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THE EFFECT OF COMPENSATION AND REWARD ON EMPLOYEE PERFORMANCE: THE CASE OF WEGAGEN BANK, ADDIS ABABA CITY BRANCHES

**A Thesis Submitted To St.Mary's University School of Graduate Studies in Pa
rtial Fulfillment of the Requirements for the Degree of Master
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PERFORMANCE: THE CASE OF WEGAGEN BANK ADDIS ABABA CITY
BRANCHES**

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DECLARATION

I, **Zehara Kassahun**, declare that this thesis entitled “*The Effect of Compensation and Reward on Employee Performance: The Case of Wegagen Bank Addis Ababa City Branches* ” is my original work. I have carried out this study independently with the guidance and support of my research advisor, **Saleamlak Molla (Ph.D.)**.

The sources used have been properly acknowledged. Furthermore, this study has not been submitted before for any institution and any purpose.

ZEHARA KASSAHUN:

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DATE

CERTIFICATION

This is to certify that *Zehara Kassahun* has done the study on the topic, The Effect of Compensation and Reward on Employee Performance: the case of Wegagen Bank Addis Ababa city branches. This study is authentic and has not been done before by any other researcher on the same topic.

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ACRONYMS

IT – Information Technology

HR – Human Resource

HRM – Human Resource Management

SPSS – Statistical Package for Social Science

CSO – Customer Service Officer

CSS – Customer Service Supervisor

Q – Question

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ABSTRACT

The purpose of this research is to examine the effect of compensation and reward on the performance of employees in Wegagen Bank Addis Ababa city branches. This research is conducted through descriptive design by employing quantitative research method. The stratified random probability sampling method was employed to select respondents for the questionnaire, in order to collect primary data about the matter. A total of 333 questionnaires were distributed to the employees in the selected branches and a total of 307 employees completed and returned the questionnaire properly. In addition to this, the analysis was done by the help of SPSS version 20 and presented using descriptive statistics. The findings of the study indicated that there is significant relationship between compensation and reward, and employee's performance. The findings show that employees of the company are not happy and motivated with the compensation and reward system. Many are not satisfied with their salary compared to their contribution and they also don't have a positive attitude towards the company's benefit packages. It also shows that the reward system is not competitive with other banks, not well communicated and it cannot differentiate between high and low performers. The findings show that as a result the performance of employees is affected by the compensation and reward system of the bank. Therefore, since majority of employee's performance is affected by the compensation and reward system of the company, the bank should review their compensation and reward system and work towards having an attractive and competitive compensation, reward and recognition system in place to encourage, motivate as well as get the best performance from employees.

Key words: *Compensation system, Reward system, Employee performance*

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Organizations need highly performing individuals in order to meet their goals, to deliver the products and services they specialized in, and finally to achieve competitive advantage. No organization can achieve short, medium and long term corporate goals and objectives without the contribution of its employees; hence it is important that employees are well compensated and rewarded both financially and non-financially for the success of such organizations. The organization's compensation and reward system can play a critical role in influencing employee performance. Employees are interested in enhanced salaries as motivating elements to give out their best, which is related to numerous positive organizational outcomes, such as: increased productivity decreased absenteeism and reduced employee turnover. According to Liben (2017) good compensation was found to be one of the policies that organizations can adopt to increase their workers performance and thereby increase the organization's productivity. In today's competitive environment if an organization wants to get success then its employees must be well paid and motivated.

A close look at employee performance of many organizations today reveals that many personnel are not happy with the present compensation scheme in the organization due to the ever changing needs. Mostly employees with good education and work experience are unsatisfied with their job and salary packages as a result low performances are inevitable Abebe (2017). If employees are well compensated and rewarded, they feel happier at their work places and perform at their maximum. Sheridan (2005) opined that well-paid employees are the key to better productivity and ultimately a better performing organization. On the other hand, Nelson (1997) explains there are other means to reward employees that do not just focus on financial compensation. Some of these include the praise that employees are able to acquire from their managers, the opportunity to take on important projects or tasks, and even leadership attention.

Cowherd & Levine (1992) pointed out that reward systems have a critical role in determining the organization's ability to attract high potential employees and to retain high performing employees to achieve greater levels of quality and performance. This is largely due to the fact

that the well-rewarded employee feels that he/she is being valued by the company that he/she is working for.

Organization has many resources among these, employees are the most valuable assets of any organization without whom no production activity can take place (Pal, 2011). A good employee performance is necessary for the organization, since an organization's success is dependent upon the employee's creativity, innovation and commitment. Thus, understanding relationship between the organization and its employees is the key to improve the organization's performance in achieving its strategic objectives (Dessler, 1994). Wegagen Bank is one of the services providing business organization where its success has been relied on the performance of its employees. Hence, in this study, the effect of compensation and reward on employee performance at Wegagen Bank, Addis Ababa city branches is investigated.

Wegagen Bank is a privately owned share company which started operations on June 11, 1997 E.C with a subscribed capital of Birr 60 million and a paid up – capital of Birr 30 million. The capital of the bank reached 1.8 billion Birr in 2016. The bank envisions of Becoming the most preferred bank in Ethiopia by providing a wide range of quality banking services through a dynamic workforce and up-to-date IT solutions to satisfy the desires of all stakeholders.

1.2 Statement of the Problem

In the unpredictable business environment and intense business competition, the companies are needed to achieve ways by improving their performance to become a winner overall their competitors and become successful. Human resource is considered as the most important resource to affect job performance in organizations. To create an organization's competitive advantage is very dependent on the quality of human resources owned. For that, the company must be able to know what makes the employees motivated to maximize their potential to achieve work performance as expected so that organizational goals can be achieved.

For example, in the context of monetary reward salary increase is sought to be highly essential for employees' satisfaction (URT, 2010). In order to motivate people to put maximum efforts, it is essential that their compensation and reward should satisfy their various needs. It is worthy to note that, employee are often motivated by money and the salary a worker is paid has great influence on his/her productivity in the organization. Motivation has been considered as a critical

factor for sustainable productivity. Motivation becomes the amount of effort an employee expends on the activities or task associated with the job. Monetary rewards are the primary motivator of workers (Idrees, et al, 2015).

Several studies on reward systems and employee performance have been conducted in various countries around the world, for example in Pakistan cement industry (Quresh, Zaman and Shah, 2010), Nigerian manufacturing industry (Sajuyigbe, Bosede and Adeyemi, 2013), Bangladesh commercial banks (Aktar, Sachu& Ali, 2012) and Malaysian universities (Jalaini et al., 2013). These studies indicated that in today's environment, employees are motivated by both intrinsic (non-financial) and extrinsic (financial) rewards for greater performance and that none of the two sets of reward systems should be overlooked by managers when motivating employees for higher performance. An individual who joins an organization has a set of desires, needs, and expectations that come together and form a hope that is expected to be fulfilled by their compensation. An efficient compensation and reward system can be a good motivator for a better performance but an inefficient one can lead to demotivation which then leads to low performance. Thus, organizations need to develop strategic compensation and reward system for employees in order to retain competent employees and obtain sustainable competitive advantage.

This research is conducted to examine and investigating the effect of compensation and rewards employee's performance in Wegagen Bank Addis Ababa city branches. This analysis is made to investigate and examine the relationship between compensation and reward with employee's performance at Wegagen Bank Addis Ababa branches and also to understand the employee's point of view towards compensation and reward, whether it affects employee's performance level or not.

1.3 Research Question

This research studies the current compensation and reward system in Wegagen Bank Addis Ababa branches, and try to see the effect of the organizations compensation and reward system on employees' performance. To determine the relationship between compensation and reward with performance of employees, the study attempts to answer the following research questions.

1. Does compensation and rewards affect the performance of employees at Wegagen Bank Addis Ababa city branches?

2. To what extent does the compensation and reward system influence employee performance?
3. Does Wegagen Bank's compensation and reward system motivate employees to perform their best?
4. Which of the two types of rewards (financial and non-financial) has high effect on employees work performance in Wegagen bank Addis Ababa city branches?

1.4 Objectives of the Study

The objectives of this study are divided into general and specific objectives.

1.4.1 General Objective

The general objective of the study is to examine the effect of compensation and reward on the performance of employees in Wegagen Bank Addis Ababa city branches.

1.4.2 Specific Objectives

1. To study and identify the relationship between compensation and reward, and employee performance in the Bank.
2. To show the extent to which compensation and reward affects employee performance.
3. To examine the effect of compensation and reward on workers willingness and motivation to use their full potential while performing their jobs.

1.5 Significance of the Study

Although the primary purpose of this study is for academic use it is expected that findings from this study will be important to the management and members of Wegagen Bank as well as to other organizations in the same industry to understand the relationship between compensation and reward, and employee performance. This study will have practical significance to Wegagen Bank in understanding the effects of compensation and reward on employee performance and their intended impact on the organizational achievements. The general finding of the study will reflect the employee's point of view towards compensation, rewards, motivation and performance at Wegagen bank Addis Ababa city branches. It will also serve as reference for the company in evaluating their current compensation and salary system and suggest possible recommendations for improvement.

The study will increase employee's awareness about the relationship between compensation and reward and performance, as well as to what extent compensation and rewards affects their job performance. The study will also help employees to evaluate the current compensation and reward system in the organization and its competitiveness in the market. Moreover, the findings of the study would contribute to knowledge and literature and can also serve as a stepping stone for future researchers who are interested in related studies.

1.6 Scope of the study

The study is conducted at Wegagn Bank Addis Ababa city branches. Furthermore, the study mainly concerns about the effect of compensation and rewards on employees performance in Wegagen Bank Addis Ababa city branches. The study tries to investigate and understand the employee's point of view towards compensation and reward, whether it enhances employee's performance level or not.

1.7 Limitation of the study

The study is conducted at Wegagen Bank Addis Ababa branches. Therefore, this paper did not consider other branches of the bank found outside of Addis Ababa area and the sample is limited to employees and professional managers who are working in Wegagen Bank Addis Ababa city branches. This is owing to the limitation in time, resource and geographical location. The other limitation of this study is failure to address all factors, other than compensation and rewards that affect the performance of employees. In addition, the methodology used in the study are only quantitative research approach and descriptive research design.

1.8 Operational Definition of terms

Reward: is a thing given to any one because of his contribution to organization, it can be financial or non-financial (Armstrong, 2009).

A rewards system: is a planned and structured approach to reward one or more employee who act in a desirable way (Armstrong, 2009)

Compensation: refers to all the pay package given to workers for their services. Compensation includes employee wages and salaries, incentives, bonuses and commissions (Belcourt, 1999).

Salary: is a fixed amount of money or compensation paid to an employee by an employer in return of work done (Idrees, Xinping, Shafi, Hua & Nazeer, 2015).

Job Performance: is the achievement of specified task measured against predetermined or identified standards of accuracy, completeness, cost and speed in line with organizational goal (Ann& Jerry, 2009).

Employee Performance: is job related activities expected of a worker and how well those activities were executed. Employee performance is a dependent variable of this research to be measure based on the data that will be collected from the research questions by using different testing instrument (Ann& Jerry, 2009).

Motivation: is the willingness, initiation or desire to do something that conditioned by the activity or the ability to satisfy some needs in return (Armstrong, 2010).

1.9 Organizations of the study

This study is organized into five chapters. Chapter one is the introduction part which Contains the back ground of the study, the statement of the problem, background of the corporation, objectives of the study, research questions, significance of the study, scope and limitation of the study, definition of terms and organization of the study. In Chapter two we find the literature review which overviews different scholars' perception and identification about compensation, reward system and its relation with motivation and employee performance. The third chapter, chapter three, is about the research methodology involving the research design, source of data and collection method, sampling techniques and size, data analysis method, validity and reliability, and ethical consideration. The fourth chapter presents data analysis and interpretation. The last chapter, chapter five contains the main findings of the study, conclusion and recommendation based on the major findings of the study.

CHAPTER TWO

LITERATURE REVIEW

2.1 Theoretical Literature

In any organization tasks are performed with the help of resources; material, machine, money and most importantly men. Employees make use of these resources to generate output, without them other resources will be useless, dormant and will not produce anything. Therefore, human resource is the greatest asset any organization can have and should be given the highest priority (Ojeleye & Okoro, 2016). Organizations need highly performing individuals in order to meet their goals, to deliver the products and services they specialized in, and finally to achieve competitive advantage. Performance is also important for the individual. Accomplishing tasks and performing at a high level can be a source of satisfaction, with feelings of mastery and pride. Low performance and not achieving the goals might be experienced as dissatisfying or even as a personal failure. Although there might be exceptions, high performers get promoted more easily within an organization and generally have better career opportunities than low performers (VanScotter, Motowidlo, & Cross, 2000) Sonnentag & Frese (2001).

For an organization to function efficiently, the employer need to have a positive influence on the performance of its employee, and understand the various aspect of compensation and reward as motivators and direct their behavior towards achieving organizational objectives. While the employees have knowledge, skills, attitude, experience and qualification at their disposal, the employers on the other hand have at their disposal pay, benefits and incentives (Ax et al, 2006).

The theory of Human Resource Management is growing day by day and the banking sector is one of the most rapidly growing service sectors in Ethiopia. Banks play a vital role in economic development of a country. Now a days, in Ethiopian banks compensation and rewards are a vital instrument in employee performance. Adequate compensation and reward system helps management to hold experienced and efficient workforce in the organization. Employee feels motivated and encouraged if they know that they will be rewarded by their employer. In today's competitive environment if an organization wants to get success then its employees must be motivated. Adequate compensation and reward is one of the ways to motivate employees in order to get better performance from them. Employees are willing to work and grow together

with the company, depending on how the organization treat employees. A basic feature of any compensation and reward system is that it must cause employees to give their best to the organization.

2.1.2 The Concept of Compensation

Compensation is all forms of financial returns and tangible services and benefits employees receive as part of an employment relationship (Milkovich and Newman 1999) i.e., compensation surrounded by the employee wages and salaries, incentive-payments, bonuses, and commissions. Employee compensation contains all forms of pay and rewards received by employees for the performance of their jobs (Snell & Bohlander, (2010). According to Dessler (2011) employee compensation means all forms of pay or rewards going to employees and arising from their employment and it may be direct financial payments (Pay in the form of wages, salaries, incentives, commissions, and bonuses) and indirect financial payments (Pay in the form of financial benefits such as insurance). Werther and Davis (1996) also stated that compensation is what a worker receives in return for the work he provides. Likewise, Hasibuan (2008) defines compensation as all income in the form of money, direct or indirect goods received by employees or repayments provided to the company. From the above definitions we can say that compensation is a systematic approach to provide monetary value and other benefits to employees in exchange for their work and service.

Someone works to give time, thoughts, and energy to the organization and as a counter-achievement, the organization must provide appropriate compensation to meet the needs of life for themselves and their families. Compensation plays an important role because in general employees want balanced compensation from the company, also expect guaranteed welfare for themselves and also their families while they are still actively working and when they reach retirement. With a balanced compensation employee welfare will be met and it is hoped that employees will get satisfaction, which increases organizational commitment of employees to the organization. In this regard, Ivancevich (2010) states that: Compensation is the Human Resources Management function that deals with every type of reward individuals receive in exchange for performing organization tasks. Compensation is important for employees as individuals because the amount of compensation reflects the size of their work among the employees themselves, family and community. The community sees compensation as fairness,

where the company in determining salary does not look at gender but qualifications. While managers see compensation as the biggest expense (labor cost) and a tool to influence workers to increase performance, for employees compensation is a return to membership in the company and prize in getting the job done.

For an organization to supervise compensation efficiently, the employer need to have a positive influence on the performance of its employee, and understand the various aspect of compensation as motivators that motivate employees and direct their behavior towards achieving organizational objectives. Generous reward retain employee and ultimately lead to job satisfaction, commitment and loyalty. Compensation is the reward that workers receive for their service or contribution to the organization.

2.1.2.1 Components of Employee Compensation

2.1.2.1.1 Direct Financial Compensation

Direct compensation refers to monetary benefits offered and provided to employees in return of the services they provide to the organization. The monetary benefits include basic salary, house rent allowance, conveyance, leave travel allowance, medical reimbursements, special allowances, bonus, commission, etc. They are given at a regular interval at a definite time. Direct financial compensation is sometimes usually restricted to the direct money advantages that is received by the staff on monthly, bi-monthly or on a weekly basis for what they offer as workers of a given establishment. It might even be within the kind of stock bonus remunerate, wherever workers of the business area unit given the chance to possess shares within the establishment they work for and at the top of each year they need the chance once more to achieve some divided within the kind of equity on their dividends thus once direct monetary compensation is emphasized properly within the organization it will facilitate enhance worker productivity.

- **Salaries and wedges:** Different definitions have been advanced on salaries and wages usually to show the differences that exist between both terms. Surbhi (2015) defined salary as a fixed amount paid to the employees at regular intervals for their performance and productivity whereas wages are the hourly- based payment given to the labor for the amount of work finished in a day. He further argued that while Salaried persons are generally said to be doing “white collar office jobs” which implies that an individual is

well educated, skilled and is employed with some firm and holds a good position in the society, whereas the waged person are said to be doing “blue collar labor job” which implies that an individual is engaged in the unskilled or semi-skilled job and is drawing wages on a daily basis.

One purpose of a person as an employee of a company is to earn income in the form of salary. Received salary to meet basic needs such as food, clothing and housing. Every company in determining the amount of salary paid to the employee must be feasible, so that the lowest wage/salary that is given to meet the needs of their life (Kanzunudin, 2007). As direct financial rewards, salaries are the most emphasized by the employees, thus they sort of take a center stage in the scheme of things as far as rewards for work is concerned. Salary is seen that most people choose to enterprise, one of the most important factors in business, and reasonable salary system more increase productivity, attract talent to the company and reduce personnel turnover rate (Adibah, 2019).

- **Bonuses and Incentives:** Investopedia (2016) defined bonus as an additional compensation given to an employee above his/her normal wage. A bonus can be used as a reward for achieving specific goals set by the company, or for dedication to the company. Heathfield (2016) bonus pay is compensation over and above the amount of pay specified as a base salary or hourly rate of pay. The base amount of compensation is specified in the employee offer letter, in the employee personnel file, or in a contract. Employers can distribute bonus pay randomly as the company can afford to pay a bonus, or the amount of the bonus pay can be specified by contract. To Bardot (2014) a bonus is a payment which is backward-looking and usually discretionary or at least not expected from the employee(s). A decision is made to pay it to one, a group or all employees, based on criteria decided by management to reward past achievements, such as reaching a specific profit or some important milestones for the organization, or in a totally discretionary manner but defined an incentive as a plan which is forward-looking. Payment is tied to the achievement of specific objectives that have been pre-determined and communicated to the employees that are on the plan. The purpose of the incentive scheme is to influence behavior to reach the objectives by providing an incentive to work towards the goals. She further stated that incentive can be paid in cash or in non-monetary award, for example some gifts or travel (especially for sales). The incentive plan is not discretionary: if the

upfront, agreed objectives are reached, the payment or award is made. Romanoff (2008) defined bonus as a single payment made at the end of the performance period typically a year to reward extraordinary effort or achievement while incentive is a tangible or intangible reward that is designed to motivate a person or group to behave in a certain way. He further stressed that incentives differ from bonuses in that incentives define both what needs to be accomplished, what the employee will receive in return for accomplishing it. As a result incentives have greater behavioral and motivational impact.

2.1.2.1.2 Indirect Financial Compensation

Indirect compensation refers to non-monetary benefits offered and provided to employees in lieu of the services provided by them to the organization. They include Leave Policy, Overtime Policy, Car policy, Hospitalization, Insurance, Leave travel Assistance Limits, Retirement Benefits, Holiday Homes. They are indirect forms of compensation that are intended to maintain or improve the quality of life for employees. Indirect financial rewards come in form of subsidized benefits such as retirement plans, paid sick leaves and purchase discounts. Gomez et al. (2012) also says that benefits are sometimes called indirect compensation as they are given to employees in form of plan rather than cash to improve their performance; they provide security for employees and their family members. Indirect compensation or worker advantages are parts of remuneration given additionally to the assorted styles of money pay. They additionally embrace things that don't seem to be strictly remuneration like annual holidays. Organization uses it mostly to facilitate its enlisting effort or influence the potential of staff returning to figure for an organization, influence their keep or produce larger commitment, uplift employee morale, scale back absence normally and improve worker productivity.

2.1.2.2 Compensation Strategy and Compensation system

According to Moghimi et al. (2017), compensation strategy should be able to ensure the retention of the employee, employee's satisfaction, the development as well as performance the employee. General findings showed that it possesses positive notable connections among incentive allowances, bonuses, fringe benefits, and salary. In brief, there is a co-bonding between these variables, which undoubtedly consider performance as a connection among the compensation benefit schemes, levels of employee contentment, and turnover rate. This concluded that organizations with upgraded compensation system may have an impact on their employees. This

will psychologically encourage them to be in the organizations (Wucher et al., 2017). Linking “compensation to performance” is one of the strategies being followed all over the world in all sectors for talent management and employee retention. Generally, it is called "Pay for Performance" or "Performance-based pay" to describe that compensation depends on the performance of the employees and their contributions to attain the organizational goals (Tima, 2011). The vigorous relationship between the compensation elements schemes leads to a strong assumption of employee retention (Adeoye & Fileds, 2014). Compensation strategy needs to have upgrade frameworks that can motivate, retain, attract, and satisfy the employees and thus leads to employee retention and satisfaction.

Compensation systems are designed keeping in minds the strategic goals and business objectives. Compensation system is designed on the basis of certain factors after analyzing the job work and responsibilities. Compensation provided to employees can direct in the form of monetary benefits and/or indirect in the form of non-monetary benefits known as perks, time off, etc. Compensation does not include only salary but it is the sum total of all rewards and allowances provided to the employees in return for their services. If the compensation offered is effectively managed, it contributes to high organizational productivity.

2.1.3 The Concept of Reward

Bratton and Gold (2003) defined rewards as all the cash, non-cash and psychological payments provided by an organization in return for their contribution. Work rewards indicate the benefits workers receive from their workplace and are considered the determinants of job commitment and satisfaction (Malhotra, Budhwar and Prowse, 2007). Gross and Friedman (2004) view rewards to include compensation (consisting of base pay, short and long term incentives), benefits (health issues, work/ life, and other benefits), and careers (training and development, career progression).

A reward is usually something valuable, such as money. Rewards serve many purposes in organizations. They serve to build a better employment deal, hold on to good employees and to reduce turnover. The principal goal is to increase people’s willingness to work in one’s company, to enhance their productivity. Most people assimilate "rewards", with salary raise or bonuses, but this is only one kind of reward. Human resource can be preserved within the organization and optimally utilized through inspiring it using different strategies such as working condition,

leader's influence, training and development, learning culture, organization reputation and rewards. Every organization needs a reward and recognition system which exhaustively addresses four main areas. They are compensation, benefits, recognition and appreciation; the entrepreneur (2003).

There are two kinds of rewards: Extrinsic and Intrinsic Rewards. Extrinsic rewards are actually tangible rewards presented to the employees by the management. They could be in various forms like pay rises, promotion, bonuses and respective benefits. The rewards are termed as extrinsic because they external to the work itself, Thomas (2009). This means that other people namely the management has the ability to control the size and whether or not they are granted. On the other hand intrinsic rewards come from verbal rewards such as positive feedback and praise which lead to job satisfaction and better performance. Intrinsically motivated employees participate eagerly in their jobs for internal reasons. This is from pure enjoyment and satisfaction, Jansen (2011). Another fact that can be observed from the above discussion and examples is that intrinsic rewards are mostly qualitative in nature and cannot be quantified for example more respect, recognition etc. Whereas extrinsic rewards are more of a quantitative in nature.

2.1.3.1 Extrinsic Rewards

According to Baron (1983), extrinsic rewards are tangible rewards and the rewards are external to the job or task performed by the employees. They can be in terms pay rise, bonuses, paid leaves, promotion, incentives, annual recreational plans etc. They are also called financial rewards. To Luthans (2000), they mean pay-for-performance such as performance bonus, job promotion, commission, tips, gratuities and gifts, etc.

An Extrinsic rewards actually fulfills employees extrinsic factors or hygiene factors and thus do not let him start thinking about leaving the company. Carraher et al (2006) advocate that there should be an extrinsic reward system to retain the high performers in the organization and reward should be related with their productivity. According to an article in the European Journal of Business and Management (Vol.8, No.25, 2016), by Rizwan M., Muhammad E., Dr. Hazoor M., & Ms. Nosheen Khan (2016), the following are considered extrinsic rewards:

- **Bonuses:** Usually annually, Bonuses motivate the employee to put in all activities and efforts during the year to achieve more than a satisfactory appraisal that increases the chance of earning several salaries as lump sum. The scheme of bonuses varies within organizations; some organizations ensure fixed bonuses which eliminate the element of asymmetric information, conversely, other organizations deal with bonuses in terms of performance which is subjective and may develop some sort of bias which may discourage employees and create setback. Therefore, managers must be extra cautious and unbiased.
- **Salary raise:** Is achieved after hard work and effort of employees, attaining and acquiring new skills or academic certificates and as appreciation for employees duty (yearly increments) in an organization. This type of reward is beneficial for the reason that it motivates employees in developing their skills and competence which is also an investment for the organization due to increased productivity and performance. This type of reward offers long-term satisfaction to employees. Nevertheless, managers must also be fair and equal with employees serving the organization and eliminate the possibility of adverse selection where some employees can be treated superior or inferior to others.
- **Gifts:** Are considered short-term. Mainly presented as a token of appreciation for an achievement or obtaining an organizations desired goal. Any employee would appreciate a tangible matter that boosts their self-esteem for the reason of recognition and appreciation from the management. This type of reward basically provides a clear vision of the employee's correct path and motivates employee into stabilizing or increasing their efforts to achieve higher returns and attainments.
- **Promotion:** Quite similar to the former type of reward. Promotions tend to effect the long-term satisfaction of employees. This can be done by elevating the employee to a higher stage and offering a title with increased accountability and responsibility due to employee efforts, behavior and period serving a specific organization. This type of reward is vital for the main reason of redundancy and routine. The employee is motivated in this type of reward to contribute all his efforts in order to gain managements trust and acquire their delegation and responsibility. The issue revolved around promotion is adverse selection and managers must be fair and reasonable in promoting their employees.

2.1.3.2 Intrinsic Rewards

Intrinsic rewards are derived from the content of the task itself and include such factors as interesting and challenging work, self-direction and responsibility, variety, creativity, involving in decision making process, opportunities to use one's skills and abilities and sufficient feedback regarding the effectiveness of one's efforts. These are regarded as intrinsic rewards because they fill a particular need for employees. An intrinsic reward actually fulfills employee's intrinsic factors or motivators and thus motivates him. Nelson (2004) notes that praise and recognition are the most efficient intrinsic reward that enhance employee's performance. Jensen et al (2007) see intrinsic reward as a tool that motivate employees to perform as expected. Intrinsic rewards according to Thomas (2009) are psychological rewards that employees get from doing meaningful work and performing it well. Thomas (2009) also defines intrinsic rewards as non-formal rewards, nonmonetary/non-cash which can be in form of social recognition, praise and genuine appreciation. He observes that recognition is to acknowledge someone before their peers for desired behavior or even for accomplishment. Appreciation, on the other hand, centers on showing gratitude to an employee for his/her action. Such rewards enables the employees to gauge themselves and their performance to know whether they are doing well or not (Sarvadi, 2010). Edirisooriyaa (2014) defines intrinsic rewards as the psychological reward that is experienced directly by an employee. He opines that intrinsic rewards steers up the willingness of the employees to use their creativity, abilities and know how in favor of their organizations to achieve optimal performance. According to an article in the European Journal of Business and Management (Vol.8, No.25, 2016), Rizwan M., Muhammad E., Dr. Hazoor M., & Ms. Nosheen Khan (2016), the following are considered extrinsic rewards:

- **Information / feedback:** Also a significant type of reward that successful and effective managers never neglect. This type of rewards offers guidance to employees whether positive (remain on track) or negative (guidance to the correct path). This also creates a bond and adds value to the relationship of managers and employees.
- **Recognition:** Is recognizing an employee's performance by verbal appreciation. This type of reward may take the presence of being formal for example meeting or informal such as a "pat on the back" to boost employees self-esteem and happiness which will result into additional contributing efforts.

- **Trust/empowerment:** in any society or organization, trust is a vital aspect between living individuals in order to add value to any relationship. This form of reliance is essential in order to complete tasks successfully. Also, takes place in empowerment when managers delegate tasks to employees. This adds importance to an employee where his decisions and actions are reflected. Therefore, this reward may benefit organizations for the idea of two minds better than one.

Intrinsic rewards makes the employee feel better in the organization, while Extrinsic rewards focus on the performance and activities of the employee in order to attain a certain outcome. The principal difficulty is to find a balance between employees' performance (extrinsic) and happiness (intrinsic). The reward also needs to be according to the employee's personality. For instance, a sports fan will be really happy to get some tickets for the next big match. However a mother who passes all her time with her children, may not use them and therefore they will be wasted. When rewarding, the manager also needs to choose if he wants to rewards an Individual, a Team or a whole Organization.

2.1.3.3 Reward System

The reward system consists of all organization components - people, process, rules and decision making activities involved in the allocation of compensation and benefits to employees in exchange for their contribution to the organization” (Puwanenthiren, 2011). It is progressed within the organization's reward philosophy, strategies and policies, and includes agreements in the form of processes, practices, structures and procedures which will provide appropriate types and levels of pay, benefits and other forms of reward. Employees at all levels need to have confidence in the reward administration system. Employees want the rewards to be shared fairly and equitably (Danish & Usman 2010). A good rewards and remuneration system ensures that each person receives appropriate financial and nonfinancial recognition to account for the personal contribution they are making and the overall value of their position to the organization. (Ermias, 2017). The overall objective is to reward people fairly, equitably and consistently in accordance with their value to the organization in order to further the achievement of the organization's strategic goals (Armstrong & Stephens 2005).

2.1.3.4 The Concept of Total Reward

The full impact of reward on employee performance can better be appreciated when viewed from the angle of total rewards. Definitions of total reward typically encompass not only traditional, quantifiable elements like salary, variable pay and benefits, but also more intangible non-cash elements such as scope to achieve and exercise responsibility, career opportunities, learning and development, the intrinsic motivation provided by the work itself and the quality of working life provided by the organization Thompson (2002 cited by Armstrong, 2009).

According to Armstrong and Murlis (2004), total reward concept emphasizes the importance of considering all aspects of reward as an integrated and coherent whole. Each of the elements of total reward, namely base pay, pay contingent on performance, competence or contribution, employee benefits and non-financial rewards, which include intrinsic rewards from the employment environment and the work itself, are linked together. A total reward approach is holistic; reliance is not placed on one or two reward mechanisms or levers operating in isolation. Account is taken of all the ways in which people can be rewarded and obtain satisfaction through their work. The aim is to offer a value proposition and maximize the combined impact of a wide range of reward initiatives on motivation, commitment and job engagement.

For O'Neal (1998) a total reward strategy is critical to addressing the issues created by recruitment and retention as well as providing a means of influencing behavior: It can help create a work experience that meets the needs of employees and encourages them to contribute extra effort, by developing a deal that addresses a broad range of issues and by spending reward dollars where they will be most effective in addressing workers' shifting values.

2.1.3.4 Reward and performance

Armstrong (2008) posits that rewards play a vital role on increasing the employees' performance in an organization. He further states that it is a means of getting better results by understanding and managing performance within an agreed framework of planned goals, standard and competency requirements. Several studies have been conducted in Africa on the issues on reward as it affects employee's performance. Danso et al. (2013) carried out research work on effects of rewards systems on employees performance in Ghana Commercial Bank and found out that reward systems misuses is one of the problem confronting many banks in west African region.

Similarly, Nyandema et al. (2014) examined the effect of intrinsic reward on motivation among employees as well as the effect of extrinsic reward on motivation among employees and concluded that both intrinsic and extrinsic reward systems affect career development and motivation among employees of Kenyan firms. Further, studies such as (Bello & Adebajo, 2014; Jesca, 2014; Murphy, 2015) come into the same submissions. Rewards can be used to improve performance by setting targets in relation to the work given e.g. surpassing some sales targets. When the employee surpasses their target, he or she can be given an additional amount to their salary; this will make them strive to achieve more (Perry et al., 2006). Research has proven that when human being are appreciated and praised they tend to improve their performance. Sometimes portion of the retained earnings or the end of year profit can be shared to stimulate stellar performance. This is another way an organization can apply as a reward so as to improve performance. Praise could be shown in the organization newsletter or in meetings. When managers take time to meet and recognize employees who have performed well, it plays a big role in enhancing employee's performance (Torrington & Hall, 2006). The rationale behind the use of various components of compensation to employees is that motivated employees become satisfied in terms of fulfilling their wants, both financial and non-financial thus demonstrate improved performance. Failure to do so, employees will be tempted to leave the organization (Azasu, 2017). On one hand, employees prefer receiving intrinsic rewards in terms of praise and recognition for certain work accomplishments, while other employees are happy with extrinsic reward in terms of salaries, bonus and incentive offered to employees in order to enhance their performance (Sajuyigbe, Bosede and Adeyemi, 2013). It is therefore clear that subjecting employee to various compensation strategies motivates them and consequently a replica to an improved performance.

2.1.4 The Role of Money

The role of money as reward or compensation has received different views by different authors. According to Armstrong (2012) commentators who question the usefulness of financial rewards often contend that money is much less important than many people think. To what extent this view is true has been a source of great debate for many years. Different researches and studies have been carried out with different results for and against the notion that money is not important factor in motivating employees. A strong view on money is given by Luthans (2002) when he

states that money has long been viewed as a reward and for some people, it is more important than anything else their organization can give them. He goes on to argue that the value of money will often vary by both individual and industry but states that one thing is clear, money is an important reward. Luthans (2002) also states that money is an important motivator and can lead to higher levels of performance mainly because of the power it has and the ability it has to help employees get other needs like achievement and recognition, status and respect, freedom and control and power. Authors who write from less developed countries tend to agree that money is the main reason why people work and is the main motivator and that without it many people would not work.

2.1.5 Employee Performance

Organizations are undergoing a transformation for coping against the changing needs of the environment and excelling in the business (Wilkinson & Redman, 2013). The Sustainability of business in organizations depends on the talent, skill, knowledge and experience of employees and on their capability of utilization resources to achieve organizational objectives. Employee's job performance is the contribution of employees for the achievement of organizational objective. Employees expected to perform acceptable level of the standard and managers follow up, and evaluate the performance of employees to attain the stated objective of an organization (Armstrong, 2009). Performance can be defined as the achievement of specified task measured against predetermined or identified standards of accuracy, completeness, cost and speed. Organizations are systems operating on three distinct levels which are at organizational, departmental (business process), and individual levels. Each level requires evaluation based on its goals, design, and management practices. This process offers a long-term approach that enables firm leaders, managers, and employees to develop a common shared view of the organization and its future (Gilleyetal, 2009).

Hellriegel, Jackson and Slocum (1999) defined performance as the level of an individual's work achievement after having exerted effort. Job performance can be viewed as an activity in which an individual is able to accomplish the task assigned to him/her successfully, subject to the normal constraints of reasonable utilization of the available resources (Dar, Akmal, Akram & Khan, 2011). Motowidlo, Borman, & Schmidt (1997) defined job performance as the overall expected value from employees' behaviors carried out over the course of a set period of time.

Measurement of employee performance is an activity that is very important because it can be used as a measure of success in supporting the success of the organization's employees (Said, 2008).

Nevertheless, several organizations only focus on satisfying the customers and tend to neglect the attention in satisfying their employees. In reality, customer's satisfaction can be attained if the employees are satisfied. According to Ahmad (2011), a satisfied employee will always do more work and therefore, makes it easy to satisfy the customer. Besides, motivation can also influence an employee's performance. For instance, if employees are motivated and satisfied with the salary offered, they will perform with full commitment and as a result, the performance level will significantly improve (Shahzadi et al., 2014).

Based on the performance of the leaders and employees, the organizations will have several expectations. Therefore, in many circumstances, employees will try to accomplish these expectations. In some cases, they tend to rely on their bosses or in their management. Therefore, the employees should be compensated strategically by demonstrating committed performance to fulfil their tasks and responsibilities artistically (Anitha, 2014). However, employees believed that their performance is highly influenced based on the nature of the work, compensation strategy, and also the promotion opportunities among the organizations. Therefore, organizations should concentrate on their fair promotions and compensations system as fair promotion and compensations can motivate the employees to perform consistently. Boamah (2014) opined that work appraisal, salary, work environment, and the relationship between the manager and employees tend to bring significant effects on the performance of the employee.

2.1.5.1 Employee Compensation and Performance

Compensation is all forms of financial return, services, and benefits received by workers as part of employment relationships (Milkovich et al., 2002). Compensation relates to the right that an employee receives from the sacrifices made to the organization. Murty and Hudiwinarsih (2012) argue that a motivated employee will be energetic and passionate about the tasks assigned by the company, and otherwise an employee with low motivation will often display discomfort and displeasure with his/her work resulting in their performance become bad and company goals will not be achieved.

Thus, it can be said that the management of good compensation will affect the performance of employees (Grabara, 2013). On the other hand, poor compensation management will result in demotivation that ultimately affects the declining performance of employees. The argument is based on Maslow's motivational theory (1943). Maslow's motivational theory generally explains that one's motivation for his needs is hierarchical and stratified. When the basic level of needs has been achieved, someone will go up to the next level, to the level that is the ultimate self-actualization. Compensation is assumed to be the company's efforts to meet the basic needs of its employees, such as salaries, health, safety facilities, etc. With the effort to meet these basic needs, it is expected to encourage employee motivation in terms of fulfillment needs at a higher level, such as social needs, rewards, and self-actualization. In this case, when these basic needs are met, it will encourage employees to further improve their performance. Based on these arguments can be indicated that the provision of compensation can affect employee performance.

2.1.5.2 The Relationship between Reward and Employee Performance

It has been found that there is a significant relationship between reward and employee's organizational performance (Shin-Rong and Chin-Wei, 2012). For example, Mayson and Barret (2006) found that a firm's ability to attract, motivate and retain employees by offering competitive salaries and appropriate rewards is linked to firm performance and growth. On the other hand, Inés and Pedro (2011) found that the reward system used for the sales people has significant effects on individual salesperson performance and sales organization effectiveness. Therefore, to be competitive in the global business environment, many companies today are attempting to identify innovative reward strategies that are directly linked to improving organizational performance (Denis and Michel 2011). Many researches prove a positive relationship between reward and employee performance. Performance-based reward is the dominant human Resource practice that firms use to evaluate and reward employees' efforts (Collins and Clark, 2003). Evidently, performance-based reward has a more positive effect upon employee and organizational performance. Firms that were rapid-growth oriented provided their employees financial incentives and stock options as part of their reward packages. In doing so, firms managed to elicit high levels of performance from employees, provide employees feeling that they have an ownership interest in the firm which is a key in the attraction and retaining of high-quality employees, and shift a portion of a firm's business risk to the employees. Cho et al.

(2005) suggested that incentive plans play the leading role to increase performance rates. Employees who are effective and efficient are likely to be limited if they are not motivated to Perform. Mendonca, (2002) sees reward and compensation system that is based on the expectancy theory, which suggests that employees are more likely to be motivated to perform when they perceive there is a strong link between their performance and the reward they receive. Guest, (2002) is of the opinion that reward is one of the keys that motivate employees to perform as expected. The reward can be in the form of cash, recognition and praise or a combination of both. Group Performance-related schemes reward a group or team of employees with a cash payment for achieving an agreed target. These schemes are all designed to enhance company performance by aligning the interests of employees with the financial performance of their companies Chin-Ju, (2010).

2.1.5.2.1 Extrinsic Rewards and Employee Performance

The literature is fraught with the positive impact of extrinsic rewards on employees' performance in the organization. However, Bard (2006) notes that caution must be exercised while applying extrinsic rewards as a motivation to the employees. In his opinion, it is those within lower level positions in the organization that are more prone to extrinsic motivational factors, than those within the higher level positions. The reason, according to him, is because those within the lower level positions tend to have lower wages than higher level positions, which explains the need for extrinsic rewards that have some form of a monetary component. It can actually lead to an increase in one's base wage, and thus a happier and more productive employee is made.

Merchant (2007) observes that there are three main categories of the financial or monetary part of reward system. They include: performance-base salary-increase which organization pay to their employees after every fixed period of time. It is expected that employee's competencies increase over time as a result of experience in longevity. As a result, provisions are made for a small increment in salary after particular periods of time. Merchant (2007) notes that it is called performance base salary increment. Another one is short-time incentive plans. It is a cash bonus given mostly to managerial level staff based on performance measured over a short period of time usually less than one year. The last one is the long term incentive plans. It is a reward that is based on performance measures over time periods longer than a year. By using the plan, a

company can reward employees for their great work performance to maximize the firm's long-term value. It also helps to attract and retain good talents to the organization (Merchant, 2007).

To Siti-Nabiha, Thum and Sardana (2012), a reward, especially pay reward, is usually something valuable, such as money. It serves many purposes in the organization. It serves to build a better employment deal, hold on to good employees and to reduce labor turnover rate. The principal goal is to increase employees' willingness to work and perform optimally to enhance productivity and output of the organization. Emeka, Amaka and Ejim (2017) posit that all extrinsic factors enhances the motivation of employees which ultimately influences them positively to perform effectively towards the realization of organizational goals and objectives.

2.1.5.2.2 Intrinsic Rewards and Employee Performance

According to Fred L. (2011), although money receives the most attention as a reinforce and incentive motivator, and is even equated with reward systems by practicing managers, there is increasing evidence that contingently administered recognition can be a powerful reinforce to increase employee performance. Ali and Ahmad (2009) say non-financial rewards such as achievement, accomplishment feelings, recognition, job satisfaction and praise are some of the intrinsic rewards which enhances employee's commitment and performance to the organization. They opine that intrinsic rewards play vital roles in creating and sustaining commitment among the employees for good performance in an organization. According to Hassan (2011), intrinsic rewards actually fulfill employee's intrinsic factors or motivation and thus motivates him/her for enhanced performance. In his opinion, recognition for a well carried out assignment or duty is one of the strongest factor of motivation intrinsically. This is because from such recognitions, employees always feel a sense of belonging, that his/her contributions are being valued greatly by the organization that he/she is working for (Sajuyigbe et al, 2013).

Irshad (2016) observes that intrinsic rewards are that which are inbuilt in the job itself as a result of successfully completing the task or attaining his goals. He stresses that they are more effective with the higher wage level employees. Ryan (2013) describes employee recognition in an organization as a non-financial reward that arouses inner feeling of satisfaction which gives the employee a sense of belonging that drives superior performance by the employee in the organization. Jenson (2007) remarks that recognition has proved to be more effective in motivating certain classes of employees to better performance. To him, it leads to job satisfaction

which all believes is a necessary condition for commitment and consequently better performance in the organization.

2.2 Empirical Review

Several studies have been done on the effect of compensation and reward system on employee performance in different parts of the world.

According to Abdullah (2014) remuneration, creativity, training and development have a positive impact on employees' job performance in his study of factors that influence employee performance at the Fairmont Norfolk hotel. In his study, the impact of remuneration on employee performance at the organization is positive.

The important relationships between employee performance and pay satisfaction have been well established in studies by Heneman, Kochan & Locke (1995). They showed that monetary compensation is one of the most significant variables in explaining better employee performance and job satisfaction. In addition, Hofrichter & Platten (1996) found financial rewards to have a significant impact on employee performance.

According to Ngowi (2014), the impact of salary increment, training, organizational culture, organizational structure and reward system on employee performance have been examined. In the study, he has found 72% of the respondents agreed that low salary and lack of training are challenges of employees' performance at Stanbic bank.

Danish & Usman (2010) suggested that a firm that fulfills both financial and non-financial rewards could be the best one. Moreover, they investigated the influence of financial motivators on the performance of employee. And the study results showed that better performance was best foreseen by the job reward; and job commitment was best forecasted by a combination of cost values, rewards, and the amount of investment.

Abdul Hameed (2014) conducted a research on impact of compensation on employee performance in the banking sector of Pakistani. A questionnaire was designed to collect the data on the factors related to compensation like salary, rewards, indirect compensation and employee performance. The data was collected from different banks of Pakistan. The data collected were

analyzed in SPSS 17.0 Version. Findings were Compensation has positive impact on employee performance.

A study conducted by Sheila & Josephat (2015) with objective of finding the influence of compensation and reward on performance of employees at Nakuru county government. Stratified random sampling technique was used. Primary data was collected using questionnaires and interview schedules with a combination of open and closed questions. The findings indicated that there was a strong relationship compensation and reward on employee performance in the county government of Nakuru.

Similarly, Munir, Lodhi, Sabir and Khan (2016) examined the impact of rewards (intrinsic and extrinsic) on employee performance with special reference to courier companies of Faisalabad City. The study was designed as a descriptive survey. The result shows there is a strong relationship between both types of reward and employee performance. The study concludes that both intrinsic and extrinsic rewards positively influence employees' performance in the organization. In another study, Bello and Adebayo (2014) examined reward system and employees performance in Lagos State, using selected public secondary schools as the study area. The study adopted descriptive survey design using a sample of 200 people, the study found that significant relationship exists between employees' performance and salary package, employee job allowances and in-service training. The study concludes that adequate salary, allowances in terms of housing, health, hazard, transfer, involvement of teachers in decision making, establishment of teachers' salary in line with other professions, will enhance the performance of teachers in secondary schools in Lagos State.

Aktar, Sachu & Ali (2012) examined the impact of intrinsic rewards (recognition, Learning opportunities, challenging work and career advancement, and extrinsic rewards basic salary and performance bonus) on employee performance in twelve commercial banks of Bangladesh. The study found that each factor within both extrinsic and intrinsic reward was a highly significant factor which affects employees' performance. In contrast, the study conducted by Yasmeen, Farooq and Asghar (2013) on the impact of rewards on employee performance in Pakistan revealed that there exists insignificant and weak relationship between salary, bonus and organization performance. However it found that there exists moderate to strong relationship between promotion and employee performance.

The findings from the above researches described the importance of compensation and reward to employee performance as well as in the achievement of the organizations objectives.

2.3 Conceptual Framework

This study is conducted to identify the effect of compensation and reward on employee performance in Wegagen Bank Addis Ababa city branches. The study applied independent and dependent variables in order to put the research into practice. In this study, the dependent variable is employee performance and the independent variables are compensation and reward.

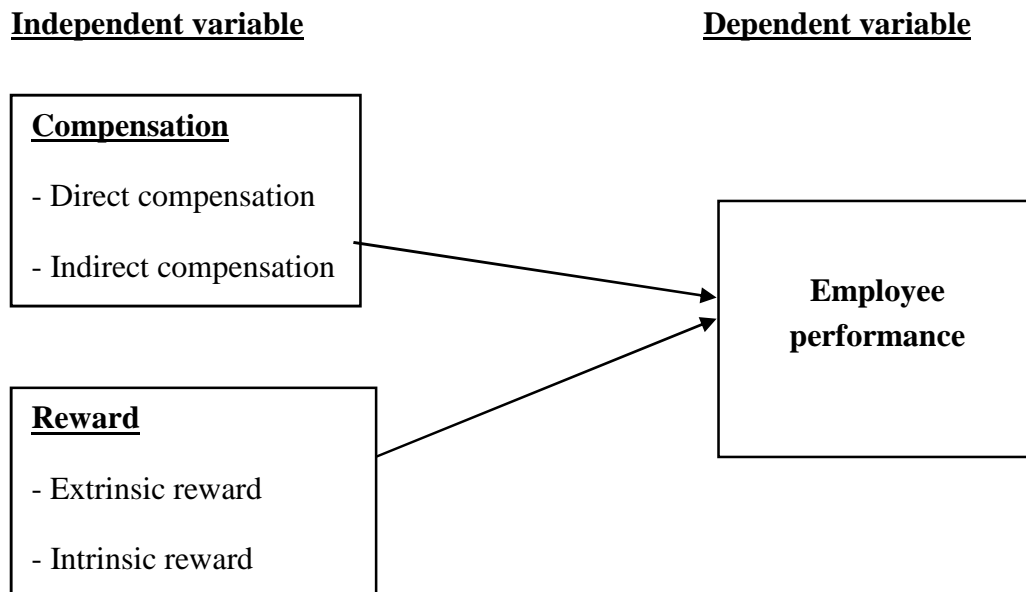


Figure 2.1 Conceptual Framework developed by the researcher

CHAPTER THREE

RESEARCH METHODOLOGY

Research methodology is a way of solving the research problem systematically. As per Kotler, 2004 “When we talk of research methodology we are not only talking about the research methods but also considering the logic behind the methods that we are using in the context of our research study”. Therefore, in order to examine the effect of compensation and reward on the performance of employees this chapter presents the research methodology. It covers research approach and design, population and sampling design, data source and collection methods, data analysis methods reliability and validity of the instrument and ethical considerations.

3.1 Research Approach

In conducting a research, researchers follow different research approaches. According to C.R. Kothari (2004) there are two basic approaches to research; the quantitative approach and the qualitative approach. The former involves the generation of data in quantitative form which can be subjected to rigorous quantitative analysis in a formal and rigid fashion, while qualitative approach to research is concerned with subjective assessment of attitudes, opinions and behavior. Research in such a situation is a function of researcher’s insights and impressions. With regard to research approach, quantitative research method is considered to be very efficient for questions answered in number (Creswell, 2014). Moreover, the outcome of quantitative research is easy to measure and the results can be clearly shown through objective data. Therefore, in this study the researcher adopted quantitative approach to study the effect of compensation and reward on employee performance in Wegagen Bank Addis Ababa city branches.

3.2 Research Design

The researcher used a descriptive type of research design to examine the effect of compensation and reward on employee performance in Wegagen Bank Addis Ababa city branches. The descriptive type of research design helps to portray accurately the characteristics of a particular individual, situation or a group (Creswell, 2014). The design has an advantage of producing good amount of responses from a wide range of people. At the same time, it provides a more accurate picture of events at a point in time. According to (Gay, 1992) descriptive design describes and provides understanding of a phenomenon usually with simple descriptive statistics. Gay (1992)

further explained that, the descriptive survey method is useful for investigating a variety of social problems including assessment of attitudes, opinions, demographic information, conditions and procedures; and that descriptive data are usually collected through questionnaire, interview or observation.

3.3 Data Type and Source

Types of data that are used in research endeavors are two. This information can either be primary or secondary. With regard to the relationship between compensation and reward with employee performance, primary data was collected directly from employees and management of the bank through questionnaire. The questionnaires was used to determine the effect of compensation and reward on employee performance and understand the employee's point of view towards compensation and reward. Using primary data in research helps to grasp the necessary data that is intended to infer about the current understanding of the phenomenon.

3.4 Target Population

The target population of this study is employees of Wegagen bank Addis Ababa city braches. In line with the objectives of this study, primary data was collected from managers and employees. Currently, in Addis Ababa, Wegagen bank have one hundred eighty one (181) branches and one thousand six hundred seventy three (1673) employees working in these branches. In the study, branches and respondents were selected randomly.

3.5 Sampling Methods and Sample Size Determination

It is impossible to collect data on the whole population, considering the size as well as the time available to the researcher, it is necessary to draws samples from the whole population. The sample size is a smaller set of the larger population as indicated by Cooper and Schindler, (2006). Determining sample size is a very important issue for collecting an accurate result within a quantitative research design. Therefore, the sample must be carefully selected to be representative of the population. This study employed stratified random probability sampling method. The branches which are found in Addis Ababa city were selected randomly via lottery system from listed branches based on their district stratification, where the sampled branches employees were taken as respondents.

According to Taro Yamane (1967) the sample size is determined using the following formula:
 $n = \frac{N}{1 + Ne^2}$

Where n = the required number of sampling

N = number of total population

e = is the level of precision or sampling error = (0.05)

TABLE 3.1 DISTRICTS, NO. OF BRANCHES AND EMPLOYEES IN ADDIS ABABA CITY

No.	Districts	No of branches	No of employees
1	West	52	516
2	North	43	387
3	East	45	455
4	South	41	315
Total		181	1673

Source: Wegagen Bank HR office

The total population of this study, therefore, becomes 1673 employees who are working in Wegagen bank Addis Ababa city branches. Hence, the sample is calculated` by using the formula: $n = \frac{N}{1 + N(e)^2}$

$$n = \frac{1673}{1 + 1673(0.05)^2}$$

$$n = \frac{1673}{5.18} = 333 \quad \text{Therefore, the sample size is } \underline{\underline{333}}$$

3.6 Data Collection Methods

The primary data was gathered through questionnaires. To make sure the validity of the research instrument, the questionnaires is adapted from previous researchers. The questionnaire is composed of questions from different researches related to the topic. The questionnaire was evaluated by the academic advisor prior to data collection so as to maintain its validity and to increase the accuracy and usefulness of the findings. The questionnaire was also interpreted to Amharic by a professional to make it easy to understand to respondents and to get the correct data about the matter. Therefore, to measure the effect of compensation and reward on employee performance, five Point Likert-types scales questions were used and the questions ranged from 1

("strongly disagree ") to 5 ("strongly agree "). For this matter, the researcher distributed questionnaires to the selected branches of employees. Research questionnaire was used in this study to reach large number of people easily and to be economical.

3.7 Reliability and Validity of the instrument

3.7.1 Reliability

According to Kothari (2004), a measuring instrument is reliable if it provides consistent results. Cronbach’s alpha is a coefficient of reliability. It is commonly used as a measure of the internal consistency or reliability of a psychometric test score for a sample of examinees. The measure of it between 0.8 and 0.95 are considered to have very good quality, scales with coefficient alpha between 0.7 and 0.8 are considered to have good reliability, and coefficient alpha between 0.6 and 0.7 indicates fair reliability. Accordingly, the reliability test of the study shows that as it has very good quality with reliability measure of 0.856, 0.898 & 0.785 for variables compensation, reward and employee performance respectively.

TABLE 3.2 RELIABILITY TEST

		N	%
Cases	Valid	307	100.0
	Excluded	0	.0
	Total	307	100.0

Variable	Reliability Statistics	
	Cronbach's Alpha	N of Items
Compensation	0.856	18
Reward	0.898	27
Employee performance	0.785	10

3.7.2 Validity

Validity is defined as the extent to which the instrument measures what it purports to measure Miller N. D. (2000). Therefor to make sure the validity of research instrument, the questionnaires was adapted from previous researchers. Plus the questionnaire was evaluated by the academic advisor prior to data collection so as to maintain its validity and to increase the accuracy and usefulness of the findings.

3.8 Methods of Data Analysis

In this study, before the actual data is analyzed the questionnaires were checked for completeness and consistency and descriptive data analysis method was employed. The data

collected through questionnaires was analyzed through statistical package for social sciences/ SPSS 20. As a result, frequency, percentage and average mean score were employed to present analysis and discuss the result of the paper.

3.9 Ethical Considerations

The researchers give emphasis to the ethical issues in every aspect of this study that demands it. The participants were selected based on their consent/free will/. Beyond that when distributing the questionnaire, respondents were informed and guaranteed that the information they provide will be kept confidential and used only for academic purpose. Moreover, a statement that conforms to the prohibition of disclosing identity detail or personal reference in the questionnaire was also used. This helps to avoid any biased responses or unauthentic data provided by respondents and to make participants feel safe in filling the questionnaire. Therefore, the collected data was kept confidential and won't be used for any personal interest. Generally, the whole process of the study was conducted within the frame of acceptable professional ethics.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1 Response Rate

Under this chapter, the data, its analysis and interpretation are presented. As mentioned in the previous chapters, the data was collected through questionnaire from randomly sampled branches of the four districts. In total 333 questionnaires were distributed to the employees of Wegagen bank Addis Ababa city branches and 312 questionnaires were effectively collected. After cleaning the data by carefully scrutinizing the data to ensure all questions were filled appropriately, 307 remained, giving this study a response rate of 92.2%. In order to achieve the objective of the study and tackle the key research questions the researcher has tried to conduct a detailed investigations related to the study. Therefore, this section of the study deals with the statistical analysis of the collected data and interpretation of the result making use of SPSS version 20 software.

4.2 Analysis of General information of the respondents

The first part of the questionnaire consists of seven items about demographic information of the respondents. This part of the questionnaire requested a limited amount of information related to personal and professional characteristics of respondents such as sex, age, educational background, marital status, year of service in the bank, salary and current job position.

This part involves the discussion of the frequency and percentage distribution for the above demographic characteristics. This helps to understand the employees better and also helps the bank to design efficient and effective human resource practices intended to excel the employees' job performance and overall bank achievements. Hence, such variables are presented and discussed below.

4.2.1 Gender of the Respondents

After analyzing the data obtained from the questionnaire, the table and graph below presents data on gender of respondents. As can be seen from the figure and table, the majority of the respondents, 184 or 59.9% were male, while the remaining 123 or 40.1% of the respondents were female. This shows that the number of male employees is more than the number of female employees in Wegagen bank Addis Ababa city branches.

TABLE 4. GENDER COMPOSITION OF THE RESPONDENTS

		Gender			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	184	59.9	59.9	59.9
	Female	123	40.1	40.1	100.0
	Total	307	100.0	100.0	

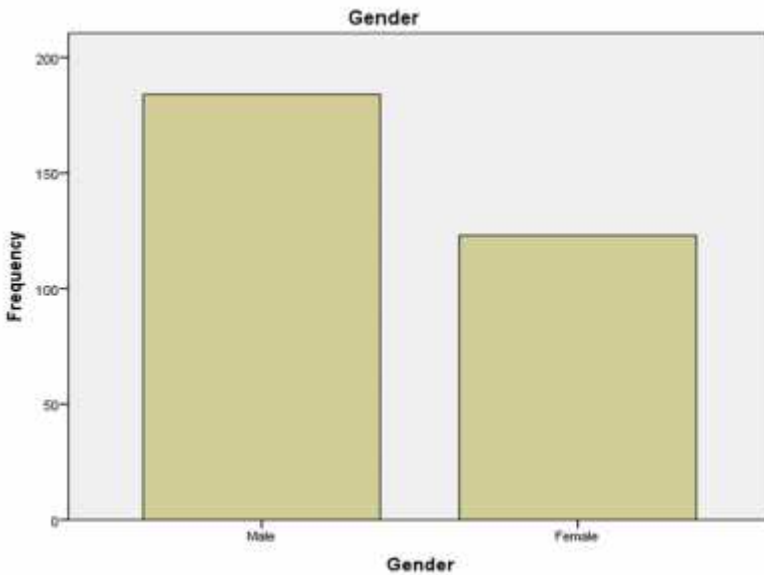


FIGURE 4.1 GENDER COMPOSITION OF THE RESPONDENTS

4.2.2 Age of the Respondents

Regarding the respondent’s age category, the table and graph below shows the age distribution of respondents. Accordingly, there were 112(36.5%), 155(50.5%) and 40(13%) participants in age categories of 20-30, 31-40 and 41-50 respectively and none of the respondents were above the age of 51. The data shows that majority of the bank’s employees are young individuals who are more productive to realize the bank’s vision.

TABLE 4.2 AGE DISTRIBUTION OF THE RESPONDENTS

		Age			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	20-30	112	36.5	36.5	36.5
	31-40	155	50.5	50.5	87.0
	41-50	40	13.0	13.0	100.0
	Total	307	100.0	100.0	

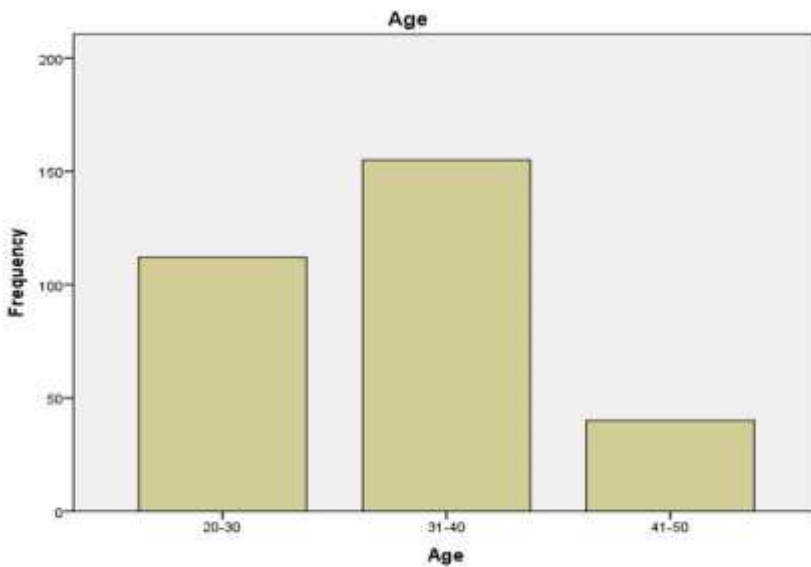


FIGURE 4.2 AGE DISTRIBUTION OF THE RESPONDENTS

4.2.3 Level of Education of the Respondents

The table and graph below presents the educational background of the respondents. Majority of the respondents are Bachelor degree holders which are 189 (61.6%) followed by holders of MA degree which are 78 (25.4%), diploma holders 35 (11.4%) and certificate holders 5 (1.6%) respectively and none of the respondents have a PhD. From this result we understand that the respondents are professionals that can achieve the goals of the bank.

TABLE 4.3 EDUCATIONAL BACKGROUND OF THE RESPONDENTS

		Level of education			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Certificate	5	1.6	1.6	1.6
	Diploma	35	11.4	11.4	13.0
	Degree	189	61.6	61.6	74.6
	Masters	78	25.4	25.4	100.0
	Total	307	100.0	100.0	

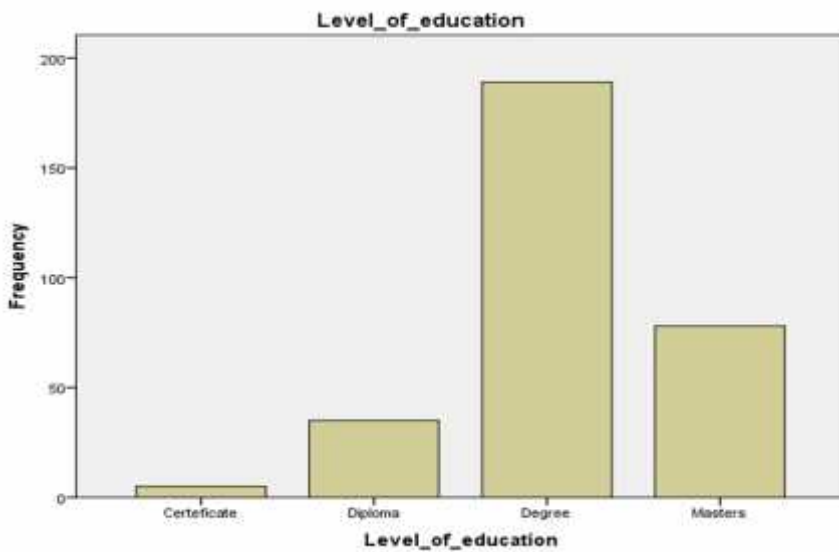


FIGURE 4.3 EDUCATIONAL BACKGROUND OF THE RESPONDENTS

4.2.4 Marital Status of the Respondents

The table and graph below shows that 171 (55.7%) of the respondents are married, 122 (39.7%) are single and the remaining 13 (4.2%) and 1(0.3 %) of the respondents were divorced and widowed respectively. This shows that more than half of the respondents are married.

TABLE 4.4 MARITAL STATUS OF THE RESPONDENTS

		Marital status			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	122	39.7	39.7	39.7
	Married	171	55.7	55.7	95.4
	Divorced	13	4.2	4.2	99.7
	Widowed	1	0.3	0.3	100.0
	Total	307	100.0	100.0	

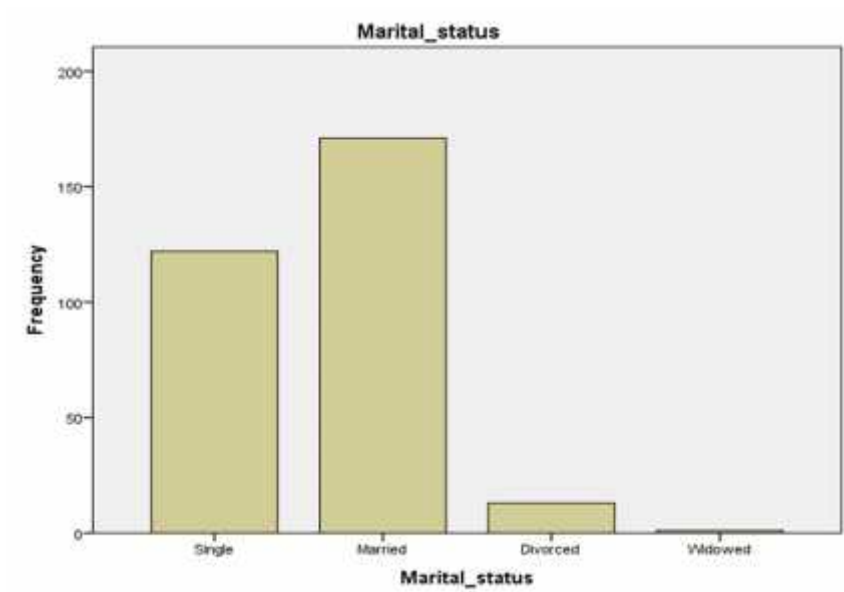


FIGURE 4.4 MARITAL STATUS OF THE RESPONDENTS

4.2.5 Work Experience of the Respondents

The table and graph below shows respondents work experience distribution. Therefore, 112(36.5%), 108(35.2%), 75(24.4%) and 12(3.9%) of respondents are in the work experience categories of 1-5, 6-10, 11-15 and above 15 years of experience respectively. What can be inferred from the data is that more than half of the respondents have below or equal to ten years of experience. From this result, it could be concluded that there is either employees turn over or the bank has recently been expanding and hiring new employees at high rate.

TABLE 4.5 WORK EXPERIENCE OF THE RESPONDENTS

Work experience					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-5 years	112	36.5	36.5	36.5
	6-10 years	108	35.2	35.2	71.7
	11-15 years	75	24.4	24.4	96.1
	above 15 years	12	3.9	3.9	100.0
	Total	307	100.0	100.0	

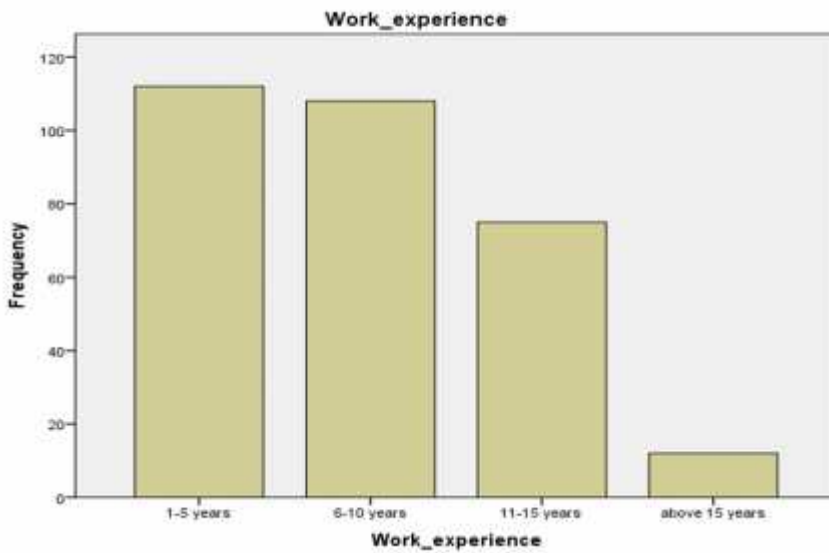


FIGURE 4.5 WORK EXPERIENCE OF THE RESPONDENTS

4.2.6 Monthly Gross Salary of the Respondents

As can be seen from the figure and table below, the majority of the respondents 104 (33.9%) salary were above 15,500, birr followed by 81 (26.4%) between 10,501 to 13,000 birr, 62 (20.2%) were between 13,001 to 15,500 birr, 33 (10.7%) were between 6,001 to 8,500birr, 19 (6.2%) were between 8,501 to 10,500 birr and 8 (2.6%) were found to be between 3,500 to 6,000 birr salary ranges.

TABLE 4.6 MONTHLY GROSS SALARY OF THE RESPONDENTS

Monthly gross salary					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	3,501-6,000 birr	8	2.6	2.6	2.6
	6,001-8,500 birr	33	10.7	10.7	13.4
	8,501-10,500 birr	19	6.2	6.2	19.5
	10,501-13,000 birr	81	26.4	26.4	45.9
	13,001-15,500 birr	62	20.2	20.2	66.1
	Above 15,500 birr	104	33.9	33.9	100.0
	Total	307	100.0	100.0	

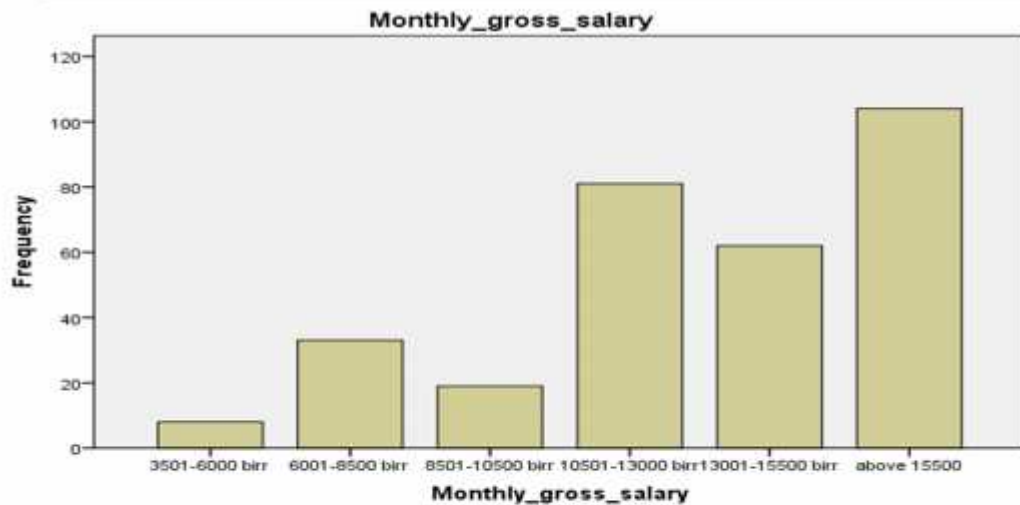


FIGURE 4.6 MONTHLY GROSS SALARY OF THE RESPONDENTS

4.2.7 Current Position of the Respondents

The table and graph below presents the current position of the respondents at the bank. Accordingly, 21 (6.8%) of the respondents were auditors, 26 (8.5%) were cashiers, 147 (47.9%) were customer service officers (CSO), 64 (20.8%) were customer service supervisors (CSS), 9 (2.9%) were drivers, 19 (6.2%) hold managerial positions and 21 (6.8%) of the respondents were secretaries. Hence, the result shows that most of the respondents are customer service officers.

TABLE 4.7 CURRENT POSITION OF THE RESPONDENTS

Current position					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Auditor	21	6.8	6.8	6.8
	Cashier	26	8.5	8.5	15.3
	CSO	147	47.9	47.9	63.2
	CSS	64	20.8	20.8	84.0
	Driver	9	2.9	2.9	87.0
	Managerial	19	6.2	6.2	93.2
	Secretary	21	6.8	6.8	100.0
	Total	307	100.0	100.0	

Source: Researcher, 2021

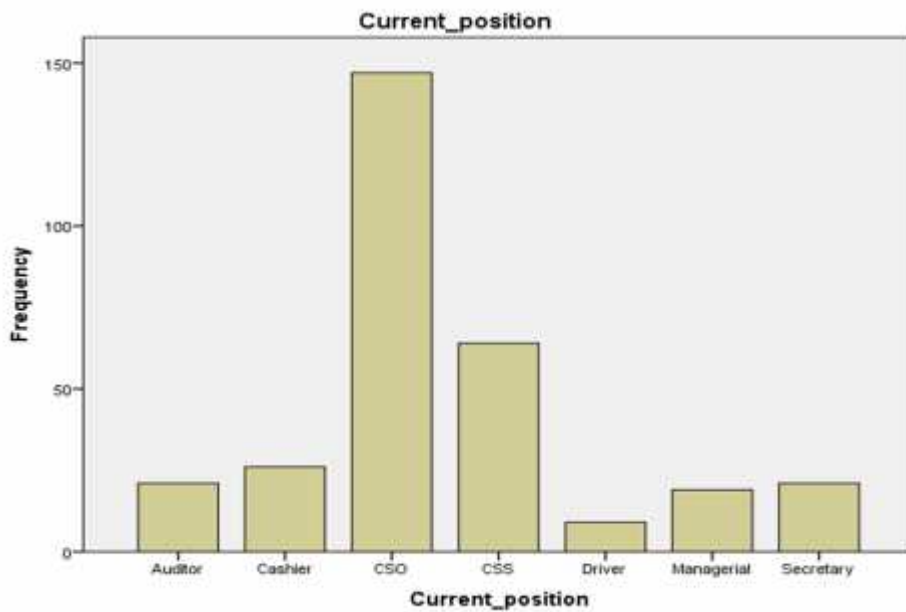


FIGURE 4.7 CURRENT POSITION OF THE RESPONDENTS

The following table shows the mean, standard deviation, minimum and maximum values in each category related to the respondents profile. The mean is the average value of participants' response, and the standard deviation is the measure of dispersion from the mean.

TABLE 4.8 SUMMARY OF THE RESPONDENTS PROFILE

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Gender	307	1.00	2.00	1.401	0.491
Age	307	1.00	3.00	1.766	0.664
Level of education	307	1.00	4.00	3.108	0.650
Marital status	307	1.00	4.00	1.652	0.576
Work experience	307	1.00	4.00	1.958	0.875
Monthly gross salary	307	2.00	7.00	5.524	1.419

Source: Researcher, 2021

4.3 Perception on the Compensation System of the Bank

In this section of the questionnaire, the researcher has tried to assess the general knowledge and attitude of employees towards the company’s compensation system. It was developed by five items using Likert Scale. All statements were measured on a five-point scale where 1 represents strongly disagree, 2 represents disagree, 3 represents neutral, 4 represents agree and 5 represents strongly agree.

The following tables below show the frequency and percentage distribution of participant’s response to questions related to the bank’s compensation system as well as the direct and indirect compensation of the bank.

TABLE 4.9 FREQUENCY AND PERCENTAGE RELATED TO THE BANK’S COMPENSATION SYSTEM

	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree	
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%
Q1	6	2.0%	34	11.1%	66	21.5%	159	51.8%	42	13.7%
Q2	13	4.2%	66	21.5%	62	20.2%	136	44.3%	30	9.8%
Q3	10	3.3%	36	11.7%	45	14.7%	136	44.3%	80	26.1%

Q4	15	4.9%	34	11.1%	38	12.4%	126	41.0%	94	30.6%
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Source: Researcher, 2021

The table above shows the frequency and percentage distribution of participants response related to questions on the banks compensation system. Accordingly, for the question whether the bank’s compensation system is excellent (Q1), 6(2%), 34(11.1%), 66(21.5%), 159(51.8%) and 42(13.7%) respondents have replied their level of preference as they are strongly disagree, disagree, neutral, agree and strongly agree respectively. This result implies that majority of employees have a positive attitude towards the compensation system of the bank. With regards to the question whether they feel compensated well for their contribution to the bank (Q2), 13(4.2%), 66(21.5%), 62(20.2%), 136(44.3%) and 30(9.8%) respondents have replied their level of preference as they are strongly disagree, disagree, neutral, agree and strongly agree respectively. This also implies that more than half of them feel well compensated for their contribution to the bank. For the question whether the banks compensation plan has influence on employee performance (Q3), 10(3.3%), 36(11.7%), 45(14.7%), 136(44.3%) and 80(26.1%) respondents have replied their level of preference as they are strongly disagree, disagree, neutral, agree and strongly agree respectively. From this result, we can conclude that most employees agree that the banks compensation plan has effects on their performance. With regards to the question whether there is uniform compensation application between similar job levels in different branches (Q4), 15(4.9%), 34(11.1%), 38(12.4%), 126(41%) and 94(30.6%) respondents have replied their level of preference as they are strongly disagree, disagree, neutral, agree and strongly agree respectively. This result shows that majority of employees believe there is application of a uniform compensation between similar job levels in different branches.

TABLE 4.9 FREQUENCY AND PERCENTAGE RELATED TO DIRECT FINANCIAL COMPENSATION

	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree	
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%
Q5	21	6.8%	59	19.2%	44	14.3%	153	49.8%	30	9.8%

Q6	17	5.5%	74	24.1%	74	24.1%	120	39.1%	22	7.2%
Q7	35	11.4%	101	32.9%	78	25.4%	79	25.7%	14	4.6%
Q8	12	3.9%	89	29.0%	87	28.3%	99	32.2%	20	6.5%
Q9	9	2.9%	44	14.3%	41	13.4%	149	48.5%	64	20.8%
Q10	15	4.9%	20	6.5%	25	8.1%	116	37.8%	131	42.7%
Q11	16	5.2%	9	2.9%	29	9.4%	154	50.2%	99	32.2%

Source: Researcher, 2021

The table above shows the frequency and percentage distribution of participants to questions related to the direct financial compensation of the bank. Accordingly, for the question whether their salary is equitable when compared with other banks (Q5), 21(6.8%), 59(19.2%), 44(14.3%), 153(49.8%) and 30(9.8%) respondents have their level of preference as they are strongly disagreed, disagreed, neutral, agreed and strongly agreed respectively. Also for the question whether their salary is satisfactory compared to their contribution to the bank (Q6), 17(5.5%), 74(24.1), 74(24.1%), 120(39.1%) and 22(7.2%) respondents forwarded their level of preference as they are strongly disagreed, disagreed, neutral, agreed and strongly agreed respectively. This results show that although majority of employees agree on the equitability of their salary compared with other banks, the majority either disagreed or responded neutral about their salary satisfaction compared to their contribution. With regards to the question whether the financial aspects like payments, allowances, and bonuses of the bank are satisfying (Q7), 35(11.4%), 101(32.9%), 78(25.4%), 79(25.7%) and 14(4.6%) respondents have their level of preference as they are strongly disagreed, disagreed, neutral, agreed and strongly agreed respectively. This shows that majority of employees does not believe the payments, allowances, and bonuses of the bank are satisfying. For the question whether they are satisfied with the amount of salary they get (Q8), 12(3.9%), 89(29.0%), 87(28.3%), 99(32.2%) and 20(6.5%) respondents have their level of preference as they are strongly disagreed, disagreed, neutral, agreed and strongly agreed respectively. This result shows that most employees are either unsatisfied with their salary or don't want to say anything about it. For the question whether salary can influence ones performance (Q9), 9(2.9%), 44(14.3%), 41 (13.4%), 149(48.5%) and 64(20.8%) respondents

have their level of preference as they are strongly disagreed, disagreed, neutral, agreed and strongly agreed respectively. Also for the question whether low salary can lead them to change job (Q10), 15(4.9%), 20(6.5%), 25(8.1%), 116(37.8%) and 131(42.7%) respondents have their level of preference as they are strongly disagreed, disagreed, neutral, agreed and strongly agreed respectively. And also, with regards to the question whether proper and timely payment affects ones degree of performance (Q11), 16(5.2%), 9(2.9%), 29(9.4%), 154(50.2%) and 99(32.2%). From these results we can conclude that majority of employees agree salary as well as proper and timely payments can influence ones degree of performance and also low salary can lead an employee to change the job. Therefore, employers should give special attention to the salary system as well as other payments in order to get the most out of an employee.

TABLE 4.11 FREQUENCY AND PERCENTAGE REGARDS TO INDIRECT FINANCIAL COMPENSATION

	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree	
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%
Q12	2	0.7%	7	2.3%	15	4.9%	184	59.9%	99	32.2%
Q13	2	0.7%	16	5.2%	39	12.7%	179	58.3%	71	23.1%
Q14	12	3.9%	33	10.7%	88	28.7%	140	45.6%	34	11.1%
Q15	9	2.9%	23	7.5%	110	35.8%	135	44.0%	30	9.8%
Q16	32	10.4%	83	27.0%	91	29.6%	79	25.7%	22	7.2%
Q17	26	8.5%	85	27.7%	93	30.3%	79	25.7%	24	7.8%
Q18	32	10.4%	95	30.9%	98	31.9%	72	23.5%	10	3.3%

Source: Researcher, 2021

The table above shows the frequency and percentage distribution of participants to questions related to the indirect financial compensation of the bank. Accordingly, for the question whether there are security insurance benefit, retirement programs, health insurance and saving plans in the bank (Q12), 2(0.7%), 7(2.3%) and 15(4.9%) of the respondents replied strongly disagreed, disagreed and neutral respectively whereas 184(59.9%) and 99(32.2%) agreed and strongly agreed respectively. This shows that majority of the respondent have agreed on the existence of this policies and plans in the bank.

For the question whether there is a mortgage loan policy for employees in the bank (Q13), 2(0.7%), 16(5.2%), 39(12.7%), 179(58.3%) and 71(23.1%) participants responded as strongly disagreed, disagreed, neutral, agreed and strongly agreed respectively. Also with regards to the question whether the bank's mortgage loan policy is attractive (Q14), 12(3.9%), 33(10.7%), 88(28.7%), 140(45.6%) and 34(11.1%) participants responded as strongly disagreed, disagreed, neutral, agreed and strongly agreed respectively. For the question whether provision of attractive mortgage loan policy will help to retain high Performers (Q15), 9(2.9%), 23(7.5%), 110(35.8%), 135(44.0%) and 30(9.8%) respondents have their level of preference as they are strongly disagreed, disagreed, neutral, agreed and strongly agreed respectively. The results regarding mortgage loan policy of the bank shows that majority of the respondents about 81.4% agreed or strongly agreed on the existence of the policy, but only 56.7% of these participants responded positively regarding the policy's attractiveness for employee. Also when asked about the weather an attractive mortgage loan policy can help to retain high performers, more than half of the participants responded positively. This shows that the existence and attractiveness of mortgage loan policy can help to retain high performing employees in the bank.

With regards to the question whether the benefit package is satisfactory and fair to all employees (Q16), 32(10.4%), 83(27.0%), 91(29.6%), 79(25.7%) and 22(7.2%) participants responded as strongly disagreed, disagreed, neutral, agreed and strongly agreed respectively. Also for the question whether the benefit packages of the bank are comparable to other banks (Q17), 26(8.5%), 85(27.7%), 93(30.3%), 79(25.7%) and 24(7.8%) participants responded as strongly disagreed, disagreed, neutral, agreed and strongly agreed respectively. And for the question whether they are satisfied with the benefits they receive (Q18), 32(10.4%), 95(30.9%), 98(31.9%), 72(23.5%) and 10(3.3%) respondents have their level of preference as they are strongly disagreed, disagreed, neutral, agreed and strongly agreed respectively. This results show that only 32.9% of employees responded positively regarding satisfactoriness and fairness of the banks benefit packages and only 33.5% responded positively regarding to the banks benefit competitiveness with other banks. The results also show that about 41.3% of the respondents disagreed or strongly disagreed and 30.9% of participants responded neutral about their satisfaction with the benefits they receive. This shows that the employees does not have a positive attitude towards the company's benefit packages.

The table below shows summary of the details for the issues related to compensation by involving the number of respondents, mean, standard deviation, minimum and maximum values in each category. The mean is the average value of participants' response, and the standard deviation is the measure of dispersion from the mean. Here, the minimum value is to mean the 'strongly disagree (1)' where as the maximum value is to mean 'strongly agree (5)'.

The overall mean of compensation related factors is 3.47. This result shows as most of the respondent/employees have above the average level of preference for compensation related factors by which the average is result approximates to 'agreed 'level of preference.

TABLE 4.11 DESCRIPTIVE STATISTICS FOR COMPENSATION

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Q1	307	1.00	5.00	3.6417	.91927
Q2	307	1.00	5.00	3.3388	1.05218
Q3	307	1.00	5.00	3.7818	1.06086
Q4	307	1.00	5.00	3.8143	1.13243
Q5	307	1.00	5.00	3.3648	1.10723
Q6	307	1.00	5.00	3.1824	1.05376
Q7	307	1.00	5.00	2.7915	1.08865
Q8	307	1.00	5.00	3.0847	1.01266
Q9	307	1.00	5.00	3.7003	1.04542
Q10	307	1.00	5.00	4.0684	1.09896
Q11	307	1.00	5.00	4.0130	1.00318
Q12	307	1.00	5.00	4.2085	.69230
Q13	307	1.00	5.00	3.9805	.79188
Q14	307	1.00	5.00	3.4919	.96122
Q15	307	1.00	5.00	3.5016	.87960
Q16	307	1.00	5.00	2.9218	1.10868
Q17	307	1.00	5.00	2.9674	1.09017
Q18	307	1.00	5.00	2.7818	1.02322
Overall mean				3.47	

Source: Researcher, 2021

4.4 Perception on the Reward System of the Bank

In this section of the questionnaire, the researcher has tried to assess the general knowledge and attitude of employees towards the company's reward system. It was developed by five items using Likert Scale like the previous section.

The following tables below show the frequency and percentage distribution of participant's response to questions related to the bank's reward system as well as extrinsic and intrinsic rewards of the bank.

TABLE 4.13 FREQUENCY AND PERCENTAGE RELATED TO THE BANKS REWARD SYSTEM

	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree	
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%
Q19	59	19.2%	93	30.3%	96	31.3%	42	13.7%	17	5.5%
Q20	53	17.3%	94	30.6%	92	30.0%	50	16.3%	18	5.9%
Q21	44	14.3%	108	35.2%	85	27.7%	53	17.3%	17	5.5%
Q22	41	13.4%	101	32.9%	97	31.6%	53	17.3%	15	4.9%
Q23	43	14.0%	98	31.9%	111	36.2%	49	16.0%	6	2.0%
Q24	14	4.6%	34	11.1%	44	14.3%	157	51.1%	58	18.9%
Q25	41	13.4%	70	22.8%	130	42.3%	49	16.0%	17	5.5%
Q26	22	7.2%	67	21.8%	60	19.5%	110	35.8%	48	15.6%

Source: Researcher, 2021

The table above shows the frequency and percentage distribution of participants response related to questions on the banks reward system. Accordingly, for the question whether the bank clearly communicates its reward package to all employees (Q19), 59(19.2%), 93(30.3%), 96(31.3%), 42(13.7%) and 17(5.5%) respondents have replied their level of preference as they are strongly disagree, disagree, neutral, agree and strongly agree respectively. For the question whether both financial and non-financial reward types are incorporated in the bank's reward system (Q20), 53(17.3%), 94(30.6%), 92(30.0%), 50(16.3%) and 18(5.9%) of participants responded as strongly disagree, disagree, neutral, agree and strongly agree respectively. This result shows that the banks reward package and what type it incorporates is not clear for almost half of the employees and also about 30% of the respondents does not know (neutral) about it.

With regards to the question whether the bank's reward package is competitive with other banks (Q21), 44(14.3%), and 108(35.2%) participants responded as strongly disagree and disagree whereas 85(27.7%) stayed neutral and 53(17.3%) and 17(5.5%) of participants responded as agree and strongly agree respectively. This result shows that only 22.8% of participants responded positively about the competitiveness of the banks reward package. It is vital for a

company to know what its competitors are rewarding their employees and to have a competitive reward package, in order to retain their experienced and high performing employees.

For the question whether the bank's total reward package is capable to retain best performers (Q22), 41(13.4%), 101(32.9%), 97(31.6%), 53(17.3%) and 15(4.9%) of participants responded as strongly disagree, disagree, neutral, agree and strongly agree respectively. This result indicates that 49.3% of respondents do not agree on the strength of the existing reward package to retain best performers and 31.6% responded neutral. Therefore, it is recommended that the bank should give attention towards maximizing the current reward packages so that it could retain its skilled manpower.

For the question whether the bank's reward system clearly differentiates between high performers and low performers (Q23), 43(14.0%), 98(31.9%), 111(36.2%), 49(16.0%) and 6(2.0%) of participants responded as strongly disagree, disagree, neutral, agree and strongly agree respectively. This shows that only 18% of respondents agree on the ability of the reward system to differentiate between high performers and low performers the other 88% either disagreed or stayed neutral. This implies that the company's total reward system is not related to performance.

For the question whether reward motivates them to increase their performance (Q24), 14(4.6%), 34(11.1%), 44(14.3%), 157(51.1%) and 58(18.9%) of participants responded as strongly disagree, disagree, neutral, agree and strongly agree respectively. The result shows that majority of the respondents are motivated by reward to increase their performance. The general implication of the response is 70% of participant's responded reward is directly related with performance. Therefore, the bank should review the bank's total reward system by incorporating both financial and non-financial reward types, and also make the reward system more competitive and well communicated in order to motivate employees to perform better and retain best performers.

For the question whether the selection system for reward is transparent (Q25), 41(13.4%), 70(22.8%), 130(42.3%), 49(16.0%) and 17(5.5%) of participants responded as strongly disagree, disagree, neutral, agree and strongly agree respectively. This shows that only 21.5% of respondents agree on the transparency of the selection system while the remaining 78.5% either disagreed or responded neutral. This implies that the majority does not agree on the transparency of the selection for reward.

For the question whether financial reward is more important than non-financial reward to them (Q26), 22(7.2%), 67(21.8%), 60(19.5%), 110(35.8%) and 48(15.6%) of participants responded as strongly disagree, disagree, neutral, agree and strongly agree respectively. This result shows that more than half of the respondent prefer financial reward.

TABLE 4.14 FREQUENCY AND PERCENTAGE RELATED TO EXTRINSIC REWARD

	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree	
	Count	Row Valid N %	Count	Row Valid N %	Count	Row Valid N %	Count	Row Valid N %	Count	Row Valid N %
Q27	20	6.5%	63	20.5%	91	29.6%	110	35.8%	23	7.5%
Q28	64	20.8%	102	33.2%	88	28.7%	43	14.0%	10	3.3%
Q29	38	12.4%	97	31.6%	60	19.5%	96	31.3%	16	5.2%
Q30	25	8.1%	54	17.6%	69	22.5%	122	39.7%	37	12.1%
Q31	36	11.7%	63	20.5%	74	24.1%	122	39.7%	12	3.9%
Q32	20	6.5%	43	14.0%	35	11.4%	164	53.4%	45	14.7%
Q33	39	12.7%	68	22.1%	83	27.0%	91	29.6%	26	8.5%
Q34	38	12.4%	46	15.0%	84	27.4%	118	38.4%	21	6.8%

Source: Researcher, 2021

The table above shows the frequency and percentage distribution of participants to questions related to the extrinsic reward of the bank. Accordingly, for the question whether there are sufficient financial rewards like salary increment, bonus, incentives and gifts in the bank (Q27), 20(6.5%) and 63(20.5%) of participants strongly disagreed and disagreed respectively in the contrary 110(35.8%) and 23(7.5%) of participants responded as agree and strongly agree respectively, whereas 91(29.6%) of participants don't know or chose to be neutral on the subject. For the question whether high performers will get additional pay for their performance (Q28), 64(20.8%), 102(33.2%), 88(28.7%), 43(14.0%) and 10(3.3%) of participants responded as strongly disagree, disagree, neutral, agree and strongly agree respectively. This shows that more than half of the participants disagreed. Employees who do not get additional reward for their performance will not be motivated to perform better.

With regards to the question whether salary increments are made based on employee performance (Q29), 38(12.4%), 97(31.6%), 60(19.5%), 96(31.3%) and 16(5.2%) of participants

responded as strongly disagree, disagree, neutral, agree and strongly agree respectively. This implies that majority of the respondents does not believe salary increments are based on employee performance. This could be mainly due to the fact that every year the company provides additional salary increments for all employees regardless of performance. For the question whether salary increment made for high performers will motivate others to perform better (Q30), 25(8.1%), 54(17.6%), 69(22.5%), 122(39.7%) and 37(12.1%) of participants responded as strongly disagree, disagree, neutral, agree and strongly agree respectively. more than half of the respondents agree that salary increment made for high performers will motivate others to perform. This shows that if the company were to give salary increments based on performance others would be motivated to perform better.

For the question whether the bank’s bonus payment is performance based (Q31), 36(11.7%), 63(20.5%), 74(24.1%), 122(39.7%) and 12(3.9%) of participants responded as strongly disagree, disagree, neutral, agree and strongly agree respectively. For the question whether the bones plan encourages to perform better (Q32), 20(6.5%), 43(14.0%), 35(11.4%), 164(53.4%) and 45(14.7%) of participants responded as strongly disagree, disagree, neutral, agree and strongly agree respectively. For the question whether if they perform well, they are certain that amount of bonus will increase (Q33), 39(12.7%), 68(22.1%), 83(27.0%), 91(29.6%) and 26(8.5%) of participants responded as strongly disagree, disagree, neutral, agree and strongly agree respectively. The result related to the banks bonus payments implies that 43.6% of participants agreed that the bonus payments are performance based and 68.1% agreed that the banks bonus plan encourages them to perform better but only 38.1% of respondents believe that if they perform well the amount of bonus will increase.

With regards to the question whether the bank has a clear and fair promotion procedure (Q34), 38(12.4%) and 46(15.0%) of respondents strongly disagreed and disagreed while 118(38.4%) and 21(6.8%) of participants agree and strongly agree respectively whereas 84(27.4%) respondents do not know (neutral) about the raised issue. This implies that less than half of the respondents agreed on the clarity and fairness of the banks promotion procedure.

TABLE 4.15 FREQUENCY AND PERCENTAGE RELATED TO INTRINSIC REWARD

	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree	
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%
Q35	49	16.0%	91	29.6%	95	30.9%	66	21.5%	6	2.0%

Q36	46	15.0%	66	22.5%	135	44.0%	48	15.6%	9	2.9%
Q37	27	8.8%	30	9.8%	42	13.7%	173	56.4%	35	11.4%
Q38	18	5.9%	43	14.0%	72	23.5%	137	44.6%	37	12.1%
Q39	23	7.5%	57	18.6%	56	18.2%	147	47.9%	24	7.8%
Q40	14	4.6%	67	21.8%	67	21.8%	122	39.7%	37	12.1%
Q41	7	2.3%	62	20.2%	73	23.8%	147	47.9%	18	5.9%
Q42	17	5.5%	66	21.5%	86	28.0%	110	35.8%	28	9.1%
Q43	12	3.9%	31	10.1%	70	22.8%	172	56.0%	22	7.2%
Q44	12	3.9%	35	11.4%	81	26.4%	151	49.2%	28	9.1%
Q45	3	1.0%	15	4.9%	72	23.5%	170	55.4%	47	15.3%

Source: Researcher, 2021

The table above shows the frequency and percentage distribution of participants to questions related to the intrinsic rewards of the bank. Accordingly, for the question whether they receive positive recognition for what they performed better (Q35), 49(16.0%), 91(29.6%), 95(30.9%), 66(21.5%) and 6(2.0%) of participants responded as strongly disagree, disagree, neutral, agree and strongly agree respectively. For the question whether the recognition they get due to their performance is visible to others (Q36), 46(15.0%), 66(22.5%), 135(44%), 48(15.6%) and 9(2.9%) of participants responded as strongly disagree, disagree, neutral, agree and strongly agree respectively. The result shows that only 23.5% of participants agreed they received positive recognition for what they performed well and also only 18.5% of them agreed that the recognition they get was visible to others. This implies that the bank does not give emphasis on recognizing employees. Also 44% of respondents do not know whether the recognition or appreciation they have got is visible to others, here the company should develop a mechanism to communicate high performers or good job behaviors of employees to all other employees so as to increase their recognition visibility. This in turn will build the morale of high performers and encourage others to perform more.

For the question whether Recognition motivates them to increases their performance (Q37), 27(8.8%), 30(9.8%), 42(13.7%), 173(56.4%) and 35(11.4%) of participants responded as strongly disagree, disagree, neutral, agree and strongly agree respectively. Also for the question whether proper recognition of high performers will encourage low performer to work hard (Q38), 18(5.9%), 43(14.0%), 72(23.5%), 137(44.6%) and 37(12.1%) of participants responded as strongly disagree, disagree, neutral, agree and strongly agree respectively. This shows that

majority of respondents agree that recognition motivates them to increase their performance also more than half of the respondents agreed proper recognition of high performers will encourage others to perform better. Therefore, the bank should give great focus to recognizing employees to motivate them to perform better.

For the question whether their supervisor appreciates a job well done (Q39), 23(7.5%), 57(18.6%), 56(18.2%), 147(47.9%) and 24(7.8%) of participants responded as strongly disagree, disagree, neutral, agree and strongly agree respectively. This result shows that more than half of the respondents agree their supervisor appreciates job well done, this is a good culture in the bank that should be developed more.

For the question whether they have freedom to try new methods in their job (Q40), 14(4.6%), 67(21.8%), 67(21.8%), 122(39.7%) and 37(12.1%) of participants responded as strongly disagree, disagree, neutral, agree and strongly agree respectively. For the question whether company rules and procedures are made easy to work (Q41), 7(2.3%), 62(20.2%), 73(23.8%), 147(47.9%) and 18(5.9%) of participants responded as strongly disagree, disagree, neutral, agree and strongly agree respectively. This result indicates that more than half of the respondents have freedom to try new methods and the rules and procedures of the bank are easy to work. This is good to increase employee's creativity and to give them a sense of responsibility, and it should be developed more in the bank.

For the question whether there is clear career development opportunity in the company (Q42), 17(5.5%), 66(21.5%), 86(28.0%), 110(35.8%) and 28(9.1%) of participants responded as strongly disagree, disagree, neutral, agree and strongly agree respectively. For the question whether usually the company fills vacant position in the form of internal vacancy (Q43), 12(3.9%), 31(10.1%), 70(22.8%), 172(56.0%) and 22(7.2%) of participants responded as strongly disagree, disagree, neutral, agree and strongly agree respectively. These results indicates that 44.9% of total respondents revealed their agreement on the existence of clear career development opportunity. 63.2% have also agreed that the company usually fills vacant position in the form of internal vacancy, which is more recommendable to promote experienced employees that knows the company well.

For the question whether the company provides adequate training to develop employee's future career (Q44), 12(3.9%), 35(11.4%), 81(26.4%), 151(49.2%) and 28(9.1%) of participants responded as strongly disagree, disagree, neutral, agree and strongly agree respectively. Here,

58.3% of respondents agree about provision of training to develop employees' future career. For the question whether Proper implementation of career development opportunities will increase employees' performance so as to step-up to the next position (Q45), 3(1.0%), 15(4.9%), 72(23.5%), 170(55.4%) and 47(15.3%) of participants responded as strongly disagree, disagree, neutral, agree and strongly agree respectively. The result indicates that 60.2% of total respondents agrees that there is proper implementation of career development opportunities which will increase employees' performance so as to step-up to the next position. This has a great importance because employees will have a hope that they will have a senior role in the company in the future, and they will work hard to earn the position.

The table below shows summary of the details for the issues related to reward by involving the number of respondents, mean, standard deviation, minimum and maximum values in each category. The mean is the average value of participants' response, and the standard deviation is the measure of dispersion from the mean. Here, the minimum value is to mean the 'strongly disagree (1)' where as the maximum value is to mean 'strongly agree (5)'. The overall mean of reward related factors is 3.098 This result shows as most of the respondent employees have above the average level of preference for reward related factors by which the average is result approximates to 'neutral 'level of preference.

TABLE 4.16 DESCRIPTIVE STATISTICS FOR REWARD

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Q19	307	1.00	5.00	2.5603	1.11384
Q20	307	1.00	5.00	2.6287	1.12265
Q21	307	1.00	5.00	2.6450	1.09410
Q22	307	1.00	5.00	2.6743	1.06247
Q23	307	1.00	5.00	2.5993	.97973
Q24	307	1.00	5.00	3.6873	1.04472
Q25	307	1.00	5.00	2.7752	1.04708
Q26	307	1.00	5.00	3.3094	1.18211
Q27	307	1.00	5.00	3.1726	1.04764
Q28	307	1.00	5.00	2.4560	1.06972
Q29	307	1.00	5.00	2.8534	1.14675
Q30	307	1.00	5.00	3.2997	1.13821
Q31	307	1.00	5.00	3.0358	1.10939
Q32	307	1.00	5.00	3.5570	1.10221

Q33	307	1.00	5.00	2.9902	1.17012
Q34	307	1.00	5.00	3.1238	1.13658
Q35	307	1.00	5.00	2.6384	1.04922
Q36	307	1.00	5.00	2.6906	1.00262
Q37	307	1.00	5.00	3.5179	1.09761
Q38	307	1.00	5.00	3.4300	1.05911
Q39	307	1.00	5.00	3.2997	1.09131
Q40	307	1.00	5.00	3.3290	1.08431
Q41	307	1.00	5.00	3.3485	.94230
Q42	307	1.00	5.00	3.2150	1.05690
Q43	307	1.00	5.00	3.5244	.91210
Q44	307	1.00	5.00	3.4821	.94739
Q45	307	1.00	5.00	3.7915	.79347
Overall mean				3.098	

Source: Researcher, 2021

4.5 Perception on Employee Performance

In this section of the questionnaire, the researcher has tried to assess the general knowledge and attitude of employees related to employee performance. It was developed by five items using Likert Scale like the previous sections. The following table below show the frequency and percentage distribution of participant's response to questions related to employee performance.

TABLE 4.17 FREQUENCY AND PERCENTAGE RELATED TO EMPLOYEE PERFORMANCE

	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree	
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%
Q46	10	3.3%	32	10.4%	40	13.0%	154	50.2%	71	23.1%
Q47	44	14.3%	77	25.1%	105	34.2%	66	21.5%	15	4.9%
Q48	39	12.7%	69	22.5%	84	27.4%	87	28.3%	28	9.1%
Q49	45	14.7%	60	19.5%	111	36.2%	74	24.1%	17	5.5%
Q50	21	6.8%	27	8.8%	40	13.0%	131	42.7%	88	28.7%
Q51	9	2.9%	19	6.2%	15	4.9%	167	54.4%	97	31.6%
Q52	11	3.6%	25	8.1%	57	18.6%	149	48.5%	65	21.2%
Q53	16	5.2%	18	5.9%	70	22.8%	163	53.1%	40	13.0%
Q54	16	5.2%	21	6.8%	76	24.8%	146	47.6%	48	15.6%
Q55	15	4.9%	18	5.9%	44	14.3%	145	47.2%	85	27.7%

Source: Researcher, 2021

The table above shows the frequency and percentage distribution of participants to questions related to employee performance. Accordingly, for the question whether the amount of salary and reward they get affects their performance (Q46), 10(3.3%), 32(10.4%), 40(13.0%), 154(50.2%) and 71(23.1%) of participants responded as strongly disagree, disagree, neutral, agree and strongly agree respectively. For the question whether the organization have reward and recognition system for best performers (Q47), 44(14.3%), 77(25.1%), 105(34.2%), 66(21.5%) and 15(4.9%) of participants responded as strongly disagree, disagree, neutral, agree and strongly agree respectively. The result indicates that majority of employees agree amount of salary and reward they get affects their performance, but also more participants responded disagree regarding the bank having reward and recognition system for best performers. This implies that although reward affects employee's performance the bank is not rewarding employees enough to increase their performance.

For the question whether they place rewards as a basis to performing their best (Q48), 39(12.7%), 69(22.5%), 84(27.4%), 87(28.3%) and 28(9.1%) of participants responded as strongly disagree, disagree, neutral, agree and strongly agree respectively. The result shows that 37.4% agreed they place reward as a basis to performing their best, the bank should really look in to its reward policies because 37.4% is not a small number and by rewarding and motivating those employees to perform their best, the bank can achieve its objectives.

For the question whether the level of their performance is affected by the type of reward they get (Q49), 45(14.7%), 60(19.5%), 111(36.2%), 74(24.1%) and 17(5.5%) of participants responded as strongly disagree, disagree, neutral, agree and strongly agree respectively. This shows that 34.2% disagreed while 29.6% of respondents agreed, therefore, in order to get the best performance from employees the bank can apply different types of rewards and choose what works best for their employees. For the question whether they would perform better if they were given more financial incentives (Q50), 15(4.9%), 18(5.9%), 44(14.3%), 145(47.2%) and 85(27.7%) of participants responded as strongly disagree, disagree, neutral, agree and strongly agree respectively. This result indicates the majority of respondents would perform well if they were given more financial rewards. It also shows the importance of financial incentives in increasing performance.

With regards to the question whether promotion affects performance (Q51), 9(2.9%), 19(6.2%), 15(4.9%), 167(54.4%) and 97(31.6%) of participants responded as strongly disagree, disagree, neutral, agree and strongly agree respectively. The result implies that majority of respondents agree promotion affects performance. Since, less than half of the respondents agreed on the clarity and fairness of the banks promotion procedure. The bank should work to make the promotion procedure clear and fair to all employees in order to boost their performance and hope for a better position.

For the questions whether extrinsic rewards like salary increase, bonuses, incentives and gifts motivates them to perform better (Q52), 11(3.6%), 25(8.1%), 57(18.6%), 149(48.5%) and 65(21.2%) of participants responded as strongly disagree, disagree, neutral, agree and strongly agree respectively. For the question whether intrinsic reward like appreciation, recognition and career development motivate them to perform better (Q53), 16(5.2%), 18(5.9%), 70(22.8%), 163(53.1%) and 40(13.0%) of participants responded as strongly disagree, disagree, neutral, agree and strongly agree respectively. This shows that majority of respondents agree both extrinsic and intrinsic from of rewards motivates them to perform better. From this result we can conclude that both types of rewards are important to employees and should be applied together in order to increase employees performance.

For the question whether they are highly satisfied regarding their task accomplishment (Q54), 16(5.2%) and 21(6.8%) of respondents strongly disagreed and disagreed respectively whereas 76(24.8%) of the responded neutral and the other 146(47.6%) and 48(15.6%) of participants responded as agree and strongly agree respectively. This shows that 63.2% are satisfied with their task accomplishments while the other 12% disagreed and 24.8% responded neutral. Therefore, the bank should help the remaining employees to achieve a satisfying performance by providing rewards, trainings as well as promotion opportunities.

For the question whether they believe amount of compensation and reward and level of performance go hand in hand (Q55), 15(4.9%), 18(5.9%), 44(14.3%), 145(47.2%) and 85(27.7%) of participants responded as strongly disagree, disagree, neutral, agree and strongly agree respectively. This result shows that majority of the respondents (74.9%) agree that amount of compensation and reward and level of performance go hand in hand. Therefore, the bank should consider implementing compensation and reward practices that encourages a higher performance level.

The table below shows summary of the details for the issues related to employee performance by involving the number of respondents, mean, standard deviation, minimum and maximum values in each category. The mean is the average value of participants' response, and the standard deviation is the measure of dispersion from the mean. Here, the minimum value is to mean the 'strongly disagree (1)' where as the maximum value is to mean 'strongly agree (5)'.

The overall mean of employee performance related factors is 3.512. This result shows as most of the respondents have above the average level of preference for employee performance related factors by which the average is result approximates to 'agreed 'level of preference.

TABLE 4.18 DESCRIPTIVE STATISTICS FOR EMPLOYEE PERFORMANCE

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Q46	307	1.00	5.00	3.7948	1.01632
Q47	307	1.00	5.00	2.7752	1.08990
Q48	307	1.00	5.00	2.9870	1.17705
Q49	307	1.00	5.00	2.8632	1.10887
Q50	307	1.00	5.00	3.7752	1.15681
Q51	307	1.00	5.00	4.0554	.93595
Q52	307	1.00	5.00	3.7557	.99456
Q53	307	1.00	5.00	3.6287	.96282
Q54	307	1.00	5.00	3.6156	1.00105
Q55	307	1.00	5.00	3.8697	1.03972
Overall mean				3.512	

Source: Researcher, 2021

CHAPTER FIVE

FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

This chapter presents summary of the major findings, conclusions and recommendations originated from the analysis, discussion and interpretation of the data collected through questionnaire.

5.1 Main Findings

Findings related to the banks compensation system:

- Regarding the organizations compensation system 65.5% of the respondents agreed that it is excellent, also 54.1% of them feel compensated well for their contribution to the bank. The result also shows that majority of employees believe there is application of a uniform compensation between similar job levels in different branches.
- Regarding the direct financial compensation of the bank, results show that although majority of employees (59.9%) agree on the equitability of their salary compared with other banks, only 49.3% of them are satisfied with their salary compared to their contribution. The results also show that majority of employees does not believe the payments, allowances, and bonuses of the bank are satisfying. Majority of employees also agree salary as well as proper and timely payments can influence ones degree of performance and also low salary can lead them to change the job.
- Regarding the indirect financial compensation of the bank, majority of the respondents agreed on the existence of security insurance benefit, retirement programs, health insurance and saving plans as well as mortgage loan policy in the bank. Also when asked about the weather an attractive mortgage loan policy can help to retain high performers, more than half of the participants responded positively.
- The findings related to benefit packages show that, only 32.9% of employees responded positively regarding satisfactoriness and fairness of the banks benefit packages and only 33.5% responded positively regarding to the banks benefit competitiveness with other banks. The results also show that about 41.3% of the respondents disagreed or strongly disagreed and 30.9% of participants responded neutral about their satisfaction with the

benefits they receive. This shows that the employees does not have a positive attitude towards the company's benefit packages.

Findings related to the banks reward system:

- The findings about the reward system shows that the banks reward package and what type it incorporates is not clear for almost half of the employees. And also only 22.8% of participants responded positively about the competitiveness of the banks reward package. The results also implied that majority of the respondents (70%) are motivated by reward to perform better, but only 18% of respondents agree on the ability of the reward system of the bank to differentiate between high performers and low performers. Also more than half of the respondent prefer financial reward over non-financial rewards.
- Findings related to extrinsic reward shows that, 43.3% of the respondents agree on the existence of sufficient financial rewards like salary increment, bonus, incentives and gifts in the bank but only 17% of them believed high performers will get additional pay for their performance. The result also shows that 44% of the respondents does not believe salary increments are based on employee performance. The result related to the banks bonus payments implies that 43.6% of participants agreed that the bonus payments are performance based and 68.1% agreed that the banks bonus plan encourages them to perform better but only 38.1% of respondents believe that if they perform well the amount of bonus will increase. Also 45.2% of respondents have agreed on the clarity and fairness of the banks promotion procedure.
- Findings related to intrinsic reward shows that only 23.5% of participants agreed they received positive recognition for what they performed well and also only 18.5% of them agreed that the recognition they get was visible to others. The results also show that majority (68%) of respondents agree recognition motivates them to increase their performance and more than half of the respondents (56.7%) agreed proper recognition of high performers will encourage others to perform better. Also more than half agreed their supervisor appreciates a job well done. These results also indicates that 44.9% of total respondents revealed their agreement on the existence of clear career development opportunity, 63.2% have also agreed that the company usually fills vacant position in the form of internal vacancy and 58.3% of respondents agree about provision of training to develop employees' future career.

Findings related to employee performance:

- The findings related to employee performance indicates that majority of employees agree the amount of salary and reward they get affects their performance, but also more participants responded disagree regarding the bank having reward and recognition system for best performers. This implies that although reward affects employee's performance the bank is not rewarding employees enough to increase their performance. The result also shows that 37.4% agreed they place reward as a basis to performing their best and 74.9% of respondents would perform well if they were given more financial rewards. 86% of them also agreed that promotion affects performance.
- The results also show that majority of respondents agree both extrinsic and intrinsic from of rewards motivates them to perform better and also majority of the respondents (74.9%) agree that amount of compensation and reward and level of performance go hand in hand.

5.2 Conclusions

The research was formulated to investigate the bank's compensation and reward system on employee's performance of Wegagen bank Addis Ababa city branches .Based on the data presented and descriptive analysis done in the previous chapter, the findings obtained confirmed that there is significant relationship between compensation and reward, and employee's performance. They agreed that the amount of compensation and reward they get affects their performance. This is mainly because of the fact that extrinsic reward of the bank is not satisfactory and there is little intrinsic reward in the total reward system of the company. The findings show that employees of the company are not happy and motivated with the compensation and reward system. Many are not satisfied with their salary compared to their contribution and they also don't have a positive attitude towards the company's benefit packages. Besides, employees have felt that the reward system is not competitive with other banks, not well communicated and it cannot differentiate between high and low performers. Moreover, the finding shows that there are no special rewards in the form of bonus or salary increment for high performers. Rather all employees will get the yearly salary increment regardless of their performance. This may develop thinking in the employees' mind that performing better does not have associated reward. Hence, they will do their job at their lowest potential just to meet the standards. That means there is directly relationship between employee's performance and compensation and reward system of the bank. The finding also shows that when employees

perform better and they like to be rewarded both financial and non-financial reward types with appropriate mix than single type of reward. However, as inferred from the result of this study, employees are more satisfied and motivated with financial rewards.

Generally speaking, it can be concluded that compensations and rewards are not handled to enhance employees' job performance. That means there are still limitations in implementing these practices for boosting both employees and organizational performance. Although, the job performance of employees is not bad, the bank is still not utilizing the full potentials of its human resources due to the limitations in implementing the appropriate compensation and reward composition that motivates employees to perform better.

5.3 Recommendations

Based on the findings of the study, the researcher has proposed the following recommendations:

- Since most of the employees are not satisfied with their salary compared to their contribution as well as payments, allowances, and bonuses of the bank. The bank should redesign its salary scale and payment structure based on the work load of employees, the inflation rate as well as market condition (industry scale). The bank should also work to make benefit packages satisfactory and fair to all employees as well as competitive with other banks. This will help the bank to retain experienced employees and get the best performance from them.
- Since majority of employees are motivated by rewards to perform better, the bank should review their reward packages and include both extrinsic and intrinsic reward types. The bank also needs to clearly communicate it to the employees, they should clearly know what they are getting for their best performance. The bank should also make the reward packages competitive with other banks.
- It would also be really helpful for the company to have a reward system criteria that differentiates between high performers and low performers, so that when high performers are rewarded they feel motivated to perform more and also the low performers will be motivated to perform and be rewarded.
- The bank needs to make employees believe in the reward system. They should know that if they perform more than the required standard they will get more rewards, in order to motivate them to use their full potential to perform their best. Today's market is

becoming more competitive than ever. Companies are fighting to get skilled and experienced personnel. Service giving organizations, like banks, mainly depend on the skills and abilities of their human resources. One way of keeping and attracting skilled employees is by designing a reward system that is competitive in the industry. Otherwise, employees will leave the organization in search of better pay and it will also affect the remaining employee's motivation and performance.

- The bank should improve the existing poor recognition system in the company. The results show that employees want recognition and appreciation as much as they want monetary rewards. Therefore, the bank should create a culture of visibly recognizing high performing employees to encourage them and increase their morale as well as to motivate others to perform better.
- Finally, the findings related to employee performance indicates that majority of employees agree the amount of compensation and reward they get affects their performance. Therefore, the bank should have an attractive compensation, reward and recognition system in place to encourage, motivate and get best the performance from employees.

5.3.1 Future Research Area Recommendations

The gaps in this study have indicated the following areas as recommendations for further work.

- This paper did not consider other branches of the bank found outside of Addis Ababa area. Further research on the bank's branches found outside of Addis Ababa area would help in understanding the full picture of the effect of compensation and reward on employee performance at the bank. This kind of further research might also give different outcomes considering the cost of living and other socio economic factors in different cities.
- Future researches, can conduct the same study in other banks or organizations in the industry to investigate the matter in other settings.
- Future study can also address other factors like motivation, work environment, job satisfaction, organizational commitment and perceived organizational support that affect the performance of employees in addition to compensation and rewards.

- Further study on the subject can also be done by employing both primary and secondary data collection as well as both qualitative and quantitative approaches to get a more accurate and wholesome result.

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Appendices

1. Appendix 1



St. Mary's
University
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Committed to Excellence

SCHOOL OF GRADUATE STUDIES-MBA PROGRAM

RESEARCH QUESTIONNAIRE

Research Topic: The effect of compensation and reward on employee performance: the case of Wegagen bank Addis Ababa city branches

Dear sir/madam, I am a post graduate student of Masters of Business Administration (MBA) at St. Mary's University. Currently, I am undertaking a research for the title mentioned above as a partial fulfillment of the MBA program. You are one of the respondents selected to participate on this study, therefore you're genuine, frank and timely response is vital for the success of this research. The researcher wants to underline that the data collected are kept **confidential and used only for academic purpose**. No respondent will be identified by his/her name.

This questionnaire has two parts involving the respondents profile and likert scale questions. I kindly request you to forward your genuine response for these questions in each parts of the questionnaire since your response determines this paper's result.

Thank you, in advance for your kind cooperation and timely response.

Sincerely,

Zehara Kassahun

Mobile: 0921777771, **E-mail:** zahi.zk25@gmail.com

PART I: General Information

These are questions that are used to prescribe individual respondents profile. So that dear respondents please circle your choice.

- A. Sex 1. Male 2. Female
- B. Age 1. 20-30 2. 31-40 3. 41- 50 4. Above 50

- C .Level of education **1.** Certificate **2.** Diploma **3.** Degree **4.** Masters **5.** PhD.
- D. Marital Status **1.** Single **2.** Married **3.** Divorced **4.** Widowed
- E. Working experience **1.** 1 – 5 years **2.** 6 – 10 years **3.** 11 – 15 years **4.** Above 15 years
- F. Monthly gross salary **1.** 1000-3500 **2.** 3051-6000 **3.** 6001-8500 **4.** 8501-10,500
5. 10,501-13,000 **6.** 13,001-15,500 **7.** Above 15,500
- G. Current position at the bank _____

PART II: LIKERT Scale Questions

Please indicate your responses to each of the following statements regarding, salary, motivation and performance by using a sign of () in the appropriate answer box according to the following code of definitions.

1= Strongly Disagree (SD) 2= Disagree (D) 3= Neutral (N) 4= Agree (A) 5= Strongly Agree (SA)

A. Questions related to Compensation

No.	Questions	SD(1)	D(2)	N(3)	A(4)	SA(5)
I	General questions on the bank’s compensation system					
1	The bank’s compensation system is excellent					
2	I feel compensated well for my contribution to the bank					
3	The banks compensation plan has influence on employee performance					
4	There is uniform compensation application between similar job levels in different branches					
II	Direct Financial compensation					
5	My salary is equitable when compared with other banks					
6	My salary is satisfactory compared to my contribution to the bank					
7	The financial aspects like payments, allowances, and bonuses of the bank are satisfying					
8	You are satisfied with the amount of salary you get					
9	Salary can influence your performance					
10	Low salary can lead you to change job					
11	Proper and timely payment affects ones degree of performance					

III	Indirect financial compensation					
12	There are Security insurance benefit, retirement programs, health insurance and saving plans in the bank					
13	There is a mortgage loan policy for employees in the bank					
14	The bank's mortgage loan policy is attractive					
15	Provision of attractive mortgage loan policy will help to retain high Performers					
16	The benefit package is satisfactory and fair to all employees					
17	The benefit packages of the bank are comparable to other banks					
18	I am satisfied with the benefits I receive					

B. Questions related to Reward

No.	Questions	SD(1)	D(2)	N(3)	A(4)	SA(5)
I	General questions on the bank's reward system					
19	The bank clearly communicates its reward package to all employees					
20	Both financial and non-financial reward types are incorporated in the bank's reward system					
21	The bank's reward package is competitive with other banks					
22	The bank's total reward package is capable to retain best performers					
23	The bank's reward system clearly differentiates between high performers and low performers					
24	Reward motivates me to increase my performance					
25	The selection system for reward is transparent					
26	For me, Financial reward is more important than non-financial reward					
II	Extrinsic Reward					
27	There are sufficient financial rewards like salary increment, bonus, incentives and gifts in the bank					
28	High performers will get additional pay for their performance					
29	Salary increments are made based on employee performance.					

30	Salary increment made for high performers will motivate others to perform better					
31	The bank's bonus payment is performance based.					
32	The bones plan encourages to perform better					
33	If I perform well, I am certain that amount of bonus will increase					
34	The bank has a clear and fair promotion procedure					
III	Intrinsic Reward					
35	I receive positive recognition for what I perform better					
36	The recognition I get due to my performance is visible to others					
37	Recognition motivates me to increases my performance					
38	Proper recognition of high performers will encourage low performer to work hard					
39	My supervisor appreciates a job well done					
40	I have freedom to try new methods in my job					
41	Company rules and procedures are made easy to work					
42	There is clear career development opportunity in the company					
43	Usually the company fills vacant position in the form of internal vacancy					
44	The company provides adequate training to develop employees future career					
45	Proper implementation of career development opportunities will increase employees' performance so as to step-up to the next position					

C. Questions related to performance

No.	Questions	SD(1)	D(2)	N(3)	A(4)	SA(5)
46	The amount of salary and reward I get affects my performance					
47	The organization have reward and recognition system for best performers					
48	You place rewards as a basis to performing your best					
49	the level of your performance is affected by the type of reward you get					

50	You would perform better if you were given more financial incentives					
51	Promotion affects performance					
52	Extrinsic rewards like salary increase, bonuses, incentives and gifts motivates me to perform better					
53	Intrinsic reward like appreciation, recognition and career development motivate me to perform better					
54	I am highly satisfied regarding my task accomplishment					
55	Amount of compensation and reward and level of performance go hand in hand					

Thank you so much!!

2. Appendix 2



እየሩሳሌም ትርጉም ጽ/ቤት
EYERUSALEM TRANSLATION OFFICE

Bureau de Traduction, Ufficio Traduzione, Oficina de Traducción, Oficina de Tradução, Waajira Hikka
 ☎ 0911-96 72 51/0913 85 81 12 E-mail: hewanbet@yahoo.com Addis Ababa - Ethiopia
 Address: Stadium Area, Infront of Betesata Hospital, Yefia Building 1st Floor behind of Lift

አርማ
 ቅድስት ማርያም ዩኒቨርሲቲ
 የምሩቅ ጥናቶች ት/ቤት - ኢምቢኦ ፕሮግራም

የምርምር መጠይቅ
 የምርምር አርስት፣ በሰራተኞች የሥራ ብቃት ላይ ክፍያ ካላ እና ሽልማት ያለው ውጤት ፣ ወጋገን ባንክ አዲስ አበባ ከተማ ቅርንጫፎች

ክቡር/ከብርት ሆይ እኔ ቅድስት ማርያም ዩኒቨርሲቲ የማስተርስ ቢዝነስ አድሚኒስሬሽን /ኢምቢኦ/ የድሀረ ምሩቅ ተማሪ ነኝ በአሁኑ ወቅት ከላይ በተገለጸው አርስት ስለምቢኦ ፕሮግራም ከፊል መግለጻት ምርምር እየሰራው ነው። በዚህ ጥናት ላይ እንዲሳተፉ ከተመረጡ ምላሽ ሰጪዎች አንዱ እንደምሆነው ለዚህ ምርምር ስኬት የእርስዎ እውነተኛ ግልጽ እና ወቅታዊ ምላሽ ወሳኝ ነው። ስለዚህም ተመራማሪው የሚሰበሰበው መረጃ ሚስጥራዊ ሆኖ ለአካዳሚክ ለላማ ብቻ ጥቅም ላይ እንደሚውል ያረጋግጣል። የምላሽ ሰጭ የእሱ/የእሷ ስም አይለይም።

ይህ መጠይቅ 2 ክፍሎች ያሉት ሲሆን የምላሽ ሰጪዎች ስነህዝባዊ መረጃ እና የምርምር ጥያቄዎች አካታል። ለእነዚህ ጥያቄዎች በእያንዳንዱ የመጠየቁ ክፍል ላይ እውነተኛ ምላሽ እንድትሰጡን የዚህን ጽሁፍ ውጤት ስለሚወስን ምላሽ እንድትሰጡ እጠይቃለሁ።
 ለበጎ ትብብራችሁ እና ወቅታዊ ምላሻችሁ በቅድሚያ አመሰግናለሁ።

አካባሪዎ
 ዘሀራ ካሳሁን
 ሞባይል

0921777771 ኢሜል: zahi.zk25@gmail.com

ክፍል አንድ: አጠቃላይ መረጃ
 እነዚህ ጥያቄዎች የምላሽ ሰጪዎች ማንነት ስነህዝባዊ መረጃ ለመግለጽ ጥቅም ላይ ስለሚውሉ ውድ ምላሽ ሰጭ የእርሶን ምርጫ ያክቡ።

1. ጾታ ሀ. ወንድ ለ. ሴት
2. እድሜ ሀ. 20-30 ለ. 31-40 ሐ. 41-50 መ. ከ50 በላይ
3. የትምህርት ደረጃ ሀ. ሰርተፍኬት ለ. ዲፕሎማ ሐ. ዲግሪ መ. ማስተርስ ለ. ፒኤችዲ
4. የጋብቻ ሁኔታ ሀ. ያላገባ ለ. ያገባ ሐ. ፈት መ. የሙት ባለቤት
5. የሥራ ልምድ ሀ. 1-5 ዓመት ለ. 6-10 ዓመት ሐ. 11-15 ዓመት መ. ከ15 ዓመት በላይ
6. ወርሀዊ ያልተጣራ ደመወዝ ሀ. 1000-3500 ለ. 3051-6000 ሐ. 6001-8500 መ. 8501-10,500 ለ. 10,501-13,000 ረ. 13,001-15,500 ሸ. 15,500 በላይ
7. በባንኩ አሁን ያሉት ሀላፊነት

09 29 2021 10:01



እየሩሳሌም ጽ/ቤት
 ሞሪ ለስኪያጅ
 Eyerusalem Asamere
 General Manager

ክፍል 2: ምርምርን የተመለከቱ ጥያቄዎች

ለእያንዳንዱ የሚከተሉት መግለጫዎች ደመወዝ፣ ማበረታቻ፣ እና የስራ ብቃት (√) በተገቢው የመልስ ሳጥን በሚከተሉት የትርጓሜ ኮዶች መሰረት አስገቡ

- 1- በጣም አልሰማም (ኤስዲ) 2- አልሰማም (ዲ) 3- ታትቦ (ኤን) 4- አስማማለሁ (ኤ) 5- በጣም አስማማለሁ (ኤስኤ)

ሀ.ከክፍያ ጋር የተያያዙ ጥያቄዎች

ተ.ቁ	ጥያቄዎች	ኤስዲ(1)	ዲ(2)	ኤን (3)	ኤ (4)	ኤስኤ (5)
I.	በባንኩ የክፍያ ሲስተም ላይ አጠቃላይ ጥያቄዎች					
1	የባንኩ ክፍያ ሲስተም እጅግ በጣም ጥሩ ነው					
2	በባንኩ ላደረግኩት አስተዋጾ በደንብ እንደተከፈለኝ ይሰማኛል					
3	የባንኩ የክፍያ እቅድ በሰራተኞች የስራ ውጤት ላይ ተጽኖ አለው					
4	በተለያዩ ቅርንጫፎች በተመሳሳይ የስራ ደረጃዎች ወጥ የሆነ ክፍያ ይተገበራል					
II.	ቀጥተኛ ገንዘብ ነኝ ክፍያ					
5	ደሞዜ ከሌሎች ባንኮች ጋር ሲነጻጸር ተገቢ ነው					
6	ደሞዜ ለባንኩ ካደረግኩት አስተጻ ጋር ሲነጻጸር አጥጋቢ ነው					
7	ገንዘብ ነኝ ሁኔታዎች እንደ ክፍያዎች አበል እና ጉርሻ ከባንኩ አጥጋቢ ናቸው					
8	በሚያገኙት ደመወዝ ረከተዋል					
9	ደሞዝ የእርሶ የስራ ብቃት ላይ ተጽኖ አለው					
10	ዝቅተኛ ደሞዝ ስራ እንዲለውጡ ሊያደርግ ይችላል					
11	ተገቢ እና ወቅታዊ ክፍፊ የስራ ብቃት ደረጃ ላይ ተጽኖ ያሳድራል					
III.	ቀጥተኛ ያልሆነ ገንዘብ ነኝ ክፍያ					
12	የደህንነት ኢንሹራንስ ጥቅም ጥቅም፣ የጡረታ ፕሮግራሞች የጤና ኢንሹራንስ፣ የቁጠባ እቅድ በባንኩ ውስጥ አለ					
13	ለባንኩ ሰራተኞች የማስያዣ ብድር ፖሊሲ አለ					
14	የባንኩን የማስያዣ ብድር ፖሊሲ የሚሰብ ነው					

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አዩሩሳሌም አሳሚር
ዋና ሥራ አስኪያጅ
Eyerusalem Asamere
General Manager

15	የሚሰብ ማሰያዣ ብድር ፖሊሲ ከፍተኛ ብቃት ያላቸውን ለመያዘስ ያግዛል					
16	የጥቅማ ጥቅም ፓኬጅ አጥጋቢ እና ለሁሉም ሰራተኞች ተገቢ ነው					
17	የባንኩ ጥቅማ ጥቅም ፓኬጅ ከሌሎች ባንኮች ጋር ሊነጻጸር የሚል ነው					
18	በማገኘው ጥቅማ ጥቅሞች ረክቻለሁ					

ለ. ከሽልማት ጋር የተያያዙ ጥያቄዎች

ተ.ቁ	ጥያቄዎች	አስዲ(1)	ዲ(2)	ኤን (3)	ኤ (4)	ኤስኤ (5)
I.	የባንኩ የሽልማት ሲስተም ላይ አጠቃላይ ጥያቄዎች					
19	ባንኩ ለሁሉም ሰራተኞቹ የሽልማት ፓኬጅ በግልጽ ያሳውቃል					
20	ገንዘብ ነክ እና ያልሆነ የሽልማት አይነቶች በባንኩ የሽልማት ሲስተም ተካተዋል					
21	የባንኩ ሽልማት ፓኬጅ ከሌሎች ባንኮች ጋር ይፈክከራል					
22	የባንኩ አጠቃላይ የሽልማት ፓኬጅ ምርጥ ብቃት ያላቸውን ለመያዝ ይችላል					
23	የባንኩ የሽልማት ሲስተም ከፍተኛ እና ዝቅተኛ ብቃት ውጤት ያላቸውን በግልጽ ይለያል					
24	ሽልማት የሰራ ብቃቱን ከፍ እንዳይደርግ ይረጻጻል					
25	ለሽልማት የምርጫ ሲስተም ግልጽ ነው					
26	ለእኔ የገንዘብ ነክ ሽልማት ከገዘብ ነክ ካልሆነ ሽልማት በጣም ጠቃሚ ነው					
II.	ኤክስትራሲክ ሽልማቶች					
27	በባንኩ ውስጥ በቂ ገንዘብ ነክ ሽልማቶች እንደ ደሞዝ ጭማሪ፣ ጉርሻ፣ ጥቅማ ጥቅም እና ስጦታዎች አሉ					
28	ከፍተኛ የሰራ ውጤት ያላቸው ለሰራ ብቃታቸው ተጨማሪ ከፍ ያገኛሉ					

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አዩራላሌ ሞ አሳመሪ
 ሞና ሥራ እስኪያጅ
 Eyerusalem Asamere
 General Manager

29	የደሞዝ ጭማሪ በሰራተኞች የስራ ብቃት መሰረት ይፈጸማል					
30	ከፍተኛ ብቃት ያላቸው የሚሰጥ የደሞዝ ጭማሪ ሌሎች ይበልጡን እንዲሰሩ ያነሳሳል					
31	የባንኩ የጉርሻ ክፍያ የስራ ውጤት መሰረት ያደረገ ነው					
32	የጉርሻ አቅድ የተሻለ ለመስራት ያበረታታል					
33	ጥሩ የስራ ውጤት ካለኝ የጉርሻ መጠን እንደምጨምር እርግጠኛ ነኝ					
34	ባንኩ ግልጽ እና በጎ የአድገት ስነስርዓት አለው					
III.	ኢንትሪንሲክ ሽልማት					
35	የተሻለ ለሰራሁት በጎ አውቅና ተቀብያለሁኝ					
36	በስራ ብቃቴ ያገኘሁት አውቅና ለሌሎች ይታያል					
37	አውቅና የስራ ብቃቴን እንድጨምር ያነሳሳኛል					
38	ከፍተኛ ውጤት ያላቸው ተገቢ አውቅና ዝቅተኛ ውጤት ያላቸው ጠንክረው እንዲሰሩ ያበረታታል					
39	ተቆጣጣሪዬ በደንብ የተሰራ ስራን ምስጋና ይሰጣል					
40	በስራዬ ላይ አዲስ ዘዴዎች የመምከር ነጻነት አለኝ					
41	የድርጅቱ ህግና ደንቦች ለመስራት ቀላል ያደርጋሉ					
42	በድርጅቱ ውስጥ ግልጽ የስራ ማበልጸግ መልካም አጋጣሚ አለ					
43	ድርጅቱ በአብዛኛው በውስጥ ክፍት ስራ ቦታ ይሞላል					
44	ድርጅቱ የሰራተኞችን የወደፊት የስራ ብቃት ለማበልጸግ በቂ ስልጠና ይሰጣል					
45	የስራ ማበልጸግ መልካም አጋጣሚዎች ተገቢ ትግበራ ወደ ቀጣዩ አድገት የሰራተኞችን የስራ ውጤት ይጨምራል					

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 አዩሩሃሌም-አሳመረ
 ዋና ሥራ አስኪያጅ
 Eyerusalem Asamere
 General Manager

ሐ. ከሰራ ብቃት ጋር የተያያዙ ጥያቄዎች

ተ.ቁ	ጥያቄዎች	ኤስዲ(1)	ዲ(2)	ኤን (3)	ኤ (4)	ኤስኤ (5)
46	የማገኘው ደሞዝ እና ሽልማት የሰራ ብቃቱ ላይ ተጽኖ ያሳድራል					
47	ድርጅቱ ለምርጥ ሰራ ብቃት ላላቸው የሽልማት እና እውቅና ሲስተም አለው					
48	ይበልጡን ለመሰራት መሰረት የሆነው ሽልማት ነው ይላሉ					
49	የእርስዎ የሰራ ብቃት ደረጃ በሚያገኙት የሽልማት አይነት ተጽኖ አድርጎታል					
50	የበለጠ ገንዘብ ነክ ጥቅማ ጥቅም ካገኙ የተሻለ ይሰራሉ					
51	እድገት የሰራ ውጤት ላይ ተጽኖ አለው					
52	ኢንትራገሊክ ሽልማቶች እንደ ደሞዝ ጭማሪ ፣ጉርሻ፣ ጥቅማ ጥቅም እና ስጦታዎች የተሻለ እንደሰራ አነሳስቶኛል					
53	ኢንትራገሊክ ሽልማቶች እንደ ደሞዝ ጭማሪ ፣ጉርሻ፣ ጥቅማ ጥቅም እና ስጦታዎች የተሻለ እንደሰራ አነሳስቶኛል					
54	በሰራ አፈጻጸሜን በተመለከተ በከፍተኛ ደረጃ እረክቻለሁ					
55	የከፍተኛ መጠን ሽልማት እና የሰራ ብቃት ደረጃ አብረው እጅ ለእጅ ይሄዳሉ					

በጣም አመሰግናለሁ!!

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አዩሩሳሌም አሃመር
ዋና ሥራ አስፈጻሚ
Eyerusalem Asamere
General Manager