difference between people just doing a job and people doing a great job. People who are driven by the need to achieve are likely to be proactive, to seek opportunities and to insist on recognition. Achievement motivation can be increased by organizations through processes and systems such as job design and performance management.

F. Job design and Role Development

Job design has two aims: first, to meet the needs of the organization for operational efficiency, quality of product or service and productivity; and second, to reward individuals by satisfying their needs for meaningful work that provides for interest, challenge and accomplishment. Job design is not a static process in which that the roles people play at work develop as they respond to opportunities and changing demands, acquiring new skills and developing competencies. Ed Lawler (as cited in Armstrong, 2007) has suggested that, to be intrinsically motivating the role of employees should have the following characteristics;

- **Feedback:** individuals must receive meaningful feedback about their performance,
- **Use of abilities:** the role must be perceived by individuals as requiring them to use abilities they value to perform it effectively and
- **Self-control (autonomy):** individuals must feel that they have a high degree of self-control over setting their own goals and defining the paths to these goals.

G. Quality of Working life

Quality of work life is about the whole quality of an individuals working life. In the working environment anything which improves the quality of working life considered as a reward. Improving quality of working life focused on how the work is organized and the type of facilities provided as well as the design of the job or role.

For example, research workers may feel well rewarded when they have excellent laboratory or other facilities that they can use to deliver exciting results.

H. Work/life Balance

Work/life balance as the name indicates it is a program a company offers to make it easier for its employees to get their job done efficiently and effectively while balancing their personal and family needs.

A company can reward people by recognizing their needs outside work, for example, providing more flexible working arrangements and making it clear that people will not be rewarded simply because they stay on after normal finishing time. It's what they deliver that counts, not how long they work.

I. Talent Management

Talent management is about ensuring that the organization attracts, retains, motivates and develops the talented people it needs. It is associated with a number of other relational reward processes such as designing jobs and developing roles that give people opportunities to apply and grow their skills and provide them with autonomy, interest and challenge. It is also concerned with creating a working environment in which work processes and facilities enable rewarding. Talent management also means developing reward processes and a conducive working environment that ensure that the organization is 'employer of choice' one for which People want to work there and want to stay because their individual needs are met; for a good job with prospects linked to training, appraisal and working with a good boss who listens and gives some autonomy but helps with coaching and guidance. Becoming an employer of choice starts with developing the image of the organization so that it is recognized as one that achieves results, delivers quality products and services, behaves ethically and provides good conditions of employment. Organizations with a clear vision and a set of integrated and enacted values are likely to project themselves as being rewarding to work for the organization.

2.1.3 Employee Satisfaction

Employee satisfaction is also known as job satisfaction and different authors have different approaches towards defining job satisfaction. (Kaliski, 2007) Implies Job satisfaction as 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, income, promotion, and the achievement of other goals that lead to a feeling of fulfillment.

Furthermore (Armstrong, 2006) defines the term job satisfactions as the attitude and feelings people have about their work. Which is the Positive and favorable attitudes towards the job indicate job satisfaction and in reverse the negative and unfavorable attitudes towards the job indicate job dissatisfaction. Therefore, employee satisfaction is about persons' attitude and feelings towards the job and working environment. When an employee has a high level of satisfaction the tendency to look for another job and leaving the organization is minimum. Which means employee satisfaction has a link with employee retention because the higher the employees are satisfied with their job and the work environment, the more positive attitude towards the jobs and commitment to the organization for longer period.

2.1.3.1 Factors of Employee Satisfaction

As employees are an important part of every organization and this employees spend a large part of their times at their work place, understanding the factors involved in job satisfaction is vital for improving employees' performance and productivity. Since Job satisfaction is a complex and multifaceted concepts which can mean different things to different people. As (Sageer, Dr. Rafat, & Agarwal, 2012) listed on their journal, the most important factors affecting the level of job satisfaction are:

- i.* Organization Development
- ii.* Compensation and Benefit policies
- iii.* Promotion and career development
- iv.* Recognition

- v. Empowerment and Responsibility
- vi. Job security
- vii. Working environment and condition
- viii. Relationship with supervisor
- ix. Leadership style

2.1.4 Employee Retention

According to (Sandhya & Pradeep, 2011) Employee retention is a process in which the employees are encouraged to remain with the organization for the maximum period of time or until the completion of the project. Also (Shakeel & but, 2015) Define employee retention as; it is a means of keeping the employee in and with the organization for longer time by taking actions that motivate and tempt employees to stay with the organization for the maximum Period of time. Employee retention can simply expressed as the number or percent of employees who stays in the organization for a longer period of time. Keeping valuable employees requires planned and organized effort by fulfilling their diverse needs is necessary because retention of key employees in the organization is critical for the long term growth and success of any organization. Therefore, companies must create and foster an environment that encourages current employees of the organization by developing strategies, policies and practices in place that can address their diverse needs.

There are several reasons that influence or determine employees to stay in organizations. (Jepkemboi & Kimutai, 2017) Mentions in their journal that Compensation, job characteristics, training and development opportunities, supervisor support, and promotion as the top five retention factors. Similarly after reviewing different literatures (Shakeel & but, 2015) found out that the Non-financial factors i.e. work related and non-work related factors are more significant than the financial factors on retaining employees.

2.1.5 Employee Motivation

It is widely accepted that manpower is the most valuable asset of every organization because the success and failure of an organization is depends on its employees; in order to achieve the organizational goal employees do not only have to show up at work but more importantly they need to be motivated to perform their duties.

Many authors defined the concept of motivation; (Robbins & Judge, Organizational Behavior, 2013) Defines motivation as the processes that account for an individual's intensity, direction, and persistence of effort toward attaining a goal. (Armstrong, 2009)Also defines motivation as the strength and direction of behavior and the factors that influence people to behave in certain ways. Therefore, Motivation can be defined as a driving power which leads people to want to act, perform, or do something so that they can attain their goal.

2.1.5.1 Type of motivation

As it is mentioned earlier having motivated workforce ensures overall organizations growth and development. Therefore, in order to effectively apply appropriate type of motivation it is important to gain understanding of the different types of motivation. (Armstrong, 2009) In his book discuss the two types of motivation; which are intrinsic and extrinsic motivation as follows.

i. Intrinsic Motivation

Intrinsic motivation can arise from the self-generated factors that influence people's behavior. It is not created by external incentives. It can take the form of motivation by the work itself when individuals feel that their work is important, interesting and challenging and provides them with a reasonable degree of independence, opportunities to achieve and advance, and scope to use and develop their skills and abilities.

ii. Extrinsic Motivation

Extrinsic motivation occurs when things are done to or for people to motivate them. These include rewards, such as incentives, increased pay, praise, or promotion; and punishments, such as disciplinary action, withholding pay, or criticism. Extrinsic motivators can have an immediate and powerful effect, but will not necessarily last long. The intrinsic motivators are likely to have a deeper and longer-term effect because they are inherent in individuals and their work and not imposed from outside in such forms as incentive pay.

Therefore, the most basic distinction between the two types of motivation is intrinsic motivation refers to doing of an activity for its inherent satisfactions rather than for some separable consequence like pressures or rewards.

The concept of the intrinsic motivation is more related with intangible types of rewards *i.e.* workplace environment .In contrast an extrinsic motivation refers to doing an activity in order to attain some separable outcome and is external because other people control the size and whether it is granted.

2.1.5.2 Motivational Theories

Psychologists have studied human motivation and developed a number of motivational theories to explain how employees are motivated and provide suggestions for how to increase motivation in the work place because knowing which motivational theory best fits for the employees will help us to improve the organizations productivity and increase employee retention rate. The motivational theories are trying to explain how a certain behavior can be started, how can it be sustained, driven in a certain direction and stopped when the said behavior is no longer considered acceptable by the organization's standards (Mihai-Laurentiu, 2014) .

The three main areas of motivational theories are instrumentality, Content and Process theories. The instrumentality theory emerged in the half of 19th century. The theory emphasis on the need to rationalize work on economic outcomes by assuming that people will be motivated to work if rewards and penalties are tied directly to their performance.

In contrast the content or needs theories that was produced by Maslow, Alderfer, McClelland, Herzberg, and Deci and Ryan focuses on the content of motivation in the shape of needs as all behavior is motivated by unsatisfied needs. The third area of motivation theory is Process theory which emphasis is on the psychological processes or forces that affect motivation, as well as on basic needs. It concerned with Individual's perceptions of their working environment and the ways in which they interpret and understand it, because of this Process theory also called cognitive theory. The main process theories are reinforcement, expectancy, goals, equity, and cognitive evaluation (Armstrong & Taylor, 2014).

i. Herzberg Two factor Model

The theory grounded on two hundred engineers and accountant feedback collected in the USA regarding their personal feelings towards their working environments. Herzberg bases his ideas of motivation on two factors: hygiene and motivator. Hygiene factors are extrinsic and they determine the environment that work takes place i.e. money, status, conditions of work, job security, quality of management etc. These factors determine where employees are satisfied or dissatisfied. However, motivational factors are intrinsic and they are associated with the work itself i.e. recognition, acknowledgement, development etc. the absence of this factors regard as unsatisfactory and their presence at work regard as satisfactory (Senyucel, 2009). Therefore, the job satisfiers deal with the factors involved in doing the job, whereas the job dis satisfiers deal with the factors which define the job context. The work one considers to be significant leads to satisfaction. Thus factors that depict job satisfaction are completely different from those factors that lead to job dissatisfaction. Therefore, these feelings are not opposite of each other: means the opposite of job dissatisfaction is not job satisfaction, but no job satisfaction (Amoako & Baah, 2011). According to Herzberg's theory extrinsic factors contribute less to employees' motivation as compared to the intrinsic factors. The presences of these factors were just to prevent dissatisfaction in the work place. But this theory sought to encourage managers not to be one-sided in considering factors to motivate employees but rather consider all the two factors in order to optimally motivate and satisfy employees to get the best out of them.

ii. Reinforcement Theory

Reinforcement theory is the oldest and least complex of process theories. As it is formulated by Thorndike (1911), it is based on 'law of effect' which states that over time people learn about the relationships between their actions and the consequences of them and this understanding guides their future behavior. Then it was developed by Hull (1943, 1951) and later Skinner and his associates (1953) proposed reinforcement theory of motivation with the notion of 'operant conditioning' (Armstrong & Taylor, 2014) .

The theory states that individual's behavior is a function of its consequences. i.e., individual's behavior with positive consequences tends to be repeated, but individual's behavior with negative consequences tends not to be repeated. This theory focuses totally on what happens to an individual when he takes some action. Reinforcement theory of motivation highlights the state of mind of each person, that is; his emotion and feeling. The theory concentrates generally on changes which occur in each person when he or she goes through in the course of some actions or acting some behavior. Reinforcement theory of Motivation is a powerful way to control the process of action and behavior in each person. Although this theory does not focus on the causes of individual's behavior. (Gordan & krishanan, 2014) Reinforcement Theory of motivation aims at achieving the desired level of motivation among the employees by means of positive reinforcement, negative reinforcement, punishment and extinction. Managers can reinforce its employees positively by responding positively for a positive or required behavior. Rewarding an employee who performs well reinforces his/her desire to perform better because of positive results of doing so. The negative reinforcement is all about removing a certain barrier so that the employee responds to a desired behavior after the removal. The other means of motivation is imposing negative consequence or removing positive consequence as a means of punishment with a view to prevent employees from repeating undesirable behaviors. Extinction refers to extinguishing a learned behavior by withholding a positive reinforcement or reward that has encouraged the behavior.

iii. Expectancy Theory

The concept of expectancy was originally contained in the valency-instrumentality-expectancy (VIE) theory that was formulated by Victor Vroom's (1964). Valency stands for value; instrumentality is the belief that if we do one thing it will lead to another; and expectancy is the probability that action or effort will lead to an outcome (Armstrong & Taylor, 2014). Journal written by (Lunenburg, 2011) put the expectancy theory in to four assumption .

One assumption is that people join organizations with expectations about their needs, motivations, and past experiences. These influence how individuals react to the organization.

A second assumption is that an individual's behavior is a result of conscious choice. That is, people are free to choose those behaviors suggested by their own expectancy calculations. A third assumption is that people want different things from the organization (e.g., good salary, job security, advancement, and challenge). A fourth assumption is that people will choose among alternatives so as to optimize outcomes for them personally. Therefore, Expectancy theory considers that employees are motivated to apply their high level of effort when they believe that their performance will lead them to organizational rewards. But the theory fails to specify exactly which rewards will motivate particular groups of workers.

iv. Goal Theory

The goal setting theory was proposed by Edwin Locke in the late 1960s; the basic assumption of this theory is that employees' goals determine their behavior and decision at work. Locke states that motivation and performance are higher when individuals are set specific goals.

The goal setting is an important part of motivation but, to retain the necessary intensity and duration of commitment, the goals must be challenging, accepted by the employee, there must be an element of participation in the goal setting process and the employee must get valued feedback on their performance (Stredwick, 2005).

v. Equity Theory

The dictionary meaning of equity is; giving as much advantage, consideration, or latitude to one party as it is given to another. The equity theory that was proposed by Adam (1965) focuses on the assumption that individuals' perception of how fairly they are treated when compared to others will determine their motivation. According to Adam individuals can only be satisfied at work if they believe that others are sharing the same condition similar to them and the same principle applies to the effort that an individual puts into work (Senyucel, 2009). This means equity is a comparative process which involves feelings and perceptions and it is not the same with equality.

As (Al-Zawahreh & Al-Madi, 2012) put it inequity exists for person whenever he perceives that the ratio of his outcomes to inputs and the ratio of others outcomes to others inputs are unequal. Therefore, employees will be de-motivated when they feel as though their inputs are greater than the outputs. Inputs typically includes effort, loyalty, hard work, commitment, skill and ability and output includes financial rewards, recognition, responsibility, sense of achievement ,praise, sense of advancement or growth, job security.

vi. Cognitive Evaluation Theory

Cognitive evaluation theory is designed to explain the effects of external motivation on internal motivation. It was formulated by Deci and Ryan (1985) they stated that: extrinsic motivations for example feedback, when used to convey to people a sense of appreciation for work well done will tend to be experienced informationally and will maintain or enhance intrinsic motivation. But when they are used to motivate people, they will be experienced as controlling and will undermine intrinsic motivation (Armstrong & Taylor, 2014). Therefore according to Deci and Ryan theory extrinsic motivation has a negative effect on the level of intrinsic motivation and satisfaction because the reward is perceived to negatively impact the competence of the employee. These mean intrinsically motivated employees who perform work for their own achievement and satisfaction will start to believe that they are doing some job because of the pay or some other extrinsic reasons.

2.2. Empirical Review

Several studies have been done related to Non-financial reward. Here some of the studies are be discussed. (Ngcobo & Naidoo, 2015) Examined the effectiveness of non-monetary factors on Staff retention within the South African banking sector. To address the aim of the research 104 participants which held different position fill out the survey questioner. The finding of the research is that recognition, feedback, coaching, mentoring and career development will lead to staff motivation, satisfaction and retention if it is implemented correctly. The research suggested that the financial organization to adopt a total reward strategy (tangible and intangible rewards). Similarly, the study conducted by (Imran , Kashif, Dr Ahamd, & Dr ul haque, 2017) on Effect of Non-Monetary Rewards on Employee Retention with a Mediating Role of Motivation in the Banking Sector of Pakistan supports that career Development, Development Opportunities offered and Employee Recognition are the devices that administration of any organization can use to motivate and inspire employees in order to achieve organizational goal in a well efficient way. Also the findings of this study also concluded that employees who received Non-monetary rewards were retained at bank as compared to those which did not receive non monetary rewards. Other than a study conducted on the Banking sector (Smith, Joubert, & Karodia, The impact of intrinsic and extrinsic rewards on employee motivation at a medical devices company in South Africa, 2015) conducted a study on the impact of intrinsic and extrinsic rewards on employee motivation at a medical devices company in South Africa. The study included all individual within the population which is approximately 60 individuals. Which is a good thing because including all the target population gives an excellent description of the population.

The study investigated what kinds of rewards employees consider more motivational (Intrinsic or Extrinsic) and the study revealed that employees in the organization appear to be more motivated by intrinsic rewards than by extrinsic rewards, although bonuses and annual salary increases were rated as the two most motivating factors. The study stated that organizations will reap the greatest benefits by providing freedom and autonomy to pursue an intrinsically rewarding career, while simultaneously providing financial security and stability. In addition to this intrinsic rewards were reported by employees to be more motivating than extrinsic rewards.

2.3. Conceptual Frame work

Conceptual frameworks are products of qualitative processes of theorization to explore the process of building conceptual frame works (Jabareen, 2009) . The study adopts the bellow frame work.

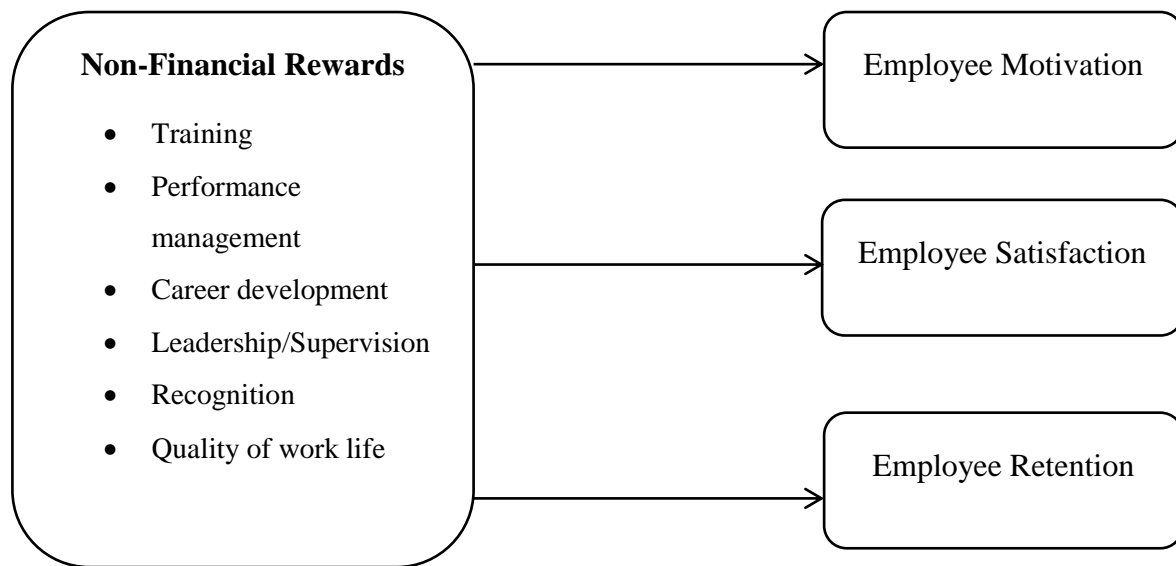


Fig 2.2 Conceptual frame work

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

This chapter presents methods that are used in carrying out the study. It provides information about the type of the research, how the research is design, the sampling technique, the data collection instrument and the techniques that are used in analyzing the collected data.

3.1. Research Design and Approach

Since it involves description of events in a carefully planned way, the research design that was adopted for this study is descriptive research design. According to (Kothari, 2004) Descriptive research studies are those studies which are concerned with describing the characteristics of a particular individual, or of a group. The major purpose of descriptive research is description of the state of affairs as it exists at present. The main characteristic of this method is that the researcher has no control over the variables; he can only report what has happened or what is happening. This method is chosen because it is more precise and accurate method to answer the problem statement and pertaining research objectives.

The research approach that was utilized for the study are quantitative and qualitative. Therefore, under quantitative approach survey design were used and under qualitative approach interview and document review method was used.

3.2. Population, Sample Size and Sampling Techniques

The study has the following population, sample size and sampling technique;

3.2.1. Target Population

Currently the bank has 8142 employees working all over the country and out of this staffs 4272 are working in the Addis Ababa and 3870 are working at outline branches. For this study the target populations are employees working at the Head Quarter which are 1018 in number.

3.2.2. Sample Size

Sample refers to the number of items to be selected from the target population. While deciding on the size of the sample, time and budgetary constraint has to be taken into consideration, however, the size of sample should be optimum that fulfills the requirements of efficiency, representativeness, reliability and flexibility (Kothari, 2004)

To determine the sample size for the study Carvalho (1984) simplified formula used. Because the target population is 1018, as it is presented below it falls in to the interval between 501-1200. Therefore, the sample size for the study is 125 by choosing the highest sample size.

Table 3.1 sample size determination

Population size	Sample size		
	Low	Medium	High
51-90	5	13	20
91-150	8	20	32
151-280	13	32	50
281-500	20	50	80
501-1200	32	80	125
1201-3200	50	125	200
3201-10000	80	200	315
10001-35000	125	315	500
35001-45000	200	500	800

Source: Carlos Marinho Carvalho, 1984

3.2.3. Sampling Techniques

There are two ways to select members for a study: randomly or non-randomly. A random sample, sometimes called a probabilistic sample, is a sample in which each member of the sampling frame has an equal chance of being selected as a study participant. A non - random sample is a sample in which each member of the sampling frame does not have an equal chance of being selected as a participant in the study (Vanderstoep & Johnston, 2009).

Therefore, in selecting members for this study Stratified random sampling technique was used. As (Kothari, 2004) put it stratified sampling results more reliable and detailed information and on this study it is easy to divide the population in to strata and this allows to sample the people proportionately based on the size of each strata. The strata for this study were Directorates and Divisions of the bank operating in the Head Quarter. In order to obtain a representative sample the study follows the method of proportional allocation, under which the sizes of the samples from the different strata are kept proportional to the sizes of the strata.

3.2 List of Directorates of Awash Bank

S.No	Directorates/Divisions	No. of employees	Sample size
1	Director, Internal Audit	56	7
2	Director, Legal Service	15	2
3	Director, Personal Banking	50	6
5	Director, SME Banking	13	2
6	Director, Business Banking	10	1
7	Director, Trade Services	97	12
8	Director, Credit analysis and Appraisal	32	4
9	Director, Portfolio Management	12	1
10	Director, IT Infrastructure and Services Management	71	9
11	Director, Business Solution	18	2
12	Director, E-Banking and IT Security	33	4
13	Director, Strategy and Corporate Transformation	34	4
14	Director, Business Promotion and Communications	35	4
15	Director, Shared Services	253	31
16	Director, Finance and Treasury	154	19
17	Director, Talent acquisitions and Management	19	2
18	Director, Learning and Development	14	2
19	Director, Employee services Management and Security Services	15	2

S.No	Directorates/Divisions	No. of employees	Sample size
20	Director, Enterprise Risk and Compliance Management	9	1
21	AB & AIC Building Administration	58	7
22	Interest-Free Banking Division	4	0
23	Construction Project Management Division	16	2
Total		1018	125

Source: Awash Bank HR Report section

3.3. Source of Data and Data Collection Instruments

In conducting the research both primary and secondary data were used.

3.2.1. Primary Data

Primary data are those which are collected for the first time, and thus happen to be original in character. To collect primary data, questionnaire was used. Because it is a satisfactory tool for collecting data with a minimum cost and time and also questionnaires have an advantage in that respondents will have time to think of their answers this helps to smaller rate of errors. In addition to these respondents may feel more at ease when answering questionnaires as they are not required to write down their names. Along with this, for issues that cannot be addressed using questionnaire a structured interview conducted with the Manager Training and Development Division and HR Senior staffs.

3.2.2. Secondary Data

The secondary data are data's those which have already been collected by someone else and which have already been passed through the statistical process. (Kothari, 2004). To utilize the secondary data for the research relevant journal articles, books, Internet browsing, the Human resource management report and policies of the bank were used.

3.4. Procedures of Data Collection

The primary data for the research were collected by developing structured questionnaire and distributing to sample respondents which are located at the Head Quarter. Also for issues that cannot be addressed using questionnaire a structured interview were conducted with the Manager Training and Development Division and HR Senior staffs.

3.5. Pilot Testing

Pilot testing is a preliminary process done to pre-test the research instrument in order to eliminate a problem that may result to low data validity and reliability. For this study to taste the reliability and validity of the developed questionnaire pilot taste was conducted by taking ten percent of the total sample which is by distributing twelve questionnaire to sample respondents .

3.5.1 Validity

Validity indicates the degree to which an instrument measures what it is supposed to measure. In other words it is the extent to which differences found with a measuring instrument reflect true differences among those being tested (Kothari, 2004).The validity of the data collection instrument is determined by discussing with the advisor . The valuable comments and recommendation given by the advisor assisted to design a data collection instrument which can adequately cover the topic under study.

3.5.2 Reliability

Reliability refers to the quality of a measurement procedure that provides repeatability and accuracy. As (Vanderstoep & Johnston, 2009) describes it reliability is the extent to which a measure yields the same scores across different times, groups of people, or versions of the instrument. Reliability is about consistency. To measure the reliability of the questionnaire Cronbach Alpha were used. An alpha coefficient of 0.75 or higher indicated that the gathered data are reliable as they have a relatively high internal consistency and can be generalized to reflect opinions of all respondents in the target population (Zinbarg, 2005).

Reliability Statistics for Training Opportunity

Cronbach's Alpha	N of Items
0.87	5

Reliability Statistics for Performance appraisal

Cronbach's Alpha	N of Items
0.89	5

Reliability Statistics for Career Development

Cronbach's Alpha	N of Items
0.89	5

Reliability Statistics for Supervision

Cronbach's Alpha	N of Items
0.88	5

Reliability Statistics for Employee Recognition

Cronbach's Alpha	N of Items
0.93	5

Reliability Statistics for Quality of Work Life

Cronbach's Alpha	N of Items
0.88	5

The above results of the test indicated that the scales are significant, having a reliability of above 0.75. The questionnaire was thus considered reliable to be used in the study for data collection.

3.6. Method of Data Analysis

In the analysis of data, descriptive analyses were employed to determine the current non-financial reward system practiced in the organization. By the support of software called Statistical Package for Social Science (SPSS Version 20) data gathered through primary method of data collection was summarized using tables and percentages to give a condensed picture of the data. To interpret the condensed primary data counting and Mean applies. Also the data collected from secondary source analyzed descriptively.

3.7. Ethical Considerations

Research ethics deals with how we treat those who participate in our studies and how we handle the data after we collect them. Each discipline will have its own ethical guidelines regarding the treatment of human research participants. (Vanderstoep & Johnston, 2009).The confidentiality of data and anonymity of respondents was clearly stated on the questionnaires. In addition to this respondents were clearly informed about the purpose of the data collection. Therefore, secrecy and confidential treatment of the replies provided by respondents was guaranteed in this manner.

CHAPTER FOUR DATA ANALYSIS AND INTERPRETATION

In this chapter data collected from sample respondents through questionnaire and document review by the researcher is analyzed and interpreted. The characteristic of respondents is presented in the first section followed by Analyses of the Collected Data.

4.1 Response Rate of Questionnaire

To collect primary data from target respondents' questionnaires were distributed to Clerical and Managerial staffs working at Head Quarter. The response rate of the questionnaire is presented on the below table,

Figure 4.1 Response Rate of Questionnaire

Response rate of the Respondents'				
Gender	Frequency	Percent	Valid Percent	Cumulative Percent
Male	70	58.82	58.82	58.82
Female	49	41.18	41.18	100.00
Missing	6			
Total	125	100.00	100.00	

Source: Own survey, 2019

The questionnaires were administered to 125 respondents. Out of these 119 questionnaires were successfully completed and returned to the researcher by respondents. This shows a return rate of 95 %, accordingly this makes the researcher confident that the data obtained from the respondents is sufficient enough to come up with realistic conclusions.

4.2 Characteristics of the Respondents

Data concerned with the characteristics of the respondents were asked on the first part of the questionnaire which consists of gender, age, educational background, year of experience and their current position. Accordingly, analysis and interpretation of the data obtained from the respondents are presented as follows:

Table 4.2 Demographic Profile of Respondents

Demographic Profile of Respondents		Frequency	Percent	Valid Percent	Cumulative Percent
Gender	Male	70	58.82	58.82	58.82
	Female	49	41.18	41.18	100.00
	Total	119	100.00	100.00	
Age	20-24	6	5.04	5.04	5.04
	25-29	49	41.18	41.18	46.22
	30-34	33	27.73	27.73	73.95
	35-39	23	19.33	19.33	93.28
	40-44	6	5.04	5.04	98.32
	above 45	2	1.68	1.68	100.00
	Total	119	100.00	100.00	
Education	Masters	33	27.73	27.73	27.73
	Degree	85	71.43	71.43	99.16
	Diploma	1	0.84	0.84	100.00
	Total	119	100.00	100.00	
Experience	1-3	19	15.97	15.97	15.97
	4-6	35	29.41	29.41	45.38
	7-9	26	21.85	21.85	67.23
	10-13	28	23.53	23.53	90.76
	Above 13	11	9.24	9.24	100.00
	Total	119	100.00	100.00	
Position	Management	6	5.04	5.04	5.04
	supervisor	31	26.05	26.05	31.09
	Other employees	82	68.91	68.91	100.00
	Total	119	100	100.00	

Source: Own survey, 2019

Figure 4.2 reveals that 59% of the respondents were male while the remaining 41% were female. This gender composition of staffs agrees with the gender composition of the Bank's HR Report (2018) that depicts 69 % of staff members are male while the remaining 31 % are women. This indicates that Awash Bank gives more opportunity to male than female so that the organization needs to encourage females.

Their age group findings on table 4.2 indicate that 5 % are between the ages of 20-24 years, 41% between 25-29 years, 28% between 30-34 years, 19% between 35 – 39 years, 5% between 40 - 44 and 2% over the age of 45 years. The majority of respondents who participated in this research were in the age category of 25-29 (41%) mostly employees in this age category are fresh graduates those who are at the early stage on entering the labor market. In line with the age group of the work experience of the respondents indicates that a large number of participants (29.41%) have 4 - 6 work experience, followed by (23.53%) of those with 10-13, 21.85% that had 7-9 years of experience and 15.97% had experience of 1-3 years. Very few (9.24%) participants have above 13 years of work experience. Many of the respondents' year of experience fall under 4-6 years; as it is mentioned before the Awash Bank join the banking industry since 1995 which is 24 years of operation. Comparing the Banks year of service in the industry, the respondents year of experience shows below half of the age of the bank this implies the bank is weak on retaining its employees.

Regarding the level of education, Table 4.2 shows that there is only one respondent with Diploma, 33 (27.73%) had a Masters degree and 85 (71.43%) had a Degree. The majority of the respondents attained a Degree; this indicates that AIB employs people who are well educated. Concerning the Job Category of the respondent 6 (5.04 %) are managerial staffs, 31 (26.05%) are on supervisory role and 82 (68.91%) are clerical employees. The educational background and the job category of the respondents reveals the sample respondents are well educated and can fully understand aspects of non-financial reward practice of the Bank.

4.3 Analyses of the Collected Data

In the second part of the questionnaire, respondents were asked research related questions .The questions covered different non-financial reward components as it is determined on the scope of the study. Therefore, the mean score analysis and interpretation is shown in the below table

Mean Score	Interpretation
1.00-1.80	Very Low
1.81-2.60	Low
2.61-3.20	Medium
3.21-4.20	High
4.21-5.00	Very High

Source: Moidunny (2009)

4.3.1 Training Opportunity

The Success or failure of an organization generally depends on the quality of its human resources. Therefore, in order to ensure the quality of employees companies must provide extensive training to their employees which could help them to have the necessary skills, knowledge, abilities and competencies needed to work. Table 4.3 gives summary of respondents' agreement on the training opportunity of Awash Bank.

Table 4.3: The Respondents view on the Training Opportunity of the Bank

No.	Statements	Frequency						Mean	Std. Deviation
		SA	A	N	D	SD	Total		
1	The Bank conduct job related training	20	67	10	16	6	119	3.66	1.06
2	The training program benefits employees to improve their performance	21	55	23	14	6	119	3.59	1.07
3	The training offered by the bank helps to increase the job motivation level of employees	16	61	25	14	3	119	3.61	0.95

No.	Statements	Frequency						Mean	Std. Deviation
		SA	A	N	D	SD	Total		
4	The employees are content with the training program of the Bank	25	68	6	11	9	119	3.75	1.12
5	The training opportunities given by the Bank has a power to retain employees	4	17	11	77	10	119	2.39	0.95
Aggregate Mean		3.40							

Source: Own survey, 2019

The aim of training is to improve the knowledge and skill of employees for doing a specific job. Conducting job related training helps employees to acquire job related competencies that are useful to improve performance and productivity of employees. As it is presented on Table 4.3 concerning the respondent view on the training opportunity of the bank, the respondents agree by a mean score of 3.66 and standard deviation of 1.06 that the bank conduct job related training to its employees. Also the employees also agreed by a mean score of 3.59 and standard deviation of 1.07 that those training programs help them to perform better in their job. When we see the effect of the training program on the employees' job motivation and how content the employees are with the training programs of the Bank the respondents agree by mean scores 3.61 and 3.75 respectively that the training program offered by the bank has a power to increase their motivation level.

Employee retention is a process which encourages employees to stay with the organization for longer period .Employees leave companies due to many reasons like when they are not satisfied with the pay, the job characteristics, the training and development opportunities, the organization leadership style and so on . As (Chen, 2014) mentions the most specific benefits of training and development is that it enhance employee retention, motivates employees and builds organizational commitment. Because staff turnover affects the performance of an organization nowadays most of the companies give high emphasis on retaining their employees In addition to affecting the performance of the organization the cost of staff turnover when experience staffs leave organization knowledge will be lost and also it will damage customer relationships.

Furthermore the table presents the power of the training programs on retaining employees, even if the majority of the respondents are happy with the training program offered by the Bank they disagree by mean score of 2.39 that the offered training programs don't have a power to hold the employees to stay longer in the organization. .

As per the interview response , The training Directorate identify the training needs from the annual plan of each of the organizational organs, when there is new system or procedure is introduced in the organization and also by informally communicating with the Directorates and Branches.

For the reason that starting from year 2016 NBE obliges all banks' in the industry to budget 2% of the banks' annual budget (except from capital budget) for personal development, Awash Bank is regularly giving training opportunity to its employees locally and abroad. The directorate evaluates the effectiveness of the delivered training by developing and distributing a survey questionnaire to the trainees' for each conducted training and also at the end of the training session the participants will have the opportunity to give their feedback about the training. Generally, as it is presented on the above table except the impact of training on employee retention, the respondents give positive response to the mentioned issues. This confirms that the bank has given a high emphasis on developing its human resource.

4.3.2 Performance Appraisal

Performance appraisal is a formal review and evaluation system of employee performance in a continuing basis. The primary aim of performance appraisal is improving of individual and organizational performance. In addition to this performance appraisal is a way to identify employees' specific need for training and development that can help to build employees strength and minimize their deficiencies. The second question on the second part of the questioner was about the organizations performance appraisal practice .The bellow table presents the respondents view on the performance appraisal practice of the Bank.

Table 4.4: The level of Respondents' Agreement on the Performance Appraisal Practice

No.	Statements	Frequency						Mean	Std. Deviation
		SA	A	N	D	SD	Total		
1	The bank conducts regular performance appraisal	16	71	14	13	5	119	3.67	0.98
2	Job promotions of the Bank are strictly based on performance appraisal	2	26	38	31	22	119	2.62	1.07
3	The Bank conducts regular performance appraisal discussion with the employees	2	21	20	53	23	119	2.38	1.04
4	The content of the Performance appraisal is adequate	2	20	27	45	25	119	2.40	1.05
5	The existing performance appraisal has significant impact on job motivation	7	19	9	63	21	119	2.39	1.13
Aggregate Mean		2.69							

Source: Own survey, 2019

As we see on Table 4.4 the respondents agree by mean score of 3.67 that Awash bank conduct regular performance appraisal. In this regard as per the Banks Personnel policy the bank conduct performance appraisal twice in a year which is at the end of June and December. Performance appraisal discussion is conducted to talk about an important feedback about employee duties, expectations and formal discussion about the employee performance. However, even if the Bank conduct performance appraisals regularly the respondents disagree by mean score of 2.38 that there is lack of regular performance appraisal discussion with the employees. The usual performance evaluation process of the Bank is at the end of every performance evaluation program, the evaluation result will be distributed to the employees for signature. If the employees agree with the given rate they will sign, if not performance appraisal discussion will be conducted with the immediate supervisor.

Performance appraisal also serves to assist in making administrative decisions concerning pay increases, promotions, transfers, or terminations. When we see the link between the performance appraisal with the job promotion, the respondents' response has a mean score of 2.62 which means the employees do not know whether they are promoted based on their result or not. Moreover, the respondents' response on the significant impact of the existing performance appraisal practice on job motivation the mean scores 2.39, This shows that because the bank treats the high performing and low performing employees equally concerning promotion, the employees are not motivated in doing their job.

Receiving feedback about one's performance increases the motivation for future performance. Therefore, the bank must consider conducting performance discussion with the employees and also the bank should link promotion with employee performance. The last respondents' agreements on the content of the performance appraisal scores mean 2.40; it indicates the measuring points of the performance appraisal are inadequate or poor.

The most basic criterion needed in employee performance appraisals evaluation criteria should be determined through job-relatedness. In this regard, the respondents' response indicates that the performance appraisal system of the Bank lacks the main components of evaluation processes i.e. performance evaluation review, link with job promotion, motivational power. Therefore, Awash Bank should seek an accurate assessment of performance appraisal system that permits the development of a plan to improve individual and group performance. Also the banks' performance evaluator or immediate supervisors must directly inform the employees how they stand with the organization by conducting regular performance appraisal review discussion.

4.3.3 Career Development

Every organization or workplace has a certain job hierarchy structure according to which an employee advances in that organization and gets promoted. Job promotion is a process of recognizing employees' talent and performance in terms of pay raise, a chance to a greater responsibility, to increased autonomy and the opportunity to meet challenges.

Job promotion is significant both for employees and the organization because to employees it helps for their individual progression and also for the organization; promotion helps to motivate its employees to perform to the best of their abilities and to retain hard working employees. Table 4.5 shows the respondents agreement on the career development practice of the Bank.

Table 4.5: The level of respondents' agreement on the Career Development practice

No.	Statements	Frequency						Mean	Std. Deviation
		SA	A	N	D	SD	Total		
1	The job promotions of the bank are fair and equitable	5	18	26	48	22	119	2.46	1.09
2	There is a clear job promotion policy in the Bank	4	32	33	33	17	119	2.78	1.10
3	The job promotion of the Bank further motivate employees	5	20	16	51	27	119	2.37	1.13
4	The employees are satisfied with the Job promotion of the Bank	2	14	34	30	39	119	2.24	1.09
5	The job promotion makes the employees to stay in the Bank for longer period	6	19	15	32	47	119	2.20	1.26
Aggregate Mean		2.41							

Source: Own survey, 2019

The result of respondent agreement on table 4.5 indicates that the respondents disagree by 2.46 mean score and 1.09 standard deviation that there is not fair and equitable job promotion within the organization. Equity is a comparative process which employees perceive about how they are being treated as compared to the other employees. As (Armstrong & Taylor, 2014) mentions employees assess the fairness or their outcomes (Promotion) in relation to their effort or qualifications and that they do this by comparing their own input/output ratio against that of other individuals.

Therefore, whichever measures and policies are adopted by a company for giving promotions to its employees, they should be exercised with utmost care and caution. The job promotion must be clearly related to effort or level of responsibility of employees.

As it is revealed by mean score of 2.78 the respondents do not know the job promotion policy of the bank. As per the interview response and the document review shows that the bank have a promotional policy which is located on the Banks personnel policy “Section V”. The section states about the aim of promotion, the promotion procedure and the pre-requisites for promotion which are availability of vacant posts, when a person in a higher post leaves the Bank, availability of post which justifies re-classification of employees , two years of minimum experience and minimum one-year service in the post if promoted recently. Therefore, the questionnaire response indicates that the promotional policy of the bank lacks transparency. One of the characteristics of regular promotion policy is ensuring open policy in the sense that every eligible employee should be considered for promotion rather than a closed system which consider only a class of employees. In non-transparent promotion, nepotism and favoritism are rooted .This could mean that promotion of staffs will not be based on performance. In an organization which lacks transparency management of the bank may exploit their position to promote his or her friends, even though they may not be qualified or deserving. This will demotivate other best performing staffs because they will get the feeling that despite a good performance they will not have the chance for promotion. In this regard the majority of respondents with a mean score of 2.37 did not agree that the current promotion practice has a power to motivate employees and also the respondents are not content with the current promotion practice of the bank by a mean score of 2.24.

Moreover, respondents don't agree by mean score of 2.20 that the existing job promotion practice has a power to make employees to stay in the organization for longer period. One of the factor which help employees to stay longer in an organization is job promotion. Employees don't want to work in a company which doesn't have a potential advancement. As (Sitati, Dr.Were, & Dr.Waititu, 2016) describes it Maslow's theory is linked to job promotion in that workers move up the pyramid during their employment experience and this helps them to stay longer in the organization because they feel self-actualized. Therefore, because job promotion has a higher

effect on employee retention the human resource professionals of the Bank must implement promotional practices which will improve the employee commitment and also that will help the organization to retain its skilled employees.

4.3.4 Supervision

Supervision can be defined as guiding the activities of people who perform the work. Supervision is a management activity, because they plan, organize, direct and control the work and the activities of employees. The below table presents the respondents view on the supervisors' style of the Bank.

Table 4.6: Respondents' View on the Supervision style of the Organization

No.	Statements	Frequency						Mean	Std. Deviation
		SA	A	N	D	SD	Total		
1	There is a positive relationship between the employees and supervisors	15	67	22	8	7	119	3.63	0.99
2	The supervisors in the Bank give clear instructions to employees on how to do their job	31	54	16	14	4	119	3.79	1.06
3	The Supervisors considers the opinions of employees in making decisions	4	18	18	48	31	119	2.29	1.12
4	The supervisor of the Bank builds organizational commitment	6	16	19	61	17	119	2.43	1.05
5	The Bank supervisors motivates employees to strive an objective	10	40	38	22	9	119	3.17	1.07
Aggregate Mean		3.06							

Source: Own survey, 2019

The interpersonal relationships that are developed between a supervisor and a subordinate plays a great role in employee commitment. As (Ariani, 2015) mentions it supervisors are a representation of the organization, therefore a good relationship between the supervisor and the

employee will make the employee to feel attached to the organization and want to be involved in the organization. Employees who are close to the supervisor will tend to do a way that is consistent with the organization's objectives.

As it is presented on Table 4.6 the respondents agree by mean of 3.63 that the relationship between the employees and supervisors are positive. Which is a good thing because developing a healthy relationship will helps the organization to be able to produce a quality of work through the employees' effort. Similar to this the respondents also agree by mean of 3.79 that the supervisors give clear instruction to the employees on how to do their job. This implies that the supervisors are effectively transmitting their knowledge on how to perform a certain task. Therefore, when the supervisor gives clear instruction, the employees will know exactly what to do and knowing that will create a confidence for performing a given job.

However, even if there is a positive relationship between the supervisors and employees the respondents disagree by mean of 2.29 that the supervisors don't consider the opinion of the employees under them in making decision. One of the components of a good supervision is involving employees in decision making. (Chapman, 1996) mentions that when employees are involved in decision making the supervisor will accomplish three things i.e. give employees a chance to know departmental problems that concern them, be able to build employees confidence due to this their productivity will increase, lastly it'll improve departmental climate by bringing people closer together. Therefore, the supervisors in the bank must begin to involve employees under them in a decision making process because involving employees decision making release employee talent and productivity which makes employees feel valued, challenged and stimulated.

Organizational Commitment is the psychological attachment that an employee has with the organization. Employees with higher organizational commitment are more positive and active with their work. Regarding organizational commitment, the respondents disagree by mean 2.43 that the supervisors don't build organizational commitment. Therefore, for the reason that organizational commitment plays a very large role in determining whether a member will stay with the organization or not, the supervisors must give high weight on creating a healthy environment which promotes an organizational commitment.

Lastly the respondents were asked on their view on the bank supervisors in motivating the employees to strive an objective. Accordingly, the respondents' response scores mean of 3.17 which shows the respondents neither agree nor disagree about the supervisors influence on striving their objective.

4.3.5 Employee Recognition

Gratitude is a fundamental human need. Employees are content when they are appreciated for their good work by their supervisors because it confirms that their work is valued. As long as employees and their work are valued, their satisfaction and productivity will improve. Recognition is a gratitude given to individuals for their good work and contribution to the organization, either informally on a day-to day basis or through formal recognition arrangements. (Armstrong, 2007). The below table shows the respondents response on the recognition practice of Awash Bank.

Table 4.7: Respondents' View on the recognition practice of the Organization

No.	Statements	Frequency						Mean	Std. Deviation
		SA	A	N	D	SD	Total		
1	The Bank management gives recognition for a good work performance	28	50	13	24	4	119	2.38	1.15
2	The Bank offers recognition proportional to the accomplishment	4	35	33	36	11	119	3.13	1.05
3	The recognition provided by the Bank helps to enhance job satisfaction	21	61	12	20	5	119	2.39	1.09
4	The recognition provided by the Bank helps to retain employees	50	23	14	26	6	119	2.29	1.34
5	The Recognition given for a good work enables employees to perform better	7	10	13	63	26	119	3.76	1.07
Aggregate Mean		2.79							

Source: Own survey, 2019

As it is presented on Table 4.7 the respondents disagree by a mean score of 2.38 that the company does not give recognition for a good work. Recognition for a good work makes employees to continue with the same passion or improve their good work. In contrary lack of recognition for a good work performance will demotivate employees. The interview response contradicts with the respondents' response. As per the interview response, the Bank gives formal recognition for a good work the interview respondent mentions as an example that on 2014 and 2018 when a system development project team and IFRS team completed their project, a monetary reward were given to the participant. This implies that the respondents' response opposes with the interview response because Awash Bank is applying only infrequent formal recognition which is when employees participated in a project team. Therefore, considering that the informal and the day to day recognition practice are a low cost and creates a positive atmosphere in the working environment Awash Bank should practice this type of recognitions because it have high potential to reach large number of employees. Concerning the recognition given is proportional or not the respondents' response shows a mean score of 3.13 which means there is absence of strong and effective recognition practice in the bank.

When considering on enhancing employee satisfaction, companies must not only focus on attractive pay and benefits. But also giving employees the attention they deserve by valuing, appreciating and recognizing of their good work. The respondents' response on the above table reveals that the respondents' disagree by mean score of 2.39 that the current recognition practice doesn't have a power on employee satisfaction. Furthermore respondents' response on the influence of the recognition practice of the Bank on employee retention shows a mean score of 2.29 which indicates the respondents' disagreement on the influence of the recognition practice on employee retention. This result supports the result regarding the employees are not satisfied with the current recognition practice. Because when employees' efforts are not overlooked and they are content with their work they will stay longer in the organization.

When recognition occurs, employees will know their hard work and commitment is being genuinely acknowledged and appreciated. People are then more motivated to continue to improve their performance by taking on new challenges and continuing to develop their skills.

Generally, Majority of the respondents by mean score of 3.76 agreed that recognition has an impact on motivation. According to Herzberg's two factor model supports respondents agreement, his idea of motivation is based on two factors i.e. hygiene and motivator factors. Motivation factors are intrinsic and they are associated with the work itself. Herzberg categorizes recognition under motivational factors.

4.3.6 Quality of work life

Quality of Work Life is the work place strategies, operations and environment which promote and maintain employee satisfaction with an aim to improving working conditions for employees so that they can achieve organizational goals. The below table presents the respondents agreement on the quality of work life of the Bank.

Table 4.8: Respondent Response on the Quality of work life of Awash Bank

No.	Statement	Frequency						Mean	Std. Deviation
		SA	A	N	D	SD	Total		
1	The Banks' technologies supports employees to work effectively	15	70	20	9	5	119	3.68	0.94
2	There is comfortable working environment in the Bank	29	49	25	12	4	119	3.73	1.05
3	The Banks culture promotes employees to stay within the organization	4	33	43	26	13	119	2.90	1.03
4	workload is evenly distributed between employees in the Bank	4	21	22	48	24	119	2.44	1.10
5	The work environment of the Bank encourages employees to do better	26	61	12	12	8	119	3.71	1.12
Aggregate Mean		3.29							

Source: Own survey, 2019

Technological infrastructure has important effects on business operations. To name the few it improve companies operational efficiency, improve customer service, decrease human error, helps for better revenue and cost management. As it is revealed on Table 4.12 majority of the respondents by mean score of 3.68 agree that the banks technology supports employees to do their work effectively.

Because primary benefit of technology is to provide a user with the information needed to do any task effectively and efficiently, On November 2014 Awash International Bank implemented a new core banking system called Fusion Banking Essence (FBE) by replacing the previous system Bank Master. Presently the bank is upgrading this system for a reason that the bank is implementing IFRS in addition to this the bank is continually automating its manual operations by developing in-house systems.

Work environment affect how employees in an organization interact and perform their tasks. A healthful work environment brings safety to employees' physical and mental capabilities in performing their daily task. As many employees spend most of their time on generating activities in the organization, the work environment plays a very important role for employee. Poor environmental conditions cause inefficient worker productivity as well as reduce employee job satisfaction, which in turn will impact on the financial well-being of the organization. Correspondingly, the respondents agreed by mean score 3.73 that the working environment is comfortable in doing their job and the respondent also agree by a mean of 3.71 that the working environment is encouraging to the employees to do their job. However, regarding the work load the respondents disagree by mean of 2.44 that work is not evenly distributed between employees.

Workload refers to the intensity of job assignments to employees. Workload leads to high stress level which ultimately affects the performance of employee. Therefore, in order to achieve optimal performance and productivity levels there must be a balanced work distribution in the organization.

To ensure that there is a consistent allocation of reasonable workload to workers (Hussain, Jaffari, Aziz, Ejaz, Ui-haq, & Raza, 2011) mentions a solution i.e. Allocate tasks to employees in such a way that their work load doesn't exceed what is expected from them and develop a system which monitors the working hour of employees.

Organizational culture is the pattern of values, norms, beliefs, attitudes and assumptions that may not have been articulated but shape the ways in which people in organizations behave and things get done. 'Values' refer to what is believed to be important about how people and organizations behave. 'Norms' are the unwritten rules of behavior (Armstrong, 2009) .Concerning the culture of the organization, the respondents neither agree nor disagree by mean of 2.90 that the current culture of the bank has an effect on promoting employees to stay with the organization for longer period. This implies that the current companies' value, norm, belief, attitude and assumption are not strong enough that the respondent doesn't know its impact on employee retention. Therefore, the Banks policy makers should consider developing a strong culture that encourages long and productive working relationship between employees. Also develop a culture that is well appreciated and consistent with the interest of the employees in order to gain their commitment and retain them for the maximum periods.

CHAPTER FIVE

FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

This research work has attempted to study the practices of Non-financial Reward at Awash Bank. Therefore, based on the data discussions, analysis and interpretation the following summary of major findings, conclusion and recommendation are presented here under.

5.1 Summary of Major Findings

☒ Concerning the training opportunity of the Bank the respondents are content with the training program because the relatedness of the training programs helps them to perform better in their job. Generally, the respondents agree that the training program has a positive effect on motivation but it doesn't help on retaining employees.

☒ The finding indicates that the Bank is regularly assessing its employees' performance at the end of June and December, but there is a lack of regular performance appraisal discussion with the employees. Correspondingly, the performance appraisal is not linked with the promotion due to this the employees are not motivated to do their job. Because the Bank treats the high performing and low performing employees equally. Overall the respondents are not happy with the performance appraisal practice of the Bank.

☒ Regarding promotion, the finding indicates that the banks promotional policy lacks transparency, fairness and equitability; because of this reasons the respondents disagree that the banks promotion doesn't have a power on employees' motivation and retention.

☒ The supervisor and employee interpersonal relationship is positive in the Bank. One of the components of a good supervision is involving employees in decision making. The finding shows that the supervisors give clear instruction to the employees on how to do their job and they have a positive relationship between them but the respondents disagree that in making decision the supervisors doesn't consider the opinion of the employees.

➤ As per Herzbergs' two factor theory recognition is categorized under the motivational factors. Regarding employee recognition, the informal and the day to day type of recognition is not practiced in Awash Bank. Also the employees are not satisfied with the recognition practice of the Bank and it doesn't have a power on retaining them.

➤ Quality of Work Life is the work place strategies, operations and environment which promote the employee satisfaction and motivation. The finding shows that the work environment is comfortable and encouraging to the employees to do their job. In addition to this the facilities provided by the bank supports the employees to do their job effectively. However, the work load between employees is not distributed evenly and there is no strong culture that encourages the employees to stay with the organization for longer period.

5.2 Conclusions

Nowadays employees are not motivated by financial compensations only, for this reason organizations are starting to implement the non-financial rewards. This study was aimed at studying the non-financial reward practice of Awash Bank. Based on the finding the following main conclusions are drawn.

➤ The non-financial rewards practiced in Awash Bank are; training and development and quality of working life are efficiently practiced by the bank. Performance appraisal, Supervision and recognition is moderately practiced and the career development is minimally practiced in the Bank.

- Regarding the influence of the current non-financial reward practice of the bank on employee motivation; the job relatedness of the training program motivates employees to do better and also the work environment of the Bank is comfortable which encourages employees to do their work effectively. Opposing to this, the career development and the performance appraisal practice of the bank doesn't help the employees to be motivated because the performance appraisal result doesn't have a link with promotion.
- The respondents are not content with the job promotion practice of the bank because it lacks fairness, equity and transparency. In a nontransparent promotional practice, when employees are promoted to higher job the others will perceive that the manager is favoring one worker more than the other. In addition to this the respondents are not happy with the recognition practice of the bank because the bank gives recognition to better performing employees infrequently i.e. when projects are completed.
- Concerning employee retention, the finding makes the researcher to conclude that the training opportunity, the performance appraisal practice, career development, supervisors of the bank, recognition and the quality of the working life of the Bank do not have much power to hold the employees to stay in the organization for longer period .

5.3 Recommendations

In view of the above conclusions drawn from the findings, the following major recommendations were made to contribute to the Non-financial practice of Awash Bank.

☒ As per the finding the Banks training program doesn't influence the employees to stay in the organization for longer period. Therefore, the Bank should frequently review the training needs of the employees and conduct appropriate training programs which influence employees to stay in the organization for longer period.

☒ The finding indicates that even though the organization conduct the regular performance appraisal, the bank don't conduct regular performance appraisal discussion with the employees. Therefore, the Bank should conduct a regular Performance appraisal discussion with the employees. Because the discussion will give an excellent opportunities for parties / the appraiser and the employee/ to exchange ideas on the employee performance and the area which needs improvement and also it will create a positive feeling to the employees'.

☒ With the data generated from the performance appraisal the management will be able to decide a better decision concerning employee promotion.as per the finding the performance appraisal is not linked with promotion. Therefore, Awash Bank should link the performance appraisal with the job promotion. Because rewarding or promoting a best performing employee have a great impact on the best performing employee and the other employees' motivation too.

☒ The finding shows that the promotional policy lacks fairness, equity and transparency. Therefore Awash bank must work on the job promotion practice, by developing a clear and transparent job promotion policy which promotes fairness, equitability and which uses employee performance and skills as criteria for promotion. This will demonstrate to the employees that the promotional decision is free of bias.

✎ The outcome of every decision made by organizations can greatly affect both the company's health and its employees. The finding indicates that even if there is a positive relationship between the supervisors and the employees, the supervisors don't involve the employees in making decision. Therefore, the supervisors of Awash Bank must consider involving the employees in making decision because involving employees in decision making will help strengthen employees trust in the organization, help to brought different ideas and instill a sense of responsibility in the heart of employees.

✎ The finding indicates that because the organization did not recognize for a good work the employees are not content with the whole recognition practice of the bank. Therefore, Awash Bank must focus on improving the recognition practice by using different recognition methods like appreciate employees on staff day , post “employee of the month” list on a board, write appreciation letter, and simply say thank you .

✎ Organizational culture reflects the environment, the behaviors, the values, the office formalities. As per the finding the current culture of Awash bank doesn't have a power on the employee retention. Therefore, Awash Bank should develop a strong company culture that promotes social interaction, teamwork, open communication and employee retention because a positive culture promotes a sense of employee loyalty.

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APPENDIX 'A'

SURVEY QUESTIONNAIRE



St. Mary University School of Graduate Studies MBA Program

Dear Sir\Madam,

This questionnaire is designed to collect data for Master's Thesis entitled "Assessment of Non-financial Reward System Practices of Awash Bank S.C". I kindly request you to provide me your honest and genuine information. The information provided by you will be kept confidential and will only be utilized for academic purpose. I would like to show my gratitude in advance for your willingness and kind cooperation in filling the questionnaire and for returning it at your earliest convenient.

If you have any question or have any problem in filling the questionnaire you can contact me via Tel No: +251-913-051443 or Email: emniopia@gmail.com

N.B: Do not write your name

Part I: Demographic Profile of the respondent

Instruction: Please put "√" or "x" mark in the box

1. Gender: Male Female
2. Age : 20-24 25-29 30-34 35-39
 40-44 above 45
3. Educational Background: PhD Masters BA/BSC Degree
 Diploma Other
4. Years of experience in AIB: 1-3 4-6 7-9
 10-13 Above 13
5. What is your current position? _____

Part II: Research Related Questions

Instruction: Please, indicate the extent to which you agree or disagree with each statement.

(SA= Strongly Agree A=Agree N= Neutral D= Disagree SD= Strongly Disagree)

A. Training Opportunity

No.	Statements	Rating Scales				
		SA	A	N	D	SD
1	The Bank conduct job specific training					
2	The training program benefits employees to improve their performance					
3	The training offered by the bank helps to increase the job motivation level of employees					
4	The employees are happy with the training program of the Bank					
5	The training opportunities given by the Bank has a power to retain employees					

B. Performance Appraisal

No.	Statements	Rating Scales				
		SA	A	N	D	SD
1	The bank conducts regular performance appraisal					
2	Job promotions of the Bank are strictly based on performance appraisal					
3	The Bank conducts regular performance appraisal discussion with the employees					
4	The Performance appraisal system of the Bank is adequate					
5	The existing performance appraisal has significant impact on job motivation					

C. Job Promotion

No.	Statements	Rating Scales				
		SA	A	N	D	SD
1	The job promotions of the bank are fair and equitable					
2	There is a clear job promotion policy in the Bank					
3	The job promotion of the Bank further motivate employees					
4	The employees are pleased with the Job promotion of the Bank					
5	The job promotion makes the employees to stay in the Bank for longer period					

D. Supervisor

No.	Statements	Rating Scales				
		SA	A	N	D	SD
1	There is a positive relationship between the employees and supervisors					
2	The supervisors in the Bank give clear instructions to employees on how to do their job					
3	The Supervisors considers the opinions of employees in making decisions					
4	The supervisor of the Bank builds organizational commitment					
5	The Bank supervisors motivates employees to strive an objective					

E. Recognition

No.	Statements	Rating Scales				
		SA	A	N	D	SD
1	The Bank management gives recognition for a good work performance					
2	The Bank offers recognition proportional to the accomplishment					
3	The recognition provided by the Bank helps to enhance job satisfaction					
4	The recognition provided by the Bank helps to retain employees					
5	The Recognition given for a good work enables employees to perform better					

F. Quality of work life

No.	Statements	Rating Scales				
		SA	A	N	D	SD
1	The Banks' technologies supports employees to work effectively					
2	There is comfortable working environment in the Bank					
3	The Banks culture promotes employees to stay within the organization					
4	workload is evenly distributed between employees in the Bank					
5	The work environment of the Bank encourages employees to do better					

Thank You!

APPENDIX 'B'

INTERVIEW QUESTIONS



St. Mary University School of Graduate Studies MBA Program

Interview Questions for the Human Resource Manager and selected Senior Human Resource staffs.

1. Does the organization regularly give training to its employees?
2. How does the organization identify the training need of its employees?
3. Does the organization evaluate the effectiveness of the employee training program? If yes how?
4. Does the organization regularly conduct performance appraisal? If yes how and when is it conducted?
5. How do the employees promoted in the Organization?
6. Does Awash Bank have a formal promotional policy? if yes how does it incorporate
7. Do you think that the non-financial rewards practiced by your organization are helping to retain employees?
8. How does the organization recognize a good performance?
9. What does the company do to improve the work life quality of its employees?
10. Finally, is there anything that you want to comment about the non-financial practices of your organization?

Declaration

I Emnet Gadissa, hereby declare that the work entitled Assessment of Non-financial Reward system practice in the case of Awash Bank S.C is the outcome of my own effort and study and that all sources of materials used for the study have been acknowledged. I have produced it independently except for the guidance and suggestion of my Research Advisor Shoa Jemal (Asst. Prof). 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.

Emnet Gadissa
St.Mary's University, Addis Ababa

Signature
June, 2019

Endorsement

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

Shoa Jemal (Asst. Prof)
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Signature
June, 2019