

The Effect of Reward Management on Employee Motivation

(The Case study of Commercial Bank of Ethiopia, Harar City)

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Abstract: Organizations result is highly dependent on employees work motivation. This is; therefore, the purpose of the study is to investigate how well implementation of the current reward management system of commercial Bank of Ethiopia (CBE) generates employees' motivation in general. This study was focused on six dimensions of employee motivational factors (payment, benefit, Recognition, working condition, promotion and leadership/supervision) in CBE Harar City six branches. The total population of the study was cover 162 long term experienced with customers from this 85 samples size were taken because of saving cost and time. The data was processed the data (both primary and secondary) manually. The processing stage was involved editing, classification, coding, transcription and tabulation. In the analysis of data, descriptive analysis was employed to determine the currently reward system employed in commercial banks. It was based on the relationship of rewards and the performance commercial banks. The use of computer employed SPSS (Statistical Package for Social Scientist) was used for this purpose. After being analysed was presented inform of tables, graphs and bar chart. The author had thrown the questionnaire comprising 30 different statements on the six titles salary and benefits, work environment, relationship with immediate supervisor, promotion, recognition and extra efforts with CBE Harar branches. The results of the study imply that there are six major factors that have unsatisfied by the CBE employees. Those are impartial of immediate supervisor, salary, salary comparison with other organization, staff loan system, promotion system and special recognition by team management. Remaining twenty-four factors were satisfied by the respondents.

Key words: Reward Management, Commercial Bank of Ethiopia, Motivation, Recognition

1. INTRODUCTION

Organizations result is highly dependent on employees work motivation. This is; therefore, the purpose of the study is to investigate how well implementation of the current reward management system of commercial Bank Ethiopia generates employees' motivation in general. Reward has been defined in various ways by different scholars. According to Jeffery Gold (2010) reward refers to all forms of financial returns and tangible services and benefits employees receive as part of an employment relationship. According to Armstrong and Hellion (2016) reward policies provide guidelines for the implementation of reward strategies and design and management of reward process. They will be influenced strongly by the guiding principles and reward philosophy of the organization. The reward policies will be concerned with the level of rewards, the relative importance attached to market rates and equity, attraction and retention of employees, the match between rewards and business performance, total reward policy, the need to communicate reward policies to employees and transparency. D. White and David A.,B., (1986), stresses on the role and purpose of the reward system by stated as "in most situations, it is better to use rewards not as a bribe for doing what the leader wants, but rather to reinforce desirable behaviour after it has already occurred". G.Mujtaba,B. (2016) have showed, the existence of an increasingly demand on corporations to develop reward programs that are motivating employees to work harder and faster. These programs usually educate and encourage associates to become more productive, efficient and valuable individuals in the company. However, due to the pressures related to performance and incentives or in effective implementation procedures, in some cases, these programs can encourage unethical behaviours. Thus, firms need to have appropriate pay systems that encourage and reward employees to always stay focused on their efforts in an efficient manner and to always do the right thing. At the meantime, managers and entrepreneurs should be moving toward greater alignment between performance management and company strategies, values, and quality measures. Thus, reward should be linked with goal setting, employee development, competency measures, and team performance. The researchers also noted that, an effective reward system could have the power that affects the morale and productivity of each individual. According to Armstrong & Stephens (2015) total reward can be used as a means of influencing behaviour, enhancing employment relationship, flexibility to meet individual needs and winning the war for talent. Companies that want to foster high performance work system will reward employees based on their performance. Hence, the reward is utilized as a means of influencing behaviour. These are types of rewards given in the form of monetary pay that may be given directly or indirectly to employees. The direct form of payment incorporates base pay/ salary, merit pay/cost of living adjustments, incentives, bonuses, etc that are directly given to employees (Milkovich et al, 2016). On the other hand, indirect form of payments is provided in the form of employee benefits such as pensions, holidays, and varied fringe benefits such as medical cost coverage, cafeteria benefit, etc. They are also known as transactional rewards. Base pay is the core payment made by the employer for work performed and usually tends to reflect the organizational value of either the work that the employee undertakes or the value of skill and competency who is undertaking the work. It is directly related to time and the rate is calculated in terms of number of hours, week or month that the employee performed the task given (Richard Thorpe and Gill Homan, 2000). Contingent/merit pay are given as increments to the base pay in recognition to the past work behaviour of an employee. The pay adjustment may also be done based on changes in what other employers are paying for the same work, change in the overall cost of living, or change in experience or skill. Merit pay programs evaluate past performance of individual and then decide on the size of the increase (Milkovich et al, 2016). According to the expectancy theory, which is discussed under section below, individual needs and wants vary. Therefore, reward management requires proper composition between financial and non-financial rewards. As stated in Chapman and Kelliher (2017) the owners of organization usually want to ascertain

that employees direct their work effort in line with the owners' best interests. Torrington, Hall, and Taylor (2009) suggest the following four points as important part of conventional wisdom in designing reward system. The first one is younger employees are more interested in high direct earnings at the expense of indirect benefits, such as pensions, which will be of more interest to older employees. Second, incentive, or performance-related payment arrangements are likely to interest employees who either see a reliable prospect of enhancing earnings through the ability to control their own activities, or see the incentive scheme as an opportunity to wrest control of their personal activities away from management by regulating their earnings. Third, women with children are less interested in payment arrangements that depend on overtime than men often are. And the fourth is overtime is used by many employees to produce an acceptable level of purchasing power particularly among the lower-paid. In fact, there is no conventional wisdom. Preferences differ according to the value, norms, background, economic status etc of individuals. Despite this fact, Bowen (2016) argues that rewards for entry level employees, usually youngsters, need be more cash based whereas employees with longer service or higher in the compensation scheme may be influenced by cash equivalent or non-cash rewards such as education, extra-time off and the like. All of the above points suggest that there should be both financial and non-financial rewards so as to reward employees according to their needs and values. Job performance may be taken as a function of the capacity to perform, the opportunity to perform, and the willingness to perform. No combination of capacity and opportunity will result in high performance in the absence of some level of motivation or willingness to perform. (Nelson, 2016). The three basic motivating needs of McClelland that are associated with learning concepts are: the needs for achievement, the need for affiliation, and the need for power. The main subject of McClelland's theory is that these needs are learned through coping with one's environment. Since needs are learned, behaviour which is rewarded tends to recur at a higher frequency. As a result of the learning process, individuals develop unique configurations of needs that affect their behaviour and performance (Agarwal, 1982). Expectancy: It refers to the individual's belief regarding the probability that a particular behavior will be followed by a particular outcome. Managers, can use the concepts and principles of expectancy theory to improve performance. It is important to acquire an understanding of the outcomes preferred by employees. Managers should listen, talk and observe employee responses towards the rewards given by the organization such as compensation, incentives, promotions, praise, gift certificates, and time off. Because needs and goals regularly change, employees need today is probably different tomorrow. (Poter et.al 2016). Therefore, organizations result is highly dependent on employees work motivation. This is; therefore, the purpose of the study is to investigate how well implementation of the current reward management system of commercial Bank of Ethiopia (CBE) generates employees' motivation in general.

2. EXPERIMENTAL STUDY

This part presents the methodology that was used to carry out this study it includes the research design, population studies and sampling strategy, the data collection process, the instruments used for gathering data, and how data were analysed and presented.

2.1 Research Design

This research was conduct to assess reward and employee motivation practice of CBE and recommend the best reward tool that is preferred by Commercial Bank of Ethiopia. To accomplish the specified objectives cross sectional based data solicitation was used. Consequently, data required for the purpose of the study was gather from different sources.

2.2 Research framework

After careful study of literatures review, the conceptual model formulated to illustrate relationship between employee motivation and reward program. In this study, employees' motivation was taken as dependent variable while financial and non-financial rewards were taken as independent variables. Within financial reward variables: payment and benefits variables included. While in the non-financial reward tools: recognition, working condition, promotion and leadership/supervision included.

2.3 Population of the Study

The population for this study was taken from Commercial Bank of Ethiopia. Since the Bank has manageable number of employees, all who served the organization for more than a year included in the data collection process. According to Jan. 2017 Commercial Bank of Ethiopia Human Resource data, the total numbers of employees is 162 and strata i.e. Manager, CSM, SCSO,CSO and Others. It is to be believed that employees who work in an organization for less than one year will not have a full picture to measure the reward package of that given organization. Even literatures support that to fully understand and evaluate a given organization, employee's needs to have more than a year experience. They also added that to clearly adapt with the environment, a minimum of six month is a must. Hence, considering this and other related facts, the research didn't encompass staffs who served the organization less than a year and the total numbers of respondents were 85, only those who served the organization for more than a year.

2.4 Sampling Design

For selecting the sampling units – regarding questionnaire respondents – the researcher was used census frame. According to the data gained from the exchange, respondents were diversified in terms of educational qualification, job's variety and other parameters. The perception of job satisfaction issue like reward practice was expected to be varied accordingly. Thus, the researcher classifies the respondents while making analysis to clearly identify the major reward and motivation factors of employees based on demographic factors that are domestic exchange customer service officer, manager, international or foreign exchange and so on. This study was used a simplified formula provided by Yamane (1967) to determine the required sample size at 95% confidence level and with 0.075% level of precision. The total population of the study was cover 162 long term experienced with customers from this 85 samples size was taken because of saving cost and time.

Formula

$$n = \frac{N}{1 + Ne^2} \quad n = \frac{162}{1 + 162 (0.075)^2} \quad \text{————— (1)}$$

The calculated value of sample size (n) = 85

Where n = sample size,

- N = Population size
- e = Level of precision
- The selected population and sample numbers at various levels are listed in table 1. The sample sizes of each level employment were calculated by formula 1.

Table 1 Target Population and Sample

Category	Commercial Banks in Harar City						Total Population	Sample Number
	Harar	Jenala	Shenkor	Abadir	Aboker	Jegol		
Manager	1	1	1	1	1	1	6	3
CSM	5	2	2	2	2	2	15	8
SCSO	3	3	3	3	3	3	18	9
CSO	44	10	8	4	12	15	93	49
Others	10	4	3	2	5	6	30	16
Tota l	63	20	17	12	23	27	162	85

2.5 Data Collection Methods

2.5.1 Primary Data

Primary data refers to the data that are original and not yet published which are always called fresh data that one collects directly from the field. Primary data was collected using the following methods and tools. A questionnaire is a research instrument consisting of a series of questions and other prompts for the purpose of gathering information from respondents (Foddy, 1994). Questionnaire was used because it manages to collect information from a large number of people in a short period of time and in a relatively cost effective way. This tool gives room and freedom of expression to the respondents that they expecting to get more information to capture important themes of the study on the impact of rewards on organization performance. The questionnaire was used to collect data from CBE employees, to get the impact of rewards on organization performance. The study questionnaire was divided into two parts. Part I consist of demographic questions; Part II questions on salary and benefits, work environment, relationship with immediate supervisor, promotion, recognition, extra effort. A Likert Scale of five levels (strongly disagree, disagree, neutral, agree and strongly agree) was adopted. An interview is a conversation between two or more people where questions are asked by interviewer to elicit facts or statements from the interviewee (Seidman,1998). This method gives the researcher the freedom to probe the interview to elaborate or to follow a new line of inquiry introduced by what the interviewee is saying. These interviews allowed the researcher to clarify ambiguous answers and when appropriate, seek follow-up information. It was easily enable the researcher to capture important themes on the impact of rewards on organization performance. This method was applied to collect data from key informant such as management officers and human resource officers, as allowed to express their views and feeling on the impact of rewards both financial and non-financial rewards to organization performance. Then the relationship between rewards and organization performance was deeply discussed. It was applied in this research as it gives more room to respondents to explain concerning the impact of rewards in organization performance.

2.5.2 Secondary Data

Secondary data on the other hand refers to data that have been collected that can be published or unpublished but are already exists. It was clearly collected through the following method. It is the analysis of different documents to get information related to important themes from various materials in libraries and online source. From this method, the researcher was reviewed different documents related to rewards on organization performance.

2.6 Data Analysis

The data was processed the data (both primary and secondary) manually. The processing stage was involved editing, classification, coding, transcription and tabulation. In the analysis of data, descriptive analysis was employed to determine the currently reward system employed in commercial bank. The use of computer employed SPSS (Statistical Package for Social Scientist) was used for this purpose. After being analysed was presented inform of tables, graphs and bar chart. That was clearly indicated with important variables from the major study themes related to the impact of rewards on organization performance.

2.7 Research Ethics

The researcher was obtained the consent of the organization for the study. Employees who have completed the questionnaire was informed about the purpose of data collection, analysis and the covenant to maintain privacy of their responses. Participants were informed about the purpose of the study and their privacy and dignity also maintained. Confidential information of the bank was not disclosing and the collected data were used for the purposes of the study only. Regarding published and unpublished materials used in the literature review and throughout all part of the study, all citations from copy right holder was made properly.

3. RESULTS AND DISCUSSION

This research studies whether or not a reward system helps generate employee motivation in CBE at Harar City. More specifically it aims to reveal what reward system would be best suited for the CBE in question and how to increase employee motivation and satisfaction. The sample size of this study was limited to 85 due to the fact that the author wanted to focus only on the branches in Harar city. The 85 individuals answered the questionnaire which gives a response rate of 100 %. The main findings through the questionnaire of this study will be discussed in this chapter.

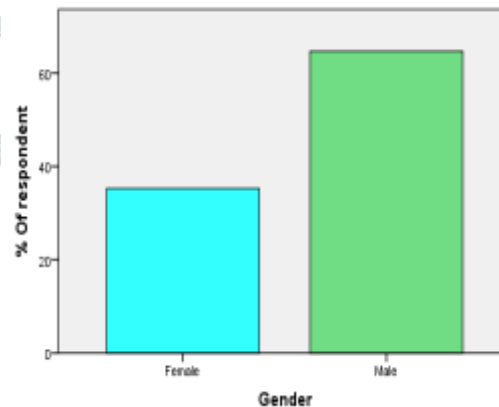
3.1 Demographic Data

This study's demographic data focused on the respondents' gender, age, educational qualification, work experience and job title of CBE branches in Harar city. The findings are represented in the following tables and graphs.

Gender of Respondents

The details of gender are given in Table 2 and graphically represented in Figure 1. The % of Female and Male respondent were 35.3 % and 64.7 % respectively. The participation of Male respondents are more than Female respondents.

Gender	Frequency	Percent	Cumulative Percent
Female	30	35.3	35.3
Male	55	64.7	100.0
Total	85	100.0	

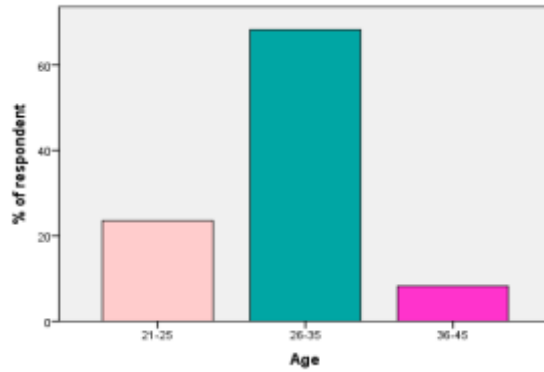


Figuer 1: Gender of respondent

Classification of age of the respondents

Age	Frequency	Percent	Cumulative Percent
21-25	20	23.5	23.5
26-35	58	68.2	91.8
36-45	7	8.2	100.0
Total	85	100.0	

The age of the respondents were classified between 21 and 25, 26 and 35 and 36 and 45, which are listed in Table 3 and graphically represented in Figure 2. The % of the age between 21 and 25 was 23.5%, between 26 and 35 was 68.2% and between 36 and 45 was 8.2%. The majority of the respondents were below 35 years, ie 91.8%.

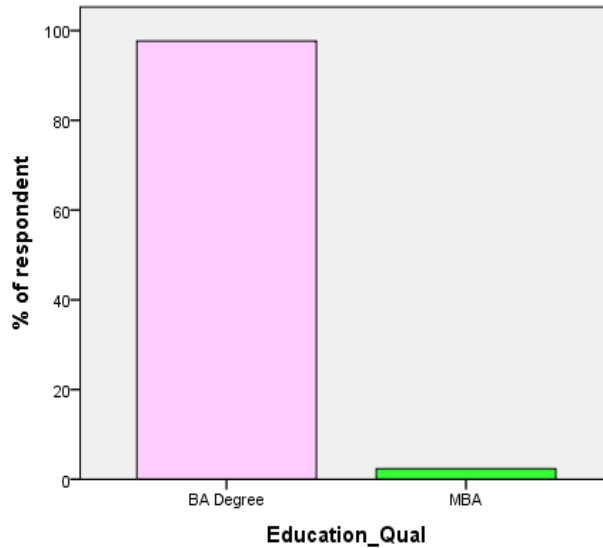


Figuer 2: Age of respondent

Education Qualifaction of respondent

Education Qualification	Frequency	Percent	Cumulative Percent
BA Degree	83	97.6	97.6
MBA	2	2.4	100.0
Total	85	100.0	

The educational qualifications of the respondents are given in Table 4 graphically illustrated in Figure 3. Among the respondents 97.5% were B A degree and 2.4% only the M B A degree.



Figuer 3: Education Qualifaction of Respondent

Work Experience of respondents

Work experience are grouped between 1 and 3 years, 4 and 6 years, 7 and 9 years and above 9 years are listed in Table 5 and graphically represented in Figure 4 which were 43.5%, 31.8 %, 12,9%, 11.8 % respectively.

Work Experience in year	Frequency	Percent	Cumulative Percent
1-3	37	43.5	43.5
4-6	27	31.8	75.3
7-9	11	12.9	88.2
>9	10	11.8	100.0
Total	85	100.0	

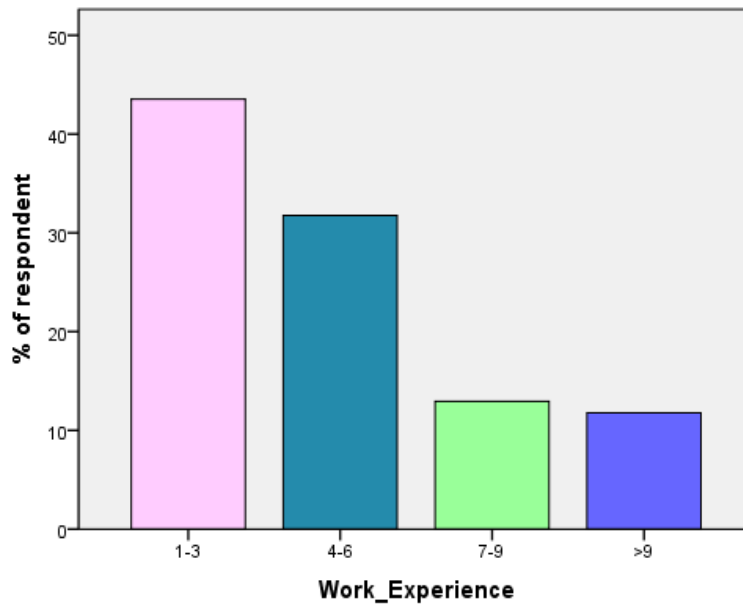


Figure 4: Work Experience of respondent

Job Title of respondents

The % of the classification of job titles are given in Table 6 and graphically described in Figure 5. The % of Manager respondents were 3.5 %, Customer Service Manager were 9.4%, Senior Customer Service Officer (SCSO) were 10.6 %, Customer Service Officer (CSO) were 57.6% and other respondents were 18.8%

Job Title	Frequency	Percent	Cumulative Percent
Manager	3	3.5	3.5
Customer Service Manager (CSM)	8	9.4	12.9
Senior Customer Service Officer (SCSO)	9	10.6	23.5
Customer Service Officer (CSO)	49	57.6	81.2
Others	16	18.8	100.0
Total	85	100.0	

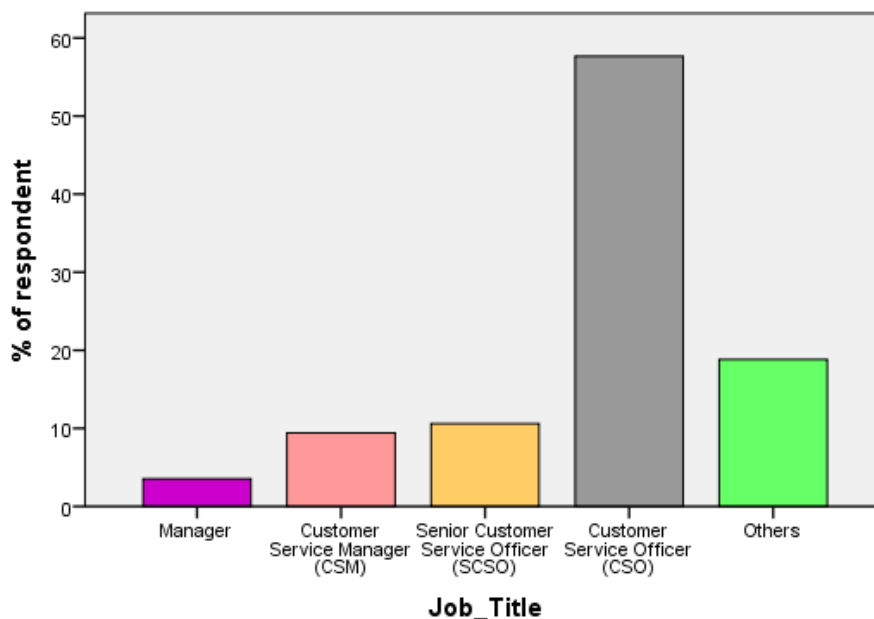


Figure 5: Job Title of respondents

3.2 Level of Satisfaction of Salary and Benefits

This part of the questionnaire measured the level of satisfaction of salary and benefits which comprises of four questions. The respondents were chosen on a scale from one to five, how much a specific benefit motivated them. The results are shown in the tables below.

I am satisfied with my salary

Table 7 shows that 30.6 % of respondents were strongly disagreed with salary given by their banks, 34.1 % were disagreed, 27.1 % were normally agreed, 7.1% were agreed and 1.2% were strongly agreed. These results revealed that the majority (64.7%) of respondents were not satisfied with the salary being given by the commercial bank of Ethiopia.

Table 7 I am satisfied with my salary

Level of satisfaction	Number Respondent	% of Respondent	Cumulative %
Strongly Disagree	26	30.6	30.6
Disagree	29	34.1	64.7
Normal	23	27.1	91.8
Agree	6	7.1	98.8
Strongly Agree	1	1.2	100.0
Total	85	100.0	

Table 8 indicates that 28.2 % of respondents were strongly disagreed with salary given by their banks, 48.2 % were disagreed, 15.3 % were normally agreed, 7.1% were agreed and 1.2% were strongly agreed. These results revealed that the majority (76.5%) of respondents were not satisfied with the salary being given by the commercial bank of Ethiopia comparatively with similar organization.

Table 8 The bank pays competitive salary compared with similar organizations

Level of satisfaction	Number Respondent	% of Respondent	Cumulative %
Strongly Disagree	24	28.2	28.2
Disagree	41	48.2	76.5
Normal	13	15.3	91.8
Agree	6	7.1	98.8
Strongly Agree	1	1.2	100.0
Total	85	100.0	

The staff loan system is sufficient

Table 9 specifies that 28.2 % of respondents were strongly disagreed with salary given by their banks, 45.9 % were disagreed, 15.3 % were normally agreed, 7.1 % were agreed and 3.5% were strongly agreed. These results revealed that the majority (74.1 %) of respondents were not satisfied with the staff loan system presently in the commercial bank of Ethiopia.

Table 9 The staff loan system is sufficient

Level of satisfaction	Number Respondent	% of Respondent	Cumulative %
Strongly Disagree	24	28.2	28.2
Disagree	39	45.9	74.1
Normal	13	15.3	89.4
Agree	6	7.1	96.5
Strongly Agree	3	3.5	100.0
Total	85	100.0	

Training given to me by the bank is helped me to carry out my job effectively.

Table 10 designates that 7.1 % of respondents were strongly disagreed with salary given by their banks, 16.5 % were disagreed, 29.4 % were normally agreed, 36.5 % were agreed and 10.6 % were strongly agreed. These results revealed that the majority (76.5 %) of respondents were satisfied with the training being given by the commercial bank of Ethiopia.

Table 10 Training given to me by the bank is helped me to carry out my job effectively

Level of satisfaction	Number Respondent	% of Respondent	Cumulative %
Strongly Disagree	6	7.1	7.1
Disagree	14	16.5	23.5
Normal	25	29.4	52.9
Agree	31	36.5	89.4
Strongly Agree	9	10.6	100.0
Total	85	100.0	

3.3 Work Environment

This part of the questionnaire measured the condition of work environment in the CBE, Harar branches and brought out the level of satisfaction of the respondents by using four questions. The respondents were chosen on a scale from one to five, how much this environment motivated them. The results are brought in the tables below.

Adequate office equipment's are available to discharge my duties.

Table 11 points out that 12.9 % of respondents were strongly disagreed with salary given by their banks, 24.7 % were disagreed, 37.6 % were normally agreed, 23.5 % were agreed and 1.2% were strongly agreed. These results revealed that the majority (62.4 %) of respondents were satisfied with the **adequate office equipment's availability in the commercial bank of Ethiopia**

Table 11 Adequate office equipment's available to discharge my duties

Level of satisfaction	Number Respondent	% of Respondent	Cumulative %
Strongly Disagree	11	12.9	12.9
Disagree	21	24.7	37.6
Normal	32	37.6	75.3

Agree	20	23.5	98.8
Strongly Agree	1	1.2	100.0
Total	85	100.0	

I have smooth relationship with co-workers.

Table 12 signposts that 1.2 % of respondents were strongly disagreed with salary given by their banks, 3.5 % were disagreed, 30.6 % were normally agreed, 41.2 % were agreed and 1.2% were strongly agreed. These results revealed that the majority (95.3 %) of respondents were satisfied the smooth relationship with co-workers in the commercial bank of Ethiopia.

Table 12 I have smooth relationship with co-workers

Level of satisfaction	Number Respondent	% of Respondent	Cumulative %
Strongly Disagree	1	1.2	1.2
Disagree	3	3.5	4.7
Normal	26	30.6	35.3
Agree	35	41.2	76.5
Strongly Agree	20	23.5	100.0
Total	85	100.0	

There is sufficient space in my work place.

Table 13 exhibits that 11.8 % of respondents were strongly disagreed with salary given by their banks, 12.9 % were disagreed, 38.8 % were normally agreed, 31.8% were agreed and 4.7 % were strongly agreed. These results revealed that the majority (75.3 %) of respondents were satisfied with the sufficient space in their work place in the commercial bank of Ethiopia.

Table 13 There is sufficient space in my work place

Level of satisfaction	Number Respondent	% of Respondent	Cumulative Percent
Strongly Disagree	10	11.8	11.8
Disagree	11	12.9	24.7
Normal	33	38.8	63.5
Agree	27	31.8	95.3
Strongly Agree	4	4.7	100.0
Total	85	100.0	

I have access to the things I need to do my job well.

Table 14 shows that 5.9 % of respondents were strongly disagreed with salary given by their banks, 17.6 % were disagreed, 36.5 % were normally agreed, 32.9 % were agreed and 7.1 % were strongly agreed. These results revealed that the majority (76.5 %) of respondents were satisfied with the freedom 'access to the things need to do the job well' in the commercial bank of Ethiopia.

Table 14 I have access to the things I need to do my job well

Level of satisfaction	Number Respondent	% of Respondent	Cumulative %
Strongly Disagree	5	5.9	5.9
Disagree	15	17.6	23.5

Normal	31	36.5	60.0
Agree	28	32.9	92.9
Strongly Agree	6	7.1	100.0
Total	85	100.0	

3.4 Relationship with Immediate Supervisor

This part of the questionnaire measured the relationship of the respondent with their immediate supervisor was calibrated by six questions. Here also the respondents were chosen on a scale from one to five, how the relationship between the respondent and supervisor gives benefits to the CBE, Harar branches. The results are enlightened in the tables below.

My immediate supervisor is willing to solve problems.

Table 15 reveals that 2.4 % of respondents were strongly disagreed with salary given by their banks, 16.5 % were disagreed, 32.9 % were normally agreed, 35.3 % were agreed and 12.9% were strongly agreed. These results revealed that the majority (81.2 %) of respondents were satisfied with willingness of immediate supervisor to solve problems in the commercial bank of Ethiopia.

Table 15 My immediate supervisor is willing to solve problems

Level of satisfaction	Number Respondent	% of Respondent	Cumulative %
Strongly Disagree	2	2.4	2.4
Disagree	14	16.5	18.8
Normal	28	32.9	51.8
Agree	30	35.3	87.1
Strongly Agree	11	12.9	100.0
Total	85	100.0	

I have a good working relation with my immediate supervisor

Table 16 indicates that 2.4 % of respondents were strongly disagreed with salary given by their banks, 4.7 % were disagreed, 40 % were normally agreed, 34.1% were agree and 18.8 % were strongly agreed. These results revealed that the majority (92.9%) of respondents were satisfied with good working relation with their immediate supervisor in the commercial bank of Ethiopia.

Table 16 I have a good working relation with my immediate supervisor

Level of satisfaction	Number Respondent	% of Respondent	Cumulative %
Strongly Disagree	2	2.4	2.4
Disagree	4	4.7	7.1
Normal	34	40.0	47.1
Agree	29	34.1	81.2
Strongly Agree	16	18.8	100.0
Total	85	100.0	

My immediate supervisor recognizes my contribution

Table 17 shows that 3.5 % of respondents were strongly disagreed with salary given by their banks, 8.2 % were disagreed, 40 % were normally agreed, 37.6 % were agreed and 10.6% were strongly agreed. These results revealed that the majority (88.2%) of respondents were satisfied with the statement of immediate supervisor recognizes their contribution in the commercial bank of Ethiopia.

Table 17 My immediate supervisor recognizes my contribution

Level of satisfaction	Number Respondent	% of Respondent	Cumulative %
Strongly Disagree	3	3.5	3.5
Disagree	7	8.2	11.8
Normal	34	40.0	51.8
Agree	32	37.6	89.4
Strongly Agree	9	10.6	100.0
Total	85	100.0	

Immediate supervisor is impartial

Table 18 indicates that 7.1 % of respondents were strongly disagreed with salary given by their banks, 12.9 % were disagreed, 43.5 % were normally agreed, 25.9 % were agreed and 10.6 % were strongly agreed. These results revealed that the majority (80 %) of respondents were not satisfied with the impartial behaviour of immediate supervisor in the commercial bank of Ethiopia

Table 18 Immediate supervisor is impartial

Level of satisfaction	Number Respondent	% of Respondent	Cumulative %
Strongly Disagree	6	7.1	7.1
Disagree	11	12.9	20.0
Normal	37	43.5	63.5
Agree	22	25.9	89.4
Strongly Agree	9	10.6	100.0
Total	85	100.0	

My immediate supervisor gives me sufficient guidance and useful feedback in relation to my job.

Table 19 indicates that 5.9 % of respondents were strongly disagreed with salary given by their banks, 7.1 % were disagreed, 40 % were normally agreed, 35.3 % were agreed and 11.8 % were strongly agreed. These results revealed that the majority (87.1%) of respondents were satisfied with **immediate supervisor gives them sufficient guidance and useful feedback in relation to their job** in the commercial bank of Ethiopia.

Table 19 My immediate supervisor gives me sufficient guidance and useful feedback in relation to my job

Level of satisfaction	Number Respondent	% of Respondent	Cumulative %
Strongly Disagree	5	5.9	5.9
Disagree	6	7.1	12.9
Normal	34	40.0	52.9
Agree	30	35.3	88.2
Strongly Agree	10	11.8	100.0
Total	85	100.0	

My manager is a great role model for employees.

Table 20 directs that 9.4 % of respondents were strongly disagreed with salary given by their banks, 9.4 % were disagreed, 27.1 % were normally agreed 36.5 % were agreed and 17.6 % were strongly agreed. These

results revealed that the majority (81.2%) of respondents were satisfied with the **statement of their manager is a great role model for the employees** in the commercial bank of Ethiopia.

Table 20 My manager is a great role model for employees

Level of satisfaction	Number Respondent	% of Respondent	Cumulative %
Strongly Disagree	8	9.4	9.4
Disagree	8	9.4	18.8
Normal	23	27.1	45.9
Agree	31	36.5	82.4
Strongly Agree	15	17.6	100.0
Total	85	100.0	

3.5 Promotion

This part of the questionnaire measured the level of satisfaction of the promotion provided by the CBE was studied by using five questions. The respondents were chosen on a scale from one to five, how much the promotions attracted by the respondents. The results are given in the tables below.

I am satisfied with promotion system

Table 21 indicates that 22.4 % of respondents were strongly disagreed with salary given by their banks, 31.8% were disagreed, 23.5 % were normally agreed, 16.5 % were agreed and 5.9 % were strongly agreed. These results revealed that the majority (54.1 %) of respondents were not satisfied with the existing **promotion system** in the commercial bank of Ethiopia

Table 21 I am satisfied with promotion system

Level of satisfaction	Number Respondent	% of Respondent	Cumulative %
Strongly Disagree	19	22.4	22.4
Disagree	27	31.8	54.1
Normal	20	23.5	77.6
Agree	14	16.5	94.1
Strongly Agree	5	5.9	100.0
Total	85	100.0	

There is job promotion opportunity in the bank

Table 22 shows that 5.9 % of respondents were strongly disagreed with salary given by their banks, 12.9 % were disagreed, 35.3 % were normally agreed, 41.2 % were agreed and 4.7 % were strongly agreed. These results revealed that the majority (81.2%) of respondents were satisfied with the **job promotion opportunity** in the commercial bank of Ethiopia

Table 22 There is job promotion opportunity in the bank

Level of satisfaction	Number Respondent	% of Respondent	Cumulative %
Strongly Disagree	5	5.9	5.9
Disagree	11	12.9	18.8
Normal	30	35.3	54.1
Agree	35	41.2	95.3

Strongly Agree	4	4.7	100.0
Total	85	100.0	

Promotion is based on individual's performance and ability.

Table 23 specifies that 16.5 % of respondents were strongly disagreed with salary given by their banks, 29.4 % were disagreed, 23.5 % were normally agreed, 22.4 % were agreed and 8.2% were strongly agreed. These results revealed that the majority (54.1 %) of respondents were satisfied with the statement 'Promotion is based on individual's performance and ability' in the commercial bank of Ethiopia.

Table 23 Promotion is based on individual's performance and ability

Level of satisfaction	Number Respondent	% of Respondent	Cumulative %
Strongly Disagree	14	16.5	16.5
Disagree	25	29.4	45.9
Normal	20	23.5	69.4
Agree	19	22.4	91.8
Strongly Agree	7	8.2	100.0
Total	85	100.0	

I receive vacancy post announcements timely for applying higher post.

Table 24 indicates that 7.1 % of respondents were strongly disagreed with salary given by their banks, 10.6 % were disagreed, 40 % were normally agreed, 31.8 % were agreed and 10.6 % were strongly agreed. These results revealed that the majority (82.4 %) of respondents were satisfied with the **vacancy post announcements timely for applying higher pos** by the commercial bank of Ethiopia.

Table 24 I receive vacancy post announcements timely for applying higher post			
Level of satisfaction	Frequency	% of Respondent	Cumulative %
Strongly Disagree	6	7.1	7.1
Disagree	9	10.6	17.6
Normal	34	40.0	57.6
Agree	27	31.8	89.4
Strongly Agree	9	10.6	100.0
Total	85	100.0	

The selection of employee for promotion have made transparently

Table 25 indicates that 21.2 % of respondents were strongly disagreed with salary given by their banks, 27.1 % were disagreed, 30.6 % were normally agreed, 15.3 % were agreed and 5.9 % were strongly agreed. These results revealed that the majority (51.8 %) of respondents were satisfied with the statement of '**selection of employee for promotion have made transparently**' in the commercial bank of Ethiopia

Table 25 The selection of employee for promotion have made transparently

Level of satisfaction	Number Respondent	% of Respondent	Cumulative %
Strongly Disagree	18	21.2	21.2
Disagree	23	27.1	48.2
Normal	26	30.6	78.8
Agree	13	15.3	94.1
Strongly Agree	5	5.9	100.0
Total	85	100.0	

3.6 Recognition

This part of the questionnaire measured how the CBE recognizes the employee's innovative ideas, individual accomplishments, contributions and achievements by the aid of seven questions. The respondents were chosen on a scale from one to five. The results are illustrated in the tables below.

My innovative ideas have been accepted and implemented by my managers/supervisors

Table 26 shows that 10.6 % of respondents were strongly disagreed with salary given by their banks, 18.8 % were disagreed, 43.5 % were normally agreed, 18.8 % were agreed and 8.2% were strongly agreed. These results revealed that the majority (70.6 %) of respondents were satisfied with the statement of '**innovative ideas have been accepted and implemented by their manager/supervisors**' in the commercial bank of Ethiopia

Table 26 My innovative ideas have been accepted and implemented by my manager/supervisors

Level of satisfaction	Number Respondent	% of Respondent	Cumulative %
Strongly Disagree	9	10.6	10.6
Disagree	16	18.8	29.4
Normal	37	43.5	72.9
Agree	16	18.8	91.8
Strongly Agree	7	8.2	100.0
Total	85	100.0	

I am receiving recognition for my individual accomplishments

Table 27 signposts that 9.4 % of respondents were strongly disagreed with salary given by their banks, 17.6 % were disagreed, 44.3 % were normally agreed, 20 % were agreed and 8.2% were strongly agreed. These results revealed that the majority (72.9 %) of respondents were satisfied with the **recognition received for their individual accomplishment** in the commercial bank of Ethiopia.

Table 27 I am receiving recognition for my individual accomplishment

Level of satisfaction	Number Respondent	% of Respondent	Cumulative %
Strongly Disagree	8	9.4	9.4
Disagree	15	17.6	27.1
Normal	38	44.7	71.8

Agree	17	20.0	91.8
Strongly Agree	7	8.2	100.0
Total	85	100.0	

I am receiving formal recognition for my contributions/achievements

Table 28 indicates that 15.3 % of respondents were strongly disagreed with salary given by their banks, 22.4 % were disagreed, 32.9 % were normally agreed, 23.5% were agreed and 5.9 % were strongly agreed. These results revealed that the majority (62.4%) of respondents were satisfied for **receiving formal recognition for their contribution** by the commercial bank of Ethiopia

Table 28 I am receiving formal recognition for my contribution

Level of satisfaction	Number Respondent	% of Respondent	Cumulative %
Strongly Disagree	13	15.3	15.3
Disagree	19	22.4	37.6
Normal	28	32.9	70.6
Agree	20	23.5	94.1
Strongly Agree	5	5.9	100.0
Total	85	100.0	

I am receiving informal recognition for my contributions /achievements

Table 29 designates that 11.8 % of respondents were strongly disagreed with salary given by their banks, 20 % were disagreed, 40 % were normally agreed, 22.4 % were agreed, 5.9 % were strongly agreed. These results revealed that the majority (68.2%) of respondents were satisfied for **receiving informal recognition for their contribution/achievements** by the Commercial Bank of Ethiopia.

Table 29 I am receiving informal recognition for my contribution/achievements

Level of satisfaction	Number Respondent	% of Respondent	Cumulative %
Strongly Disagree	10	11.8	11.8
Disagree	17	20.0	31.8
Normal	34	40.0	71.8
Agree	19	22.4	94.1
Strongly Agree	5	5.9	100.0
Total	85	100.0	

I am rewarded with special recognition by team management at team meetings

Table 30 describes that 21.2 % of respondents were strongly disagreed with salary given by their banks, 30.6 % were disagreed, 29.4 % were normally agreed, 12.9 % were agreed and 5.9 % were strongly agreed. These results revealed that the majority (51.8 %) of respondents were not satisfied **on rewarded with special recognition by team management at team meetings** in the Commercial Bank of Ethiopia.

Table 30 I am rewarded with special recognition by team management at team meetings

Level of satisfaction	Number Respondent	% of Respondent	Cumulative %
Strongly Disagree	18	21.2	21.2
Disagree	26	30.6	51.8
Normal	25	29.4	81.2
Agree	11	12.9	94.1
Strongly Agree	5	5.9	100.0
Total	85	100.0	

Is CBE formal recognition events increase the motivation value of a recognition program?

Table 31 shows that 15.3 % of respondents were strongly disagreed with salary given by their banks, 18.8 % were disagreed, 35.3 % were normally agreed, 24.7 % were agreed and 5.9 % were strongly agreed. These results revealed that the majority (69.9%) of respondents were given the satisfied answer for the question 'Is CBE formal recognition events increase the motivation value of a recognition program?' in the commercial bank of Ethiopia

Table 31 Is CBE formal recognition events increase the motivation value of a recognition program

Level of satisfaction	Number Respondent	% of Respondent	Cumulative %t
Strongly Disagree	13	15.3	15.3
Disagree	16	18.8	34.1
Normal	30	35.3	69.4
Agree	21	24.7	94.1
Strongly Agree	5	5.9	100.0
Total	85	100.0	

Informal recognition is equal importance as formal recognition events?

Table 32 indicates that 14.1 % of respondents were strongly disagreed with salary given by their banks, 32.9 % were disagreed, 29.4 % were normally agreed, 18.8 % were agreed and 4.7 % were strongly agreed. These results revealed that the majority (52.9%) of respondents were satisfied weather the **Informal recognition is equal importance as formal recognition events** by the commercial bank of Ethiopia.

Table 32 Informal recognition is equal importance as formal recognition events

Level of satisfaction	Number Respondent	% of Respondent	Cumulative %
Strongly Disagree	12	14.1	14.1
Disagree	28	32.9	47.1
Normal	25	29.4	76.5
Agree	16	18.8	95.3
Strongly Agree	4	4.7	100.0

Total	85	100.0
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3.7 Extra Effort

This part of the questionnaire studied the level of the extra efforts put by the respondents to the development of the CBE by the help of four questions. The respondents were chosen on a scale from one to five and exhibit their views. The results are listed in the tables below.

I feel inspired on my job

Table 33 shows that 5.9 % of respondents were strongly disagreed with salary given by their banks, 12.9 % were disagreed, 32.9 % were normally agreed, 28.2 % were agreed and 20 % were strongly agreed. These results revealed that the majority (81.2%) of respondents were satisfied and **inspired on their job** in the commercial bank of Ethiopia

Table 33 I feel inspired on my job

Level of satisfaction	Number Respondent	% of Respondent	Cumulative %
Strongly Disagree	5	5.9	5.9
Disagree	11	12.9	18.8
Normal	28	32.9	51.8
Agree	24	28.2	80.0
Strongly Agree	17	20.0	100.0
Total	85	100.0	

I feel happy when I am working intensely

Table 34 specifies that 7.1 % of respondents were strongly disagreed with salary given by their banks, 8.2 % were disagreed, 35.3 % were normally agreed, 30.6 % were agreed and 18.8 % were strongly agreed. These results revealed that the majority (84.7%) of respondents were satisfied and felt **happy when they working intensely** in the commercial bank of Ethiopia

Table 34 I feel happy when i am working intensely

Level of satisfaction	Number Respondent	% of Respondent	Cumulative %
Strongly Disagree	6	7.1	7.1
Disagree	7	8.2	15.3
Normal	30	35.3	50.6
Agree	26	30.6	81.2
Strongly Agree	16	18.8	100.0
Total	85	100.0	

I have courage to do tasks effectively

Table 35 signposts that 5.9 % of respondents were strongly disagreed with salary given by their banks, 9.4 % were disagreed, 28.2 % were normally agreed, 37.1% were agreed and 18.8 % were strongly agreed. These results revealed that the majority (84.7%) of respondents were satisfied with the **courage to do the tasks effectively** in the commercial bank of Ethiopia.

Table 35 I have courage to do tasks effectively

Level of satisfaction	Number Respondent	% of Respondent	Cumulative %
Strongly Disagree	5	5.9	5.9
Disagree	8	9.4	15.3
Normal	24	28.2	43.5
Agree	32	37.6	81.2
Strongly Agree	16	18.8	100.0
Total	85	100.0	

I recommend others to join the Bank

Table 36 shows that 10.6 % of respondents were strongly disagreed with salary given by their banks, 7.1 % were disagreed, 31.8 % were normally agreed, 31.8 % were agreed and 18.8 % were strongly agreed. These results revealed that the majority (82.4%) of respondents were satisfied their willingness to **recommend others to join in** the commercial bank of Ethiopia

Table 36 I recommend others to join the bank

Level of satisfaction	Number Respondent	% of Respondent	Cumulative %
Strongly Disagree	9	10.6	10.6
Disagree	6	7.1	17.6
Normal	27	31.8	49.4
Agree	27	31.8	81.2
Strongly Agree	16	18.8	100.0
Total	85	100.0	

3.8 Findings of unsatisfied factors

In this study revealed six unsatisfied factors by the respondents in CBE which unsatisfied % are ranked and listed in order in table 37. 80% of the respondent stated that they were unsatisfied with the statement 'Immediate supervisor is impartial'. 76 % of the respondents were not satisfied their salary given by CBE with compared to other similar organization. The CBE employees were unsatisfied with the staff loan system which is 74.1%. 64.7% of the respondents were unsatisfied with the salary disbursed by CBE. 54.1% of respondents were unsatisfied with the promotion system followed by the CBE. The statement 'I am rewarded with special recognition by team management at team meetings' was unsatisfied and it was rated by the unsatisfaction level of 51.8 % . The ranking of questionnaire helpful to compare items to each other in order of performance. In this section, an average ranking is calculated for each question rating, allowing to quickly evaluate the most preferred satisfactory and unsatisfactory choice.

Table 37 Unsatisfied factors in order

Sl.No	Factors	% Unsatisfied	Rank
1.	Immediate supervisor is impartial	80	1
2.	The Bank pays competitive salary compared with similar organizations.	76.5	2
3.	The staff loan system is sufficient	74.1	3
4.	I am satisfied with my salary.	64.7	4
5.	I am satisfied with promotion system	54.1	5
6.	I am rewarded with special recognition by team management at team meetings	51.8	6

3.9 Findings of Satisfactory factors

In this study identified twenty-four satisfied factors by the respondents in CBE which are ranked and listed in Table 38.

Table 38 Satisfied factors in order

Sl.NO	Factors	% of Satisfied	Rank
1	I have smooth relationship with co-workers	95.30%	1
2	I have a good working relation with my immediate supervisor	92.90%	2
3	My immediate supervisor gives me sufficient guidance and useful feedback in relation to my job.	87.10%	3
4	I feel happy when I am working intensely	84.70%	4.5
5	I have a courage to do tasks effectively	84.70%	4.5
6	I receive vacancy post announcements timely for applying higher post.	82.40%	6.5
7	I recommend others to join the Bank	82.40%	6.5
8	My immediate supervisor recognizes my contribution	82.20%	8
9	My immediate supervisor is willing to solve problems	81.20%	10.5
10	My manager is a great role model for employees	81.20%	10.5
11	There is job promotion opportunity in the bank	81.20%	10.5
12	I feel inspired on my job	81.20%	10.5
13	I have access to the things I need to do my job well.	76.50%	13.5
14	Training given to me by the bank is helped me to carry out my job effectively.	76.50%	13.5
15	There is sufficient space in my work place.	75.30%	15
16	I am receiving recognition for my individual accomplishments	72.90%	16
17	My innovative ideas have been accepted and implemented by my managers/supervisors	70.10%	17
18	Is CBE formal recognition events increase the motivation value of a recognition program?	69.90%	18
19	I am receiving informal recognition for my contributions /achievements	68.20%	19
20	Adequate office equipment's are available to discharge my duties.	62.40%	20.5
21	I am receiving formal recognition for my contributions/achievements	62.40%	20.5
22	Promotion is based on individual's performance and ability.	54.10%	22
23	Informal recognition is equal importance as formal recognition events?	52.90%	23
24	The selection of employee for promotion have made transparently	51.80%	24

4.CONCLUSIONS

The author had thrown the questionnaire comprising 30 different statements on the six titles salary and benefits, work environment, relationship with immediate supervisor, promotion, recognition and Extra efforts with CBE Harar branches. The results of the study imply that there are six major factors that have unsatisfied by the CBE employees. Those are impartial of immediate supervisor, salary, salary comparison with other organization, staff loan system, promotion system and special recognition by team management. Remaining twenty-four factors were satisfied by the respondents. The author made also the suggestion of paying out a percentage of the profit sharing according to individual performance in order to better match the work effort of each individual. In order to keep the employees satisfied and interested with their work tasks the author suggested

This study uncovered some areas of concern that require attention of various stakeholders in the commercial banks. Next are recommendations to address those concerns. The author suggests that the CBE to impart special training to supervisor level to understand the value of the smooth relationship with the subordinates. The research also revealed that the present salary level offered to employees of commercial banks is very low and employees are not satisfied. This has led to low workers' motivation and employee turnover

The HRM department in conjunction with senior management and Trade unions should revise the current salary scale in line with prevailing economic environment and set an appropriate and competitive salary scale. Furthermore, suggest that the CBE has to be modified the staff loan system and promotion system which are to be more benefitted to the CBE staff members. The CBE management has to frequently arranges the team management meeting in order to recognize the achiever in the CBE. It will be motivating the staff members to work towards the development and the great success of CBE. Demographic data indicates that only 2.4 % of master degree holders are working in the CBE, when recruiting the staff CBE has to consider master degree holders. It will be strengthen the CBE furthermore.

This research examined the effort of reward systems on works enactment in commercial banks of Ethiopia. There is need for conducting same study in cities and town in Ethiopia on variety of situations before generalization. Study was fundamentally quantitative and there is a need of doing qualitative study to uncover the real reasons for low motivation in the banks and regulate proper reward systems in banking sector. There is prerequisite also to observe the importance employee's press on intrinsic and extrinsic rewards amongst bank employees.

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