



WOLKITE UNIVERSITY

DEPARTMENT OF MANAGEMENT

COLLEGE OF BUSINESS AND ECONOMICS

**AN ASSESSEMENT OF REWARD MANAGEMENT PRACTICE (IN CASE OF NIB
INTERNATIONAL BANK SHARE COMPANY, GUBRE BRANCH)**

**A RESEARCH PAPER SUBMITTED FOR FULFILLMENT OF THE REQUIREMENTS FOR
BACHELOR OF ART DEGREE IN MANAGEMENT**

**PREPARED BY; BILADIN ALI
ADVISOR: TADESSE GEZHAGN (MBA)**

DECEMBER, 2020

WOLKITE, ETHIOPIA

Declaration

I hereby declare that the study entitled “assessment of reward management in Nib bank in Gubre branch” is the outcome of my own effort under the supervision and guidance of Tadesse Gezhagn (MBA). This study has not been submitted for any Degree or Diploma in other university or institutions. All the necessary sources of materials used for the study have been duly acknowledged.

Name of the student

Signature

Date

BILADIN ALI

Letter of Certification

This is to certify that this senior essay work, “assessment of reward management in Nib in Gubre branch”, undertaken by BILADIN ALI for the fulfillment for the requirement of Bachelor of Art Degree in Management at Wolkite University, complies with the regulations of the university and meets the accepted standards with respect to originality and quality.

Approved by:

Name of Advisor	Signature	Date
Tadesse Gezahegn	_____	_____

CONTENTS

LIST OF TABLE..... IV

ACRONYM..... V

ACKNOWLEDGMENT V

ABSTRACT vii

CHAPTER ONE.....1

1. INTRODUCTION.....1

 1.1 BACKGROUND OF THE STUDY1

 1.2 BACKGROUND OF THE STUDY2

 1.3 STATEMENT OF THE PROBLEM.....3

 1.4 RESEARCH QUESTION.....4

 1.5 OBJECTIVE OF THE STUDY4

 1.5.1 GENERAL OBJECTIVE OF THE STUDY4

 1.5.2 SPECIFIC OBJECTIVES.....4

 1.6 SIGNIFICANT OF THE STUDY5

 1.7 SCOPE OF THE STUDY5

 1.8 LIMITATION OF THE STUDY.....5

1.8 ORGANIZATION OF THE STUDY	5
CHAPTER TWO.....	7
LITREATURE REVIEW	7
2.1 REWARD AND REWARD MANAGEMENT OVER VIEW	7
2.2 TYPES OF REWARD CLASSIFIED BY DIFFERENT AUTHORS	8
2.3 PURPOSE OF REWARD	9
2.4 PERFORMANCE REWARD.....	10
2.5 AIM OF PERFORMANCE MANAGEMENT	10
2.6 INTEGRATION BETWEEN HUMAN RESOURCE MANAGEMENT AND REWARD.....	10
2.7 THE RELATIONSHIP BETWEEN REWARD AND MOTIVATION.....	11
2.8 COMPENSATION	11
2.9 THE IMPACT OF INCENTIVE ON EMPLOYEE MOTIVATION.....	11
2.10 FACTORS CONSIDERED IN REWARD MANAGEMENT	12
2.11 MAJOR CRITERIA FOR EMPLOYEE REWARD SYSTEM	14
2.12 FACTORS AFFECTING EMPLOYEES' JOB PERFORMANCE	14
2.13 CHALLENGES AND THE PROSPECTS OF PRACTICING REWARD SYSTEM.....	17
CHAPTER THREE.....	20
3. RESEARCH DESIGN AND METHEDOLOGY	20
3.1 RESEARCH DESIGN	20

3.2. SOURCE OF DATA AND DATA COLLECTION METHOD.....	20
3.3 STUDY POPULATION.....	21
3.4 CENSUS SURVEY STUDY.....	21
3.5. METHODS OF DATA ANALYSIS AND PROCESSING	21
CHAPTER FOUR.....	22
DATA ANALYSIS AND INTERPRETATION.....	22
<u>4.1</u> DEMOGRAPHIC CHARACTERISTICS OF THE RESPONDENTS.....	22
4.2 CRITERIA CONSIDERED IN REWARD MANAGEMENT	23
4.3 FACTORS DETERMINE EMPLOYEE’S PERFORMANCE	26
4.4 CHALLENGES OF REWARD MANAGEMENT	29
4.5 PURPOSE OF UTILIZING REWARD PACKAGE.....	29
CHAPTER FIVE.....	31
SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION	31
5.1 SUMMARY OF MAJOR FINDINGS	31
5.2 CONCLUSION.....	32
5.3 RECOMMENDATIONS.....	33
REFERENCES	35
APPENDIX	38

List of Tables

- 4.1: Demographic characteristics
- 4.2: Criteria considered in reward management
- 4.3: Factors determine employee's performance
- 4.4: Challenges of reward management

ACRONYM

SC: SHARE COMPANY

Acknowledgment

First of all I would like to thank my god and next I would like to thank my senior essay adviser Tadesse Gezhagn(MBA) For his comment, suggestion and his guidance for the success of the study. Secondly I would like to thank my family for their financial up to moral support of accomplishment of my education .Finally I would like to thanks commercial bank in Gubre branch employee and manager who assisted me by giving valuable information and data with devoting their time to help me for the success of this study.

Abstract

This study is designed to assess the reward management practice in the case of nib bank, gubre branch. The main objective of this study is to evaluate the challenge of rewards on employees work related to achieve organizational goals and identify the challenges that seriously hampered the success of the organization. The study was conducted through descriptive type of research. The reason why used this type of method is because it helps to describe the existing condition as it is and it is mostly preferable for studies conducted in the area of business and economics. Relevant data was collected from primary and secondary sources. The tools of data collection were questionnaire for employees and structured interviews for manager of the organization. The study populations were 20 employees and all of them were taken for this study through census survey. Data collected through questionnaire is presented with table and percentage further, data collected from interview was interpreted accordingly. Finally conclusion and recommendation have drawn the finding.

CHAPTER ONE

1. INTRODUCTION

1.1 BACKGROUND OF THE STUDY

Reward management is about the design, implementation, maintenance, communication and evaluation of reward processes which help organizations to improve performance and achieve their objectives (Armstrong, 2006). According to Baratton (1999, as cited in Waruni, 2014) rewards refer to all form of financial returns and tangible services and benefits that employee receives as part of an employment relationship. “Reward is the benefit that arises from performing a task, rendering a service or discharging a responsibility”, (Colin, 1995, as cited in Waruni, 2014). “Reward is clearly central to the employment relationship. While there are plenty of people who enjoy working and who claim they would not stop working even if they were to win a big cash prize in a lottery, most of us work in large part because it is our only means of earning the money we need to sustain us and our families. How much we are paid and in what form? Therefore, “an issue which matters hugely to us” (Torrington, 2011, as cited in Mulu, 2016). Reward processes are based on reward philosophies and strategies and contain arrangements in the shape of policies, guiding principles, practices, structures and procedures which are devised and managed to provide and maintain appropriate types and levels of pay, benefits and other forms of reward. This constitutes the financial reward aspect of the process which incorporates processes and procedures for tracking market rates, measuring job values, designing and maintaining pay structures, paying for performance, competence, skill and providing employee benefits. (Armstrong , 2006).

According to Armstrong definition, the reward management is derived from the philosophy and objective of the organization. The philosophy and the reward management strategy would define the reward management benefits according to the objective of the organization. Reward Management/organizational rewards include all types of rewards, both intrinsic and extrinsic, that are received as a result of employment by the organization. According to Byars & Rue,

intrinsic rewards are rewards that are internal to individual and are normally derived from involvement in certain activities or tasks. Job satisfaction and feelings of accomplishment are examples of intrinsic rewards. Most extrinsic rewards are directly controlled and distributed by the organization and are more tangible than intrinsic rewards. Pay and hospitalization benefits are examples of extrinsic rewards. Though intrinsic and extrinsic rewards are different, they are also closely related. Often the provision of an extrinsic reward provides the recipient with intrinsic rewards. For example, if an employee receives an extrinsic reward in the form of a pay raise, the individual may also experience feelings of accomplishment (an intrinsic reward) by interpreting the pay raise as a sign of a job well done.

1.2 BACKGROUND OF THE STUDY

Nib International Bank Share company, the company on which this study has been carried out, is one of the pioneer private commercial banks that have been providing financial services in the Ethiopian banking sector for the last 17 years. It is a privately owned commercial bank established in 1999 in accordance with the “Licensing and Supervision of Banking Business Proclamation No. 84/1994” of Ethiopia, now superseded by Proclamation No. 592/2008 to undertake commercial banking activities. The bank obtained its license from the national Bank of Ethiopia (NBE) on 26, May 1999 and started its business activities in the month of October 1999. It operates through its Head Office in Addis Ababa despite the humble start with paid-up capital of Birr 27.6 million in 1999, now it reached a capital of nearly Birr 1.27 billion having over 3,900 shareholders, 105 branches, Birr 9.8 billion in deposit and Birr 6.9 billion in loans. It had a record profit before tax of Birr 440.8 million on June 30, 2015 (NIB 2016/17 Strategic plan). The Bank is engaged in the provision of commercial banking services, mobilizing deposits, providing varieties of credit facilities, letter of credit services, foreign exchange facilities, local and international money transfer. Since the driving forces for success are human beings, NIB has been developing its human resource starting from its establishment.

1.3 STATEMENT OF THE PROBLEM

Reward management policies should take account of employees aspiration, expectation and need of employees as well as stock holders in the organization (Armstrong 2007 :7-24) employees desire certain rewards through their respective job and organizational system that have tendency to reward employees performance will have a great contribution on the productive of employees(schuler, 1996). The purpose of reward management are to reward people fairly, equitably and consistently in accordance with their value of the organization and thus help the organization to achieve its strategic goal, reward management practice deals with the design, implementation and maintenance of reward system (process, practices and producer) that aim to meet the needs of both the organizational and its stock holders (Armstrong, 2006.21). Bratton and gold (2003) defined reward system all about the cash and psychological payment provided by an organization in return for their performance. According to Marthis and Jackson (2010) ‘tangible rewards of people for their contribution receive in the form of pay, incentive, and benefits from their employers’. Hume (2000) and Shafiq and Naseem (2011) explained that poorly designed reward package provided by the organization may result to employee job dissatisfaction and low motivation. In order to this poorly designed reward system is likely to manifest itself in the recruitment of poor quality staff, undesirable level of employee performance and motivation, and high level of employee turnover. Thus, the unsatisfactory environment frequently results in decreased which will then disrupt the level of performance and employee morale (Quibble, 2005). The success of a pay system depends on linking organizational objectives and strategies to reward so that individuals are encouraged to work in a manner that benefits the company and its stakeholders (Marthis and Jackson, 2010).

In relation to the reward practices, many employees complain that the reward program of NIB is not satisfying their needs rather it is being a reason for employees de-motivation and turnover. Employees also complain that they are not rewarded based on their performance. Employees are resigning from the company due to the prevailing reward system. Ahmed (2010) Employees perceived that the compensation and benefits package is not adequate, and it is not periodically updated and communicated to employees. Organizational reward system has positive influences

on the employees' satisfaction at the organization they worked for (Rudzi, Mohammad and Baharom 2013).

The problem of the study was what will be the perception of employees towards the reward system of Nib International Bank in gubre branch. Hence, the researcher tried to assess the reward management practice of NIB and it interested to ask this as research gap and answer the following question to identify the problem of the organization by focusing on the current reward management practice.

1.4 RESEARCH QUESTION

- ❖ What are the factors considered in the reward system?
- ❖ What are the most important factors that determine employee's performance?
- ❖ What are the challenges in reward management practice?

1.5 OBJECTIVE OF THE STUDY

1.5.1 GENERAL OBJECTIVE OF THE STUDY

The general objective of the study is the assessment of reward management practice in case of nib international bank, gubre branch.

1.5.2 SPECIFIC OBJECTIVES

The research has the following specific objective in addition to general objective

- ❖ To identify the factors considered in reward system.
- ❖ To identify the most important factors that determines employee's performance.
- ❖ To identify the challenges of reward management practice.

1.6 SIGNIFICANT OF THE STUDY

The result of the study provides the following importance; first it identified the challenge in the reward management system. Identifying the challenge and solving the problem were lead to increase in customer satisfaction and profitability of the organization. The result of the study also help future researcher, since it can be a base for them. Finally there recommendation of the study can help the management of the organization in making a rational decision in the case of employees reward management.

1.7 SCOPE OF THE STUDY

The study has conceptual, geographical and methodological delimitation. This study is designed to assess the reward management practice in the case of nib bank, gubre branch. The result of the study only reflects the opinions of employees and manager of nib bank, gubre branch and cannot include blue collar worker (like cleaner and guard) because of such person lack basic understanding on how to fill questionnaire, so the researcher would not consider such group and collect data by distributing questionnaires and by interview.

1.8 LIMITATION OF THE STUDY

It is obvious that every study have drawbacks in one way or other. In the same way, there are some factors that hinder the effectiveness of this research. These includes: Lack of efficient and sufficient data in desired way, lack of past experience in conducting research and inadequate computer facility.

1.8 ORGANIZATION OF THE STUDY

The study has organized and arranged in to five chapters. The first chapter consist introduction part such as back ground of the study, statement of the problem, research question and objective of the study, significant of the study, scope of the study and organization of the study. The second chapter deals review of the related literature, the third chapter research design and methodology of the study. Chapter four is data presentation, analysis and interpretation chapter

five includes summary, conclusion and recommendation. Finally bibliography and appendix are attached.

CHAPTER TWO

LITREATURE REVIEW

2.1 REWARD AND REWARD MANAGEMENT OVER VIEW

Reward management deals with strategies, polices and process required to insure that the contribution of people to the organization is recognized by both financial and non-financial means. It is about the design, implementation and maintenance of reward system (reward process, practice and procedures), which aims to meet the needs of both the organization and its stake holders. The overall objective is to reward people fairly, equitably and consistently in accordance with their value to the organization in order to further the achievement of the organizations strategic goals (Armstrong and Stephen 2005). Reward management is not just about pay and employee benefits. It is equally concerned with non- financial rewards such as recognition, learning and development opportunities and increases job responsibility (Armstrong and Stephen, 2005) Previously organization used reward the greater number of their staff on the basis of their knowledge, the physical energy they exert, the degree of their responsibility and the circumstance of their work stations. Now a day, however organizations go beyond these considerations in order to achieve success. Consequently, some vague sounding terms like commitment and involvement are given emphasis in recent times, as it is well accepted the “to everyone, work offers an opportunity to gain some type of tangible and intangible rewards” and not just a pay check (Henderson, 1976:359).

Although good salary is essential in retaining highly desirable man power, organization needs to go beyond throwing money at their employees. Repeated researcher results show that other non- monetary rewards such as meaning full work, an understanding employer areas much or even more important reason that make people stay in a work place (kaye et al, 2002). Adequate compensation is in the mind of the receiver (mondy and et al, 2002:350) and the implication of a reward package goes beyond just the money provided and this makes reward management a difficult task. Reward is the total of all compensation employee get

from their Contribution total of all compensation employee get for their contribution to an organization.

2.2 TYPES OF REWARD CLASSIFIED BY DIFFERENT AUTHORS

Rewards can be classified into two broad categories. Extrinsic and intrinsic (mondyet, 2002), define extrinsic rewards as reward external to the job, such as pay promotion of fringe benefit and intrinsic rewards those that are part of the job itself, such as the responsibility and feedback characteristics of the job Mondyet also classifies rewards as follow: Direct financial compensation: - is types of reward obtain from salaries, bonus and commission. Indirect financial compensation:- is a type of reward that includes all financial benefits that are not part of direct compensation, like health care benefits.

Non- financial compensation: - are types of reward that an employee gets from enjoying the type of job he is handling and from his work environment like being satisfied about his relationship with her or his work mates and supervisor and from linking the condition of his work circumstances similarly, hander (1976), states two type of rewards.

A) Monetary reward: are rewards including base pays wells as other additional monetary incentive paid for extra performance over and above into set requirement. This reward type includes most of the employee benefits schemes, with although not views as monetary nevertheless cost the organization cash and save money to the recipient include in this category are befits like sick leave, vacation time and educational and insurance programs

B) Non- monetary rewards: any incentive programs aimed at rewarding increased productivity other than monetary remuneration. These include among other things, the opportunity to express creativity and initiatives; the opportunity for public recognition, the freedom to establish one's own work schedule (Henderson, 1976:433).

Total Reward

As defined by Armstrong, (2006:629) total reward includes all types of rewards indirect as well as direct and intrinsic as well as extrinsic. Each aspect of reward; namely: base pay, contingent pay, employee benefits and non- financial rewards.

Which include intrinsic rewards from the work itself are linked together and treated as an integrated and coherent whole. Total reward combines the impact of the two major categories or reward as defined below transactional rewards, and relational rewards. Total reward combines the effects of the two main reward classification also labeled as transaction and rational rewards.

Transactional reward: are tangible rewards earned with exchanges that organizations and their work force make with regards to salary base pay, contingent pay, cash bonuses) and employee benefit (pension, health care, holidays).

Relational rewards: are intangible rewards mainly concerned with inner aspect of job satisfaction, obtained from gaining experience, self-improvement and advancement such as learning and development. Intangible reward can also come from the work itself and /or the work environment such as leadership, employee voice and autonomy.

2.3 PURPOSE OF REWARD

Reward could be done for the following purpose according to (Armstrong 2006):

1. Reward people according to what the organization values and wants pay for
2. Reward people for the value they create
3. Reward the right things to convey the right message about what is important in terms of behavior and outcomes
4. Develop a performance culture.
5. Motivate people and obtain their commitment and engagement
6. Help to attract retain the high quality the organization needs
7. Develop a positive employment relationship and psychological contact
8. Align reward practice with both business goals and employee value

2.4 PERFORMANCE REWARD

Performance management can be defined as a systematic process for improving organizational performance by developing the performance of individuals and teams. It is a means of getting better results by understanding and managing performance within an agreed framework of planned goals, standards and competency requirements (Armstrong; 2006:495). Individuals receive financial rewards in the form of increases to basic pay or cash bonuses, which are linked to an assessment of performance, usually in relation to agreed objectives.

2.5 AIM OF PERFORMANCE MANAGEMENT

The overall aim of performance management is to establish a higher performance culture in which individuals and teams take responsibility for the continuous improvement of business process and for their own skills and contributions within a framework provided by effective leadership (Armstrong; 2006:496).

Armstrong lists the aim of performance management as expressed by a variety of organizations. Some of them are:

9. Empowering, motivating and rewarding employees to do their best
10. Maximizing the potential of individuals and team to benefit themselves and the organization, focusing on achievement of their objectives
11. Focusing employees' tasks on the right thing and doing the right thing, aligning every one's individual's goals with the organization's goals.

2.6 INTEGRATION BETWEEN HUMAN RESOURCE MANAGEMENT AND REWARD

According to Armstrong (2006: 423), the role that human resource management may play in organizations to remain competitive is based on three propositions:

1. That human resource practice can make a direct impact on employee's work behavior such as engagement, commitment, motivation, etc.

2. If employees have these characteristics, it is probable that organizational performance in terms of productivity, quality and the delivery of high levels of customer service will improve
3. If such aspect of organizational performance improve the financial results achieved by the organization will improve

2.7 THE RELATIONSHIP BETWEEN REWARD AND MOTIVATION

A precise definition of motivation is elusive since the concept involves numerous characteristics and perceptions of the employee and the current situation but it is characterized by a certain level of willingness on the part of the employee to increase effort to the extent that this effort also satisfies some need or desire (Beardwell, et al 2004:505)

Motivating people to enable them reach their maximum productivity the prominent purpose of reward management and understanding of motivation is important within reward management and the development of reward strategies for a multiple of reasons. Firstly it enables organizations to humanize work for employees so that work is inherently more satisfying, the assumption being that organizations have a moral obligation to make work as satisfying and enjoyable as possible, secondly an appropriate understanding of motivation allows organizations to make the job more satisfying for employees within the company (Armstrong,2002:422).

2.8 Compensation

According to Henderson (1976:297) compensation is the human resource management function that deals with every type of reward individuals receive in exchange for performing organizational tasks. It is one of the major methods used to attract employees and motivate them for more effective performances. It is all forms of pay or reward going to employees and arising from their employment

2.9 THE IMPACT OF INCENTIVE ON EMPLOYEE MOTIVATION

Armstrong clearly put that money in the form of pay or some other form of remuneration like bonus performance related pay is the most extrinsic reward.

Doubts have been cast by Herzberg on the effectiveness of money because, they claimed while the lack of it can cause dissatisfaction, its provision does not result in lasting satisfaction. For those people on fixed salaries or rates of pay who do not benefit directly from an incentive scheme, they may feel good when they get an increase apart from the extra money it is highly tangible form of recognition and an effective means of helping to feel that they are valued but this feeling is rapidly died away. Armstrong (2006: 267), also put that money it self-have no intrinsic meaning.

2.10 FACTORS CONSIDERED IN REWARD MANAGEMENT

General consideration

The basic considerations that should be taken into account when reviewing and rethinking existing rewards, as set out by Armstrong and Brown (2006), are discussed below.

Focus on the context

It's a matter of what works within the context of the organization, rather than the 'next big thing'. Will Astill, Reward Manager of B&Q, explains the thinking behind their reward review: 'An overriding theme running through our review was on the desirability of adopting a strategic approach. It wasn't a case of "let's follow the best Practice", nor was we lured into adopting the latest fads and fashions. Taking what someone has done before will not push you ahead of rivals.' Tim Fevyer, Senior Manager, Compensation and Benefits at Lloyds TSB, has a similar message: 'We need to get away from adopting new initiative after new initiative and move away from a culture of "flavour of the month".'

It's about evolution not revolution

Reward professionals rarely start with a clean sheet. They have to take note, and keep taking note, of changes in organizational requirements, which happen all the time. They must track emerging trends and modify their views accordingly, as long as they do not leap too hastily on the latest bandwagon. They have to ensure that reward strategy can be implemented at a pace the

organization can manage and people can deal with. The fundamental change in culture often inherent in such projects takes a lot of time – and trouble – to achieve. It is helpful to define reward strategy formally for the record and as a basis for planning and communication. But this should be regarded as no more than a piece of paper that can be modified when needs change – as they will – and not a tablet of stone. Reward strategy, like business strategy, may be formulated and reformulated as it is used. In the words of Mintzberg (1987), it may emerge over time in response to evolving situations, to become a ‘pattern in a stream of activities’.

Manage the balance

A reward strategy can include all sorts of things. But you have to get the balance right, paying attention to the initiatives that are most needed and are most likely to make a difference. You have to establish priorities, reflect realities and make the right strategic choices. If you try to do too much too soon or go too far and too fast in one direction you will run into trouble. For example, it is necessary to balance the often competing claims of pay flexibility against cost control, the devolution of reward responsibilities down the organization against consistency across it, internal equity against external competitiveness, and individual incentives against teamwork.

Keep it simple

Over-complexity is the bane of reward management. It complicates implementation, puts off the people affected, hampers effective communication and makes the life of line manager’s difficult. The history of reward management is littered with examples of ‘the light that failed’ – over-engineered and ambitious plans that did not work.

Think implementation

No reward initiative should be planned without thinking about how it is going to be implemented, what problems might arise and how they will be dealt with. It is particularly important to consider the part that will be played by line managers in implementation and whether they are up to the task. It is also necessary to consider the reactions of people generally

– the extent to which they might resist change and what can be done about it. Change management has to be planned; it won't work if it takes place on an ad hoc basis after the event.

2.11 MAJOR CRITERIA FOR EMPLOYEE REWARD SYSTEM

Major criterion to be considered on employee reward management system is employee performance toward organizational goal which varies based on the nature of the organizations business. According to Mathis & Jackson (2010), the pay structure and incentives reflect performance differences among the employees. Employees who perform satisfactorily maintain or advance their compensation levels more than marginal performers. The bonuses and incentives are based on individual, group, and/or organizational performance. Few organizations totally follow all performance-oriented compensation practices, but the overall trend is toward greater use of pay-for performance systems, with more and more companies turning to performance criteria to shape rewards for all employees.

2.12 FACTORS AFFECTING EMPLOYEES' JOB PERFORMANCE

AS Le Tran,(2002) mentioned in his journal according to some researchers and practitioners, there are certain factors individually and collectively effect on the performance of employees in a positive or negative way, including:

A. Motivation

When we arise a key question at this stage is what the relationship is between motivation and job performance? Soo , O., and Lewis, G. (2009) defines job performance as the result of motivation and ability. Ability includes training, education, equipment and simplicity of task, experience and both inborn mental and physical capacity. Given all of these factors at their peak, an employee may still not perform well on the job if the motivation is not directed at that particular task. Abonam (2001) supports this in stating that people need both motivation and ability. Highly motivated workers will not achieve results if they do not have the necessary skills, expertise and attitude that the organization requires of them. Similarly, employees with expertise, knowledge

and skill will not do well if they are unmotivated. He further says that the most widely accepted reason why people are motivated to work and perform is rooted in expectancy theory. Sajuyigbe (2013) forwards the view that if successful performance does in fact lead to organizational rewards, such performance could be a motivational factor for employees. Under such conditions, they can see that their efforts result in rewards.

Consequently they may be motivated to exert high level of effort on the job. In summary, not only can motivation influence performance, but also that performance – if followed by rewards can influence motivation. Verhellen (1994) argues that motivation strategies aim to create a working environment and to develop policies and practices, which will provide for higher levels of performance from employees. They will be concerned with measuring motivation to provide an indication of areas where motivational practices need to be improved; ensuring, so far as possible, that employees feel they are valued; developing behavioral commitment; developing an organization climate which will foster motivation; improving leadership skills; job design; PM; compensation and reward management; and the use of behavioral modification approaches.

Le Tran,(2002) cited on his journal that motivation is a key determinant of job performance and a poorly motivated force will be costly in terms of excessive staff turnover, higher expenses, negative morale and increased use of managements' time. Therefore, management must know what exactly stimulates their staff so resources are not misallocated and dissatisfaction develops among employees (Jobber, 1994). As Green (2000) has described motivation to be proactive in the sense of; in dealing with employees who are high performers, motivation is essential, otherwise their performance will decline or they will simply leave the job. While dealing with low performers, motivation is a prerequisite; otherwise these employees will drag results down, lower productivity and certainly would not leave the organization, as they will have nowhere else to go. A motivated workforce is essential because the complete participation of employees will certainly drive the profitability of the organization (Carlsen, 2003), believe motivation is the educating of employees to channel their efforts towards organizational activities and thus increasing the performance of the said boundary spanning roles. According to Denton, a motivated workforce will lead to greater understanding, acceptance, commitment to

implementation, understanding of objectives and decision making between management and employees. Among different elements of motivation we will try to discuss on the following:

B. Reward

Reward is clearly central to the employment relationship. While there are plenty of people who enjoy working and who claim that they would not stop working even if they were to win a large sum in a lottery, most of us work in large part because it is the only means of earning the money I need to sustain us and families in the style to which I am accustomed (Torrington & Hal, 2008). Total reward is the combination of financial and non-financial rewards available to employees. A total reward approach is holistic; reliance is not placed on one or two reward mechanisms operating in isolation, account is taken of every way in which people can be rewarded and obtain satisfaction through their work (Armstrong, 2009).

C. Profit Share

The intention behind profit share schemes is to make the employee feel involved and to give him or her sense of participating in the company's future growth (Tyson, 2006).

D. Employee Benefit

Benefit plans have changed remarkably in recent times as companies move away from traditional pension plans, seeking out account balance plan alternatives designed to attract and motivate a 21st century workforce, which is generally older and has shorter service expectations (Chingo, 2002). A benefit is an indirect reward, such as health insurance, vacation pay, retirement pensions (Mathis & Jackson, 2000), sick pay, insurance cover and company cars (Armstrong, 2009) given to an employee or group of employees as a part of organizational membership (Mathis & Jackson, 2000). Most are fixed and there is a strong movement towards harmonizing most benefits throughout an organization rather than separate schemes for different groups of employees (Stredwick, 2005).

E. Incentive

According to Torrington et al. (2008), incentive is here described as an element of payment linked to the working performance of an individual or working group, as a result of prior arrangement. This includes most of the payment-by-results schemes that have been produced by work study, as well as commission payments to salespeople, skills-based pay schemes and performance-related pay schemes based on the achievement of agreed objectives. The distinguishing feature is that the employee knows what has to be done to earn the payment, though he or she may feel very dependent on other people, or on external circumstances, to receive it.

F. Non-Financial Reward

Non-financial rewards present a large range of desirable extras for organizations. These do not directly increase the employee's financial position, but rather add attraction to life on the job (DkeCenzo & Robbins, 2005). Rewards which do not involve any direct payments and often arise from the work itself, for example, achievement, autonomy, recognition, scope to use and develop skills, training, career development opportunities and high quality leadership (Armstrong, 2009).

2.13 CHALLENGES AND THE PROSPECTS OF PRACTICING REWARD SYSTEM

One of the challenges in the areas of application of reward system is that of group based reward system. In the modern business environment, team performance is becoming more and more critical to organizational success. One of the first questions asked at most interviews today is „can you work as part of a team? “ Ensuring employees work both productively and collaboratively as part of a team can be difficult and according to Torrington et al. (2011), if the performance management activity is not defined correctly, employees individual goals may damage the team's performance and vice versa. Also from a performance evaluation point of view, it may be easier and less complex for a manager to evaluate a team's performance as opposed to individual performance. So it could be argued that managing performance and rewards available for achieving the level of performance desired can be complimentary and less time consuming from a monitoring and measuring point of view in a team based structure.

However, according to (Armstrong, 2012) it can take time for a team member to adjust to part of their remuneration been determined by the group effort and how long that takes will be determined by the maturity of the team members and how used they are to working together. Although the idea of having a high performing team working closely and collaboratively together is appealing, the danger is forcing people into a new remuneration arrangement who may already be just getting used to a new way of working. In some organizations it may be more advantageous to not apply individual performance targets and focus only on collective reward and performance plans. Kramar and Syed (2012), has identified that group rewards or incentives are more likely to yield a collaborative approach to performance and thus be more effective in reaching your shared goals. They also argue that collective incentive schemes may encourage more organizational buy in from employees compared to those schemes of an individual nature. However, this does not mean that team based rewards are not compatible with individual performance related pay schemes as both can be combined with careful attention. As Kerrin's and Oliver (2002), comment in their research on collective and individual improvement activities, the effectiveness of collective or team based rewards can be directly related to the culture of the organization. As base pay from an individualistic point of view has always been seen as the backbone of compensation, when organizational design moves into supporting teams for productivity, then the applicable collective rewards should be adapted to support this. They found that companies faced challenges in moving from a traditional system of reward based around the individual to a more team based reward structure, but that they could operate simultaneously with success. They also note that challenges also arise where manufacturing processes can be built around the concept of teams, while rewards for continuous improvement activities still remain linked to individual rewards. A study by Michael D. Johnson (2009, as cited in Amanuel, 2017), argues the effectiveness of a team based reward system in the basic sense. The dynamics of the team play a big part in the "reward interdependence", i.e. how an individual's reward is based on the performance of another team member. This study argues the need to introduce more individual incentives within the team based reward structure. "Equal Allocations" become important where reward is not only dependent on overall team performance, but is shared equally between all team members (Johnson, 2009). It suggests team members must help each other to achieve their end result, but they are rewarded differently based

on what they have contributed to the team's performance. He also found that where transparency of team member's contributions is visible, then it can make the team member more conscious of that contribution, thus increasing the tendency to act in favor of the team. Research into the relationship between empowerment and rewards by Born and Molleman (1996), found that the correct reward system, targeted in the right way, can support in the empowerment of the employee. Some of the challenges in the implementation of reward management system are:

- Lack of responsibility for managing reward system.
- Managers may not do what human resource expects them to design reward system and if they complied to they may be half-heard about it
- This carelessness by managers puts tremendous burden on human resource and reward spe

CHAPTER THREE

3. RESEARCH DESIGN AND METHEDODOLOGY

This chapter deals with the methodology and procedure that can be following to examine the study. The Research Design, Population and sampling techniques, Types of Data and Tool/Instruments of Data Collection, Procedure of Data Collection, and Method of Data Analysis were discussed in this chapter.

3.1 RESEARCH DESIGN

A research design is detailed outline of how an investigation will take place. A research design typically include how data is to be collected, what instruments had employed, how the instruments can used and the intended means for analyzing data collected. According to this definition this research design was quantitative research design. The descriptive survey was used considering the purpose of the study, the research questions and the magnitude of the target population. Descriptive survey according to (Saunders, Lewis and Thornhill 2009) and Kothari (2004) is a research for which the purpose is producing an accurate representation of persons, events or situations. It has an advantage of producing good amount of responses from a wide range of people, and it can also be used with greater confidence with regards to particular questions of special interest or values to a researcher.

3.2. SOURCE OF DATA AND DATA COLLECTION METHOD

The researcher used both primary and secondary source of data. The primary data collected through distributing questionnaires for employees of nib bank, gubre branch by the researcher. The secondary data collected from nib bank, Gubre branch published and unpublished document of the organization and internet source,

3.3 STUDY POPULATION

In nib bank, gubre branch; the number of employees is twenty as 2013 E.C. Includes managers, accountants, cashier and other employees and as consequently, such number of employees used as a study population.

3.4 CENSUS SURVEY STUDY

The employees of nib bank, Gubre branch are 20. Among 15 were males and the remaining 5 were females. The researcher used census method, because the total population of study was small and manageable. So the participants of the study were 20 employees.

3.5. METHODS OF DATA ANALYSIS AND PROCESSING

After the relevant data would collected with the help of question arise and interview collected. The analysis of data was done first by editing the collected data to avoid some errors during data collection process which are not in parallel to each other. The process and analysis of data is presented in the form table and percentage which are not in parallel to each other. The process and analysis data was presented in the form table and percentage which based on the appropriate process that apply quantitative and qualitative approach of data analysis.

From the analysis and process data interpretation, the research put conclusion by summaries the main points about the study and also forward his own recommendation based on some major findings that was obtained from respondent.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

The purpose of this study was to assess reward Management practices of Nib International Bank S.C. located in Gubre town. From the total population 20 the researcher take all target population as a sample size and questionnaires were distributed for all target population (to the sample size) and 19 of the questionnaire were returned. Therefore, the data was gathered through questionnaire from Employees of Nib International Bank S.C Gubre town is presented in the next sections and interview with HR personnel (branch controller) The data collected from employees of the bank using questionnaire distributed is presented with the help of tables, frequency and percentage. The data analysis and interpretation is made under each table. Lastly based on the result, generalization has been provided.

4.1 DEMOGRAPHIC CHARACTERISTICS OF THE RESPONDENTS

Before analyzing the general information, it is necessary to know the characteristics of demographic back ground. Therefore, the demographic characteristics of the respondent have been analyzed as follows.

Table 4.1 demographic characteristics of respondents

No	Characteristics of respondents	Respondent	Frequency	Percentage
1	Gender	Male	15	78.95%
		Female	4	21.05%
		Total	19	100%
2	Experience in bank	Less than year	1	5.27%
		1 to 3 years	7	36.84%
		4 to 7	11	57.89
		8 to 11	0	0%
		11 to 15	0	0%

		Above 15	0	0%
		Total	19	100%
3	Educational level	Degree	19	100%
		Master	0	0%
		PHD	0	0%
		Total	19	100%
4	Working position in bank	Employees	18	94.73%
		Branch controller	1	5.27%
		Total	19	100%

Source: questionnaires (2013) E.C

As indicated in the above table 4.1.2 that show the back ground information of respondents (sex distribution) for this study. Male respondents were 15 (78.95%); the other hand 4(21.05%) were female respondents. The above collected data show that dominant of male population exist in the organization.

As far as experience of respondents is concerned; 1(5.27%) of the respondent serve less than year, 7(36.84%) of the respondents experience is in the range of 1-3 years, 11 (57.89%) of the respondents were experienced 4-7 years and no respondent were experienced for above seven year. Based on the above data most of respondents were experienced 4-7 year.

With regard to educational level of respondents; 19 (100%) of the respondent were degree holder and there were no respondent that can hold master and PHD.

Regarding working position of the respondents 18 (94.73%) were employees and 1 (5.27%) of respondent is branch controller.

4.2 CRITERIA CONSIDERED IN REWARD MANAGEMENT

4.2 Respondents response regarding criteria considered in reward management

No	Items	frequency	Percentage
----	-------	-----------	------------

3	Do you adequately understand the reward criteria or factors considered for rewarding the employees of organization?		
	Yes	5	26.32%
	No	14	73.68%
	I don't know	0	0%
	Total	19	100%
4	Which factor considered for giving financial reward and as well as for non-financial reward?		
	Seniority	11	57.90%
	Blood relation	0	0%
	Friendship	0	0%
	Performance	2	10.53%
	working position	6	31.57%
	Total	19	100%
5	Have you ever been rewarded based on your performance appraisal result?		
	Yes	6	31.58%
	No	13	68.42%
	Neutral	0	0%
	Total	19	100%
6	Do you think employees are rewarded based on his/her individual performance?		
	Agree	4	21.05%
	Strongly agree	2	10.53%
	Disagree	11	57.89%
	Strongly disagree	2	10.53%
	Total	19	100%
7	Is their fair reward system in your organization?		
	Yes	9	47.37%

	No	10	52.63%
	I don't know	0	0
	Total	19	100%

Source: questionnaire (2013) E.C

According to table 4.1.4 With regard to the item No 3; 5 (26.32%) of the respondents replied “Yes”, 14(73.68%) of respondents replied “No’ and there is no respondents replied I didn’t know. From this data we can conclude majority of the employees did not clearly understand the reward criteria which organization consider in rewarding employees. Based on the above table 4.1.4 with the question number 4; which factor considered both reward system? For this question 11(57.90%) of respondents replied seniority is the factor that considered to reward employees, no respondent replied blood relation and friendship can be considered for rewarding employees, 2(10.53%) of respondents replied performance major factor considered for rewarding employees and 6 (31.57%) of respondents replied working position can be taken in to account to reward employees. This data show that more than half of the respondents replied that seniority taken account to reward employees. So we conclude seniority and working position can be taken in to account to reward employees. In the line with this question employees were asked to list the factors considered in rewarding employees through open ended question form, most of respondent mention the following factors: seniority, working position, and profitability of the organization were taken in to account. This implies that the company’s total reward system is not related to performance. In the current period, markets are highly competitive in relation to this also employees in the company are highly competitive to do the right thing and the right duty hence employer should measure their employees in line with their performance and give rewards based on their performance. Based on interview with branch controller an organization tries to consider some factors to reward employees like holiday, profitability and seniority.

As far item noted 5; 6 (31.58%) of respondents replied “yes”, 13(68.42%) of respondents replied “No”, and no employees replied neutral. We conclude from this most of employees believe that performance appraisal system is not based on employees performance. Based on the interview made with branch controller, there is a performance appraisal practice conducted by the bank

which is made semiannually and the outcome of the performance appraisal practice is not applicable. Based on this he said that even if the bank measured its employees semiannually but salary and bonus are given to all staffs regardless of their performance appraisal results.

Regarding items 6; 4 (21.05%) of respondents agree on reward system is based on individual performance, 2 (10.53%) of respondents replied strongly agree, 11 (57.89%) of respondents replied disagree and 2 (10.53%) of respondents replied strongly disagree. This collected data show that most of respondents kept disagree so we conclude from this employees were not rewarded based on his/her individual.

With regard to item 7; 9 (47.7 %) of respondents replied “Yes” , 10 (52.63) of respondents replied “No” and no respondent replied “I didn’t know”. This collected data show more than half of respondent replied” No “and this shows that there is no fair reward system in the organization. Interview from branch controller, an organization give reward to all employees regardless of any measurement like bonus.

4.3 FACTORS DETERMINE EMPLOYEE’S PERFORMANCE

Table 4.3 Respondents response regarding factors that determine employee’s performance

No	Items	Frequency	percentage
8	Do you believe the reward policy determine employees performance?		
	Yes	14	23.31%
	No	5	73.69%
	Neutral	0	0
	Total	19	100%
9	Does the reward management system motivate employees toward higher profit?		
	Yes	13	68.42%
	No	6	31.58%

	Total	19	100%
10	My organization reward system is capable of attracting and retaining competent/ high performer?		
	Yes	7	36.84%
	No	10	52.64%
	I don't know	2	10.52%
	Total		100%
11	Does the reward management practice practically motivate employees?		
	Yes	8	57.90%
	No	11	42.10%
	Neutral	19	100%
	Total		
12	Does the current reward system help the organization in meeting long term objectives?		
	Yes	7	36.85%
	No	12	63.15%
	Neutral	0	0
	Total	19	100%

Source: questionnaire (2013) E.C

According to above table 4.1.5 with regard to item 8; 14 (23.31%) of respondents replied “Yes”, 5 (73.69%) of respondents replied “No” and no employees replied “neutral” from this we conclude most respondents agreed that employees reward system don't determine employees performance.

As indicated above table item 9: 13 (68.425%) of respondents said “Yes”, 6 (31.68%) of respondents replied “No”, no respondents replied “I didn't know”. This collected data show that majority of respondents agreed that reward system motivate employees toward higher profitability.

Regarding to item number 10; 7 (36.84%) of respondents replied “yes”, 10(52.64%) of respondents replied “No” and the remaining of 2(10.52) of respondents replied “I didn’t know” so we can conclude more than half of the respondents believe that organization reward system not capable to attract or retain competent employees. In the line with this question interviewee were asked to compare reward given to employees with others banking industry, based on their voice an organization do not purely competitive with other bank in terms of reward package.

It is vital for a company to know what its competitors are rewarding their employees. The above response calls the bank to look what its reward package is and to compare it with other similar companies within the industry. Currently, there are many private banks and all banks are launched branches across the country this leads to increases needs of skilled and experienced workers in the market. Hence, all banks are scramble experienced workers in the market to achieve the current branch expansion programs. Most of these banks snatch experienced employees with higher salary. In the current period market is becoming more competitive than ever. Companies are fighting to get skilled and experienced personnel in order to enhance its productivity and get more profit in the sector. As we know that human resource is a vital element in the company to achieve its aim. Service giving organizations, like banks, mainly depend on the skills and abilities of their human resources. One way of keeping and attracting skilled employees are by designing a reward system that is competitive to the external market mainly to the industry. Otherwise, employees will leave the organization in searching of better pay and the existing employees’ motivation will be lower. Hence, the company should take timely correction or revision of the total reward system.

With relation to item number 11: 8(57.90%) of respondents replied “yes” and 11(42.10%) of respondents replied “No”. this data show that an organization reward system can practically motivate employees.

According to above table item number 12: 7(36.85%) of respondents replied “Yes” and the remaining 12(63.15) of respondents replied “No”. So, organization reward systems have a problem in meeting long term objectives

4.4 CHALLENGES OF REWARD MANAGEMENT

Table 4.5 Respondents response regarding challenges of reward management

No	Items	Frequency	percentage
12	Is their problem related to implementing reward management system?		
	Yes	15	78.95%
	No	4	21.05%
	Total		

Source: questionnaire (2013) E.C

With regard to above table item number 12: 15(78.955) of respondents replied “Yes” and the remaining of 4(21.05%) of respondents replied “No” so there is the problem related to implementing reward system.

MAJOR CHALLENGES OF REWARD MANAGEMENT SYSTEM

An open ended question “list down the challenges you noticed in your organization towards reward management system?” is provided to the respondents. Below is summary of the response.

- ✓ Lack of adequate awareness about the organizations reward policy, procedures & set criteria
- ✓ Management leadership skill gap to implement, monitor & evaluate effectiveness of the reward system in place
- ✓ Limitation of resources to perform, and meet the criteria for reward
- ✓ No practically applicable performance based rewards in connection with our organization system.

4.5 PURPOSE OF UTILIZING REWARD PACKAGE

According to analysis of responses from the interviewee, the following purposes were listed below:

1. To support the goals of the organization by aligning the goals of employees with these.
2. To ensure that the organization is able to recruit and retain sufficient number of employees with the right skills.
3. To motivate employees.
4. To align the risk preferences of managers and employees with those of the organization.
5. To comply with legal regulations.
6. To be ethical.

CHAPTER FIVE

Summary of Findings, Conclusion and Recommendation

This chapter deals with major findings of the study, Conclusion and Recommendation of possible solutions for the problems identified.

5.1 SUMMARY OF MAJOR FINDINGS

- Regarding sex distribution of the respondents 78.95% was male population.
- With the relation to work experience of respondents 57.89% was in the range of four up to seven year work experience.
- Educational status of the respondents: all respondents were first-degree holders.
- With regard to working position, all most all (94.73%) respondents were employees.
- About 78.95% of the total respondent have knowledge of the company's total reward system integrates both financial and nonfinancial rewards types. 73.68% of respondents don't know about reward criteria and the analysis reveals as there is a communication gap in enabling all employees aware of the rewards criteria in specific and institutional rules and regulations in general. . Also 57.90% of respondent agreed that seniority taken in to account to reward employees. On the other hand, 68.42% of the total respondents ascertained that the reward system of the bank don't consider the performance appraisal results of the employees. Beside, 57.89% of respondents disagree regarding employee reward are based on his/her individual performance. 52.63% of respondents believe that there is no fair reward system in the bank. This implies that the company's total reward system is not differentiated high performers to low performers. In addition 73.69% of respondents believe that the bank reward policy do not determine employee's performance. However 68.42% of respondents believe that reward management motivates employees toward higher profit. 52.64% of the total respondent are disagree on the capability of the company's reward system to retain and attract competent/high performers. 57.90% of the total respondents are agree that Reward has motivates

employees and 63.25% of respondents disagree on capability of the current reward management in helping the bank long term objective. 78.95% of respondents agree on presence of problem regarding implementing reward management

5.2 CONCLUSION

This data is concluded from the analysis part of this study which is presented in the previous chapter and depicted in the following main conclusion.

- From the reward criteria there is High performance worker don't get additional pay for their performance rather they will get all rewards equal to all employees in the company which is the company don't exceptionally consider to high performance differentiate in the form of Bonus and salary increment rather all employees will get the bonus and salary increment regardless of their performance. This may develop carelessness to their works and thinking in the employees' mind that performing better does not have associated with rewards. Hence, they will do their job at their lowest potential just to meet the standards. Employees claim that the reward policy and procedure is not fair and justice to all employees, it may not bring what the organization wants to get through it such as increased performance, motivation, satisfaction, lowered rate of turnover etc. rather those feelings will accelerate the rate of dissatisfaction and turnover. Moreover, employees neither know the existence of any procedure or policy in the company and reward policies and procedures aren't equally apply to all employees in line with the employees are not know where to be go when the reward policy violated. .
- With regard to factors determine employees performance the bank reward policy do not determine employee performance and unable to attract competent/higher performer. Also the bank reward system does not motivate employees and do not support the bank to attain long term objectives. However the bank reward system motivates employees toward higher profit.
- The study has also revealed the following challenges face during reward management implementation.
 - Lack of adequate awareness about the organizations reward policy, procedures & set criteria

- Management leadership skill gap to implement, monitor & evaluate effectiveness of the reward system in place
- Limitation of resources to perform, and meet the criteria for reward
- Lack of appropriate safety devices adversely affecting employee motivation

5.3 RECOMMENDATIONS

The Bank must be careful in the following factors to increase the employee satisfaction by redesigning the reward system and also the following points are forwarded by the researcher as major areas that the company should focus to correct the existing problems.

- Bank better to ensure that all employees are well communicated about the rewards criteria before and after performance evaluation so that the evaluation will become evidence based that can be well understood by the employees. The bank should adopt clear reward procedure that could be applied consistently. In relation to this, it should also arrange labor union that can hear the voice of employees when policies and procedures are violated.
- The current reward criteria advisable to be evaluated, and amended wherever necessary with participation of employees or their representatives.
- The rewards to be provided to the employees based on performance in order to enhance their Employee satisfaction and the bank can build up the commitment among employees by rewards and achieve both individual and organizational objectives.
- The rewards provided to the employees better to determine the right performance of employees.
- The bank better to follow or used performance of the worker salary increments per year rather than common two level increments to all staffs.
- The bank better to follow employee performance during bonus.

- The bank better to be trained its employer and employees giving to the present content of the environment and Proper training Bank in order to reduce challenges of designing, implementing and monitoring effective reward system.
- The bank better to revise reward package to overcome the problem of evaluating employee's performance.
- The Bank advisable to develop of effective reward system to reduce dissatisfaction of employee

REFERENCES

- Abonam, N. (2001). The role of motivation on employee performance in the public sector: A case study of the University for Developmental Studies. Kwame Nkrumah University Ghana.
- Amanuel, Z., (2017). The Effect of Reward Management on Employee Job Performance The Case of Jupiter International Hotel (Master's Thesis, School of Commerce, Addis Ababa University)
- *Allen and kill man, (2004).reward practice and organizational performance*
- *ARMSTRONG, Michael, (2006) A hand book of Human resource management practice, (kogan Page limited as a Hand book of Human resource management practice, 10th Edition)*
- *Armstrong, Michael,(2002) A hand book of Employee Reward management and practice, (Great Britain, chartered institute of personnel and development (CIPD),2ndEdition)*
- *Armstrong, and Stephens,(2005).Employee reward management and first edition, Great Britain and united states; kogan page Limited. Armstrong, M and Brown (2006) Strategic Reward, kogan page, London.*
- Armstrong Michael, (2010). Human Resource Management Practice, Replika Press Pvt Ltd India.
- Armstrong, M. (2009). Handbook for Human Resource Management. London: Kogan Page
- Armstrong, M., & Baron, A. (2005). Managing Performance: Performance Management in Action London, UK: Chartered Institute of Personnel and Development.
- Armstrong, M., & Murlis, H. (2004). Reward Management: A Handbook of Remuneration Strategy and Practice.5th ed. London, UK: Kogan Page.
- Armstrong, Michael (2009). Armstrong's Handbook of Reward Management Practice: Improving performance through Reward, 3rd ed. London & Philadelphia: Kogan Page Limited Great Britain by Cambridge University Press.
- *Bard well, Julie and Calydon Tim,(1994) human resource management, 5th edition, Great Britain.*

- *Brat ton, (1999); reward system, USA, Thomson. Bratton, John and Gold Jettery,(1999) Human resource management; theory and practice, (USA, Lawrence Erlbaum associates, Inc) Gungor, (2011) human resource management , (Great B retain, person education limited , 4th edition*
- DeCenzo, David A. & Robbins, Stephen P. (2005). Human Resource Management: concepts and Practices; 8th ed. John Willey & Sons, Inc.
- *Henderson, Richard (1976) compensation management, (USA, Reston publishing company inc.).*
- *Human resource management (USA, pearson education, Inc,)*
- *I vanich john, (2004) human resource management and business Administration, (Newyork Great cluredon street,)*
- Kerrin, M. & Oliver, N., (2002). Collective and Individual Improvement Activities: The role of Reward Systems. Personnel Review, Vol. 31 Issue: 3, pp.320-337.
- *Mondy, R wayne. Noe, Rober M, and premeausshane R,(2002)*
- *Mound,(2001) reward management, patgraphe, Macmillan*
- Mathis,L. & Jackson, John H. (2000). Human Resource Management, 9th ed. South-West publishing corp.
- Michael Armstrong, 4th edition (2009). Armstrong's Handbook of Performance Management, ISBN 978 0 7494 5392 3, by Kogan Page Limited, 120 Pentonville Road, London N1 9JN , United Kingdom.
- Mintzberg,H(1987) Crafting Strategy, Harvard business review.
- Robbins, S.P (2013). Organizational Behaviour: Cases, Concepts and Controversies. Prentice Hall, New Delhi.
- Soo , O., and Lewis, G. (2009). Can performance appraisal systems inspire intrinsically motivated employees Review of personnel administration.
- *Sarvard , p (2010) best ways to reward employees entrepreneur magazine.*
- *Schuler, Randalls.(1995) managing Human resources 5th edition(new yours, west publishing*
- Stredwick, John (2005). An Introduction to Human Resource Management, 2nd ed, Elsevier Ltd.

- Strong, M. H., Jeannerert, P. R., McPhail, S. M., & Bleckley, B (1999). Work context, taxonomy and measurement of the work environment, American Psychological Association (Houston TX).
- Torrington, D. & Hall, L. (2008). Human resources management (4th ed.). Berkshire: Europe Prentice Hall.
- Tyson, Shaun (2006). Essentials of Human Resource Management, 5th edition, Burlington, Elsevier Ltd.
- Taylor, (199) *reasons for workers purposely operating below, empirical investigation for foruk call center..*
- Verhellen, E. (1994). Convention on the rights of the child: background, motivation, strategies. Leuven: Garant.
- Weiss, E. M. (1999). Perceived Workplace Conditions and First-year Teachers Morale, Career Choice Commitment and Planned Retention: A Secondary Analysis Teaching and Teacher Education.

APPENDIX

WOLKITE UNIVERSITY

COLLEGE OF BUSINESS AND ECONOMICS

DEPARTMENT OF MANAGEMENT

Questionnaire to be filed by Employees of Nib bank

1. Dear Respondents,

This questionnaire is prepared to gather pertinent data from the employees of Nib international bank share company ,Gubre branch for the preparation of research entitled “assessment of reward management practice in case of Nib bank ,Gubre branch” The research is conducted for partial fulfillment of the requirements of BA degree in Management. And the researcher strictly assures you that your response is used only for academic purposes and confidentially is to be treated.

Thank you in advance for your genuine cooperation.

General Direction

- Do not write your name
- Put tick mark in front of your best option
- Give your answers for open-ended questions in the blank space.

PART ONE: BACKGROUND INFORMATION

1. Sex: Male Female
2. Experience in the bank:

Friendship by managerial position

By performance

In other please specify _____

10. Have you ever been rewarded based on your performance appraisal result?

Yes No Neutral

11. Do you think employees are rewarded based on his/her individual performance?

Agree strongly agree

Disagree strongly disagree

12. Is there fair reward system in your organization?

Yes No I don't know

13. What are the factors considered in the reward system?

Part four: Questions related with factors determine employee's performance

14. Do you believe reward policy determine employee's performance?

Yes No neutral

15. Does the reward management system motivate employees toward higher productivity?

Yes No

16. My organization reward system is capable of attracting and retaining competent/high performer.

Yes No I don't know

17. Does the reward management practice practically motivate employees?

Yes No Neutral

18. Does the current reward system help the organization in meeting its long term objectives

Yes No neutral **Part five: Questions related with challenges of reward management practice**

19. Is there a problem related to implementing reward management system?

Yes No

20. If your answer is yes for above question number 18, list down the challenges you noticed in your organization toward reward management system?

k

INTERVIEW QUESTIONS

21. For what purpose organization provide reward to its employees?

22. What the factors are in considered in rewarding employees?

23. How do you describe fairness of current reward management system?

24. Does the organization utilize results of employee performance appraisal to reward its employees?

25. How do you describe the reward given to employee compared to organization in banking industry?