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**Assessment of Reward Management Practice: The case of Lion
International Bank**

**A THESIS SUBMITTED TO ST. MARY'S UNIVERSITY, SCHOOL OF GRADUATE STUDIES
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DECLARATION

I, the undersigned, declare that this thesis is my original work, prepared under the guidance of Tarekegn Tamiru(Ph.d).All sources of materials used for this thesis have been dually acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institutions for the purpose of any degree.

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Abstract

✓ *The key objective of this research paper was to assess the reward management practice in the case of Lion International Bank at head office. The best reward management practice is the one that helps an organization to be competent in the industry by reducing employees' turn over and increase employees motivation to perform their tasks effectively and efficiently. Reward management practice in this study is assessed by considering intrinsic and extrinsic reward practice, internal and external equity, transparency and consistency among staffs. This study was done using descriptive research design and a primary data collected from 173 professional employees of with more than one year experience at Lion International Bank which have 96.5% response rate. The five likert questionnaire had a Cronbach alpha coefficient of greater than 0.7 for all indicators of reward management practice suggesting that the instrument was reliable. The descriptive analysis was done by using SPSS version 20. The finding of this paper shows that the evaluation of performance appraisal is done half yearly and it is based on basically individual performance, seniority and supervisors recommendation. The empirical finding also shows that employees of Lion International Bank (LIB) agree there are good intrinsic reward, internal equity, consistency and transparency in reward management practice. When compared to the banking industry respondents disagree about external equity. When we see in terms of extrinsic reward practice that most of respondents are neutral to say there exist good extrinsic reward practice in LIB. Since LIB reward management practice compared to the industry is low employees attracted by the benefit packages of other banks. Currently the bank benefit packages are the same for same grades and it doesn't vary with individual performance except the promotion package. Most of the employees in the bank believe there is proper composition of benefit packages. Since the employees of LIB feels the existing extrinsic reward and external equity is not good top management of the bank should reconsider those issues to increase its performance and holding competent employees. The study also recommends that the management should regularly provide incentives and bonuses to employees to improve their morale as it is not competitive and attractive in the industry these times by this dimension. Moreover, the bank should undertake market intelligence to discover the other banks' practice and review its reward management system in a better way to sustain experienced and highly motivated employees with it.*

✓ **Keywords:** *Reward management practice, Intrinsic, extrinsic, equity, transparency, consistency*

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CHAPTER ONE

INTRODUCTION

This chapter deals about background of the study; statement of the problem; objective of the study; significance of the study; scope of the study; limitation of the study ;operational definition of key terms, organization of the study.

1.1. Background of the Study

The ability to recruit and retain qualified employees and keep them highly motivated has become a tremendous challenge in today's globalized world, which is marked by competition, access to the newest communication and information systems, and unrestricted access to financial markets around the world. According to Ayesha (2014), firms have begun to appreciate the value of their people resources and are becoming more interested in managing personnel in ways that would improve company performance. In order to achieve this, organizations must strike a fair balance between the contributions made by employees to the organization and those made by the organization to the employees.

According to Shields' research from 2007, paying employees frequently results in improved performance. Profits will rise thanks to a rewarding program that also motivates employees to work hard and with loyalty. As Armstrong (2012) highlights, high performers are usually highly motivated. Though it has been suggested that working solely for financial gain may result in a less motivated or enjoyable workplace and that extrinsic rewards may erode intrinsic motivation. The mix of awards that is intrinsic and extrinsic given in the correct manner to the right person or group will have the biggest impact on performance.

Today, it is generally agreed that the best course of action to pursue within an organization is to combine awards from a complete rewards viewpoint. Nowadays, a lot of the material that has been produced centres on a more all-encompassing method of rewarding staff. The traditional theories of motivation are still relevant in today's firms, and because they are complementary to one another, they can boost performance through boosting employee engagement. According to Armstrong (2009), there will be engagement where employees feel they are genuinely motivated by a sense of belonging and accomplishment and where they have a clear understanding of the

nature of their role and how it fits into the overall picture. In line with expectation theory, which holds that relationship exists between performance and outcomes.

The purpose of the reward system is to inspire employees to work toward accomplishing the organizations' strategic goals. Pay and benefits for employees are just two aspects of reward management (financial rewards). It also gives equal consideration to non-cash incentives including praise, development, increasing work responsibility and training (Shields, 2007).

One of the most crucial instruments at the disposal of any management is to administer an efficient incentive system in order to attract and retain competent human resources, as the way people are paid increasingly determines the survival of the company. An organization can utilize reward management to demonstrate to employees that their contribution to the organization is valued in order to accomplish this goal.)

Employee job performance is significantly influenced by the performance management and reward system (Armstrong, 2006). As a result, academics and industry professionals have long focused on the relationship between employee performance, rewards, and specific award kinds. As a result, numerous theories and methods were created to explain the nature of employee performance and reward in both the public and private sectors. However, it has been challenging to locate even one research paper that thoroughly examined the connection between the case company, Lion International Bank (LIB) S.C., and the evaluated performance, equitable incentives, and reward management system.

As a result, the primary goal of this study is to determine the degree to which employees' perceived performance is related to the type and amount of rewards they have been receiving. Additionally, this study evaluates Lion International Bank S.C.'s overall reward management practices based on employees' perceptions of the current rewarding practice.

Within the Ethiopian financial sector, usually three sub-sectors are distinguished, namely banking, insurance and securities. Ethiopian banking industry is suffering with high labour turnover and has high flow of employees from one bank to another bank to facilitate their life style by comparing their bank pay scale and benefit package with other banks. In addition, some employees look on other competent organizations, specifically private companies with in an expectation of better HRM practices particularly reward management practice, nice work

environment and high satisfaction from the job. The same is also true for insurance companies, even though reward management practice exist in the companies, the criteria that used to reward employee is not adequate, reliable and valid criteria and there is high rate of turnover in the banking industry (Gebrehiwot, 2008)

1.2. Background of the Organization

Lion International Bank S.C. is a privately owned Share Company, established on October 2, 2006 in accordance with Proclamation 84/94 and the commercial code of Ethiopia and officially inaugurated for public services on January 6, 2007. With over 6400 shareholders, Lion International Bank S.C. has a unique position in the commercial banking industry and is distinguished for its broad based participation of the public from all walks of life. Besides, Lion International Bank S.C. paid up capital is over Birr 320 million while its subscribed capital is Birr 432 million which is relatively above average capital base. Article 310(1) of the commercial code of Ethiopia entitles the promoters' committee to 20% of the net profit of the bank for a period not exceeding three years. However, they have relinquished this right by their own free will to enhance the capacity of the Bank. The Bank is led by eleven members of Board Directors elected by the General Assembly to decide on policy matters and oversee the overall performance of the Bank. The President of the Bank, is appointed by the Board of Directors, is responsible for the day to day activities and is accountable for the financial and operational performance of the Bank (LIB Annual Report for the year 2021/22).

1.3. Statement of the Problem

According to Brian (2005), the organization's financial performance suffers greatly as a result of the "compensatory damage" caused by the unstable reward system. It causes a major decline in human productivity, more interpersonal friction within the company, and feelings of internal injustice. On the usefulness of the reward program and the degree of justice or fairness in how it is distributed among employees, there is still room for doubt. Backing this up with the proper level or combination of awards at that specific point in time is vital for developing a successful reward system within the firm and cultivating a culture towards continuous improvement and efficiency.

In terms of the type of reward system to use inside any organization, there is undoubtedly no "one size fits all" solution. But for that reward system to be effective, the staff dynamics and the timing of the program must be right. In this way, a strong structure for rewards and recognition will offer a clear way to maximize employee productivity and foster a supportive workplace. Organizations normally try to pay as little as possible to reduce expenses, but if workers feel that their efforts-to-rewards ratio is unbalanced in comparison to some benchmark, they will take action to make it more equitable (Decenzo,2005).

This researcher has observed that even though there are few disparate studies on Reward management practice of the private banks, no study is conducted on the newly emerged private banks namely Bunna International Bank, Abay Bank, Enat Bank, Addis International Bank, Debub Global Bank and Lion International Bank which were joined to the banking industry within the last fifteen years. These banks have their own unique challenges in managing rewards due to various capacity issues.

When it comes to LIB, it compiles a report on employee performance evaluations at the conclusion of each six-month period to use as a basis for rewarding its staff. Managers and/or supervisors at each branch/department of the bank evaluate the employees under their control using tabulated lists of qualitative parameters, which are almost certainly subject to the evaluators' own subjectivity. The parameters on which the level or combination of rewards for bank employees depends are also not entirely clear.

Thus, this research was conducted to assess and evaluate the existing reward practices based on the employees' perception towards major dimensions of rewarding system of Lion International Bank S.C.

1.4. Basic Research Questions

To address the research problem stated above in statement of the problem the research work tried to answer the following research questions.

1. What is the perception of bank employees on the existing reward practices in terms of intrinsic and extrinsic reward system?

2. How proper is the reward system based on transparency& consistency for employees?
3. What do employees think about equity (internal &external) and equitable distribution of reward among employees?
4. What degree of balance between monetary and non-monetary rewards exists in LIB?

1.5. Objectives of the Study

1.5.1. General Objective

The main objective of this study is to assess the reward management practice of Lion International Bank S.C.

1.5.2. Specific Objectives

To achieve the study the main objective of the study is cascaded to the following specific objectives which were addressed one by one through investigation using questionnaires.

- ❖ To find out employees perception about the intrinsic and extrinsic rewards.
- ❖ To evaluate the transparency and consistency of reward management practice
- ❖ To find out the reward system in terms of its internal &external equity and fair distribution among employees
- ❖ To identify if there is a proper composition between monetary and non-monetary rewards

1.6. Significance of the Study

The study investigates the reward management practice of LIB. The competition among banks has become stiff those days to attract and retain employees who are committed and competent .In order to do that LIB needs to implement a reward strategy that is competent enough, so the findings of this study:

- Will help LIB to identify the effectiveness of its reward practice and gives suggestions in the form of recommendations.
- Aims to increase understanding of the area of rewards in connection with other researchers conducted on the subject matter.

- Showed the deviation from the theory and suggested possible remedies for the problems identified while conducting the entire research project.
- Will also help other researchers who will be interested to conduct a research related to the subject matter as a further reference material.

1.7. Scope of the Study

The scope of this study is limited to assess the reward management practice of Lion International Bank S.C. To addresses the issue permanent professional staffs which have more than one year experience at Lion International Bank S.C Head Office which accounts 303 permanent professional employees used as a target population to collect relevant data to answer the research questions stated.

The sources of information were gathered from the current employees of the Lion International Bank S.C by using random sampling. Data's was collected through questioner and that was applied for the sample was selected from managerial and non-managerial permanent employees with more than a year of experience. In addition, a semi-structured interview was planned for managers who were available while taking into account their number in order to obtain comprehensive information about Lion International Bank S.C.'s reward management practices.

1.8. Limitation of the Study

This research paper was conducted on Lion International Bank S.C reward management practice but due to time and financial constraints, it focuses only head office permanent staffs which have more than one year experience as target population and it does not consider other branches, as well as difficulties with accessing all of the bank's branches due to their geographical position. Researcher's lack of prior experience in conducting scientific research may have some effect on the finding of the result. However, considerable care has been taken in the collection and analysis of all the evidential matter in order to minimize the impact of these shortcomings.

1.9. Definition of Terms

Reward: Anything that a business gives to its employees, whether on purpose or accidentally, in compensation for their potential or actual work contribution and to which they personally

attach a positive value as a satisfier of specific self-defined requirements can be considered a reward (Shields, 2007).

Reward systems: A reward system is made up of the interconnected procedures and methods that work together to guarantee that the organization's and its employees' interests are served through effective reward administration (Armstrong, 2010).

Total Rewards: Total rewards 'includes all types of rewards – indirect as well as direct, and intrinsic as well as extrinsic' (Manus and Graham, 2003).

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

Extrinsic Rewards: Extrinsic rewards provided by employers in the form of pay will help to attract and retain employees and, for limited periods, may increase effort and minimize dissatisfaction (Armstrong, 2007).

Internal Equity: Paying equal salary or wage for work of equal value is important as a means of achieving both job satisfaction and meeting legal requirements (Armstrong and Helen, 1994).

External equity: The perceived fairness of the relation between what a person does (inputs) and what the person receives (outcomes) (Armstrong and Helen, 1994).

1.10. Organization of the study

The study was organized in to five chapters. The first chapter focused on Back ground of the study, statement of the problem, research objective and scope of the study, limitations and expected contribution of the study. The second chapter deals about theoretical and empirical literature review. The third chapter is about methodology which includes but not limited to research methodology which includes research design, data source, method of data collection and others. The fourth chapter deals about the empirical finding of reward management practice. The final but not the list section chapter five presents summary and conclusions from the study and subsequent recommend

CHAPTER TWO

2. LITERATURES REVIEW

According to Saunders (2009), conducting a "critical assessment of the literature" will enable you to gain a full grasp of prior studies that are relevant to your research question(s) and objectives. This chapter reviewed pertinent literature pertaining to a variety of areas of the topic (reward), including reward definition, rewarding system, forms of reward, and reward performance relationship, among others.

2.1. Theoretical Literature Review

2.1.1. Reward

The benefits that an employer provides in exchange for the labour performed by employees are referred to by a variety of different terms. Due to the fact that many of the benefits that people receive from their work do not take the form of money, the term "payment" is frequently considered as having an overly restrictive definition nowadays. The word "compensation" is frequently used in American literature, although the concept of compensation is to make up for harm or loss that has been inflicted.

According to Armstrong (2006), rewards are one of the key factors in motivating employees to put forth their best effort in coming up with innovative ideas that improve business operation and further enhance both the financial and non-financial performance of the firm. There are various ways to reward staff members than monetary remuneration. Among these are the compliments that workers can receive from their supervisors, the chance to work on significant projects or tasks, and even leadership focus. Numerous studies on the subject of leadership have revealed that employee job performance, productivity, contentment, turnover, and organizational citizenship behaviours are all positively correlated with supervisor reward power.

When an employee believes or trusts that the management will recognize and reward their efforts, they will give their all. Employee performance is influenced by a variety of elements, including working environment, the relationship between employees and employers,

opportunities for training and development, job security, and the company's general policies and practices for rewarding employees, among others. The incentive that comes with rewards is the most crucial of all the factors that have an impact on employee performance. Our conduct is influenced and directed by a variety of mechanisms that collectively make up motivation (Baron, 1983).

Rewards can be extrinsic or intrinsic, extrinsic rewards are tangible rewards and these rewards are external to the job or task performed by the employee. External rewards can be in terms of salary/ pay, incentives, bonuses, promotions, job security, etc. Intrinsic rewards are intangible rewards or psychological rewards like appreciation, meeting the new challenges, positive and caring attitude from employer, and job rotation after attaining the goal (Pamela, 2015).

Financial and non-financial rewards are the two primary types of incentives, and both can be used effectively to improve employees' performance behaviours, claims Luthans (2000). Financial incentives refer to compensation for performance, including performance bonuses, job promotions, commissions, tips, gratuities, and gifts, among others. Non-monetary/non-cash non-financial rewards include things like certificates, acknowledgements, and sincere appreciation, among other forms of social acknowledgment. The non-monetary incentives are often known as materials awards (Neckermann and Kosfeld, 2008).

2.1.2. Reward Systems and Management

One essential component of any organization is its reward systems. They can actively participate and revitalize an organization's overall feeling of community and mission. A well-managed rewards system can act as a motivator for worker performance and high-quality work. Similar to how an improperly implemented reward system can result in low morale, ineffective performance, and even a high rate of staff turnover. A compensation system is effective, according to Sziligy (2003), when the staffs perceive its policies as fair, consistent, and pertinent. It might be delicate to recognize and reward staff. People may be inspired to look into more efficient ways to complete their tasks, or they may be entirely dissuaded from making such an effort.

According to Sziligy (2003), reward systems are results or events that fulfil demands related to the workplace. However, while they sometimes incorporate extrinsic incentives like promotions,

non-monetary bonuses, vacation days, or even a manager saying "thank you," rewards systems are much more than merely bonus programs and stock options. Since excellent morale and productivity go hand in hand, managers must ensure that staff members receive rewards when they surpass company goals and exceed expectations. In contrast, the opposite may result in ineffective performance and even a high rate of staff turnover. A correctly implemented system of rewards has the power to increase incentives for quality craftsmanship and staff performance as well as strategically recruit qualified personnel to the company.

According to Armstrong (2009), reward management is concerned with the creation and application of strategies and policies with the aim of rewarding individuals fairly, equitably, and consistently in accordance with their value to the organization and assisting the latter in achieving its strategic goals. Creating effective organizational cultures, supporting fundamental values, and boosting employee motivation and dedication are other issues it addresses. It addresses the creation, implementation, and upkeep of reward systems (reward process, practices and procedures that aim to meet the needs of both the organization and its stakeholders). The purpose of the reward system is to inspire employees to work toward accomplishing the organizations' strategic goals. Pay and benefits for employees are just two aspects of reward management (financial rewards). It is equally concerned with non-monetary benefits including acknowledgment, training, development, and greater job responsibility (Shields, 2007).

Non-financial rewards are those related to aspects of psychological needs, the increased attention to this aspect came after the emergence of human relations theories. Those incentives are based on respect of a human being who has feelings, hopes and aspirations. It could be in the form of participate in decision-making, training, career development (promotion) certificates of thanks and appreciation (Marwan, 2012).

Recognition can also be employed in an organization as reward strategy for employee performance, and it has been conceptualized in literature as a means of acknowledging, approving, and appreciating employees for contributing to the attainment of organizational goals (Maccoy, 2015). There are many ways recognition can be deployed in an organization: it can be done on formal basis or in a n informal basis where employees to be rewarded are officially announced or informally recognized by a leader of the team.

All of the businesses currently attempting to improve their recognition systems make use of tools that are pretty simple and straightforward to use. To run a formal and informal recognition program successfully, the following procedures must be set up: Utilize all available communication channels, such as the Intranet and other knowledge-sharing networks, to inform every one of new recognition procedures and programs. Managers should be trained to use recognition as part of their overall compensation package. Recognition should also be integrated into the performance management process so that everyone can start using it. Have site-specific recognition events that are highlighted in the business's communication channels, such as the weekly newsletter and bimonthly magazine, advertise the best employee practices so that everyone is aware of some of the things they can do to gain recognition, Inform everyone about the steps that the best managers are taking to use recognition effectively, review the recognition process frequently in order to introduce new practices and programs and eliminate those that are not working, and solicit ideas for recognition from both employees and managers since they are the ones who are most likely to know what works well-and what does not (Chartered Management Institute, 2004).

A reward system that is properly administered is adjudged to offer incentive for quality workmanship and performance related outcome, while a bad one can heighten turnover rate in an organizational context. A successful reward system is contingent on the employee (Imran, 2012). To Reward and recognize employees is considered as a good strategy because people can be motivated to explore efficient and effective way of executing tasks or jobs in an organization.

The Chartered Management Institute (2004) asserts that because the incentives system includes all facets of employee compensation in the package, it is rapidly replacing the conventional idea of a regular pay system. According to Fay and Thompson (2001), "Rewards systems have a vital role in deciding the organization's ability to attract high potential individuals and to retain high performing employees to reach improved levels of quality and performance."

However, most businesses struggle to accurately describe these rewards in order to meet their needs in terms of employee performance. So the question becomes which type of incentive system to implement, when, and whether it should be non-salary based, salary based, annual merit based, or management praise alone. As a result, the adoption of non-salary based awards that are exclusively based on the reward authority of managers without any guidance from

established policies has become necessary due to issues with performance rating and assessment paired with insufficient funding by some organizations. It is clear that employees and managers would get familiar with the organization's goals and policy framework as they relate to the many performance appraisal phases under incentives systems, and they would create customized non-salaried awards that correlated with the particular goals (Wilson, 2004).

2.1.3. The Total Reward System

Total reward is a term used to define a reward system in which the benefits package includes elements like learning and development as well as facets of the workplace. Both monetary and non-monetary incentives are valued in the complete reward system.

Real rewards, such as compensation, personal bonuses, and other advantages, result from interactions between the company and the employee. Learning, growth, and work experience all fall under the category of intangible benefits. The ability to grow, acknowledgment from the company and colleagues, personal achievement, and social life are a few examples of these forms of incentives, as depicted in figure 1 below. To maximize the beneficial effects that a variety of rewards can have on motivation, job engagement, and organizational commitments is the goal of total reward.

The benefits of a total reward system are described by Armstrong and Brown, 2006 as follows.

- ***Greater Impact***– when different types of rewards are combined, they will have a deep and long-lasting effect on the motivation, commitment and engagement of employees.
- ***Enhancing the Employment Relationship*** – total reward appeals more to employees due to the fact that it makes the maximum use of relational as well as transactional rewards.
- ***Enhancing Cost-Effectiveness*** – because total reward communicates effectively the value of the whole reward package, it minimizes the undervaluing of the true costs of the packages.
- ***Flexibility to Meet Individual Needs*** – due to the variety of rewards, the total reward is able to answer the individual needs of the employees and hence bind them more strongly to the organization.
- ***Winning the War for Talent*** – because relational reward processes are more difficult to replace than individual pay practices, total reward gives the organization the ability to attract

and retain talented employees by differentiating their recruitment process and hence becoming “a great place to work.

The definition of total reward, according to Thompson (2002), "typically encompasses not only traditional, quantifiable elements like salary, variable pay, and benefits, but also intangible non-cash elements like scope to achieve and exercise responsibility, career opportunities, learning and development, the intrinsic motivation provided by work itself, and the quality of working life provided by the organization."

A model developed by Brown and Armstrong (1999) distinguishes between relational rewards, which are focused on learning and development and the work experience and are crucial to enhancing the value of transactional rewards, and transactional rewards, which are financial in nature and are important for hiring and retaining staff but are easily copied by competitors.

2.1.4. Motivation

Every person has unique needs that drive their behaviour and actions. Abraham Maslow created five classifications to help organize his explanation of human needs and how they relate to organizations' incentive policies in a hierarchical manner. The organization can meet the middle part of the pyramid's need for belongingness and the last two parts of the hierarchy's need for self-esteem and self-actualization through non-monetary incentives like fostering good chemistry with co-workers and supervisors, creating a teamwork environment, giving employees the chance to prove themselves through development opportunities, accepting and appreciating employee efforts, and respecting and recognizing employees. Money rewards like income, health insurance, job stability, and corporate automobiles can satisfy the lowest portions (physiological and safety

Motivation alludes to a fundamental psychological procedure. It was a factor that eventually became the impetus for work action. Motivation is the management process that influences behaviour of information on what makes people think, claims Luthans (2003). It aids in the process of encouraging others to take action and accomplish particular objectives. As far as employee motivation is concerned, the incentive system is a crucial tool for management to use. Currently, either the public or commercial sectors are using reward schemes. It was made very obvious that when awards are given, employees work harder.

A lot of money is spent on a rewards program. These are intended to improve staff motivation, in theory. An effective incentive system necessitates an experimental mind set and ongoing system fine-tuning, as noted by Cameron and Pierce (2006); internal system feedback and continual system efficacy testing. Employee productivity increases when they receive rewards. Employers don't always get the behaviour they want from workers; instead, they often get more of the conduct they reward. As a result, as a means of motivating staff, rewards should be given right away when they accomplish their goal or exceed their benchmark.

2.1.5. Expectancy Theory of Motivation

This study primarily follows the Expectancy Theory of Motivation, out of all the theories of motivation. According to the expectation theory, one chooses their behaviour based on whether or not the results of that activity will be desirable. As a cognitive process hypothesis, it is dependent on how employees view rewards (Armstrong, 2006).

In 1964, psychologist Victor Vroom proposed the expectation hypothesis. The notion is only applicable in a work environment where expectations are the foundation. The idea focuses on the decision-making processes people employed when faced with specific options among alternatives, specifically choices/alternative courses of action. The literature review revealed the following as the underlying principles of the theory: individuals make a conscious effort to behave in a particular way; individuals have individual values with regard to choosing desired outcomes; individuals have individual expectations concerning the amount of effort required to achieve a specific outcome; and individuals have individual expectations regarding the likelihood of being rewarded for achieving desired outcomes (Carter & Shelton, 2009).

Through the use of these concepts, Vroom aimed to illustrate how motivation is a result of the relationship between an individual's effort and their perceived level of performance as well as their anticipation that rewards for desired outcomes will be performance-related. On the other hand, there must also be the expectation that rewards are available because this will help to determine the strength of the motivational link, which will then help to determine how strongly an individual prefers an outcome and believes that specific actions have a chance of leading to the desired result.

Where force denotes the degree of motivation, valence the degree of preference for the desired result, and expectation the degree of confidence that changes in behaviour will produce the desired result.

In light of the theory's complexity, one could only suggest to management that they strive to identify the outcomes that each bank values most, identify the objective, and specify the performance standards required to attain it. However, management must also remember that the performance level is both attainable and realistic. Management should eventually be able to compare the results to the performance goals they set after some time has passed. It's important to keep in mind that the tactics used shouldn't put the expectations they aimed to establish at odds with other debilitating aspects of the workplace. Finally, results must be appealing and alluring enough to motivate the appropriate degree of performance (Carter & Shelton, 2009).

In addition to their base pay, employees frequently receive bonuses based on their performance, competence, or skill development. Rewards have many purposes. They will also, among other things, save time, money, and increase quality. People will be rewarded for their contributions, and they will also assist spread the company's values and expectations (Armstrong 2002). The main goal is to deliver "worth for money" and contribute to the development of the organization because awards incur additional costs for the company. It was determined that awards must add value to the project and help it succeed in the case of project management.

Success cannot be directly influenced by rewards. The motivation of employees is directly impacted by rewards. There are many different ways to define motivation. According to this thesis, what motivates people to work hard and deliver quality results is their desire to help the organization or project succeeds. There are two different kinds of motivation: intrinsic and extrinsic. Employees who are motivated intrinsically to work do so because they enjoy the work they do. Extrinsic motivation is produced by external stimuli like rewards (Armstrong 2002).

2.1.6. Effective Reward

Systems of rewards that work should constantly emphasize positive reinforcement. In organizations, the desired behaviour is encouraged by positive reinforcement. This motivates workers to make wise decisions that result in rewards. In order to reinforce positive behaviour

that results in performance, reward systems should be effectively established in the organization (Torrington & Hall, 2006). Effective incentive systems, as stated by Danish and Usman (2010), result in greater employee satisfaction, acknowledgement of accomplishments, a desire to meet high standards, and a willingness to work more.

We all know that the goal of rewarding is to let employees know how much their work means to the company. Because they feel valued, significant, and respected, employees care about it. According to studies, motivation and fulfilment as well as reward and recognition have statistically significant relationships with one another. Salary and promotion were two of the main areas that employees wanted their organizations to improve upon, according to an analysis of employee comments from participating companies in the "Best Companies to Work For in India Study - 2011" to the open-ended question, "What will make your Organization a better place to work?". Other researchers' studies have also shown that there would be a commensurate change in job motivation and satisfaction if rewards or recognition supplied to employees were changed. According to (Osthuisen, 2001), it is essential for managers to influence employee behaviour and successfully encourage staff in order to increase organizational effectiveness. (Flynn, 1998) has suggested that incentives and recognition programs keep employees motivated and upbeat, increase morale, and establish a link between performance and motivation. According to a 2005 Watson Wyatt Worldwide survey, businesses with successful recognition programs experienced a median return on stockholders that was nearly twice as high as those without such initiatives. According to a research by the Society for Incentive and Travel Executives, well-designed incentives and rewards programs can increase employee performance by up to 44%. According to a different study, the U.S. economy suffers an annual loss in productivity of between \$250 and \$300 billion as a result of very negative or actively disengaged workers. According to research by Rath and Clifton, nine out of ten people say they are more productive when they are around happy, appreciative people. According to Andrew (2004), rewards and recognition are the foundation for all employees' engagement. According to Lawler (2003), an organization's success and survival depend on how well its people resources are managed.

By adopting a well-balanced incentives and recognition program for employees, the majority of the firms surveyed have demonstrated to have made notable success. According to (Deeprouse,

1994), giving employees appropriate acknowledgment can increase their motivation and productivity, which ultimately improves an organization's performance.

(Broad, 2007) asserts that tangible rewards are successful in boosting performance for tasks that haven't been completed previously, instigating "thinking smarter," and supporting the achievement of both high-quality and low-volume goals. The three main elements that have an impact are incentives, rewards, and recognition motivation of workers. An organization's ability to innovate is also directly impacted by motivation. Organizations must reward both efforts and accomplishments in order for this to happen.

2.1.7. Reward Basics

It does not necessarily follow that a program designed to promote a particular set of behaviours or outcomes is successful. In actuality, the aim of the majority of reward programs is not the issue; rather, it is how they work within the firm. Additionally, procedures and policies that are viewed as being a part of an organization's culture may actually be the most crucial mechanisms that either help the firm flourish or hinder its ability to compete. Therefore, the development, application, and continuous administration of reward systems are crucial to their success. (Wilson,2002).

To this end, research and experience indicates that there are several overriding determinants of effective reward system according to Wilson (2002):

Strategy- an effective reward program must be linked directly to what makes the organization effective in attracting, retaining and motivating its primary resource, people.

Translation- for any program to deliver rewards effectively, the individual needs to know what to do. This means that he or she must be able to translate the desired vision, goals, and results or values in to actions that he or she can take.

Relationships - the interaction of people create relationships within and outside an organization and these relationships often determine the success of the organization.

Integrity- the programs need to function with sincerity, reliability and trust. If people perceive that rewards are intended to manipulate or exploit them, the programs and the leaders will be resented.

Values- the receiver determines the importance and value of any reward, program designers and executives often ignores this simple, obvious and profound principle.

After all, the goal of incentive management is to compensate employees in a manner that is fair, equitable, and consistent with the value that they bring to the company. The purpose of the reward system is to inspire employees to work toward accomplishing the organizations' strategic goals. Pay and benefits for employees are simply one aspect of reward management. It is equally concerned with non-cash benefits including recognition, education, growth, and greater job responsibility (Wilson, 2002).

2.1.8. Reward Strategies

While various authors have varying perspectives about what exactly falls under the category of a strategic approach to the management of rewards, most concur that it is essentially about matching an organization's payment plans and larger incentive systems with its business objectives. This entails creating structures that raise the likelihood that staff members will actively seek out opportunities to advance an organization's objectives. Therefore, if enhancing customer service quality is the main company goal, this should be reflected in a remuneration structure that rewards front-line staff members who go above and beyond for their clients. A strategy that encourages efficiency would be preferable if higher productivity were the goal. However, due to the fact that businesses must compete with one another for good employees as well as consumers, options in this area are not always as obvious as this (Torrington and Taylor, 2008).

Employers are under increased pressure to create compensation plans that serve employees' interests as well as their own as the labour market grows more congested, making it more difficult to attract and keep the most qualified candidates.

Since the collapse of multiemployer, national-level bargaining, there has been debate over the extent to which organizations have fully used the chance to build recognizable reward programs. Several observers have hailed the advent of a new era in incentive management practice as a result of initiatives taken by some well-known employers and the emergence of firms that specialize in this kind of work.

For instance, Armstrong and Murlis (1998) go so far as to claim that current practice is defined by the adoption of a "new pay philosophy," according to which decisions about payment levels and packages "come from the entire strategy" of the company. By rewarding "results and conduct congruent with the key goals of the business," incentive policies, in their opinion, are now strengthening employer objectives and encouraging change. Academic researchers, on the other hand, have a tendency to disagree, frequently with strong arguments. They concur that there have been significant changes in pay determination over the past few decades, but they contest the statements made about the scope of the changes and question how far businesses are going with a long-term strategic approach to the management of pay. (Torrington and Taylor, 2008).

Particularly Smith (1993) and Thompson (1998) have suggested that managers still make pay decisions in a short-terms, reactive manner. Changes are made for damage control, to address immediate issues with hiring, or in reaction to government efforts rather than to match practices with corporate objectives.

So what does a written reward strategy look like? According to Armstrong and Brown (2006) there are four key components.

- First of all there needs to be a 'statement of intentions' setting out, in general terms, what the reward strategy of the organization is seeking to achieve and which reward initiatives have been chosen in order to achieve these core objectives.
- Second, these ideas are expanded through a more detailed 'rationale' which explains the objectives in greater depth and shows how the various elements of the organization's reward policy support the achievement of those objectives.
- The third element is an explanation of the guiding principles or values that have been used in developing the initiatives and that will be used to adapt them in the future. Typically this will include statements which deal with ethical issues or which reiterate a commitment to core principles such as equality between men and women, fair dealing or rewarding exceptional individual performance.
- The final component is an implementation plan, setting out exactly what initiatives are being brought forward and when, who has responsible for their introduction and what their cost will be.

However, one must first take into account the main goals that both employers and employees have for their compensation packages before establishing reward systems. While successfully achieving each of these is a requirement for the long-term success of any compensation system, the importance of certain objectives changes over time due to shifting external conditions and also varies between firms. According to Torrington and Taylor (2008), there are also several different alternative means available of meeting each objective. Reward strategies and the initiatives developed as part of those strategies should be judged according to their ability to meet certain core objectives.

2.1. 9 The Significance of effective Reward management to HR and overall Business

The purpose of rewarding, as we all understand, is to tell employees that their contributions are valuable to the organization. It matters to employees because they feel validated, important and respected. Studies show that there is a statistically significant relationship between reward and recognition and motivation and satisfaction respectively. The analysis of employee comments across participating organizations in the “Best Companies to Work For in India Study - 2011,” to an open ended question asking, “What will make your Organization a better place to work,” showed that salary and promotion were some of the key themes that employees wanted their organizations to improve upon. Studies by other researchers have also revealed that if rewards or recognition offered to employees were to be altered, there would be a corresponding change in work motivation and satisfaction. (Osthuizen, 2001) has stated that it is a critical function of managers to motivate the employees successfully and influence their behaviour to achieve greater organizational efficiency. (Flynn, 1998) has argued that rewards and recognition programs maintain high spirits among employees boosts their morale and creates a linkage between performance and motivation of the employees. A 2005 Watson Wyatt Worldwide study has found that companies with an effective recognition program realized a median return to shareholders that is nearly double that of companies without such programs. A study conducted by the Society for Incentive and Travel Executives has found that properly constructed rewards and incentive programs can boost employee performance by up to 44%. Another study has estimated that employees who are extremely negative or actively disengaged cost the U.S. economy between \$250 and \$300 billion every year, simply in lost productivity. Rath and Clifton

have found that 9 out of 10 people report being more productive when they are around positive people, who are more inclined to appreciate and recognize. According to Andrew (2004), commitment of all employees is based on rewards and recognition. Lawler (2003) has stated that prosperity and survival of organizations is determined by how their human resources are treated. Most organizations studied have shown to have made significant progress by implementing a well-balanced rewards and recognition program for employees. (Deeprise, 1994) has stated that the motivation of employees and their productivity can be enhanced through providing them effective recognition, which ultimately results in improved performance of organizations

2.2 Empirical Studies

Data were gathered using a questionnaire that was created based on several scholarly works for Lemessa Duffera's (2012) study to evaluate the compensation management methods of CBE. The validity of the measure was examined by branch managers, graduate program students, university lecturers, and HR specialists from CBE. The study's findings demonstrated that CBE staff members believe they are treated fairly both internally and externally. Additionally, CBE non-financial remuneration motivates most employees more than money compensation. Furthermore, the majority of employees believe that the CBE labour union has only played a little role in the organization's pay management decisions, largely due to the fact that bank officials were entrusted control of its financial resources and related business.

Alem Eyob (2015) has carried out research on the Commercial Bank of Ethiopia's methods for reward management. A variety of reward management variables are used to evaluate the bank's salary, promotion, and benefit practices. The alignment, transparency, equity, fairness, competitiveness, flexibility, and other features of the current incentive policies are valued in this way based on the opinions of the employees. The study's findings demonstrated that CBE is more successful at ensuring internal equity than outward equity and that it is more successful at giving intrinsic rewards than extrinsic rewards. Additionally, several CBE transparency practices appear to be subpar. Pay consistency is successfully ensured through CBE, however there is inadequate alignment between the HR strategy and the reward management approach. There was disagreement among respondents generally when it came to the bank's standard reward management procedure.

Tamene H/Mariam (2015) did research on the Cooperative Bank of Oromia S.C.'s reward management strategies. After a thorough evaluation of the many components of reward management practice, the research findings showed that, with the exception of some aspects relating to promotion and benefit administration, many of the bank's reward management practices are executed badly. The findings also demonstrated that, in comparison to other variables such as working conditions, work content, and perks, promotion is a considerably more significant determinant for employee motivation.

John Jurgle (2005) carried out study on incentive and recognition programs, the key to keeping a good morale and engaged workforce at the Pompano Beach Fire Department (Florida). The goal of the research was to assess the current issue with employee recognition and rewards and create a program that workers would value. The project's findings showed that department members didn't think the current employee recognition and reward program was useful or successful.

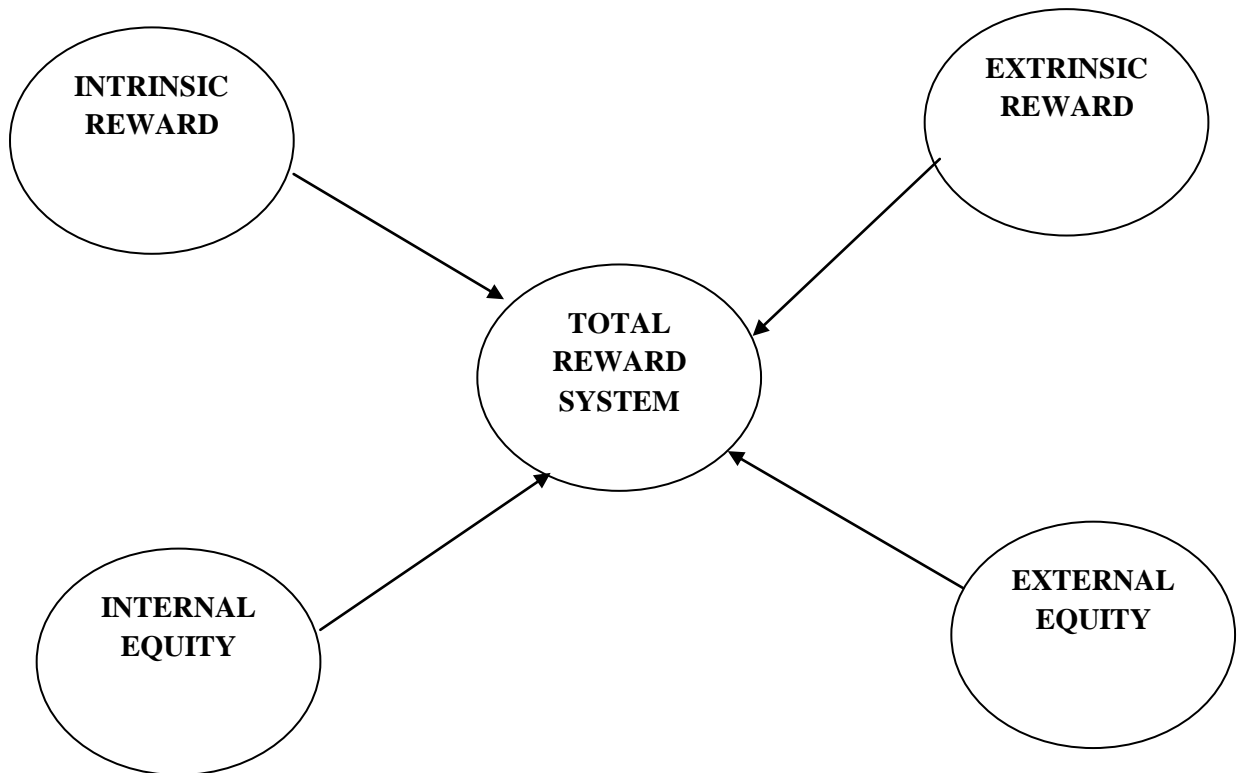
Yitbarek Gochel(2012) carried out an assessment of reward management practices in Ethiopian airlines the pay, promotion, and benefit practices of the airline are assessed from varied reward management dimensions. From his study he found that transparency, equity, fairness, competitiveness, flexibility, and some other aspects of the existing reward practices are valued based on employees' opinion. The result of the research work revealed that many aspects of the reward management practices of the airline are exercised poorly except some aspects in relation to promotion and benefit administration.

A study on The Effect of Reward Practices on Employees Perceived Performance in Ethiopian Public Banks was also conducted by Bethlehem Nigatu(2015). To describe the variables, frequency tables and charts based on descriptive statistics were utilized. Inferential statistics on the variables are used to further analyze the data using descriptive statistics. The workers of the concerned public banks were given a total of 358 questionnaires, and The public banks should clearly communicate their reward policy and procedure to their employees, and the banks should include both financial and non-financial rewards with the proper mix. Hypotheses were developed to see the effect of all the independent variables (pay/salary, benefit, promotion, recognition, and working condition) on the dependent variable (employee performance). Additionally, timely offers and a better compensation system must be taken into account.

Additionally, John Jurgle (2005) published a study titled "Reward and Recognition Programs: The Secret to Keeping a High Morale and Motivated Workforce in Pompano Beach Fire Department (Florida)". The goal of the research was to assess the current issue with employee recognition and rewards and create a program that workers would value. The project's findings showed that department members didn't think the current employee recognition and reward program was useful or successful.

2.3 Conceptual frame work

From the literature review, discussed above, the researcher has constructed the following conceptual framework to summarize the main focus points of the study in the following framework.



Source: Own survey

CHAPTER THREE

3. RESEARCH DESIGN AND METHODOLOGY

Introduction

This chapter contains the research methodology that was employed in order to address the research objectives. It gives a detailed schema on the procedures the researcher pursues to conduct this research. It presents the research design, source & type of data, sampling design and techniques, data collection method, method of data analysis and presentation.

3.1 Research Design

The approach that was employed to carry out this research was descriptive research design which entails many types of surveys and fact-finding inquiries. The primary goal of descriptive research design is to describe the current situation as it stands. Research that is descriptive tends to focus more on the facts and can respond to "what was" and "what is" questions. Therefore, in this study, a descriptive research was used to assess the reward management practice of Lion International Bank.

3.2 Research Approach

The study conducted both qualitative and quantitative study approach in order to assess the reward management practice. This Mixed method was used to analyze and interpret the collected data so as to accomplish the purpose of the study and split-up the information collected using both methods. As a result each method is used appropriately to comply with the respective research questions.

3.3 Data source

The relevant data for the study was generated from both primary and secondary sources. To accomplish this study both primary and secondary source was used. The primary data sources was employed to obtain reliable information about the assessment of reward management practice in bank industry specifically Lion International Bank. The primary source of data for this study was collected from permanent employees of LIB which have more than one year

experience in the bank. The secondary sources of data are documents of LIB, its policies and procedures, training manual, reports and other related documents related to the reward management practice. These secondary sources used to determine the sample size, select sample from the total target population, to strengthen the data obtained through questionnaires and interview.

3.4 Data Collection Methods and Instruments

Gathering necessary data for the study was done by distributing questionnaire to the selected employees because questionnaire is used commonly to gather data for descriptive research design. Questionnaires can be defined as written forms that ask exact questions of all individuals in the sample group and which respondents can answer at their own convenience (Gall et al., 2007). A self-administered questionnaire was delivered by hand to each respondent. The questionnaire has two main parts. Part one has covered about demographic variables and part two has covered information of the reward management practice in the case of LIB to achieve the research objectives. The researcher used questionnaire because it is easier to administer and collect data and it is also economical in terms of time and money. The questionnaire was close ended questions.

Kothari (2004) defines an interview as a selected set of questions administered through verbal communication in a face to face relationship between a researcher and the respondent. It entails a face to conversation between interview and interviewee. This method is useful as it gives the respondent freedom to ask in case of need. Interviews was used in order to collect additional information mainly qualitative information which the questionnaire could otherwise not able to collect.

3.5 Target Population

The total group of persons that the researcher wants to study is considered as target population (Sekaran 2003). The permanent professional employees with more than one year experience of the LIB head office was considered as a target population. Currently there are 303 permanent professional employees with more than one year experience employees at head office of LIB.

3.6 Sample Size

This study was conducted on Bank business specifically on Lion International Bank it is still difficult to take all branches which are in operation through the country or Addis Ababa since moving there and here plus including all staffs with the given time and resource. Therefore sample size determination is important. With the available resource and time the researcher selects head office permanent employees' more than one year experience as a target population which accounts 303 employees. To determine the sample size Yamane (1967:886) provides a simplified formula to calculate sample sizes. Yamane's formula was used to calculate the sample sizes which are given as follows:

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

Where n is the sample size, N is the population size, and e is the level of precision. When this formula is applied to the this paper by considering a 95% confidence level and $P = .05$

$$n = \frac{303}{1 + 303(0.05)^2} = 172.40 = 173$$

Therefore, the sample size for this study, based on Yamane's formula is 173 professional employees of LIB head office staffs.

3.7 Sampling Technique

According to Amin (2005) and Best (1981), sampling is the process of choosing sampling units from a reachable population in a way that the chosen sampling unit accurately reflect the target population to whom the findings of a research are to be extrapolated. To select 173 staffs from the overall target population of 303 staffs both probability and non probability sampling technique specifically simple random sampling techniques and judgmental sampling techniques was used. In order to be inclusive the researcher considers each group of staffs from operational staff, middle staffs and top management. Simple random sampling technique will be applied for operational staffs by taking their list from HRM directorate and selects those employees who participate in filling questionnaire using lottery method. Judgmental sampling technique was used to select middle and top management staffs.

3.8 Data Analysis Methods

Both quantitative and qualitative data will be collected from sample of respondents. The data collected through close ended structured questionnaires will be analysed using SPSS software version 20 and the descriptive analyses was presented in various forms like charts, histograms, tails and tabulation.

3.9 Reliability and Validity

According to Kotare (2004), reliability and validity refers to consistency, where internal consistency involves correlating the responses to each question in the questionnaire with those other questions in the questionnaire. The most commonly used indicators of internal consistency are Cronbach's alpha coefficient. Reliability test is the most important criteria to assess the credibility of research outcomes and findings and the most common measure of reliability is Cronbach's alpha value which range between zero and one, the value close to one indicates a higher reliability of the scale and vice versa. As a general rule a recommended value for good reliability is that alpha values should be 0.70 or more (Hair, J.; Black, B.; Babin, B.; Anderson, R.; Tatham, R., 6th edition). The Cronbach's alpha value for all variables is greater than one from table which indicates that the reliability of five **likert** scale questionnaires are good since the value is greater than 0.7 and it is possible to use it for the research analysis about an assessment of reward management practice.

Variable	N of Items	Cronbach's Alpha
Intrinsic Rewards	7	0.739
Extrinsic Rewards	5	0.710
Internal equity	4	0.842
External equity	4	0.766
Transparency	6	0.702
Consistency	3	0.826
All Variables	29	0.710

Source: researcher's computation (2023)

3.10 Research Ethics

In doing research an important issue is research ethics and the researcher gives an emphasis to these ethical issues for every aspect that demands it. When the questionnaires distribute to the respondents, respondents informed and guaranteed that the information they provide would be confidential and used only for academic purpose. A statement conforms to the prohibition of disclosing identity detail or personal reference in the questionnaire which helps to avoid any biased responses or unauthentic data provided by respondents and to make participants feel safe in filling the questionnaire. The collected data is kept and not used for any personal interest and it is conducted within the frame of acceptable professional ethics

CHAPTER FOUR

4. RESULT AND ANALYSIS

Introduction

This chapter deals about data presentation, analysis and interpretation of the data gathered from the respondents through questionnaires. The analysis was done based on the quantitative data and qualitative data. The data was planned to be collected from a total of 173 respondents but only 167 respondents fill and return the questionnaire which have a response rate of 96.5percent which indicates a good response rate.

The chapter consists five sub sections: The first section presents demographic characteristics of the participants, the second section presents perceptions of respondents on intrinsic and extrinsic rewards, the third section presents about perceptions of respondents on internal and external equity, the fourth section presents transparency in reward management, the fifth section presents consistency in reward management practice in the case of LIB head office.

The questionnaires were distributed to 173 employees and 167 of them were completed and collected. As the result, the response rate was 96.5%.

Table 1: Survey Response Rate.

S.NO	ITEM	RESPONDENT
1	Population size	173
2	Completed and returned questionnaires	167
3	Response rate	96.5%

Source: researcher's computation (2023)

Table 2: Demographic Profile of Respondents

No	Description	Type	Frequency	%
1	Gender	Male	93	55.7%
		Female	74	44.3%
		Total	167	100%
2	Age	18-22	26	15.6%
		23-27	37	22.2%
		28-32	47	28.1%
		33-37	31	18.6%
		38-42	20	12.0%
		Above 42	6	3.6%
		Total	167	100%
3	Educational qualification	TVTE/Diploma	13	7.8%
		First Degree	88	52.7%
		Second Degree& above	66	39.5%
		Total	167	100%
4	Job position	Officers	112	67.1%
		Senior Officers	25	15.0%
		Section Heads	16	9.6%
		Division Managers	9	5.4%
		Directors	5	3.0%
		Total	167	100%
5	Experience	1-5 years	44	26.3%
		6-10 years	36	21.6%
		11-15 years	33	19.8%
		16-20 years	30	18.0%
		21& above	24	14.4%
		Total	167	100%

Source: researcher's computation (2023)

As shown from table 2, the majority of respondents were male, i.e. 55.7% of the respondent employees are male and the rest 44.3% were female. From total 44.3% females 7.2% were between age 18 and 22, 10.8% were between the age of 23 and 27, 12.6% were between age 28-32, 7.2% between age of 33-37, 5.4% between age of 38-42 and 1.2% above age 42. From total 55.7% males 8.4% were between age 18 and 22, 11.4% were between the age of 23 and 27,

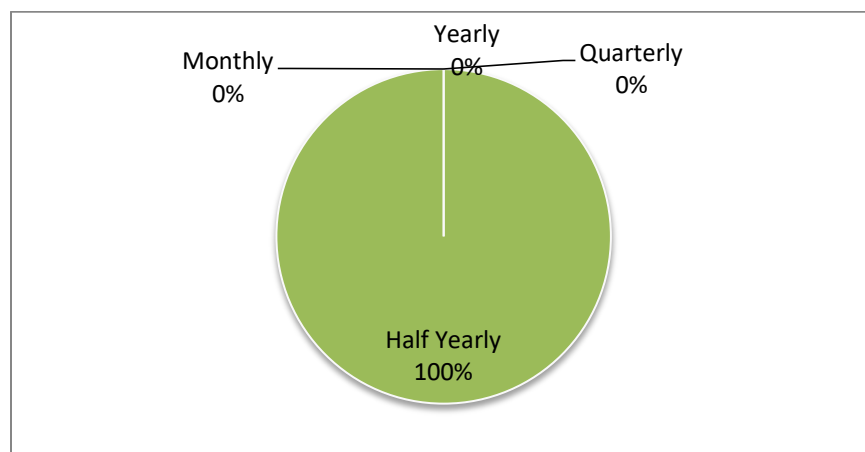
15.6% were between age 28-32, 11.4% between age of 33-37, 6.6% between age of 38- 42 and 2.4% above age 42. On the other hand when we see by age interval from total 100%, 15.6% are between age 18 and 22, 22.2% were between the age of 23 and 27, 28.1% were between age 28-32, 18.6% between age of 33-37, 12.0% between age of 38- 42 and 3.6% above age 42. From the total respondents 7.8% were TVET/Diploma holders, 52.7% were first degree holders and 39.5% were MA/MBA holders. From table we observed that the total respondents experience 26.3% between one and five, 21.6% between six and ten, 19.8% between 11 and 15, 18% between 16 and 20, and 14.4% 21 and above years of experience. The current position of the respondents indicates that 67.1% were operational officer, 15.0% senior staffs, 9.6% were Section Heads, 5.4% were Division managers and 3% were Directors.

4.1. Reward Management Practice in Lion International Bank

According to Abdelrasheed (2020), mean score measurement can be used while interpreting the data; and if Mean Score is between 1-1.8 it indicates most of the respondents strongly disagree, if it is between 1.8-2.6 refers most of the respondents disagree, between 2.6-3.4 value indicates neutral, between 3.4-4.2 is considered as agree and between 4.2-5.0 indicates that most of the respondents strongly agree on the issue that is raised.

Frequency of Performance Appraisal

Figure 2: frequency of performance appraisal in LIB



From figure one we can observe that the frequency of performance appraisal in lion international bank is half yearly or twice in a year for each half.

4.1.1. Relationship between Individual Performance and Reward Practice

Figure 3: Relationship between Individual Performance and Reward Practice

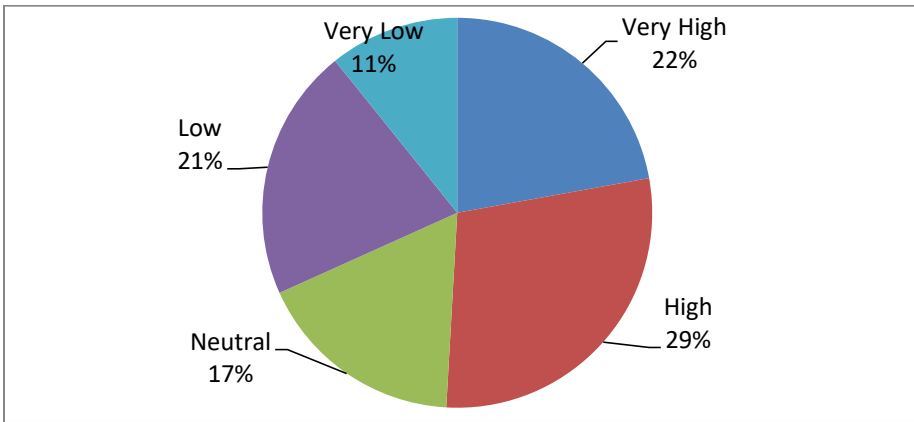


Figure two indicates that 51% believe that there is relationship between individual performance and reward practice at lion international bank of which 29%, 22% respectively believes there is high and very high relationship between individual performance and reward practice. While 17%, 21% and 11% belief on the relationship is neutral, low and very low respectively.

4.1.2. Criteria taken in to consideration in providing reward

Figure 4: Criteria taken in to consideration in providing reward

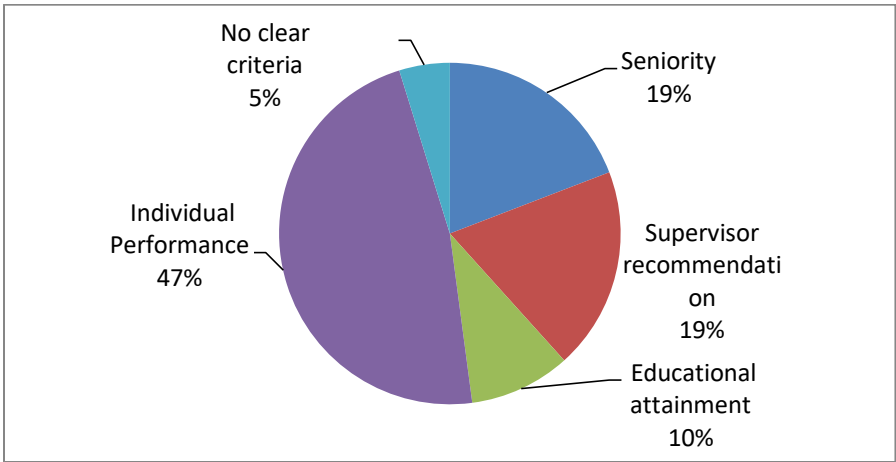
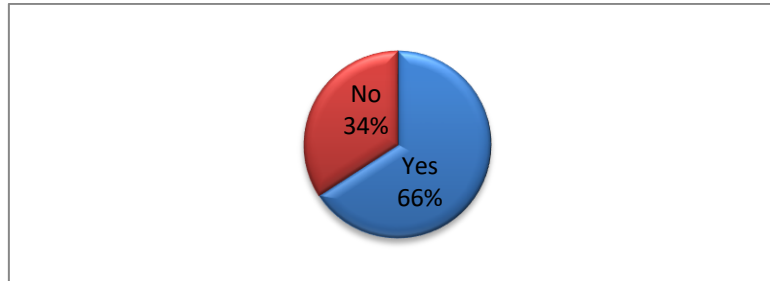


Figure three shows the criteria taken in to consideration in providing reward in lion international bank which shows that 47% of the respondents agree that reward is based on individual performance, 19% is based on supervisor recommendation, and 19% believe seniority taken in to

consideration in providing reward. 10% and 5% believe educational attainment and no clear criteria for providing reward by the organization.

Figure 5: There exists proper composition of monetary and non-monetary rewards



Source: researcher's computation (2023)

Figure four shows that 66% of the respondents agree that there exists proper composition between the monetary and non-monetary rewards. While the remaining of the respondents believes that there is no proper composition of between monetary and non-monetary rewards.

4.2. Intrinsic and Extrinsic Rewards

4.2.1. Intrinsic Rewards

Table 3: perception of respondents on intrinsic rewards

Variables	Strongly Disagree	Disagree	Neutral	agree	Strongly agree	Mean
	Row N %	Row N %	Row N %	Row N %	Row N %	
1. I am praised regularly for my work	0.0	9.0	26.3	47.3	17.4	3.73
2. My job activity is meaningful to me	0.0	0.0	19.8	55.7	24.6	4.05
3. The job that I do have significant importance to the Bank	0.0	7.2	25.1	49.7	18.0	3.78
4. I am given a regular feedback from my supervisor regarding the job I do	0.0	0.0	22.2	56.9	21.0	3.99
5. I have certain authority in my work	0.0	2.4	23.4	53.9	20.4	3.92
6. I have the opportunity to take part when decisions are made	0.0	4.2	24.6	49.7	21.6	3.89
7. My manager treats all employees fairly	0.0	2.4	25.7	52.1	19.8	3.89
Average of Intrinsic Rewards						3.89

Source: researcher's computation (2023)

As can be observed from item one in table three above 9%, 26.3%, 47.3% and 17.4% of the respondents disagree, neutral, agree and strongly agree respectively that they praised regularly for their work. The average value (3.73) for item one from table five which is between 3.4 and 4.2 indicates that on average most of the respondents agree to say they are praised regularly for their work.

From the result of item two in table five we observe that 19.8% of the respondents are neutral to say their job activity is meaningful to them. While 55.7% of the respondents agree that their job activity is meaningful to them and the remaining 24.6% of the respondents strongly agree to say their job activity is meaningful to them. The average value (4.05) for item three from table five which is between 3.4 and 4.2 indicates that on average most of the respondents agree to say their job activity is meaningful to them.

The result of item three in table three shows that 7.2% and 25.1% of the respondents are disagree and neutral to say the job that they do have significant importance to the bank. While 49.7% and 18% of the respondents agree and strongly disagree that the task they performed in the bank has significant importance to the bank. The average value (3.78) for item three from table five, it is observed that the value is between 3.4 and 4.2 which indicate that on average most of the respondents agree to say the task they performed in the bank has significant importance to the bank.

As can be seen from item four in the above table three, 22.2%, 56.9% and 21% of the respondents' neutral, agree, and strongly agree respectively that they get regular feedback from their supervisor regarding to the job they performed in the bank. The average value (3.99) for item four from table five above, it is observed that the value is between 3.4 and 4.2 which indicate on average most of the respondents agree that they get regular feedback from their supervisor regarding to the job they performed in the bank.

The result observed from item five in the above table three, 2.4%, 23.4%, 53.9% and 20.4% of the respondents disagree, neutral, agree, and strongly agree respectively that employees in the bank have certain authority in their work. The average value (3.92) for item five from table five above, it is observed that the value is between 3.4 and 4.2 which indicates on average most of the respondents agree employees in the bank have certain authority in their work.

It can be seen from item six in the above table three, 4.2%, 24.6%, 49.7% and 21.6% of the respondents disagree, neutral, agree, and strongly agree respectively that employees have the opportunity to take part when decision s are made in the organization. The average value (3.89) for item five from table five above, it is observed that the value is between 3.4 and 4.2 which indicates on average most of the respondents are agree to say employees have the opportunity to take part when decision s are made in the organization.

The overall mean score 3.89 for intrinsic rewards indicates that most of the respondents agree that intrinsic rewarding practice in lion International Bank is good for its employees.

4.2.2. Extrinsic rewards

Table 4: Perceptions of Employees on Extrinsic Reward Practice

Variables	Strongly Disagree	Disagree	Neutral	agree	Strongly agree	Mean
	Row N %	Row N %	Row N %	Row N %	Row N %	
1. I am satisfied with the list of benefits I receive	13.8	44.9	22.2	18.6	0.6	2.47
2.The bank revises its salary scale with a reasonable time period	9.6	47.3	19.2	23.4	0.6	2.58
3.Salary increment is based on my performance	4.7	43.1	30.0	13.2	9.0	2.78
4.LIB's bonus considers the level of individual contribution to the team	4.8	43.7	28.9	12.6	9.0	2.77
5.The current pay system encourages better performance	12.6	45.5	26.3	10.8	4.8	2.50
Extrinsic Rewards						2.62

Source: researcher's computation (2023)

As can be observed from item one in table four 13.8%, 44.9%, 22.2%, 18.6% and 0.6% of the respondents strongly disagree, disagree, neutral, agree and strongly agree respectively that they are satisfied with the list of benefits they receive in the bank. The average value (2.47) for item one from table six which is between 1.8 and 2.6 indicates that on average most of the respondents disagree that they are satisfied with the list of benefits they receive in the bank.

As can be seen from item two in table four, 9.6%, 47.3%, 19.2%, 23.4% and 22% of the respondents strongly disagree, disagree, neutral, agree, and strongly agree respectively that the bank revises its salary scale with a reasonable time period . The average value (2.58) for item two from table six which is between 1.8 and 2.6 which indicates on average most of the respondents disagree that that the bank revises its salary scale with a reasonable time period.

As can be seen from item three in table four, 4.7%, 43.1%, 30%, 13.2% and 9% of the respondents strongly disagree, disagree, neutral, agree, and strongly agree respectively that banks salary increment is based on the individual employees performance. The average value (2.78) for item three from table six which is between 2.6 and 3.4 indicates on average most of the respondents are neutral to say that banks salary increment is based on the individual employees performance.

The result observed from item four in the above table four, 4.8%, 43.7%, 28.9%, 12.6% and 10% of the respondents strongly disagree, disagree, neutral, agree, and strongly agree respectively that Lion International Bank's bonus considers the level of individuals' contribution to the bank. The average value (2.77) for item four from table six, it is observed that the value is between 1.8 and 2.6 indicates that on average most of the respondents disagree that Lion International Bank's bonus considers the level of individuals' contribution to the bank.

It can be seen from item five in table four, 12.6%, 45.5%, 26.3%, 10.8% and 4.8% of the respondents strongly disagree, disagree, neutral, agree, and strongly agree respectively that the current pay system in LIB encourages better performance. The average value (2.50) for item five from table six which is between 1.8 and 2.6 indicates that on average most of the respondents disagree that the current pay system in LIB encourages better performance.

The overall mean score 2.62 value which is between 2.6 and 3.4 indicates that most of the respondents are neutral to say there exists good extrinsic reward system in Lion International Bank

4.3. Internal and external equity

4.3.1. Internal equity

Table 5: Perceptions Employees on Internal Equity

Variables	Strongly Disagree	Disagree	Neutral	agree	Strongly agree	Mean
	Row N %	Row N %	Row N %	Row N %	Row N %	
1.The pay that I receive is equivalent with my educational qualification	0.0	10.8	28.1	44.3	16.8	3.67
2.Employees who perform the same type of work get equal pay	0.0	0.6	16.2	54.5	28.7	4.11
3.My salary is fair in relation to my responsibility	0.0	12.8	28.1	44.3	14.8	3.67
4.I believe that the salary difference among different pay grades is fair	0.0	2.4	21.6	50.9	25.1	3.99
Internal Equity						3.81

Source: researcher's computation (2023)

From item one in table five above it is scrutinized that 10.8%, 28.1%, 44.3% and 16.8% of the respondents disagree, neutral, agree and strongly agree respectively that the pay that employees receive in LIB is equivalent with their educational qualification. The average value (3.67) for item one from table seven is between 3.4 and 4.2 which indicate that on average most of the respondents the pay that employees receive in LIB is equivalent with their educational qualification.

As can be seen from item two in the above table five, 0.6%, 16.2%, 54.5% and 28.7% of the respondents disagree, neutral, agree, and strongly agree respectively that employees who perform the same type of work get equal pay in the bank. The average value (4.11) for item two from table seven is between 3.4 and 4.2 which indicate on average most of the respondents agree that employees who perform the same type of work get equal pay in the bank.

From item three in table five we observe that 12.8%, 28.1%, 44.3% and 14.8% of the respondents disagree, neutral, agree, and strongly agree respectively that employees' salary is fair in relation to their responsibility in the bank. The average value (3.67) for item three from table seven which is between 3.4 and 4.2 indicates that on average most of the respondents agree that employees' salary is fair in relation to their responsibility in the bank.

The result observed from item four in table five, 2.4%, 21.6%, 50.9% and 25.1% of the respondents disagree, neutral, agree, and strongly agree respectively that employees believe that the salary difference among different pay grades is fair. The average value (3.99) for item four from table seven is between 3.4 and 4.2 which indicate that on average most of the respondents agree employees believe that the salary difference among different pay grades is fair.

The overall mean score 3.81value which is between 3.4 and 4.2 indicates that most of the respondents are agree to say there exists good internal equity in Lion International Bank.

4.3.2. Perceptions Employees on External equity

Table 6: Perceptions Employees on External Equity

Variables	Strongly Disagree	Disagree	Neutral	agree	Strongly agree	Mean
	Row N %	Row N %	Row N %	Row N %	Row N %	
1.Compared to the Banking Industry the Bank offers better salary and benefit packages	17.4	37.1	23.4	18.6	3.6	2.54
2.The salary & benefit package that I am getting is similar to employees in other Banks with a similar position get	18.6	37.7	27.5	13.8	2.4	2.44
3.There is a better promotion opportunity in LIB than other Banks	15.0	34.7	22.2	23.4	4.8	2.68
4.LIB's working environment is more favourable than other Banks	20.4	41.3	24.0	12.6	1.8	2.34
External Equity						2.51

Source: researcher's computation (2023)

From the above table six item one we can see that 17.4%, 37.1%, 23.4%, 18.6% and 3.6% of the respondents strongly disagree, disagree, neutral, agree and strongly agree respectively that compared to the banking industry the bank offers better salary and benefits packages. The average value (2.54) for item one from table eight which is between 1.8 and 2.6 indicates that on average most of the respondents disagree that compared to the banking industry the bank offers better salary and benefits packages.

It is presented from item two in table six, 18.6%, 37.7%, 27.5%, 13.8% and 2.4% of the respondents strongly disagree, disagree, neutral, agree, and strongly agree respectively that the salary and benefit package that employees getting is similar to employees in other banks with a similar position get. The average value (2.44) for item two from table eight, it is observed that the value is between 1.8 and 2.6 which indicates on average most of the respondents disagree that the salary and benefit package that employees getting is similar to employees in other banks with a similar position get.

From item three in table six we can also observe that 15%, 34.7%, 22.2%, 23.4% and 4.8% of the respondents strongly disagree, disagree, neutral, agree, and strongly agree respectively that there is a better promotion opportunity in LIB than other banks. The average value (2.68) for item three from table eight, it is observed that the value is between 2.6 and 3.4 which indicates on average most of the respondents are neutral to say there is a better promotion opportunity in LIB than other banks.

The result observed from item four in table six, 20.4%, 41.3%, 24%, 12.6% and 1.8% of the respondents strongly disagree, disagree, neutral, agree, and strongly agree respectively that LIB's working environment is more favourable than other Banks. The average value (2.34) for item four from table eight, it is observed that the value is between 1.8 and 2.67 which indicates that on average most of the respondents disagree that their Company's employee productivity was higher than that of the competitors last year. LIB's working environment is more favourable than other Banks.

The overall mean score value 2.51 for external equity is between 1.8 and 2.6 which indicates that most of the respondents disagree for the existence of external equity in Lion International Bank.

4.4. Transparency Reward Management Practice

Table 7: perceptions of employees on transparency of reward management practice

Variables	Strongly Disagree	Disagree	Neutral	agree	strongly agree	Mean
	Row N %	Row N %	Row N %	Row N %	Row N %	
1. I am well communicated about the benefits packages provided	1.8	10.8	28.1	43.1	16.2	3.61
2. I am informed about how the current reward system function	3.6	4.2	21.0	50.9	20.4	3.80
3.The existing pay practice is simple to understand	2.4	4.2	14.4	54.5	24.6	3.95
4. I know the criteria to get promoted	0.0	10.8	28.1	44.3	16.8	3.67
5. I understand how salaries, benefits & pay increases are determined	0.0	2.4	13.8	56.3	27.5	4.09
6. Promotion is based on one's contribution	0.0	0.0	25.1	50.3	24.6	3.99
Transparency						3.85

Source: researcher's computation (2023)

The result observed from item one in table seven, 18%, 10.8%, 28.1%, 43.1% and 16.2% of the respondents strongly disagree, disagree, neutral, agree, and strongly agree respectively that employees in LIB is well communicated about the benefits packages provided by the bank. The average value (3.61) for item one from table nine, it is observed that the value is between 3.4 and 4.2 which indicates that on average most of the respondents agree that employees in LIB is well communicated about the benefits packages provided by the bank.

It can be seen from item two in table seven, 3.6%, 4.2%, 21%, 50.9% and 20.4% of the respondents strongly disagree, disagree, neutral, agree, and strongly agree respectively that employees who work in Lion International Bank are well informed about how the current reward system. The average value (3.80) for item two from table nine, it is observed that the value is between 3.4 and 4.2 which indicates on average most of the respondents agree that employees who work in Lion International Bank are well informed about how the current reward system.

On the other hand from item three in the above table seven it is observed that, 2.4%, 4.2%,

14.4%, 54.5% and 24.6% of the respondents strongly disagree, disagree, neutral, agree, and strongly agree respectively that the existing pay practice is simple to understand by the employees of LIB. The average value (3.95) for item three from table nine, it is observed that the value is between 3.4 and 4.2 which indicate that on average most of the respondents agree that the existing pay practice is simple to understand by the employees of LIB.

The result observed from item four in table seven, 10.8%, 28.1%, 44.3% and 16.8% of the respondents disagree, neutral, agree, and strongly agree respectively that employees in LIB know the criteria to get promoted. The average value (3.67) for item four from table nine, it is observed that the value is between 3.4 and 4.2 which indicate that on average most of the respondents agree that employees in LIB know the criteria to get promoted.

From item five in table seven, 2.4%, 13.8%, 56.3% and 27.5% of the respondents disagree, neutral, agree, and strongly agree respectively that employees who work in Lion International Bank understand how salaries, benefits and pay increases are determined. The average value (4.09) for item five from table nine, it is observed that the value is between 3.4 and 4.2 which indicates on average most of the respondents agree that employees who work in Lion International Bank understand how salaries, benefits and pay increases are determined.

The result from item five in table seven, 2.4%, 13.8%, 56.3% and 27.5% of the respondents disagree, neutral, agree, and strongly agree respectively that employees who work in Lion International Bank understand how salaries, benefits and pay increases are determined. The average value (4.09) for item five from table nine, it is observed that the value is between 3.4 and 4.2 which indicates on average most of the respondents agree that employees who work in Lion International Bank understand how salaries, benefits and pay increases are determined.

It is observed from item six in table seven, 25.1%, 50.3% and 24.6% are neutral, agree, and strongly agree respectively that employees who work in Lion International Bank belief that promotion is based on one's contribution. The average value (3.99) for item six from table nine, it is observed that the value is between 3.4 and 4.2 which indicates on average most of the respondents agree that employees who work in Lion International Bank belief that promotion is based on one's contribution.

The overall mean score value 3.99 for transparency of reward practice is between 3.2 and 4.2 which indicates that most of the respondents agree for the existence of transparency in reward management practice in Lion International Bank.

4.5. Consistency of Reward Management Practice

Table 8: Perceptions of employees on reward management practice

	Strongly Disagree	Disagree	Neutral	Agree	Strongly agree	Mean
	Row N %	Row N %	Row N %	Row N %	Row N %	
1.In the bank, pay decisions do not vary arbitrarily among employees who are at the same level	2.4	10.8	27.5	44.9	14.4	3.58
2.The criteria used to reward employees are consistently applicable to all employees	1.8	6.0	24.0	47.9	20.4	3.79
3. Benefit administration practices shows consistency among varied departments of the bank through time.	1.2	6.0	19.2	52.1	21.6	3.87
Consistency						3.75

Source: researcher's computation (2023)

The result observed from item one in the table eight, 2.4%, 10.8%, 27.5%, 44.9% and 14.4% of the respondents strongly disagree, disagree, neutral, agree, and strongly agree respectively that in the bank, pay decisions do not vary arbitrarily among employees who are at the same level. The average value (3.58) for item one from table ten, it is observed that the value is between 3.4 and 4.2 which indicates that on average most of the respondents agree that in the bank, pay decisions do not vary arbitrarily among employees who are at the same level.

It can be seen from item two in table eight, 1.8%, 6%, 24%, 47.9% and 20.4% of the respondents strongly disagree, disagree, neutral, agree, and strongly agree respectively that the criteria used to reward employees are consistently applicable to all employees. The average value (3.79) for item two from table ten, it is observed that the value is between 3.4 and 4.2 which indicates on average most of the respondents agree that the criteria used to reward employees are consistently applicable to all employees.

From item three in table eight we can also observe that 1.2%, 6%, 19.2%, 52.1% and 21.6% of the respondents strongly disagree, disagree, neutral, agree, and strongly agree respectively that benefit administration practices shows consistency among varied departments of the bank through time. The average value (3.82) for item three from table ten above, it is observed that the value is between 3.4 and 4.2 which indicate on average most of the respondents agree that benefit administration practices shows consistency among varied departments of the bank through time.

The overall mean score value 3.75 for consistency of reward practice is between 3.2 and 4.2 which indicates that most of the respondents agree for the existence of consistency in reward management practice in Lion International Bank.

From the open ended questions raised to the managerial level respondents the researcher understands that Lion International Bank applies five rating scales to evaluate employees' performance to apply reward benefit packages. The rating scale that LIB applies includes excellent, very good, good, fair and unsatisfactory.

In Lion International Bank there are intrinsic rewards like giving recognition for employees by supervisors and management of the bank for personal achievements and also extrinsic rewards available in the bank like promotion of employees, salary increment and bonus payments of the great achievements. The rating only used for extrinsic specially in promotion of employee from one position to the next and bonus payments are based on branch performance not by individual performance.

In terms of influencing the decision making process of the reward system employees has no opportunities. That means the reward management practice only influenced by the top management and HR.

Compared to the reward system Lion International Bank has very low reward system as compared to the same industry. Especially when its benefit packages and salary compared to some banks and what the LIB currently uses as a reward management practice it becomes incomparable and even seems different reward packages from different industry.

In terms of employees being aware about different banks reward management practice when communicating with one another they become very attracted to those banks that have good

reward management practice like having good salary, housing schemes, transportation allowance, bonus positions and other benefit packages.

Even though performance related pay encourages an employee to perform better currently Lion International Bank applies same benefit package for the same grades unless individual performance is considered for promotion.

CHAPTER FIVE

5. SUMMARY, CONCLUSION AND RECOMENDAITON

This chapter presents summary of the major findings, conclusion, and recommendations of the study, based on the analysis of the research data, the discussion, and the interpretation of the findings in the previous chapter for further research and finally contributions to the body of knowledge.

5.1 Summary of Findings

The results of the study and its interpretation revealed that:

- ✓ Most of the respondents are agree to say employees have the opportunity to take part when decision s is made in the organization in addition to those who strongly agreed that their job activity is meaning full to them. Most of the respondents agreed that they have been given a regular feedback from their supervisor regarding the job they do. Also most of them think their manager treats all employees fairly. These data depicts that the bank is more effective in providing intrinsic rewards than extrinsic which will be summarized below.
- ✓ The overall mean score 2.62 values for Lion International Bank indicates that most of the respondents are neutral to say the existence of good extrinsic reward system in Lion International Bank. Around 44.9% the respondents disagreed that of they were satisfied with the extrinsic rewards offered by the bank. Nearly half of the respondents also strongly disagree &disagreed that the annual salary increment was based on their performance.
- ✓ With regard to equity the participants were asked questions related to internal equity, the overall mean score 3.81value indicates that most of the respondents are agree to say there exists good internal equity in Lion International Bank, that the pay they receive is equitable with their educational qualification &the same type of work get equitable pay.
- ✓ When it comes to external equity, the overall mean value of 2.51 or external equity is between 1.8 and 2.6 which indicates that most of the respondents disagree for the existence of external equity in Lion International Bank. With the statement which says that salary and benefit package that they get is relatively low to employees in other

banks with similar position get. During an interview, the Employee salary and benefit Manager confirmed that some other banks are offering better benefit packages than LIB and is threatening it as many employees switched the bank for better reward management system the last three years as they confirmed so during an exit interview.

- ✓ Since transparency is one of the measures to assure effective reward management system according to Armstrong (2003), respondents were asked about some transparency issues and the overall mean score value of 3.99 for transparency reward practice is between 3.4 and 4.2 which indicate that most of the respondents agree that they did understand how salaries, benefits and pay increases were determined for by the existence of transparency in reward management practice in Lion International Bank.
- ✓ Armstrong (2003) also takes consistency as one of the major criteria for effective reward management system. So that the results of this study shows that the overall mean 3.75 for consistency of reward practice is between 3.2 and 4.2 which indicates that most of the respondents agree for the existence of consistency in reward management practice in Lion International Bank. The benefit administration practices shows consistency among varied departments of the bank through time as they agreed with the statement that criteria used to reward employees are consistently applicable to all employees.

5.2 Conclusion

This research primarily aimed to answer the basic research question of assessing the overall Reward management system of LIB. The following are the conclusions following the analysis and the findings of the study answering all of the research questions. According to the assessment carried out on employee's perception towards the overall reward management system practice of the bank, some core dimensions were evaluated and concluded as follows.

- ✓ LIB's RMS, according to employees' view, is not directly related to employee's perceived job performance. Because the findings from the questionnaire and the interview revealed that there is no performance reward relationship since every employee regardless of his/her performance had been receiving the rewards except for promotion offered by the bank. This result gives a message that LIB is not on the right track regarding using RMS.

- ✓ In terms of intrinsic rewards, most respondents said that they are praised regularly for their work, their job activity is meaningful to them, the job they do has significant importance to the bank, they are given regular feedback from their supervisors and their manager treats them fairly but in contrary majority of respondents disagreed that they have the opportunity to take part when decisions are made. Even though, the bank is relatively good in intrinsic rewards than that of extrinsic rewards, it is not satisfactory. Since, intrinsic rewards are the best way to boost intrinsic motivation, which has a great impact on employee performance, the branch and departmental managers should give due attention to it.
- ✓ Considering some dimensions of extrinsic rewards, majority of the respondents are not satisfied with the list of benefits that they receive, most of the respondents think that the bank doesn't revise its salary scale with a reasonable time period and the current pay system doesn't encourage better performance and much most of the participants disagreed that salary increment is based on their performance.
- ✓ When we conclude internal equity most of the respondents agreed that the pay they receive is equivalent with their educational qualification, employees who perform the same type of work get equal pay and salary difference among different pay grades is fair and finally that their salary is fair with the amount of responsibility that they have. This implied that the employee would produce to their maximum as they knew that they were going to be rewarded appropriately.
- ✓ With regards to external equity, LIB is not effective in providing external equity to its employees with regard to the banking industry's salary and benefit packages that it offers to its employees and also majority of the respondents disagreed that LIB's working environment is favourable. However, large number of respondents agreed as well that there is a better promotion opportunity in LIB than other banks. From this finding it would be wrong to conclude that most of LIB employees do not wish to continue their career with the bank. As a result of this, LIB is in a unfavourable condition of losing its highly experienced employees for other banks in this tough and competitive banking industry as it is being more difficult time for banks to survive as a bank nowadays as never been.

- ✓ According to employees rating of transparency dimensions, most of them said that they are well communicated about the benefit packages. Majority of the respondents agreed that they know the criteria to get promoted, understand how their salaries are determined, have a say on how their pay grade is determined and get promotion based on their performance. Taking a look at consistency aspects of employees response, majority of the respondents agreed that the bank's pay decision do not vary among employees who are at the same level and around most of the respondents agreed that the criteria used to reward employees are consistently applicable to all employees when the number of employees who think that benefit administration practices shows consistency and who says that consistency among varied departments is almost equal.
- ✓ This study finally concludes that a good reward management system should incorporate both monetary and non-monetary rewards that are competitive based on the prevailing market rates; such a reward provides a sense of employee belongingness hence boosting their level of performance/productivity and commitment to their work which is essential for the organization to experience growth as well as gain a competitive edge against its Competitors. But LIB's RMS is not being practiced in such a way that the reward management system efforts would be effective because the employees perceive it as internally and externally inequitable. Even though, the non-monetary rewards (intrinsic) were relatively good, the extrinsic rewards (monetary rewards) were perceived to be inadequate or poor by the employees. Practically, the transparency and consistency of the current reward management system are also good mark as most of employees perceived the practice to be good.

5.3 Recommendation

Based on the major findings of this study the following recommendations were forwarded.

- ✓ Since currently Lion International Bank evaluates performances appraisal half yearly it is better to increase the frequency of appraisal in to quarterly which increases its performance and competence.
- ✓ This study recommends that the RMS should ensure that they provide rewards that satisfy the needs of the employees through revising the rewarding system that has not been revised since 2019 by experts to create a better motivating reward management system

which could consider all extrinsic and intrinsic rewards, internal and external equity in the banking industry in addition to making its practice transparent and consistent to all staffs throughout the bank.

- ✓ The study has disclosed that majority of the employees were dissatisfied with the remunerations and benefits given by the bank. Basing generalizations on the findings of the study, the study recommends that the management of the company should harmonize and adjust the employees pay upwards. The employees should be remunerated according to their qualification, individual/group performance, and years of experience. The management should conduct a job evaluation to determine how best it can remunerate its employees.
- ✓ The study also recommends that the management should regularly provide incentives and bonuses to employees to improve their morale as it is not competitive and attractive in the industry these times by this dimension. Moreover, the bank should undertake market intelligence to discover the other banks' practice and review its reward management system in a better way to sustain experienced and highly motivated employees with it.
- ✓ Intrinsic rewards, which was paid out as immaterial rewards was considered almost as important as extrinsic reward and should therefore be used frequently to increase employee motivation. Especially the possibility to influence the rewards and own work, tasks and receive feedback and verbal recognition from the manager and co-workers were seen as important. In this case, the study further showed that most managers of AIB do appreciate or give feedback to employees on their performance and recommends that the management devise means of recognizing employees of their performance and service to the company to create more and more intrinsic motivation by intrinsic rewards. This may be in form of annual parties, award ceremonies or even a thank you note from the boss. In general terms, LIB has to take initiative to undertake a detailed multi-dimensional review on its RMS in accordance with employees' expectation and the banking industry practice through deeper survey and analysis either by its own concerned staffs or outsourced external consulting firms.

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DEPARTMENT OF MBA

Dear Respondents

I am a post graduate student of MBA (Master of Business Administration) and conducting a research on the title ‘Assessment of Reward Management Practice in Lion International Bank S.C.’ and the objective of this questionnaire is to collect data from LIB employees which help to evaluate the Assessment of Reward Management Practice in LIB. The information collected shall be used for research purpose only.

There are two sections: Demographic Information and Reward Management Opinion Survey. I assure you that your responses will not disclosed in any way and utmost confidentiality will be maintained. Hence, I request your sincere corporation for the successful undertaking of the study and your valuable response is highly appreciated. Thank you!

Notice

- ✓ No need to write your name.
- ✓ Please put a “√” mark in the boxes for your answers

Part I: -Demographic Information

1. Age Category

- a. 18-22 ☐ b. 23 – 27 ☐ c. 28 – 32 ☐
d. 33 – 37 ☐ e. 38 - 42 ☐ f. 42 and above ☐

2. Marital Status

- a. Single ☐ b. Married. ☐ c. Divorced ☐
d. Widowed ☐

3. Gender

- a. Male ☐ b. Female ☐

4. Educational qualifications

- a. TVTE/College Diploma ☐ b. Bachelor's Degree ☐
c. Master's Degree and above ☐

5. Job level

- a. operational officer's ☐ b. Senior Officers ☐ c. Section Heads ☐
d. Division Managers ☐ e. Directors ☐ f. Others ☐

6. How long have you been working in the bank?

- a. 1-5Years ☐ b. 6 – 10 Years ☐ c. 11 -15 Years ☐
d. 16– 20 Years ☐ e. 21 Years and above ☐

Part II: - Questions about Reward Management

7. How often is your performance appraised or reviewed?

- a. Monthly ☐ b. Quarterly ☐
c. Half yearly ☐ d. Yearly ☐

8. To what extent do you think the reward you have ever been received is based on your performance?

- a. Very high ☐ b. High ☐ c. Neutral ☐
d. Low ☐ e. Very low ☐

9. What factors or criteria are taken in to consideration in providing reward? (You may have more than one answer)

- a. Seniority ☐ b. Educational attainment ☐

- c. Individual Performance ☐ d. supervisor recommendation ☐
 e. No clear criteria ☐ f. Others (please specify) _____

In the following tables you will find some dimensions of reward management practices in your bank. Please give your responses by putting a tick mark (“√”) in the corresponding spaces under each option in front of each situation based on your agreement level.

a. Intrinsic and Extrinsic Rewards

Intrinsic Rewards

No.	Intrinsic Rewards	Strongly Agree	Agree	neutral	disagree	Strongly disagree
1.	I am praised regularly for my work					
2.	My job activity is meaningful to me					
3.	The job that I do have significant importance to the Bank					
4.	I am given a regular feedback from my supervisor regarding the job I do					
5.	I have certain authority in my work					
6.	I have the opportunity to take part when decisions are made					
7.	My manager treats all employees fairly					

Extrinsic Rewards

No.	Extrinsic Rewards	Strongly Agree	Agree	neutral	disagree	Strongly disagree
1.	I am satisfied with the list of benefits I receive					
2.	The bank revises its salary scale with a reasonable time period					
3.	Salary increment is based on my performance					
4.	LIB's bonus considers the level of individual contribution to the team					
5.	The current pay system encourages better performance					

b. Equity

Internal Equity

No.	Internal equity	Strongly Agree	Agree	neutral	disagree	Strongly disagree
1.	The pay that I receive is equivalent with my educational qualification					
2.	Employees who perform the same type of work get equal pay					
3.	My salary is fair in relation to my responsibility					
4.	I believe that the salary difference among different pay grades is fair					

External Equity

No.	External equity	Strongly Agree	Agree	neutral	disagree	Strongly disagree
1.	Compared to the Banking Industry the Bank offers better salary and benefit packages					
2.	The salary & benefit package that I am getting is similar to employees in other Banks with a similar position get					
3.	There is a better promotion opportunity in LIB than other Banks					
4.	LIB's working environment is more favourable than other Banks					

c. Transparency

No.	Transparency	Strongly Agree	Agree	neutral	disagree	Strongly disagree
1.	I am well communicated about the benefits packages provided					
2.	I am informed about how the current reward system function					
3.	The existing pay practice is simple to understand					
4.	I know the criteria to get promoted					
5.	I understand how salaries, benefits & pay increases are determined					

6.	promotion is based on one's contribution					
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d. Consistency

No.	Consistency	Strongly Agree	Agree	neutral	disagree	Strongly disagree
1.	In the bank, pay decisions do not vary arbitrarily among employees who are at the same level					
2.	The criteria used to reward employees are consistently applicable to all employees					
3.	Benefit administration practices shows consistency among varied departments of the bank through time.					

Appendix- B

INTERVIEW QUESTIONS

FOR MANAGEMENT OF LION INTERNATIONAL BANK S.C.

Rank.....

Department

1. What does the Performance Appraisal mean to LIB as part of the reward management process?
2. How often is the appraisal conducted in the Bank? How effective is this process?
3. What are the rating scales used and what are their interpretations regarding the reward Employees get?
4. Could you specify the intrinsic and extrinsic rewards and recognitions available? Which Rewards and/or recognitions go with the various ratings?
5. Do you think employees have an opportunity to influence the decision making process of the Reward system?
6. How do you compare the banks reward system with other banks in the industry?
7. As employees in different banks naturally communicate with one another, do you think that when they become aware of the different reward systems in different banks, this can be divisive?
8. Does performance related pay encourage an employee to perform better? How is this being practiced in the bank?

Thank you very much!!! 6

