



ST. MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES

**AN EVALUATION OF THE IMPACT OF MONETARY AND NON -
MONETARY REWARDS ON EMPLOYEES' MOTIVATION:
RESPONSES OF THE MANGEMENT AND EMPLOYESS
AT HORIZON ADDIS TYRE SHARE COMPANY**

BY

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ADDIS ABABA, ETHIOPIA

MAY, 2016

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**ST. MARY'S UNIVERSITY
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FACULTY OF BUSINESS**

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DECLARATION

I declare that this is my original work and has not been presented for a degree in any other university.

Sign: Date:

ASTER H/MICHAEL ALI, ID NO: SGS/0002/2007A

This project has been submitted for examination with my approval as the university advisor.

ADVISOR

Dr. Tesfaye Debela (P.H.D)

Sign: Date:

DEDICATION

There are those close to my heart and home who contributed a lot to the completion of this MBA program from start, sustain and finish this thesis. For this reason plus many others, I wish to dedicate this work to my husband Behailu Mihiret , who for my offered me constant support to reach the finishing line, my children Hemen Behailu and Nahome Behailu who missed my constant parental attention especially at the time of class attending ,doing my homework and prepared the paper. Last but not least I dedicate this work to my dad, H/Michael Ali, my sister Betelihem H/Michael and my brother Abenet H/Michael who did not live to see me up grading my education status. MAY GOD REST THEIR SOUL IN PEACE.

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ABSTRACT

The study investigated an Evaluation of the impact of Monetary and Non – Monetary rewards on employees’ the motivation response of the management and employees at Horizon Addis tyre Share Company. The theoretical underpinnings of this study were premised on Herzberg’s two-factor theory of motivation which states that management must not only provide hygiene factors to avoid dissatisfaction but also must provide motivators for the job itself and Victor Vroom’s theory which states that individuals make choices based on their perceived expectancy that certain rewards will follow. The study was conducted using descriptive design. A sample of 258 respondents was drawn from the population through proportionate stratified sampling technique to ensure fair representation. The study was based mainly on primary data in form of questionnaires and interview. The study employed both qualitative and quantitative techniques of the data collection and data was analyzed using descriptive and relational statistics with Pearson product correlation, regression analysis and Chi-square. The findings revealed that, monetary and non-monetary rewards should be provided in Horizon Addis tyre Share Company to motivate an employee. In addition compensation, promotional opportunities, work itself, operating procedures, achievement, recognition and satisfaction with supervision positively related to employee motivation in HATSC. This study recommends that the company will establish the new reward system based on performance result. The researcher recommended for another researcher will investigates the main cause of stresses and job challenges in HATSC.

Key words: Work motivation, monetary reward, Non-monetary reward, Total reward

ABBREVIATIONS AND ACRONOMS

HATSC- Horizon Addis Tyre Share Company

HRA- Human Resource Administration Department

PIQA- Product industrialization and Quality assurance Department

PE- Plant engineering Department

ISS- Industrial safety and security

FE-Finance and Economy department

PD- Production department

CD-commercial department

NMR- Non-monetary Rewards

MR- Monetary Rewards

IM- Intrinsic motivation

EM- Extrinsic motivation

SPSS: Statistical Package for Social Science

CHAPTER ONE: INTRODUCTION

1.1. BACKGROUND OF THE STUDY

According to W. L. Njanja et.al, (2013) Reward management is one of the strategies used by human resource managers for attracting and retaining suitable employees as well as motivating employees

Rizwan Qaiser and Ali usman (2010) explain that, the dynamic environment the highly motivated employees serve as a synergy for accomplishment of company's goals, business plans, high efficiency, growth and performance. Motivation is also required when the organizational workforce has not a good relationship pattern. Employees' relation with employees and with supervisor is a key ingredient of the inner strength of the organization. The ability of supervisors to provide strong leadership has an effect on job satisfaction of employees.

Motivation of employees is clearly an important factor in the overall performance of an organization. Organizations would like their employees to work harder, and be flexible. The design and management of motivational reward systems present managers with one of the most difficult human resource tasks. Different research findings show that, business firms spend much money each year for incentives to increase employee motivation, but the objective is not always render into the required levels of employee motivation. This is as a result of the different perceptions between Employees and managers. Because Employees and managers give different levels of importance to various motivational rewards depending on the situation. Body of experience, research and theory has been developed to study motivational rewards. Some of the researches focused on non financial motivational techniques. An example is the research by W. L. Njanja et.al (2012) noted that, the cash bonuses had

no significant effect on employee performance. Those who had received and those who had not received perceived it to affect their performance the same; hence it did not have a significant effect on performance.

However other research for example Ramms (2007) focused on “money as a motivator on all levels of employment. This presented challenges and misconceptions regarding money as a motivator since different levels of employees are motivated by different factors. For example, it is possible that lower level employees whose needs fall under lower order needs according to Maslow’s needs hierarchy can be highly motivated by monetary rewards depending on how these financial rewards are administered”.

Aleeshah Nujjoo and Ines Meyer (2012) stated that, Rewards management is one of the key strategies used to create a motivated workforce. Rewards are classified in to monetary and non-monetary. Monetary rewards linked with financially such as base pay, merit pay, incentives, commission, and bonus and health allowance. Non monetary rewards linked with non-financial or non monetary value such as recognition, decision making roles, promotion, flexible working hours and company informs. It favorable perceptions of rewards, in turn, have been linked to positive human resource outcomes such as employee job satisfaction, work motivation, affective commitment, high levels of performance and organizational effectiveness

Ezigbo C.and Court (2011) submitted that, organizational rewards take a number of different forms money (salary, bonuses, and incentive), recognition and benefits. The rewards are in both monetary and non-monetary types offered to employees for meeting objectives. The monetary rewards are financial it includes performance pay, competency pay, gain sharing and profit sharing while non-monetary rewards are non financial rewards consist of all intrinsic motivators like achievement , responsibility,

opportunity for growth and extrinsic motivators such as recognition, job enrichment and prize.

Ukaejiofo Rex Uzonna (2013) explained that Non-cash rewards play an important role in any organization. Non -cash rewards demand to employees on a personal level, because non-cash rewards have proven to be effective motivators. According to the survey, 94 % of those surveyed felt that non-cash rewards can be very effective in motivating employees. This shows that money is not everything when it comes to motivating a work on the job.

Farooq , Sobia S. and Rafia (2013) stated that, “total reward” consist of career developmental opportunities, non-financial recognition, employee development and training besides monetary incentives and rewards.

According to Aleeshah Nujjoo & Ines Meyer (2012) effectively managing their rewards strategies, organizations are likely to attract, retain and capitalize on the benefits of a loyal and high caliber workforce. The intrinsic motivation strongly than for extrinsic rewards and the monetary rewards do not relation for the difference in intrinsic motivation higher than that of non-monetary rewards.

Francis.B and Ophelia.D (2011) stated that, motivating employees the biggest challenges face for all managers. Employee motivation is a key to the overall effectiveness of an organization. Motivation defines as psychological forces that determine the direction of a person’s behavior in an organization, a person’s level of effort and a person’s level of persistence. Effort measures how hard an employee works. Persistence occurs when an employee continues in the face of difficulties, instead of giving up.

Human resources are the most important among all the resources an organization owns. To retain efficient and experienced workforce in an organization is very crucial in overall performance of an organization.

Motivated employees can help make an organization competitively more value added and profitable. The company is adopting own strategic approach to motivation management system in order to improve their competitiveness, profit and sales increase.

1.2. STATEMENT OF THE PROBLEM

As a consequence of the demand for market competitive as the need for skilled manpower to ensure productivity became an obligation for the company owner to uses different system of accommodations to retain and motivate the work force.

This is no different in Horizon Addis Tyre Share Company. Because The Company faces a stiff competition from the most common Chinese, Indian and Japanese imported brands MRF, Ling Long, PERELLI, AELUSE, Bridgestone, Jet King, Hankook, etc that continue being threats for the company's products in the next few years. HATSC strategy plan for 2015 to 2018

Therefore, Motivation is the concern of the organization because in retaining and attracting employees. According to HRA turnover analysis data of 2014 fiscal year 227 employees' left the company. After the analysis the top management decided to review 2012 salary scale.

Before reviewing salary scale the company was setting objectives: 1. Reducing turnover which was recorded in 2014 fiscal year, to 114 employees. 2. Attracting qualified personnel easily. 3. Motivating the existing work force. 4. to reducing employee's absenteeism rate from 172 to 109.

According to 2015 performance report of HRA departments annex (Table 1) , 132 employees terminated their contract with the Company during the year . The analysis shows that out of 95 voluntary turnover 78 employees

or 59.09% of them served the company between 1-5 years. This implies that new blood employees are not stable. It is important to state that since the company the only tyre manufacturing it is difficult to get a readymade manpower skill especially Plant engineering department, Product industrialization and Quality assurance department and most managerial positions.

In case of absenteeism in 2015 there are 172 employees were absent from work without valid reasons. From the researcher observes that the salary increment made in 2015 budget year facts they have not meet the target objectives fully.

Hence, In order to retain and motivate the staff, the organization needs to focus on different remuneration strategy. This begs the question as to what other types of rewards could be effective to motivate employees in the Company. Therefore, the researcher wants to investigate and explore the impact of monetary and non-monetary rewards on motivation of employees to determine the reward method that best motivates the employees of Horizon Addis Tyre Share Company. Thus, this paper assesses the impact of monetary and non-monetary reward on motivating employees.

1.3. RESEARCH QUESTION

To address the stated objectives, the following basic research questions were raised and attempt to make answer them;

1. What are the major gaps seen in the current reward system in the company?
2. How and to what extent are monetary rewards effective on motivating employees of Horizon Addis Tyre Share Company?
3. Was non-monetary rewards system more appropriate than monetary reward system in Horizon Addis Tyre Share Company, and why?

4. Where there a workforce compensation administration policy at Horizon Addis Tyre Share Company. How was it in effect?

1.4. OBJECTIVES

1.4.1. GENERAL OBJECTIVE

The main theme of the study was an evaluation of the impact of monetary and non –monetary rewards on employee’s motivation responses of management and employees at Horizon Addis tyre Share Company.

1.4.2. THE SPECIFIC OBJECTIVE

The specific objectives of the study were:

- I. To investigate the effectiveness of monetary rewards in Horizon Addis Tyre share company employees’ motivation.
- II. To investigate the importance of non-monetary rewards in Horizon Addis Tyre share company employees’ motivation.
- III. To determine which types of reward best to motivate employees in Horizon Addis Tyre share company employees’ motivation.
- IV. To suggest ways in which reward program in Horizon Addis Tyre Share Company can be improved upon in order to increase employee motivation.
- V. To make recommendations based on the findings of the study.

1.5. DEFINITION OF TERMS AND CONCEPTS

- Reward management is concerned with the formulation and implementation of strategies and policies in order to reward people fairly, equitably and consistently in accordance with their value to the organization. Armstrong, M (2009)
- Reward system is an important tool that management can use to channel employee motivation in desired ways. Puwanenthiren (2011)
- Total reward is the combination of financial and non-financial available to employees. Armstrong, M (2009)
- Total remuneration is the value of all cash payments (total earnings) and benefits received by employees. Armstrong, M (2009)
- Market rate analysis is the process of identifying the rates of pay in the labor market for comparable jobs to inform decisions on levels of pay within the organization. Armstrong, M (2009)
- Employees benefits consist of elements of remuneration additional to the various forms of cash pay and also include provisions for employees that are not strictly remuneration such as annual holidays. Armstrong, M (2009)
- Performance management defined as the process for establishing a shared workforce understanding about what is to be achieved at an organization level. Armstrong, M (2009)
- Reward Strategy is ultimately a way of thinking that you can apply to any reward issue arising in your organization, to see how you can create value from it. Armstrong, M (2009)
- Grade structure is a sequence or hierarchy of grades, bands or levels into which groups of jobs that are broadly comparable in the size are placed. Armstrong, M (2009)

- Bonus schemes provide cash payments to employees that are related to the performance of themselves, their team, or a combination of two or more of these. Armstrong, M (2009)
- Profit sharing is the payment to eligible employees of sums in the form of cash or shares related to the profits of the business. Armstrong, M (2009)
- Pensions provide an income to employees when they retire and to their surviving dependant on the death of employee, and deferred benefit to employees who leave. Armstrong, M (2009)
- Allowances are paid in addition to basic pay for special circumstance such as overtime, shifts or working unsocial hours. Armstrong, M (2009)

1.6. SIGNIFICANCE OF THE STUDY

This study was believed to be important for the company human resource and administration department and management body, as it gives concrete recommendations to Horizon Addis Tyre Share Company. The output of this study also will provide recommendations to establish a viable and efficient reward system for the company. Moreover, the study will give some clues for researchers who want to pursue further study on other non-monetary reward variables over impacts for motivating employees.

1.7. SCOPE OF THE STUDY

The study is mainly concentrated to explore the impact of monetary and non-monetary rewards on employee's work motivation in Horizon Addis Tyre share company employees. There were 220 respondents who participated in the study.

1.8. ORGANIZATION OF THE STUDY

The research study was including six chapters. The details of the chapters were presented as follows: -

CHAPTER ONE: INTRODUCTION

This chapter contains introduction of the study, background of the study, statement of the problem, basic research questions, objectives of the research, hypothesis of the study, and definition of terms, significance of the study, and the scope and organization of the study.

CHAPTER TWO: REVIEW OF RELATED LITERATURE

This chapter deals with review of related and relevant literature with of research study area. The literature review includes review of different books and websites, journals, articles regarding to monetary and non – monetary reward theoretical frame work, findings, explanations and concepts. In addition the impact of rewarded on employee’s motivation were reviewed.

CHAPTER THREE: RESEARCH METHODOLOGY

Under this chapter, the research approach/ research design, unit of analysis, and sampling technique/design were be included. The sampling technique/design contains population of the study, sampling technique, sample size determination, sample procedure, source of data, data collection method, research instrument, data analysis method, and also validity and reliability was include.

CHAPTER FOUR: DATA ANALYSIS AND DISCUSSION.

Here the a researcher presents the data collection process and the data analysis process, which includes data preparation, data analysis, the quality assessment of the research instruments, structural model assessment, the testing of the seven hypotheses in the study, and the

supplementary findings of in-depth interview with HRA manager, document analyzed and summarized results/findings of the study, and interpret and/or discuss the findings in relation with literature review.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

This chapter comprises three sections, which include summary, conclusions, and limitations of the study and recommendations. The summary of findings was be drawn from the results were discussed under chapter four. The conclusions were drawn from the summary of findings and also present theoretical and policy-maker contributions of the study. In addition in this chapter was incorporate limitations that could have effect on the final conclusions and suggestions for future research was identify. Finally the chapter deals with the practical recommendations on the study area.

CHAPTER TWO: REVIEW OF RELATED LITRATURE

2.1. INTRODUCTION

The development of reward management policies, structures and practices will be underpinned by assumptions about how people can best be motivated to deliver high levels of performances, discretionary effort and contribution.

Reward means a thing given to any one because contribution to organization. Rewards and incentives contribute to strategy implementation by shaping individual behavior in the organization. Many employees are motivated by means of two goals are earning a paycheck and doing work that makes them proud. The offer of an additional reward gives an employee that extra motivation to go above and beyond. Some rewards may cost money, whereas others are investments in time and effort. All can contribute to a more pleasant work environment.

According to Sufyan, Muhammed.R and Muhammed.T (2013), Reward System not only raise in the salary and bonuses , it also includes award and recognition , reassignments , promotions, and other reward programs. The reward system is the essential of the company retain and to hire the require manpower. And also the reward system motivates the employee to work harder and faster.

The development of reward management policies, structures and practices will be underpinned by assumptions about how people can best be motivated to deliver high levels of performances, discretionary effort and contribution.

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proud. The offer of an additional reward gives an employee that extra motivation to go above and beyond. Some rewards may cost money, whereas others are investments in time and effort. All can contribute to a more pleasant work environment.

Rewarding is one of the major functions of a given organization human resource in most cases because to attract employees and maintain employees in the organization the major concern of organization. Reward (Monetary and non -Monetary) is one of the common human resource practices. It is basic because no any employment relationship without it. Thus, the success of any enterprise depends on the rewarding system as it does on the executives who can maintain skilled manpower. The motivation of the workforce is stimulated and sustained by the varying rewards provided in the organizational setting.

2.2. DEFINITION OF REWARDS

The total reward typically encompass not only traditional, quantifiable elements like salary, variable pay and benefits, but also more intangible non-cash elements such as scope to achieve and exercise responsibility, career opportunities, learning and development, the intrinsic motivation provided by the work itself and the quality of working life provided by the organization.

Rewards categorization by Porter and Lawler (1968) distinguishes among intrinsic and extrinsic rewards. Intrinsic rewards as the satisfaction that a person derives from doing the job and extrinsic rewards as tangible benefits obtained as a result of doing the job, such as pay and promotions. Weatherly, (2002) classified rewards monetary or non-monetary. Monetary rewards refer to tangible objects, such as pay, bonuses, promotions and formal recognitions, whilst non-monetary rewards are non-tangible and include praise and personal recognitions

2.3. THE SIGNIFICANCE OF TOTAL REWARD

Reward strategy the set out what the organization intends to do in the longer term to develop and implement reward policies, practices, processes and procedures that will further the achievement of its business goals.

Zhou J. et.al (2009) explain that, Total reward strategy is a holistic approach aligning with business strategy and people strategy; it encompasses everything employees value in their employment relationship like compensation, benefits, development and the work environment. As a reward strategy of effectiveness, it's able to gain enough good information of employees and conduct objective analysis, so that the organization can make wise decisions and assess their influences internal and external. The Total reward strategy will move along because of the standards which have not been unified and have been improving and perfecting.

The total reward strategy is critical to addressing the issues created by recruitment and retention as well as providing a means of influencing behavior or motivating employees. It help create a work experience that meets the needs of employees and encourages them to contribute extra effort, by developing a deal that addresses a broad range of issues and by spending reward money where they will be most effective in addressing workers' shifting values. Perhaps the most powerful argument for a total rewards approach was produced by **Pfeffer** (1998)

Ong Tze ,Yip Mei and Teh Boon (2012) stated that, total reward could be used to manage and motivate people by thoroughly understanding the relevant significance placed on the various aspects of the reward proposition and applied the well –designed total reward strategy effectively. Total reward includes all type of rewards, direct and indirect, as well as intrinsic and extrinsic. According to a global human resource association in US with main

focuses on compensation , benefits , work-life and integrate total rewards, has define total reward as all of the tools available to the employer that may be used to attract, motivate and retain talented employees.

2.4. EMPLOYEE MOTIVATION AND REWARDS

Reward is the compensation which an employee receives from an organization for giving service. It is not only related to direct currencies, but also, favorable interpersonal relationship inside the organization, involvement, the challenge and sense of achievement, preferable growth and others. Reward has different functions: - Reward has compensatory function because the exchange of the service of an employee to payback for the done work. In addition, motivation is another function of reward, for working quality, the degree of focusing on customers and interest of learning new skills will be influenced by the decision-making of reward and the ways in which employees get their rewards. Regulatory function of reward is embodied in reasonably allocating labor force and modulating the configuration of quality of labor force. Zhou Jiang et.al (2009).

Rewards are divided by Armstrong (2007) into monetary and non- monetary rewards. The monetary rewards include base pay, merit pay, incentives, commission, bonus and healthy allowances. Non-monetary rewards include recognition, decision making roles, promotion, flexible working hours and company uniforms. He also point out that rewards can act as a goal that employees generally strive for, and as an instrument which provides valued outcomes. It is also a symbol which indicates the recipient's value to the organization and can act as a general reinforce because it is associated with valued feedback.

The motivation of the workforce is stimulated and sustained by the varying rewards provided in the organizational setting. Reward is the compensation for doing work well given to a worker in the form of both financial and non-

financial incentives. It is obvious that reward is a special payment offered to organizational workers who have done excellent jobs.

2.5. BASIC CONCEPTS FOR MOTIVATION

Motivation is divided by Armstrong (2007) at work can take place in intrinsic motivation and extrinsic motivation.

- ***Intrinsic motivation*** –is derived from the content of the job. It is self-generated because the people seek the type of work that satisfies them, but the employer can enhance through empowerment, development and job design policies and practices. The factors affecting intrinsic motivation consist of responsibility, freedom to act, capacity to use and develop skills and abilities, interesting and challenging work and opportunities for advancement. The intrinsic motivators, which are concerned with the quality of working life and life balance therefore, a deeper and longer-term effect because not imposed from outside and may be encouraged by the organization.
- ***Extrinsic motivation*** – is done to and for people to motivate them. It arises when management provides by increased pay, praise, or promotion. The extrinsic motivators can have an immediate and powerful effect, but this will not necessarily last for long.

2.6. THEORY OF MOTIVATION

Motivation is a combination of needs, drives and incentives. Motivation is defined as the process that starts with physiological or psychological deficiency or need that activates behavior or a drive that is aimed at a goal or incentive. Ukaejiofo Rex Uzonna (2013).

Armstrong (2007) define Motivation is a reason for doing something for moving in a certain direction. Motivations theories are classified into four major groups

are: - instrumentality, behaviorist and reinforcement theories; needs or content theory, Herzberg's two-factor theory, process or cognitive theories (expectancy, goal and equity).

Instrumentality, behaviorist and reinforcement theories:-

Instrumentality theory roots in the scientific management methods of Taylor. Instrumentality based on behaviorist states that people work only for money. It assumes that people will be motivated to work if reward and penalties. Instrumentality theory based on the principle of reinforcement, states that, to satisfy needs, people perceive that certain actions help to achieve their goals, while others are less success.

Needs or content theory *Maslow's Needs Hierarchy Theory*

Maslow's need hierarchy theory was developed by Abraham Maslow. The ground of this theory is unsatisfied need creates tension and disequilibrium. Not all needs are equally important to a person at any one time. It classified needs into five basic categories arranged in the hierarchy. Physiological needs safety, personal achievement, social esteem and self-actualization. The person satisfies a lower-level need; the next higher need in the hierarchy becomes the primary motivator and remains so even if never satisfied.

Herzberg's two-factor theory /Motivation-hygiene theory/

Herzberg's two-factor theory was developed by Herzberg. The theory states that the factors giving rise to job satisfaction are distinct from the factors that lead to job dissatisfaction. There are two groups of factors are satisfiers or motivators and dissatisfaction avoidance or 'hygiene' factors. The satisfiers or motivators are intrinsic to the job. It includes achievement, recognition, the work itself, responsibility and growth. The other groups are dissatisfaction avoidance or hygiene factors, are extrinsic to the job. It includes pay, company policy and administration, personal relations, status and security.

Process or cognitive theories (expectancy, goal and equity)

Expectancy theory was first proposed by Victor Vroom. Expectancy theory helped the study to understand how individuals are drawn to make decisions as regards various behavioral alternatives and perceptual differences among people. This framework states basically that motivation plus effort leads to performance, which then leads to outcomes.

The Expectancy theory explains that in any given situation, the greater the number and variety of rewards that are available to the employees the greater is the probability that extra effort will be exerted in attaining the set goals or targets in the hope of getting the desired rewards. The outcomes are the consequence of behavior. Vroom defines the anticipated satisfaction an individual hopes to get from the outcome or reward.

Equity theory was formulated by Latham and Locke. The theory states that motivation and performance are higher when individuals are set specific goals, when the goals are difficult but accepted, and when there is feedback on performance. Goal theory provided the theoretical underpinning to processes such as management by objectives. MBO But provides performance-related pay schemes where the focus is on objectives and the measurement of achievements as a means of providing financial rewards in the shape of performance pay.

Equity theory was described by Adam Stacy's. The Equity Theory states that employees expect fairness when being rewarded for the work done. The Equity theory essentially refers to an employee's subjective judgment about the fairness of the reward she or he got in comparison with the inputs (efforts, time, education, and experience) when compared with others in the organization. The feelings on how they are treated as compared with others. The argument of this theory is that people work well in accordance to what they regard as fair. Employees consider whether management has treated them fairly, when they look at what they receive for the effort they have made.

In summary, the theories of motivation, have given several implication for management like employee motivation is influenced by absolute as well as relative rewards. In equity in the administration of compensation may affect the objectives of the company. And unless the total compensation package is perceived as internally equitable and externally competitive, good employees are likely to leave.

The bases of this study were expectancy theory and Herzberg's two-factor theory .Expectancy theory is predicated on a belief that individuals will exert effort if they expect it will result in an outcome. In the case of performance base pay, employees will work harder if they value monetary rewards and believe that those awards will result from their increased efforts. According to this theory, three conditions must be met for individuals to exhibit motivated behavior and these includes: effort to performance expectancy must be greater than zero, performance to outcome Expectancy must also be greater than zero, and that the sum of the valances for all relevant outcomes must be greater than zero.

In Herzberg's two-factor theory Claim that people have two basic needs, one focusing on survival (hygiene factor) and another on personal growth. It means the workplace that satisfies survival need or hygiene factors, cannot provide job satisfaction but only prevent dissatisfaction. The hygiene factors are pay and security, working conditions, interpersonal relation, company policy and supervisor. The personal growth factors as motivators are achievement, recognition, the work itself, responsibility, advancement and growth. Generally Herzberg two -factor implies that the management must not only provide hygiene factors to avoid dissatisfaction but also must provide motivators for the job itself.

2.7. FRAMEWORK OF FINANCIAL MOTIVATORS

Armstrong and Helen (2007) stated that Financial rewards need to be considered based on three views are: money as a motivator, the reasons why people are satisfied or dissatisfied with their rewards and the criteria which should be used when developing a financial reward system.

➤ **Money and motivation:-** The general theory of motivation described above has produced the following explanations of the relationship between money and motivation:

- **The 'economic man' approach.** According to this view, which is based on reinforcement theory; people are primarily motivated by economic rewards. It assumes that they will be motivated to work if rewards and penalties are tied directly to the results they achieve. Pay awards are contingent upon effective performance.
- **Herzberg's two factor model.** Herzberg claimed that money is a so-called 'hygiene factor' which serves as a potential dissatisfier if not present in appropriate amounts, but not as a potential satisfier or positive motivator. A further reason given by Herzberg for regarding salary as a 'hygiene factor', that is, a factor which prevents disease rather than promotes health, was because its impact on favorable feeling was largely short-term, while its impact on unfavorable feelings was long term extending over periods of several months.
- **Instrumental theory.** This theory states that money provides the means to achieve ends. It is an instrument for gaining desired outcomes and its force will strength of the need and the degree to which people are confident that their behavior will earn the money they want to satisfy the need. Money is a powerful force because it is linked directly or indirectly to the satisfaction of all the basic needs. But the effectiveness of money as a motivator

depends on a number of circumstances, including the values and needs of individuals and their preferences for different types of financial or non-financial rewards.

- **Equity theory.** Equity theory, as developed by Adams, argues that satisfaction with pay is related to perceptions about the ratio between what one receives from the job (outcomes in the form of pay) and what one puts into it (inputs in the form of effort and skill) compared with the ratios obtained by others.
- **Application of expectancy theory.** It states that motivation will be strong if individuals can reasonably expect that their efforts and contributions will produce worthwhile rewards. This theory was developed by Porter and Lawler.

The similarity of all the above theory is that if an employee motivated to work he will provide money the means to achieve ends if not reward the level of motivation will probably be low. Motivation directly related to financial rewards. In other hand each theory different as of Economic man approach, employees not only motivated by rewards but also motivated by penalties both of them reward employees to achieve the target. The implication of Herzberg's two factor model money is the hygiene factor for dissatisfy employees. If the employees get money they will be satisfied. Instrumental theory differs from the other theory, money means of advisement but it is effectiveness depends on different circumstances. As regards Equity theory, the payment related to compeer others employees with the same job based on rations obtained by other. Finally, application of expectancy theory differ from reward directly link with contribution and efforts.

2.8. CONCEPTUAL FRAME WORK

Monitory reward:- The monetary rewards include base pay, merit pay, incentives, commission, bonus and healthy allowances. Armstrong (2007)

Non monetary reward:- Rewards that do not involve any direct pay- ments 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 (2007)

Total Reward:-It includes all types of rewards – indirect as well as direct, and intrinsic as well as extrinsic. A total reward includes base pay, contingent pay, employee benefits and non-financial rewards. Armstong and Helen (2007)

Motivation: - Motivation characterizes the forces within a person that affect his or her direction, intensity, and persistence of Voluntary behavior. Direction refers to the path along which people engage their effort. Other element of motivation, called intensity, is the amount of effort allocated to the goal. Persistence which is the third element refers to the continuing the effort for a certain amount of time. Employees sustain their efforts until they reach their goals or give up beforehand. Therefore, motivation affects employee’s direction, intensity and persistence of voluntary behavior. Aworemi.el(2011)

After the Study of Literature Review, The Following Conceptual Model was formulated to illustrate the Relationship between monetary and non –monetary rewards System and Employee Motivation.

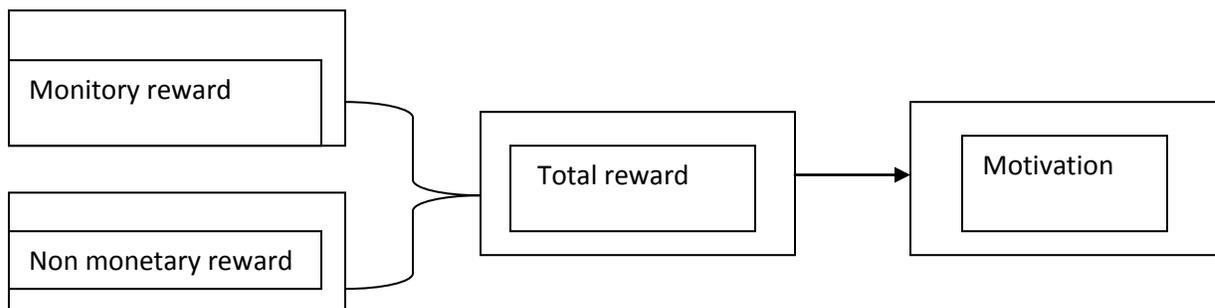


FIGURE 1: Categorization of different types of Monitory and Non-monitory rewards offered by companies used in this study.

Farooq et al. (2013) stated that, total reward consists of both financial rewards and non-financial rewards such as verbal praise of appreciation from management, achievement, responsibility, freedom, job satisfaction, job security and personal growth etc. Non-financial rewards are motivating workers which lead to job satisfaction and an effective reward package could have an important impact on the employee's performance. The companies that only focus on monetary incentives to motivate their employees must also introduce non-monetary rewards to their performance rewards systems to increase the motivation level of their employees since many people prefer the former over the latter. Research hypothesis In light of the objectives and related literature, the following research hypotheses were formulated.

H1: The compensation is not correlated positively with work motivation.

H2: The promotional opportunities are not correlated positively with work motivation.

H3: The work itself is not correlated positively and significantly with work motivation.

H4: The operating procedures are not correlated positively and significantly with work motivation.

H5: The achievement is not correlated positively and significantly with work motivation.

H6: The recognition is not correlated positively and significantly with work motivation.

H7: The Satisfaction with supervision is not correlated positively and significantly with work motivation.

2.8.1. DEFINING VARIABLES

Satisfaction with compensation

It will measure the amount of pay and fringe benefits I receive and the degree to which I am fairly paid for what I contribute to this company Rizwan Qaiser and Ali usman (2010)

Promotional Opportunities

It will measure the number of promotion with in the period. It is a part of performance evaluation process where an employee is provided an opportunity for growth and development according to his or her abilities, skills and work Rizwan Qaiser and Ali usman (2010)

Work itself

Work itself means the employees liking and disliking of his or her job. It explains whether the job of employee is enjoyable or not Rizwan Qaiser and Ali usman (2010)

Operating Procedures

Operating procedures include all those rules, regulations, procedures and requirements of the job that have to be performed during the job. It also includes the nature of job and values of an organization that one has to be bound of while performing the job Rizwan Qaiser and Ali usman (2010).

Recognition: is the need to have a stable, firmly based, high evaluation of oneself (self-esteem) and to have the respect of others (prestige). It classified in to the “desire for achievement”, for adequacy, for confidence in the face of the world, and for independence and freedom , and ‘the desire for reputation or status for respect or esteem other people , and manifested by recognition, attention, importance or appreciation. Armstrong (2007)

Satisfaction with supervision

It will measured the items consist of “The amount of support and guidance I receive from my manager or supervisor Rizwan Qaiser and Ali usman (2010).

Achievement: is defined as the need for competitive success measured against a personal standard of excellence. Achievement motivation can be increased by organizations through processes such as job design, performance management, and contributing skill or competency-related pay schemes Armstrong (2007).

Responsibility: People can be motivated by being given more responsibility for their own work. It is also related to the fundamental concept that individuals are motivated when they are provided with the means to achieve their goals. Providing motivation through increased responsibility is a matter of job design and the use of performance management processes Armstrong (2007).

According to summary and conclusion of the literature, A motivated workforce can be a significant factor in organizational success. When employees are motivated to work at higher levels of productivity, the organization as a whole runs more efficiently and is more effective at reaching its goals. Rewards are positive outcomes that are earned as a result of an employee's performance. These rewards should be aligned with organizational goals and strategy. When an employee helps an organization in the achievement of one of its goals, a reward often follows. Generally employees are rewards intrinsic and extrinsic. The researcher focuses both the monetary (Extrinsic motivation) and non-monetary (Intrinsic Rewards) reward.

CHAPTER THREE: RESEARCH DESIGN AND METHODOLOGY

3.0. INTRODUCTION

This chapter describes the frame work within which the research was conducted. The chapter presents the research design, study population, sample size and sampling techniques, data collection instruments, validity and reliability of research instruments, procedure and data analysis.

3.1 RESEARCH DESIGN

The study used a cross-sectional survey design adopting methodology to a smaller extent and quantitative method. The researcher chose this research design because of its advantages in obtaining data; it is also the simplest and least cost alternative compared to longitudinal (Neumann, 2003). According to (Neumann, 2003), cross –sectional research can be exploratory, descriptive or explanatory. The study was both qualitative and quantitative. According to Creswell et al. (2003), qualitative research helps in getting an in-depth analysis of the problem under investigate relationships, including cause effects relationships. In addition, it helped in conditions or investigates relationships, including effects relationships. In addition, it helped in answering questions concerning the current state of the subject matter under the study.

3.2. STUDY POPULATION

The study population constituted mainly Permanent employees of Horizon Addis tyre Share Company. This population was chosen because it was assumed to have adequate information of the subject under investigation and the research variables under investigation.

3.3. SAMPLE SIZE AND SAMPLE SELECTION

The sample size was 258 respondents of which 357 were production department employees, 114 were plant engineering department, 52 were PIQA department, 78 were HRA, 32 were Finance and Economy , 34 were commercial, 22 were store Administration and 39 were Industrial safety and security department of HATSC. Stratified sampling technique was used to select the employees from each department.

3.3. SAMPLING TECHNIQUES

The researcher applied formulas to calculate a sample size. The population consisted of eight departments. The researcher was used formula of stratified sampling probability sampling method. A sample of 258 respondents was drawn from the population through proportionate stratified sampling procedure to ensure fair representation of the research subjects from each stratum (departments). Therefore, the research was conduct the research based on probability sampling technique.

3.4. SAMPLING TECHNIQUE

The main theme of the study was exploring the impact of monetary and non-monetary rewards on employee's motivation. Population of the study comprises of permanent employees from all of departments of the company. The reason for including all departments was employee's motivation the issue of all departments. All Departments employees were positive to participation for this study because a) the concern of motivation is the concern of all employees in all departments b) most of department's shares common idea according to rewarding. Thus the selections of these employees from all departments were used as the sample representing the company. For this purpose probability sampling, i.e. stratified sampling technique was used for recording the responses of 258 respondent's contribution for the study area for the impact of monetary and non-monetary reward on employee's motivation. In addition, the researcher has better

opportunity to gather valuable and sufficient information in order to make better decision for management questions.

3.5. SAMPLE SIZE DETERMINATION

There are 728 employees working in the company. Hence all employees were taken as the population of the study. The sampling frame was the lists of employees found in the Human resource department. By using proportionate stratified sampling respondents was picking from sampling frame to participant in the study. This sample was representing 258 employees or 35.44 % of the population. The population groups at eight departments that were termed as strata. From each strata sample was selected by proportional sampling formula. See table 1

Table -3.1. Number of Employees Based on Department

S.N	Department	Number of employees In each Departments	Sample size
1	Production	357	127
2	Plant engineering	114	40
3	PIQA	52	18
4	Human resource and administration	78	28
5	Finance and Economy	32	11
6	Commercial	34	12
7	Store Administration	22	8
8	Industrial safety and security	39	14
	Total	728	258

Source Horizon Addis Tyre Share company HRA report

Total $258/728 \times 100 \%$ (35.44%)

Note: * The total number manpower as of December 31, 2015.

Israel, Glenn D.2013 coated Yamane (1967) provides a simplified formula to calculate the sample sizes used. Stratified sampling this method of selecting

sample is a mixture of the deliberate and random sampling technique. This is a type of random sampling where the whole population is first of all divided into small groups that are termed strata. Each of these strata is selected depending on some common characteristics. Now a random sample is selected from each of the stratum in a number that is proportional to the stratum with respect to the population.

Total sample size formula

$$n = \frac{p}{1 + N(p)}$$

Used 95% confidence interval

Where N = population of the study

P = the alpha or error 0.05%

n = the sample size of the population

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

$$n = \frac{728}{1 + 728(0.05)^2}$$

$$n = \frac{728}{1.82}$$

$n = 258$ employees the total sample size

to determine the Strata sample size formula

$$n_h = \left(\frac{N_h}{N}\right) n$$

Where n_h is sample size of the strata

N_h = is the population of the strata

N = total population of the study

n population sample size.

3.6. SAMPLE PROCEDURE

The sampling procedures include the samples were divided into eight departments (strata) employees groups. Production department consists of 357 employees, plant engineering department consists of 114 employees, product industrialization and quality assurance department consists of 52 employees, Human resource and Administration department consists of 78 employees, Finance and Economy department consists of 32 employees, store administration department consists of 22 employees and Industrial safety and security consists of 39 employees.

3.7. SOURCE AND TYPES OF DATA

The sources of data were both primary and secondary. The primary data were collected through questionnaire and interview. Secondary data were sourced from HATSC reward policy, HATSC collective agreement, HRA report and different magazines, publications, books, internet, journals, articles and others.

Mode of Analysis

Concept		Variable	Indicator	Measure
Reward	Monitory reward	Compensation(it includes salary bonus and benefits	Satisfied or dissatisfied	Questionnaire
		Promotion	No. of promotion with in a period	Interview /secondary data
	Non monetary reward	Achievement	High or low	Questionnaire
		Recognition	High or low	Questionnaire
		Work itself	Satisfied or dissatisfied	Questionnaire
		Satisfaction with supervision	Satisfied or dissatisfied	Questionnaire
	Motivation	Challenging work	High or low	Questionnaire
		Work itself	liking or disliking	Questionnaire

3.8. DATA COLLECTION METHOD

The survey method was conducted within the Company for the primary data collection. It includes questionnaire filled by employees and in-depth interview was conducted with Human resource and administration department manager. These in-depth interviews with HRA allow discussion on the current practical of the reward system. The questionnaires were distributed physically for the respondents who were targeted for the research. Secondary data also was collected from HATSC reward policy, HRA report, collective agreement and other relevant sources for the subject study area.

3.8.1. RESEARCH INSTRUMENT

Questionnaire was the main instrument for data collection and designed in a 5 point Likert scale form. The questionnaire was divided in two sections. Section one was to elicit biographical characteristics of the respondents while section two raised 24 items that reflected the five objectives of the study. Two hundred and Fifty Eight copies of the data questionnaire were distributed and Two hundred and twenty copies were returned. In addition the researcher designed interview questionnaire for Human Resource and Administration Department manager. The interview questioner raised 6 items that reflected the current practices of reward system.

Reliability

Basically, reliability refers to the consistency or dependability of a measuring instrument. This questionnaire is reliability for measuring the employee motivation and reward system. In this research, Cronbach-Alpha value is 72.2 % which is greater than Alpha = .6318 or about 63% reliable. A summary of the item statistics is attached in the appendix 2.

3.8.2. DATA ANALYSIS METHOD

During data analysis the data had been organized, reviewed, and coded categorically and chronologically. The researcher identified and discussed the differences of qualitative and quantitative approaches. In the same way gathering, analyzing and interpreting of data took place and had been presented using tables, and percentiles.

The data collected from the field were presented and analyzed with descriptive using Statistical Package for the Social Sciences (SPSS version 20) statics to provide answers for the research questions while the corresponding hypothesis were tested with Pearson Chi-Square at 0.05 alpha level with the aid of SPSS.

In addition, the data was analyzed by correlation analysis in order to find out the nature of relationship between monetary, non-monetary and employee's motivation and to tested hypotheses. The level of motivation was measure by variables of compensation, promotional opportunities, work itself, operating procedures, achievement, recognition and satisfaction with supervising. The researcher was used SPSS statics Cronbach-Alpha value test for the reliability.

3.8.3. ETHICAL ISSUES

Policies of anonymity of the employees were adhered to, as various confidential data might be accessed by the researcher. Moreover, a statement confirming the prohibition of including any identity details or personal references of the respondents in the questionnaire forms was included. This was to avoid any biased response or unauthentic data provided by the employees.

Also request for names and employee's identification number or position was prohibited at any part of the data collection so that participants were certain that he or she cannot be traced by employee. And also the respondents participate in this study well informed the study aim and voluntary. This would offer them enough room to express their ideas and point out their responses freely and safely.

Data gathered in process of the study was kept confidential and would not be used for any personnel interest and the whole process of the study was controlled to be within acceptable professional Ethics.

CHAPTER FOUR: DATA ANALYSIS RESULTS AND DISCUSSIONS

4.1 INTRODUCTION

This chapter presents findings from the study about the impact of monetary and non-monetary rewards on the motivation of employees' in Horizon Addis Tyre Share Company. The study intended to found the types of the rewards used in Horizon Addis Tyre Share Company, the impact of these rewards on the motivation of employee's. The objectives this study were exploring the impact of monetary and non-monetary rewards used in Horizon Addis Tyre Share and to shows the effect of monetary and non-monetary rewards on employee's motivation. In this section the results of empirical analysis are presented. The upper level of statistical significance for null hypothesis testing was set at 5%.

The researcher collected data from records of office, interview and questionnaires that were filled by employees. In the same manner, Human resource and Administration manager was interviewed. The questionnaires were distributed as shown in the table 1 below. SPSS (Statistical Package for Social Sciences) version 20 of the software was used for analysis of the study data. Out of a total of 258 respondents, 220 (85 %) filled and return the questionnaires. 15 % respondent's unreturned the questionnaires. Majority of the respondents returned the questionnaire with answers. Therefore, the researcher used all the questionnaires returned.

4.2 DEMOGRAPHICS CHARACTERISTICS

The demographic section of the questionnaire shows the information about the gender, educational level, age, marital status, work experience, current salary scale and department of employees to have a better understanding of their responses and resulting conclusion for the research.

The study put into account the age of the respondents, current salary scale , work experience and their departments which were considered relevant to this study. Table 4.1 presents the background information of the respondents.

Table 4:1 Sex Distributions of Respondents

		Frequency	% age
Gender	Male	184	83.6
	Female	36	16.4
Total		220	100.0

Source: Field survey, March-2016

Table 4.1 is about the sex distributions of the respondents. It is evident from this gender frequency distribution table that majority of the respondents were males at (83.6 %) while (16.4 %) were females. This tentatively implies that in Horizon Addis tyre Share Company male employees than female employees.

Table 4.2: Respondents by Levels of Education

Educational levels	Frequency	% age
Certificate	20	9.1
Diploma	94	42.7
First degree	59	26.8
Maters or more	0	0
12 grade and below	47	21.4
Total	220	100

Source: Field survey, March-2016

Results in Table 4.2 revealed that the majority of the respondents (42.7) had collage Diploma. The study noted that this was very important that Company should employ and retain competent and qualified staff because most of their activates are technical in nature and requires the use of knowledge, skills and intellectual analysis.

Table 4:3 Age Distributions of Respondents

Age of respondents	Frequency	% age
20 to 29 years old	81	36.8
30 to 39 years old	59	26.8

40 to 49 years old	58	26.4
50 and above years old	22	10.0
Total	220	100

Source: Field survey, March-2016

Table 4.3 is about the age distributions of the respondents. It is evident from this age frequency distribution table that majority of the respondents were the age of at 20 to 29 years (36.8 %). The study noted that this was very important that Company should retain competent and qualified staff young employees because most of their activates are require technical knowledge and labor intensive.

Table 4:4 Respondents by Work Experience

Period Worked	Frequency	% age
Less than 5 years	108	49.1
5 to 10 years	4	1.8
10 to 15 years	44	20
16 to 20 years	24	10.9
21 years and above	40	18.2
Total	220	100

Source: Field survey, March-2016

Table 4.4 shows the respondent's work experience in Horizon Addis tyre Share Company. The result indicates the majority were in the category of less than 5 years represented by 49.1 % of the total respondents. 20% were in the category of 10-15 years, and 18.2 % and 10.9% in 21 years and above .16 to 20 years categories respectively. Only 1.8 % was in 5 to 10 years category. This may be true because most of the respondents whose work experience were short. It was realized that most of the respondents had worked for not more than 5 years.

Table 4:5 Respondents by Current Salary Scale

Current Salary Scale	Frequency	% age
Birr 1,1150 to 1,792	20	9.1
Birr 2,155 to 2,965	35	15.9
Birr 3,412 to 4,420	85	38.6
Birr 4,999 to 8,994	80	36.4
Total	220	100

Source: Field survey, March-2016

Table 4.5 is about the current salary scale distributions of the respondents. It is evident from this current salary scale frequency distribution table that majority of the respondents were their current salary scale of at Birr 3,412 to 4,420 (38.6 %) and at Birr 4,999 to 8,994 (36.4%) respectively. It was realized that most of the respondents had get the above average salary scale of the company.

Table 4:6 Respondents by Departments

Departments	Frequency	% age
Production	95	43.2
Plant Engineering	38	17.3
PIQA	18	8.2
Commercial	12	5.5
Finance and Economy	11	5.0
HRA	27	21.3
Store Administration	7	3.2
Industrial safety and security	12	5.5
Total	220	100

Source: Field survey, March-2016

Table 4.6 shows the respondent's departments. The result indicates, among the department compositions the number of the respondents in the sample from production N= 95 (43.2 %) , Plant Engineering N= 38 (17.3 %), PIQA N= 18 (8.2 %), Commercial N= 12 (5.5 %), Finance and Economy N= 11 (5.0%),

Human resource and administration N= 27 (21.3 %), Store Administration N= 7 (3.2 %) and Industrial safety and security N= 12 (5.5%).

Table 4:7 Respondents by Current Salary Scale

Marital status	Frequency	% age
Singe	103	46.8
Married	113	51.8
Others	4	1.8
Total	220	100

Source: Field survey, March-2016

Table 4.7 is about the marital status distributions of the respondents. It is evident from this marital status frequency distribution table that majority of the respondents were married at (51.4 %) while (46.8 %) were single. This tentatively implies that in Horizon Addis tyre Share Company married and single employees relatively balanced. Therefore, marital status is not impact on the analysis.

4.3 DATA ANALYSIS RELATED TO RESEARCH OBJECTIVES

4.2.1. TYPE OF REWARD EMPLOYEES MOTIVATED MORE

Respondents were asked to rank the type of reward motivate them according to the respondents: (a) Monetary reward, (b) non monetary reward (c) both monetary and non monetary reward.

Table: 4.8 The Type of Reward ranked by Respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
\monetary rewarda1	47	21.4	21.4	21.4

non-monetary reward	28	12.7	12.7	34.1
both monetary and non monetary reward	145	65.9	65.9	100.0
Total	220	100.0	100.0	

Source: Field survey, March-2016

Statistics in Table 4.8 shows that both monetary and non-monetary reward type reward motivate employees and 145 (65.9 %) respondents supported it. While 47 (21.4 %) of the respondents revealed that monetary reward motivate more. Only 28 (12.7 %) respondents revealed that non-monetary reward motivate more. In interviews with the HRA manager, the study discovered that when employees are motivated more rewarded monetary and non-monetary reward.

4.2.2. THE LEVEL OF JOB SATISFACTION AT WORK PLACE

Table: 4.9. Rating of job satisfaction at work place

Factors	Extremely		Very		Moderately		Slightly		Not at all	
	Freq.	%age	Freq.	%age	Freq.	%age	Freq.	%age	Freq.	%age
Meaning full of work	68	30.9	102	46.4	38	17.3	7	3.2	5	2.3
Challenging in job	57	25.9	90	40.9	43	19.5	23	10.5	7	3.2
Stress at work	38	17.3	74	33.6	53	24.1	41	18.6	14	6.4
Realistic expectations from supervisor	45	20.5	86	39.1	53	24.1	29	13.2	7	3.2
Supervisor help to growth	30	13.6	84	38.2	59	26.8	35	15.9	12	5.5
Professionally satisfaction with job	55	25	87	39.5	46	20.9	25	11.4	7	3.2

Source: Field survey, March-2016

According to Table 4.9, 77.3 % of the respondents confirmed that meaningful of work very while 5.5 % of the respondents opposed this view. Nonetheless, 17.3 % of the study participants were undecided. Thus, the employees feel their work meaningful shows that most employees love their job.

According to Table 4.9, 66.8 % of the respondents stated that the challenging of job very, while 13.7 % of the study participants felt slightly challenging. However, 19.5 % of the respondents remain undecided. The majority of the respondents gave their answered that feelings at work very challenge. It may be one of causes of employees Leave Company with in short time. In addition the challenge at work may be result less employee's productivity. Therefore, it was investigated that the real causes of challenges that employees feel at job has been assessed.

According to Table 4.9, 50.9 % of the respondents consented to the statement that the feel stressed at work very. In contrast, 25 % of the respondents not feel stressed at work, while 24.10 % were indifferent. 50% of the respondents gave their answered that feelings at work very stressed at work. It may be another case of increase turnover. Therefore, it was investigated that the major causes and working area of stresses feel at job has been assessed.

According to Table 4.9, 59.6 % of the respondents approvable that the statement supervisors give realistic supervisor to their subordinates. In contrast, 16.4 % of the respondents disagree with this statement while 24.1 % were undecided. Thus it is evidenced that most supervisor not fully gives realistic supervisor with their subordinates. It shows that there is a gap between supervisor and subordinates. Thus the company has been assessed the gap where supervisors lack to give subordinates.

According to Table 4.9, 51.8 % of the respondents affirmed that the supervisors assigned the subordinates to growth their professionally while 21.4 % of the research subjects opposed this view and 26.8 % were undecided. Thus, On the basis of the above responses the researcher understand that a gap of assigning employees different job to growth employees professionally. It may one of the results of employees feelings stressed on their job and also leave from the company. Therefore, the company is expected to study which departments and job positions will require job rotation program.

According to Table 4.9, 64.5 % of the respondents stated that satisfied by their job while 14.6 % of the research subjects opposed this view. 20.9 % of the respondents were undecided. It showed as who are employees have been hired but not satisfied with their jobs.

Table 4:10 Rating of Challenge at Work based on Department

Department of respondent	Challenge of job					Total
	Extremely	very	Moderately	Slightly	Not at all	
Production	32	34	18	9	2	95
Plant Engineering	13	13	7	3	2	38
PIQA	1	11	2	3	1	18
Commercial	1	7	2	1	1	12
Finance and Economy	2	5	2	1	1	11
HRA	4	10	8	5	0	27
Store Administration	1	4	2	0	0	7
Industrial safety and security	3	6	2	1	0	12
total	57	90	43	23	7	220

Source: Field survey, March-2016

According to Table 4.10, 147 (66.8 %) respondents replied that of the respondents stated that the challenging of job very. out of which from production department 66 (69.47%), from Plant Engineering 26 (64.42 %), from PIQA 12 (66.66 %), From Commercial 8 (66.66%), from Finance and Economy 7 (63.63%), From HRA, department 14 (51.85%) , from Store Administration department 5 (71.42) and from Industrial safety and security 9 (75%) the challenge of job high. Especially the core process employee's feelings at work very challenge. Generally from the respondents their answered that feelings at work very challenge.

Table 4:11 Rating of Stresses at Work Based on Departments

Department of respondent	Stressed at work					Total
	Extremely	very	Moderately	Slightly	Not at all	

Production	22	31	20	14	8	95
Plant Engineering	7	14	7	8	2	38
PIQA	2	5	6	5	0	18
Commercial	1	2	5	3	1	12
Finance and Economy	1	6	1	2	1	11
HRA	1	9	8	7	2	27
Store Administration	1	1	3	2	0	7
Industrial safety and security	3	6	3	0	0	12
Total	38	74	53	41	14	220

Source: Field survey, March-2016

According to Table 4.11, 50.9 % of the respondents consented to the statement that the feel stressed at work very. out of which from production department 53 (55.79 %), from Plant Engineering 21 (55.26 %), from PIQA 7 (38.88 %), From Commercial 3 (25 %), from Finance and Economy 7 (63.63%), From HRA, department 10 (37.04%) , from Store Administration department 2 (28.57%) and from Industrial safety and security 9 (75%) the stresses of job high.

Findhoven and Erasmus (2011) stated that, distinction between challenge stressors and hindrance stressors. Hindrance job stressors are define as job demands or work circumstances that involve excessive or undesirable constraints that interfere with or inhibit an individual's ability to achieve valued goals. For example, role conflict, role overload, and role ambiguity. These job stressors are considered as bad. Challenge stressors defined when potentially promoting the personal growth and achievement of the employee. Example of challenge stressors is high levels workload, time pressure, and responsibility

4.2.3. MOTIVATION LEVEL OF EMPLOYEES AND REWARD IN THE COMPANY

Table: 4.12, The Rate of Motivational Level

Factors	Very Satisfied	Satisfied	Neither	Dissatisfied	Very dissatisfied

	Freq.	%age								
Compensation	46	20.9	88	40.0	54	24.5	27	12.3	5	2.3
Promotional opportunities	49	22.3	82	37.3	47	21.4	30	13.6	12	5.5
Work it self	71	32.3	103	46.8	29	13.2	16	7.3	1	0.5
Operating procedures	55	25	102	46.4	47	21.4	14	6.4	2	0.9
Achievement	66	30	95	43.2	40	18.2	15	6.8	4	1.8
Recognition	55	25	78	35.5	49	22.3	28	12.7	10	4.5
Satisfaction with supervision	62	28.2	79	35.9	44	20	30	13.6	5	2.3

Source: Field survey, March-2016

Table 4:12 above shows that 60.9 % of the respondents confirmed that satisfied the compensation while 14.6 % of the respondents dissatisfied with existing the compensation. Nonetheless, 24.5 % of the study participants were undecided. With respect to questionnaire item 10.2 on the table 4 above, 59.4 % of the respondents stated by company promotional opportunities, while 19.1 % of the study participants dissatisfied with this statement. However, 21.4 % of the respondents remain undecided. The questionnaire item 10.3 on table 4 above demonstrates that 79.1 % of the respondents confirmed that satisfied the work itself. In contrast, 7.8 % of the respondents disagree with this statement while 13.2 % were indifferent. The questionnaire item 10.4 on table 4 above demonstrates that 71.4 % of the respondents satisfied existing operating procedures. In contrast, 7.3 % of the respondents dissatisfied with existing operating procedures. While 21.4 % were undecided.

The questionnaire item 10.5 in table 4 above shows that 73.2 % of the respondents satisfied with recognition. In contrast, 8.6 % of the respondents dissatisfied. While 18.2 % were undecided. The questionnaire item 10.6 on table 5 above shows that 60.5 % satisfied with recognition. In contrast, 17.2 % of the respondents dissatisfied. While 22.3 % were undecided. The questionnaire item 10.7 on table 5 above shows that 64.1 % satisfied with

supervision. In contrast, 15.9 % of the respondents dissatisfied. While 20 % were undecided.

In order to test the research hypothesis, the pearson’s product moment chi-square, correlation, regression, F-Test and T-Test technique were used to the relationship of monetary, non-monetary rewards and motivation.

H1. The compensation is not correlated positively with work motivation.

In order to test the research hypothesis, first chi-square test was performed to determine if HATSC compensation is correlated positively with work motivation. The probability of chi-square test statistics for paid compensation in employees’ motivation level showed that $p=0.000$, that is less than the alpha level of significance that is 0.05. Data are summarized in Table 1 below

Table: 4.13 Chi-Square Tests Compensation and Employees Motivation

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	258.790 ^a	88	.000
Likelihood Ratio	232.826	88	.000
Linear-by-Linear Association	90.858	1	.000
N of Valid Cases	220		

Source: SPSS20 version output

This shows that there is a statically significant associated between compensation and employee’s motivational level. It means compensation will greatly impact on employee’s motivational level. Thus reject HO.

Analysis-correlation, regression, F-Test and T-Test

Table: 4:14 (Coefficients)

Model	Unstandardized Coefficients	Standardized Coefficients	t	Sig.
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	B	Std. Error	Beta		
(Constant)	1.191	.090		13.201	.000
Compensation	.438	.035	.644	12.433	.000
Dependent Variable: motivation level					

Source: SPSS20 version output

Table: 4:15 Compensation Vs employee motivation

Indicator	Value
Regression	Y=1.19 +0.44 compensation
Correlation	0.644
Sig-value	0.00
R-square	0.42
F-Value	154.57
T-Value	12.43

Motivation = 1.19 + 0.44 compensationR-square=0.61

Source: SPSS20 version output

The regression equation shows the positive relationship between the compensation and employee motivation. That is when compensation is increased by 0.44. The correlation between compensation and employee motivation is 0.644, which shows the positive relationship between the two variables. According to the R-square, 42 % of employee motivation is accepted by compensation. According to the t-test, the calculated value 1.6663. Show it proved the positive relationship between the two variables and it's was significance at 5 % of significance.

Table 4:16 Respondents of Compensation by Age

Age of respondent	Compensation					Total
	Very Satisfied	Satisfied	Neither	Dissatisfied	Very dissatisfied	

20 to 29 years old	17	25	28	9	2	81
30 to 39 years old	8	34	10	6	1	59
40 to 49 years old	17	19	15	7	0	58
50 and above years old	4	10	1	5	2	22
total	46	88	54	27	5	220

Source: Field survey, March-2016

Results in table 4.16 shows that the Compensation satisfaction level based age of the respondents are:- The results indicates the majority were in the category of age from 20 to 29 years 42 employees (51.85 %) satisfied , while 11 employees (13.58 %) were dissatisfied, from 30 to 39 years 42 employees (71.19 %) satisfied , while 7 employees (11.86%) were dissatisfied, from 40 to 49 years 36 employees (62.07%) satisfied , while 7 employees (12.07 %) were dissatisfied, from 50 and above years 14 employees (63.63 %) satisfied , while 7 employees (31.81 %) were dissatisfied.

Table 4:17 Respondents of Compensation by Departments

Department of respondent	Compensation					Total
	Very Satisfied	Satisfied	Neither	Dissatisfied	Very dissatisfied	
Production	18	32	25	17	2	95
Plant Engineering	12	10	10	5	1	38
PIQA	0	9	6	1	2	18
Commercial	2	5	4	1	0	12
Finance and Economy	0	8	1	2	0	11
HRA	5	16	5	1	0	27
Store Administration	3	1	3	0	0	7
Industrial safety and security	5	7	0	0	0	12
Total	46	88	54	27	5	220

Source: Field survey, March-2016

Results in table 4.17 shows that the Compensation satisfaction level based department of the respondents are:- The results indicates the majority were in Production department 50 employees (52.63 %) satisfied , while 19 employees

(20 %) were dissatisfied, from Plant Engineering 22 employees (57.89 %) satisfied , while 6 employees (15.79%) were dissatisfied, from PIQA 9 employees (50 %) satisfied , while 3 employees (16.66 %) were dissatisfied, from Commercial 7 employees (58.33 %) satisfied , while 1 employee (8.33 %) were dissatisfied, from Finance and Economy 8 employees (72.72 %) satisfied , while 2 employees (18.18%) were dissatisfied, from HRA 21 employees (77.77 %) satisfied , while 1 employees (3.7%) were dissatisfied, from Store Administration and Industrial safety and security 4 employees and 12 respectively 57.14 % and 100 % satisfied and not satisfied.

From the table 4.16 and 4.17 respondents replied that, with current compensation system averagely satisfied 62.19 % of the respondents. In other hand 17.33 % of the respondent averagely dissatisfied. The study noted that in HATSC management, current compensation will need revision and integrates with performance to motivate and attract employees. During discussions with the HRA manager, the current compensation system good but the management will take some assignment to link monetary reward with individual and group performance appraisal result should be done. In addition non- monetary reward will practices like monetary reward very important. Especially nonmonetary reward like recognition, appreciated, facilitate convent working conditions, smooth employment relations. For example good performing employees could be during annual recreation day employees are recognized and retire employees invite and give recognized.

H2: The promotional opportunities are correlated positively with work motivation.

In order test the research hypothesis, first chi-square test was performed to determine if promotional opportunities is correlated positively with work motivation. The probability of chi-square test statistics for paid compensation in employees' motivation level showed that $p=0.000$, that is less than the alpha level of significance that is 0.05. Data are summarized in Table 2 below

Table: 4.18 Chi-Square Tests Promotional Opportunities and Employees Motivation

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	293.747 ^a	88	.000
Likelihood Ratio	266.504	88	.000
Linear-by-Linear Association	103.929	1	.000
N of Valid Cases	220		

Source: SPSS20 version output

This shows that there is a statically significant associated between promotional opportunities and employee’s motivational level. It means if employees more satisfied their promotional opportunities then this promotional opportunities will greatly impact on employee’s motivational level. Thus reject HO.

Table: 4:19 (Coefficients)

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.206	.080		15.090	.000
Promotional opportunities	.418	.030	.689	14.032	.000
Dependent Variable: motivation level					

Source: SPSS20 version output

Table: 4:20 Promotional opportunities Vs employee motivation

Indicator	Value
Regression	Y=1.21 +0.42 promotional opportunities
Correlation	0.689
Sig-value	0.00
R-square	0.475
F-Value	196.89
T-Value	14.032

Motivation = 1.21 + 0.42 promotional opportunitiesR-square=0.475

Source: SPSS20 version output

The regression equation shows the positive relationship between promotional opportunities and employee motivation. That is when promotional opportunities are increased by 0.42. The correlation between promotional opportunities and employee motivation is 0.689, which shows the positive relationship between the two variables. According to the R-square, 47.50 % of employee motivation is accepted by promotional opportunities. According to the t-test, the calculated value 1.6663. Show it proved the positive relationship between the two variables and it's was significance at 5 % of significance.

H3: The work itself is correlated positively and significantly with work motivation.

Pearson Chi-square was also calculated between work itself and employee's motivation. The probability of chi-square test statistics for work itself in employees' motivation level showed that $p=0.000$, that is less than the alpha level of significance that is 0.05. The values were summarized in Table 3.

Table: 4. 21 Chi-Square Tests Work itself and Employees' Motivation

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	266.276 ^a	66	.000
Likelihood Ratio	208.055	66	.000
Linear-by-Linear Association	112.927	1	.000
N of Valid Cases	220		

Source: SPSS20 version output

This shows that there is a statically significant associated between work itself and employee's motivational level. It means if employees more satisfied their work more, then this satisfied by their job will greatly impact on employee's motivational level. Thus reject HO.

Table: 4:22 (Coefficients)

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.100	.081		13.658	.000
Work it self	.573	.038	.718	15.234	.000
Dependent Variable: motivation level					

Source: SPSS20 version output

Table: 4:23 Work itself Vs employee motivation

Indicator	Value
Regression	Y=1.10 +0.573 work it self
Correlation	0.718
Sig-value	0.00
R-square	0.516
F-Value	232.085
T-Value	15.234

Motivation = 1.10 + 0.52 work itselfR-square=0.516

Source: SPSS20 version output

The regression equation shows the positive relationship between work itself and employee motivation. That is when work itself is increased by 0.573. The correlation between work itself and employee motivation is 0.718, which shows the positive relationship between the two variables. According to the R-square, 51.6 % of employee motivation is accepted by work itself. According to the t-test, the calculated value 1.6663. Show it proved the positive relationship between the two variables and it's was significance at 5 % of significance.

H4: The operating procedures are correlated positively and significantly with work motivation.

Chi-square test was also performed to determine effect of HATSC operating procedures over the employees' motivation. Values of the findings are summarized in Table 4.

Table: 24 Chi-Square Tests Operating Procedures and Employees' Motivation

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	330.392 ^a	88	.000
Likelihood Ratio	202.080	88	.000
Linear-by-Linear Association	88.184	1	.000
N of Valid Cases	220		

Source: SPSS20 version output

As per the table 24, the probability of Chi-square test statistic (Chi-square=330.392^a) is p=0.000, that is less than the alpha level of significance of 0.05.

This shows that there is a statically significant associated between operating procedures and employee's motivational level. It means if employees more satisfied their operating procedures then this operating procedures will greatly impact on employee's motivational level. Thus reject HO.

Analysis-correlation, regression, F-Test and T-Test

Table: 4:25 (Coefficients)

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.176	.094		12.569	.000
Operating procedures	.494	.041	.635	12.123	.000
Dependent Variable: motivation level					

Source: SPSS20 version output

Table: 4:26 operating procedures Vs employee motivation

Indicator	Value
Regression	Y=1.18 +0.494 operating procedures
Correlation	0.635
Sig-value	0.00
R-square	0.403
F-Value	146.956
T-Value	12.123

Source: SPSS20 version output

Motivation = 1.18 + 0.494 operating proceduresR-square=0.403

The regression equation shows the positive relationship between operating procedures and employee motivation. That is when operating procedures are increased by 0.494. The correlation between operating procedures and employee motivation is 0.635, which shows the positive relationship between the two variables. According to the R-square, 40.3 % of employee motivation is accepted by operating procedures. According to the t-test, the calculated value 1.6663. Show it proved the positive relationship between the two variables and it's was significance at 5 % of significance.

H5: The achievement is correlated positively and significantly with work motivation.

Pearson Chi-square was also calculated between achievement and employees' motivation. The values summarized in Table 5.

Table: 4.26 Chi-Square Tests Achievement and Employees' Motivation

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	327.535 ^a	88	.000
Likelihood Ratio	256.719	88	.000
Linear-by-Linear Association	112.706	1	.000
N of Valid Cases	220		

Source: SPSS20 version output

The probability of Chi-square test statics (Chi-square= 327.535^a) p=0.000, that is less than the alpha level of significances of 0.05. It shows there was found a significant relationship between achievement of every employees and motivational level. Thus reject H₀.

Analysis-correlation, regression, F-Test and T-Test

Table: 4:27 (Coefficients)

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.148	.078		14.761	.000
achievement	.518	.034	.717	15.204	.000
Dependent Variable: motivation level					

Source: SPSS20 version output

Table: 4:28 Achievement Vs employee motivation

Indicator	Value
Regression	Y=1.148 +0.518 Achievement
Correlation	0.717
Sig-value	0.00
R-square	0.515
F-Value	231.151
T-Value	15.204

Source: SPSS20 version output

Motivation = 1.148 + 0.518 AchievementR-square=0.515

The regression equation shows the positive relationship between achievement and employee motivation. That is when achievement is increased by 0.518. The correlation between achievement and employee motivation is 0.717, which shows the positive relationship between the two variables. According to the R-square, 51.5 % of employee motivation is accepted by achievement. According to the t-test, the calculated value 1.6663. Show it proved the positive

relationship between the two variables and it's was significance at 5 % of significance.

H6: The recognition is correlated positively and significantly with work motivation.

Chi-square test was also performed recognition and employees' motivation to perform better. The values were summarized in Table 6

Table: 29 Chi-Square Tests Recognition and Employees' Motivation

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	291.047 ^a	88	.000
Likelihood Ratio	252.766	88	.000
Linear-by-Linear Association	109.029	1	.000
N of Valid Cases	220		

Source: SPSS20 version output

The probability of Chi-square test statics (Chi-square= 291.047^a) p=0.000, that is less than the alpha level of significances of 0.05. It shows there was found a significant relationship between recognition and motivational level. Thus reject HO.

Analysis-correlation, regression, F-Test and T-Test

Table: 4:30 (Coefficients)^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.196	.077		15.488	.000
recognition	.434	.030	.706	14.701	.000
Dependent Variable: motivation level					

Source: SPSS20 version output

Table: 4:31 Recognition Vs employee motivation

Indicator	Value
Regression	$Y=1.196 +0.434 \text{ recognition}$
Correlation	0.706
Sig-value	0.00
R-square	0.498
F-Value	216.134
T-Value	14.701

Source: SPSS20 version output

Motivation = 1.196 + 0.434 AchievementR-square=0.498

The regression equation shows the positive relationship between recognition and employee motivation. That is when recognition is increased by 0.434. The correlation between recognition and employee motivation is 0.706, which shows the positive relationship between the two variables. According to the R-square, 49.8 % of employee motivation is accepted by recognition. According to the t-test, the calculated value 1.6663. Show it proved the positive relationship between the two variables and it's was significance at 5 % of significance.

H7: The Satisfaction with supervision is correlated positively and significantly with work motivation.

Pearson Chi-square conducted to determine effect of Satisfaction with supervision and employees' motivation findings were as follow.

Table: 4.32 Chi-Square Tests Satisfaction with Supervision and Employees' Motivation

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	250.860 ^a	88	.000
Likelihood Ratio	224.400	88	.000
Linear-by-Linear Association	101.004	1	.000
N of Valid Cases	220		

Source: SPSS20 version output

The probability of Chi-square test statics (Chi-square= 250.860^a) p=0.000, that is less than the alpha level of significances of 0.05. It shows there was found a significant relationship between Satisfaction with supervision of every employees and motivational level. Thus reject H₀.

Analysis-correlation, regression, F-Test and T-Test

Table: 4:33 (Coefficients)

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.241	.080		15.594	.000
Satisfaction of supervision	.434	.032	.679	13.660	.000
Dependent Variable: motivation level					

Source: SPSS20 version output

Table: 4:34 Recognition Vs employee motivation

Indicator	Value
Regression	Y=1.241 +0.679 satisfaction of supervision
Correlation	0.679
Sig-value	0.00
R-square	0.461
F-Value	186.608
T-Value	13.66

Source: SPSS20 version output

<p>Motivation = 1.241 + 0.434 satisfaction of supervisionR-square=0.461 or 46.1 %</p>
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The regression equation shows the positive relationship between recognition and employee motivation. That is when recognition is increased by 0.434. The correlation between recognition and employee motivation is 0.706, which shows the positive relationship between the two variables. According to the R-square, 49.8 % of employee motivation is accepted by recognition. According to

the t-test, the calculated value 1.6663. Show it proved the positive relationship between the two variables and it's was significance at 5 % of significance.

4.2.4. The rate the effect of monitory and non-monitory reward on employee motivation in the following Variables

Table: 4.35. The Effects of Monitory Reward on Employee Motivation

Variables	Strongly Agree		Agree		Undecided		Disagree		Strongly Disagree	
	Freq.	%age	Freq.	%age	Freq.	%age	Freq.	%age	Freq.	%age
Reduced labor turnover	59	26.8	112	50.9	19	8.6	25	11.4	5	2.3
Hold employees	57	25.9	122	55.5	23	10.5	11	5.0	7	3.2
Promotes employee's level of output	65	29.5	116	52.7	30	13.6	7	3.2	2	0.9
Reduce absenteeism	48	21.8	102	46.4	40	18.2	22	10	8	3.6
sustain employees for long time	71	32.3	89	40.5	38	17.3	20	9.1	2	0.9
attract skilled manpower	90	40.9	83	37.7	30	13.6	14	6.4	3	1.4

Source: Field survey, March-2016

In table 4.33 above shows that 77.7 % of the respondents confirmed that monetary reward results in the reduction of labor turnover while only 13.7 % of the respondents opposed this view. Nonetheless, 8.6 % of the study participants were undecided. 81.4 % of the respondents stated that monetary reward hold of employees while only 8.2 % of the study participants disagreed with this statement. However, 10.5 % of the respondents remain undecided. 82.2 % of the respondents consented to the statement that monetary reward promotes employee's level of output.

In contrast, 0.9% of the respondents disagree with this statement while 13.6 % were indifferent. 68.2 % of the respondents approvable that to the statement

those monetary rewards reduce absenteeism. In contrast, 13.6 % of the respondents disagree with this statement while 18.2 % were undecided. 72.8 % of the respondents affirmed that monetary reward results in the sustain employees for long time while only 10 % of the research subjects opposed this view while 17.3 % were undecided. 78.6 % of the respondents stated that monetary reward attract skilled manpower while only 7.8 % of the research subjects opposed this view while 13.6 % were undecided.

Table 4:36 The Effects of Non-monitory Reward on Employee Motivation

Variables	Strongly Agree		Agree		Undecided		Disagree		Strongly Disagree	
	Freq.	%age	Freq.	%age	Freq.	%age	Freq.	%age	Freq.	%age
Enhances employee retention and loyalty	49	22.3	93	42.3	47	21.4	25	11.4	6	2.7
Brings about company harmony	46	20.9	100	45.5	39	17.7	24	10.9	11	5.0
Commitment to organization	48	21.8	99	45.0	39	17.7	23	10.5	11	5.0
Not have positive influence on the level of employee motivation	19	8.6	35	15.9	37	16.8	91	41.4	38	17.3

Source: Field survey, March-2016

On table 4.33 above shows that 64.6 % of the respondents confirmed that non-monetary reward enhances employee retention and loyalty while 14.10 % of the respondents opposed this view and 21.4 % were undecided. 66.4 % of the respondents stated that non-monetary reward brings about company harmony while 15.9 % of the respondents opposed this view and 17.7 % were undecided. 66.8 % of the respondents affirmed that non-monetary reward employee brings commitment to organization while 15.5 % of the respondents opposed this view and 17.7 % were undecided. only 24.5 % of the respondents sated that Non – monetary reward does not have positive influence on the level of employee

motivation while 58.7 % of the respondent opposed this view and 16.8 % were undecided.

In other hand the effects of monetary and non-monetary reward on employees motivation was measured using variables such as turnover, hold of employees, promotes employee's level of output, absenteeism, sustain employees for long time, attract skilled manpower, enhances employee retention, company harmony, commitment and the influence on the level of employee motivation. Correlations between the ten variables were calculated using the Pearson product Moment Correlation.

Table: 4.37 Correlations

		Motivation Rate	Monetary reward	Non-monetary Reward
Motivation rate	Pearson Correlation	1	.272**	.129
	Sig.(2-taild)		.000	.056
	N	220	220	220
Monetary reward	Pearson Correlation	.272**	1	.339**
	Sig.(2-taild)	.000		.000
	N	220	220	220
Non-monetary reward	Pearson Correlation	.129	.339**	1
	Sig.(2-taild)	.056	.000	
	N	220	220	220

** . Correlation is significant at the 0.01 level (2-tailed)
 In Table 2, 0.272** and 0.339** value shows result that is positive relationship between motivation and reward(monetary and non-monetary reward)

Source: SPSS20 version output

What do you expect from management body for practices of effective reward? The management will be review the current reward policy and integrated with performance results (individual and team base). The salary scale should be revised per two years. In addition the company also will focuses on non-monetary reward schemes like recognition, appreciation, good supervisor and subordinate relation and good employee's administration means

more focus on learning and development rather to takes disciplinary measure. Generally, in knowledge and skill-based compensation schemes, employees are compensated for the acquisition of specific knowledge and skills required to meet the objective of the company performance and individual performance.

The comment for the problem exist in reward policy

The current compensation system (Salary increment and Bonus) not integrated with performance result. Therefore it results dissatisfaction with productive employees. The current reward policy not communicated for all employees before implementation. To increase employee commitment of employees, attract and sustain employees for long time in our company fair compensation system should be established. Finally, the shift time is not convent for production, plant Engineering and PIQA department. Hence, the company studies the shift time and discussed with their employee and implement the new shift schedule very important for attracting, sustain and motivating employees.

4.4 SUMMARY OF IN-DEPTH INTERVIEW

During March 2016, Human Resource and Administration Manager was interviewed to explain the current practices of reward system.

In the case of rewarding of its employees as per the HRA manager, the company has been rewarding employees by addresses the following different elements of compensation, benefits and recognition. Accordingly, for compensation increasing salary of employees annually as it is clearly stated in the collective agreement. Also the company subsidizes 75 % of the cost of a meal price for each employee. The total cost of subsidizes were birr 1,836,682. In addition to the above the company has been rewarding employees by giving different benefits packages such as transportation service, 5 year Condominium house loan with no interest, medical (health insurance) and education coverage. In 2015 the company 100 % applied the new reward policy for extra ordinary performance of employees. This reward includes monetary

and non –monetary reward but more focus is given on monetary reward. Promotion is also considered as one way of reward and because of this in 2015 budget year 96 employees have been promoted from different departments and Job grades. Also as an indirect reward the company has been delivering training for each employee minimum twice a year.

About the frequency of rewarding employees, the HRA manager said that there is a year based salary increment (15 %) as per the collective agreement, bonus (3 months' basic salary) and also a half month salary gift for Ethiopian New Year. Recently, the company focuses on praising best performer employees and also his/her children and post the name of best employees on the notice board.

Comparing the current reward strategy, HRA manager explains that the current practices of reward is not in line with performance result. The company more focuses on monetary reward schema and we can't say that the existing reward practice is fully effective. For example, the annual salary increment is for all employees since it is according to collective agreement.

Discussing about the mechanisms of motivating employees; the HRA manager said that, The Company motivates employees by promoting employees from one job position and grade to another higher position, by annual salary increment, by bonus, by education fee coverage, by Condominium house loan, by canteen subsidiary and by health insurance.

Regarding the checking mechanisms of reward, HRA manager explain that, There is no a clear sort of checking mechanisms to evaluate whether it is actually motivating or not.

Finally, the HRA manager believes that, the current reward system needs improvement because the reward is not based on deep study and analysis of employee's capacity. The main objectives of reward system are to attract new

employees to the organization, to elicit good work performance, and to maintain commitment to the organization. HRA manager suggest that:

- i) We will practice reward system which works on the integration of individual and group performance with company goals and strategy.
- ii) Practices both monetary and non-monetary reward schema. In addition to this we plan to implement different remuneration system based on the job positions and skill required. Thus it is mandatory for to implement proper total reward system.

4.5 DATA ANALYSIS FROM SECONDARY SOURCE

Table-4:38 : Voluntary Turnover in 2015 fiscal year

Reasons	Total working experience in HATSC							Total
	<1 year	1-5 year	6-10 year	11-15 year	15-20 year	20-30 year	>30 years	
own request	17	23	3	0	4	5	1	53
Absent	28	10	0	0	0	0	0	38
Retirement on age	0	0	0	0	0	2	2	4
Total	45	33	3	0	4	7	3	95

Source: Human resource and administrative department

Table: 4:39 Number of Employees Hired and Recruitment of Employees in 2015

Department	2015 budget year
Total number of employees left	132
Total number of employees hired	152

Source: Human resource and administrative department

As Table 4:38 explains, the turnover rate of terminated employees was 132. On the other hand, total number of employees hired was 152 employees.

According to annual report of Human resource and Administration 95 % of employees are voluntary turnover (own request, absent and retirement with request), the causes are salary, supervisor problem, job dislike, health problem, working time (shift), forced by management are the major causes. In this matter, the researcher saw the exits interview form filled by resigned employees.

4.6 FINDING OF THE STUDY

The main purpose of this study was to assess the impact of monetary and non-monetary reward situation at Horizon Addis Tyre Share Company. In order to achieve the purpose of this study, four basic questions were raised. The major data gathering tools were questionnaires, interviews and document analysis. Employees and Human resource and Administration manager were involved in the study. To gather information for the paper, primary sources including questionnaire and interview were used and also secondary sources including collective agreement, HRA department annual report and reward policy. Both the primary and secondary sources exposed that the current practices of reward. The finding of the major areas summarized as follows.

The results of that showed that employees consider effective both monetary and nonmonetary reward as important to motivation HATSC. These findings are in line with the research carried out by Farooq el. at (2013) total reward consist of both monetary and nonmonetary reward. According to Armstrong (2007), motivation at work place operates in to two ways first , by doing work (intrinsically motivates) which leads to expect goals will be achieved and higher management can provide motivating by pay and bonus schemes(extrinsic). The findings suggest that the uses of financial and objective measures are the main concern in designing the reward systems of the company; HATSC is gradually incorporate non-financial measures like recognition. Other remarkable findings included the monetary reward not integrate with performance result.

Another finding of the study, The rate of felling at work measure by meaningful of work, challenge, stressed, the expectation for supervisor, tasks assigned by supervisor to growth professionally and the satisfied by job. According to the above elements the majority number of respondents confirmed that meaningful of work very .Thus, the employees feel their work meaningful shows that most employees love their job. Non-monetary reward and recognition has a significant positive impact on employees' motivation in HATSC is support by

the study. Finally, it has been concluded that non-monetary reward and recognition have a positive and significant impact on employee's motivation in HATSC employees.

According to Ukaejiofo Rex Uzonna, (2013) stated that, in different researches the majority of the respondents consider the opportunity for growth to be more of a factor in job motivation than pay. Therefore, the company provides growth opportunities obtain the benefits of having a motivated workforce with improved skills. These growth opportunities can engage through on-job training and off-job training. Workers who routinely perform challenging work succeed to personnel growth and thus become even more motivated and productive.

Podsak et al (2007) suggested that, feelings at work are very challenging and feel stressed. These findings are in line with the research carried out by Lepine (2004) the authors found that stress associated with challenges. NIOSH (National Institute for Occupational Safety and Health)2014, article also explain that , Stress is in work place the harmful physical and emotional responses that occurs when the requirements of the job do not match the capabilities, resources, or needs of the worker. The concepts of job stress not the same as the concepts of challenges. Challenge energizes us psychologically and physically, and it motivates us to learn new skills and master our jobs. But the major job stress results from interaction of the worker and conditions of work. The major conditions that lead job stress are the design of tasks it includes like heavy workload, infrequent rest breaks, long work hours and shift work; Management style like poor communication in the company, lack of participation in decision-making ; interpersonal relations it includes poor social environment and lack of support with coworker and supervisor; work roles it includes uncertain job expectations, too much responsibility and too many hats to wear; career concerns it includes job insecurity and lack of opportunity for growth, promotion and environmental conditions it includes unpleasant physical conditions such as noise , air pollution.

The seven of hypothesis of this study are being accepted and the null hypotheses are rejected. Therefore, According to the rate of filling of motivation level i.e. compensation, promotional opportunities, work itself, operating procedures, achievement and recognition and satisfaction with supervision have a significant positive impact on employees" motivation in HATSC is supported by this study.

CHAPTER FIVE

5. SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 INTRODUCTION

This chapter presents the discussion of results, draws conclusions according to the findings on each of the objective and gives recommendations as per research objective.

5.2. SUMMARY

5.2.1. THE MAJOR GAPS IDENTIFIED IN THE CURRENT REWARD SYSTEM AT HATSC

The most commonly used types of rewards at HATSC were monetary rewards. The study discovered that, monetary rewards were so common. This is confirmed by Ramms (2007) which indicated that money as a motivator on all levels of employment. The most common forms of rewards, employees opted for rewards in the form of salary increment, bonuses and gifts. The Francis and Ophelia (2011) paper indicated that incentive pay systems categorized in to collective individual bonus schemes, collective bonus schemes, and collective bonus schemes based on profit generated. HATSC focus only collective bonus schemes and also not gives focus on non-monetary reward.

According to Zafarullah.W and Dr Sharkeel S. (2014) also identify that, monetary and non –monetary rewards are much necessary for high employee engagement. Employee engagement is necessary for high business return because highly engaged employees will put their proper efforts in organizations and organization will grow with passage of time.

Adisa.D, , Emira K. , Amela.P, and Beriz.C (2014) stated that monetary and non-monetary reward system in an organization motivate employees effort and skills to maximize of their potential towards achieving the organizational goals. Both monetary and non-monetary reward forms of stimulation are achieved through full engagement of employees who in turn produce a higher degree of output and quality through increased efficiency, productivity, and effectiveness.

In addition, the monetary rewards are not integrated with individual as well as group performance. To emphasize the importance of performance -based rewards, Francis and Ophelia (2011) quoted Armstrong (2005) and Holden (1995) Performance base pay (PBP) is compensation scheme that links employee performance with pay. Armstrong (2005) defines it more comprehensively as the process of providing a financial reward to an individual which is linked directly to individual, group or organizational performance. Non-financial rewards can also constitute pay for performance. The basic reasons for PBP are performance enhancement for competitive advantage and equity. PBP divided into two namely merit pay and incentive pay. Merit pay relates compensation to management's assessment of the individual employee's performance to increment earned (PBP) and the total becomes the employee's new basic pay. Incentive pay, on other hand , relates compensation more to performance criteria , such as return on investment, volume of goods, produced or sold, earning or share.

5.2.2. The effectiveness of Monetary rewards on Horizon Addis Tyre Share Company employees

In Horizon Addis Tyre Share Company monetary rewards considered as the important due to the fact that to motivate, to attract, to sustain and to promote good performance of individual and team. It was discovered that the Company practices of non performance- based rewards system. It was not realized that

HATSC monetary reward system fair and equal treatment to employees because productive and non-productive employees are rewarded equally. In addition, in case of lack of attractiveness of the monetary reward in core department like Plan Engineering, PIQA and managerial positions manpower take time to positions on average more than 4 months and also still vacant place not full fill in case of monetary reward problems. In addition according to secondary data, out of 95 voluntary turnover employees (absent, own request and retirement by request) 78 employees or 82.10% of them served the company less than 5 years. The result indicated that lack of monetary reward the company cannot attract and sustain skilled manpower. Nevertheless, it was concluded that current monetary reward not effective.

Puwanenthiren (2011) explain that, reward systems seek to attract people to join the organization to keep them coming to work, and motivate them to perform to high levels.

5.2.3. The importance of non-monetary rewards on the motivating employees of Horizon Addis Tyre Share Company

The study concluded that different types of non-monetary rewards were not practical at all. But different researchers discovered that non-monetary reward importance to the effective realization of the organization objectives.

In accordance with the result of the study work itself, operation procedure achievement, recognition and satisfaction with supervision have a significant relationship with the employee's job related motivation level.

As different research approved that non-monetary reward is intrinsic motivation. To rate feelings at work ,the researcher used factors meaningful of work, challenging of job, stress at job, expectation of supervisor, assigned to different tasks to grow professionally and satisfaction with job.

The majority of the respondents forwarded their feedback shows those feelings at work very challenging. This may be one of the causes of employee's to leave the Company with in short time. And also 51% of the respondent's feedback shows that feelings at work very stressed at work. This also another causes to increase turnover and absenteeism.

Job stress commonly defined as the harmful physical and emotional responses that occur when the demands of the job exceed the capabilities, needs or resources of the worker. Stress related distraction account for an estimated 60 to 80 % of work accidents. An estimated one million workers miss work each day because of stress. And also absenteeism is to blame for 26 % of health – related lost productivity in business. Stress on the jobs is different effects like presenteeism and physical effects. Presenteeism is the phenomenon of employees coming to work yet not functioning up to their capabilities of the job. 60 % of workers reported losing productivity due to stress whereas at work. Physical effects are stressed –related with idleness and symptoms. According to the American Psychological Association (APA) the top stressors for people in the work places are :- low salaries 43%, heavy workloads 43%, lack of opportunity for growth and advancement 43 % , un realistic job expectations 40 % and job security 34 %. [PDF][Stress in the Workplace: Meeting the challenge - Health Advocate .com/downloads/.../stress-workplace.pdf](https://www.healthadvocate.com/downloads/.../stress-workplace.pdf)

Armstong and Murlis (2007) indicated that, non-financial rewards in sympathy with the needs of people at various degrees for achievement, recognition, responsibility, influence and personal growth. These are forms of non-monetary rewards or intrinsic rewards as considered by some scholars.

Ukaejiofo Rex Uzonna, (2013) also stated that, Non-cash rewards also play an important role in any organization. Non –cash rewards demand to employees on a personal level, because non-cash rewards have proven to be effective motivators. According to the survey, 94 % of those surveyed felt that non-cash

rewards can be very effective in motivating employees. This shows that money is not everything when it comes to motivating a work on the job.

5.2.4. Types of rewards system are best for motivating employees of Horizon Addis Tyre Share Company?

It was also concluded that both monetary and non-monetary reward system best types of rewards system for HATSC employees. Research established that both monetary and non-monetary very important to motivate the work force.

Ezigbo C and Court O. (2011) submitted that, organizational rewards take a number of different forms money (salary, bonuses, and incentive), recognition and benefits. The rewards are in both monetary and non-monetary types offered to employees for achieving objectives.

5.2. CONCLUSIONS

This study explores the impact of monetary and non –monetary rewards on motivation in Horizon Addis tyre Share Company. It observes that employees of the company studied great value on different rewards given to them and this promoted their level of motivation. It therefore, concludes that employees place great value on the different rewards given to them by Company. Hence, when the rewards are not given, workers tend to express displeasure through less motivated.

5.2.1.The major gaps observed the current reward system

Concerning the current reward system and the major gap, it was concluded that, the most commonly used types of monetary rewards were annual salary increment, bonus, special bonus, canteen subsidizing, health insurance, transportation service, educational fees are some of them. Salary increment and bonus were the highest considered by many employees because it is known and concluded between the company and Horizon Addis Tyre S.C Tread union. The salary increment and bonus payment depend on the net profit after tax of the budget year. The net profit and the payment amount and the salary increment percentage amount depend on profit and the two party agreements.

With regarding to non-monetary reward system the company approved the new reward policy in 2015 including non-monetary reward type but no focus has been given and also as the sole company the policy wer prepared late with no detail analysis. In addition the reward policy was not communicated for employees before implementation.

Finally, it was concluded that the current monetary reward system is not in line with group and individual performance result. It may lead to dissatisfaction in productivity employees.

5.2.2.The effectiveness of Monetary rewards

With regard to the monetary reward system, only 61 % of the employees responded as being the current compensation system. It implies that 2015 salary scale did not satisfy most of employees. In addition the company is facing a problem of attracting skilled manpower especially in plant engineering, PIQA and managerial position. Hence, the salary scale of the company is not competitive compared to the market price.

5.2.3.The importance of non-monetary rewards

It was also concluded that non-monetary rewards are also very important for employee's motivation. However, they are not practicing non-monetary reward schema.

Some supervisors did give attention to their subordinate's performance. It shows that there is a gap between the supervisors and the subordinate's relation. In addition there is gap of assigning employees to different job positions so that they will grow professionally. It may be one of the results of employees being stressed on their job.

51% of the respondent's seems that they are very stressed at work. Job stress commonly defined as the harmful physical and emotional responses that occur when the demands of the job exceed the capabilities, needs or resources of the worker. Stress related distraction account for an estimated 60 to 80 % of work accidents. An estimated one million workers miss work each day because of stress. And also absenteeism is to blame for 26 % of health -related lost productivity in business. Stress on the jobs is different effects like presenteeism and physical effects. Presenteeism is the phenomenon of employees coming to work yet not functioning up to their capabilities of the job. 60 % of workers reported losing productivity due to stress whereas at work. Physical effects are stressed -related with idleness

and symptoms. According to the American Psychological Association (APA) the top stressors for people in the work places are :- low salaries 43%, heavy workloads 43%, lack of opportunity for growth and advancement 43 % , un realistic job expectations 40 % and job security 34 %. [PDF][Stress in the Workplace: Meeting the challenge - Health Advocate .com/downloads/.../stress-workplace.pdf](http://www.healthadvocate.com/downloads/.../stress-workplace.pdf)

5.2.4. Types of rewards system are best for motivating employees

In accordance with the result, it was concluded that both monetary and non-monetary reward important very for HATSC employees. This finding supported by also different researchers related with total reward system.

5.3. RECOMMENDATIONS

Based on the above finding of the study, the following recommendations are provided.

The current employee rewarding system at HATSC is inadequate, focuses of some monetary rewards, not in line with performance appraisal of individual and team and limited in scope because the rewards are given on monetary only based on collective agreement. This means that reward based systems should be based on performance consideration and also non-monetary reward also included. In addition the current policy of reward should be reviewed based on the company nature of jobs. When will establish own reward system the company more beneficiary for sustain, motivate, attract and increase productivity. The Company is sole tyre manufacture in Ethiopia but stiff competition well known imported brand tyres. Therefore, by motivating employee's increases productivity compete those imported company with price.

Non-monetary reward like achievement, recognition, and satisfaction with supervision should be offered to employees to ensure employees retention, loyalty and motivation at the work place. Therefore, the company practices this type of motivation schema with integration of monetary rewards.

To minimize employees job stress and challenges the company should be study the main causes of job stress especially in production, Plant Engineering and PIQA departments as well as to implement the recommended solutions.

Merit based different remuneration packages need to be provided to all employees in order to enhance the employees' motivation like house allowance, positions allowance and like.

The leading of the company should review the reward system and sensitized about the value of performance-based rewarding systems at HATSC. They should be made aware that both monetary and non-monetary reward system motivates employees to perform at their best. This means that to implement a

performance-based scheme of both monetary and non-monetary rewards system administrators should not perceive the process as being expensive and time consuming. The management of HATSC to encourage the total reward systems that mean both monetary and non monetary rewards.

In conclusion, future in-depth research is suggested concerning on stream at the work please and other productivity challenges.

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Company Strategy plan :2015 to 2018

The 13th Collective Agreement Concluded Between Horizon-Addis Tyre S.C and Horizon Addis Tyre S.C Basic Trade Union

Company reward policy

[Stress in the Workplace: Meeting the challenge - Health Advocate](http://www.health-advocate.com/downloads/.../stress-workplace.pdf)
[.com/downloads/.../stress-workplace.pdf](http://www.health-advocate.com/downloads/.../stress-workplace.pdf)

Annex

Letter of Resolution

February 1, 2016

Horizon Addis Tyre Share Company
Akaki Kality , sub –city woreda 06
Addis Ababa, Ethiopia

Dear General Manager

Enclose please find the consent form the study , “AN EVALUATION OF THE IMPACT OF MONETARY AND NON - MONETARY REWARDS ON EMPLOYEES’ MOTIVATION AT HORIZON ADDIS TYRE SHARE COMPANY.” I have also enclosed a copy of the ST. MARY'S UNIVERSITY Review Board’s approval.

I propose to conduct a population – based study of all permanent employees. Employees participating in the study will receive for all departments of the company. I agree with the company for any damage the respondents will rose.

In addition there is to no publication of the data collected in the study without the express permission of the Company.

Sincerely

Aster H/Michael

APPENDICES

APPENDIX 1: QUESTIONNAIRE

Dear respondents:

This questionnaire is designed to gather information on monetary and non-monetary rewards on employee's motivation in Horizon Addis tyre Share Company. The research is conducted to know HATSC total reward system. This study's main aim is to fulfill the partial requirement of Master of Human resource Management. Responding questions in this questionnaire will take a maximum of 15 minutes. The information gathered will be used fully and with due attention for academic purpose only. I therefore, would like to assure you that the data collected will not be misused in anyway. Your cooperation is a valuable input for the research findings. Therefore, your genuine, honest, and prompt response is a valuable input for the quality and successful completion of the paper. You may choose more than one option when applicable. Please tick your choice.

Put "X" on your respond and write in Amharic for some difficult open ended question. በአማራጭ መልስ መስጠት ይችላሉ።

Thank you in advance for your cooperation and timely response!!!

Section A Respondent's Profile

1. **Gender** Female Male
2. **What is the highest educational qualification you hold?**
 - 1) Certificate 2) Diploma 3) First Degree
 - 4) Masters or more 5) 12 grade and below
3. **Age**
 - 1) 20 – 29 years old 2) 30 – 39 years old
 - 3) 40 -49 years old 4) 50 or above years old
4. **Which of the following describes your current status?**
 1. Single 2. Married 3. Others

5. How many years in total have been working in HATSC

- 1) Less than 5 years 2) 5 years to 10 years 3) 10 years to 15 years
3) 16 years to 20 years 4) 21 years and above

6. Which of the following describes your current salary scale range?

- 1) Birr 1150 to 1792 2) Birr 2155 to 2965
3) Birr 3412 to 4,420 4) Birr 4,999 to 8,994

7. Please indicate your department and Section

- 1) **Production**
- 2) **Plant Engineering**
- 3) **PIQA**
- 4) **Commercial**
- 5) **Finance and Economy**
- 6) **Human resource and Administration**
- 7) **Store Administration**
- 8) **Industrial safety and security**

Section Two: Questions related to research objectives

8. With which type of reward are you motivated more? (If you have more than one choices please rank them

- 1) Monetary reward (financial)
- 2) Non-monetary reward such as recognition letter for your achievement
- 3) Both monetary and non monetary reward

9. How do you rate your feelings at work in regard to the following factors?

Factors	Extremely	Very	Moderately	Slightly	Not at all
9.1. How meaningful is your work?					
9.2. How challenging is your job?					
9.3. How often do you feel stressed at work?					
9.4. How realistic are the expectations of your supervisor					
9.5. How often do the tasks assigned to you by your supervisor help you grow professionally?					
9.6. Are you satisfied with your job?					

10. How do you rate your' motivation level in the following aspects?

Variables	Very Satisfied	Satisfied	Neither	Dissatisfied	Very dissatisfied
10.1. Compensation					
10.2.Promotional opportunities					
10.3.work it self					
10.4 Operating procedures					
10.5 Achievement					
10.6 recognition					
10.7.Satisfaction with supervision					

11. Please suggest your comment for the problem exist in reward policy in HATSC?_____

Thank you for your precious time

APPENDIX 2: INTERVIEW QUESTIONNAIRE

Thank you in advance for your time and willingness to share the current practices of employee reward system at Horizon Addis Tyre Share Company. Research has confirmed that both monetary and non-monetary reward systems are very important to motivate employees' at the workplace motivation. The researcher is therefore interested to know the current reward systems and practices. Please interviewee the following questions.

1. How do you reward employees?
2. How frequent do you reward employees of each departments?
3. Can you assure that the current reward practice satisfies the reward strategy? If yes, what are the practices of reward strategy of the company?
4. What are the company checking mechanisms whether the reward policy is practical motivated or not?
5. Do you believe that the existing reward system is effective? If yes, explain how it has been effective from your experience.
6. What do you suggest or comment about the existing reward policy?

Thank you for your precious time

Table -1. Number of employee's turnover based on fiscal year and Departments

S.N	Department	Budget year		
		2013	2014	2015
1	Commercial	19	11	8
2	Finance and economy	20	15	8
3	GM	1	1	4
4	HRA	12	28	22
5	Industrial safety & security	3	14	7
6	PIQA	14	9	8
7	Plant engineering	13	34	37
8	plant manager	0	2	2
9	production	48	104	30
10	Store	1	9	6
	Total number of employees left	131	227	132
	Total number of employees hired	259	264	152

Source: Horizon Addis Tyre Share company Human resource and administration department personnel.

Sample size determination formula

Stratified sampling this method of selecting sample is a mixture of the deliberate and random sampling technique. Thus is a type of random sampling where the whole population is first of all divided into small group that is termed strata. Each of these strata is selected depending on some common characteristics. Now a random sample is selected from each of the stratum in a number that is proportional to the stratum with respect to the population.

Total sample size formula

$$n = p / 1 + N(p)$$

Used 95% confidence interval

Where N= population of the study

P = the alpha or error 0.05%

n= the sample size of the population

$$n=N/1+N(p)^2$$

$$n=728/1+728(0.05)^2$$

$$n=728/1.82$$

n=258 employees the total sample size

to determine the Strata sample size formula

$$n_h=(N_h/N) n$$

Where n_h is sample size of the strata

N_h = is the population of the strata

N = total population of the study

n population sample size. Therefore, the sample size of each department calculated :

- production $=(357/728) 258$
= 127 employees
- Plant Engineering $=(114/728) 258$
= 40 employees
- Product industrialization and Quality assurance $=(52/728) 258$
PIQA = 18 employees
- Human resource and administration $=(78/728) 258$
= 28 employees
- Finance and Economy $=(32/728) 258$
= 11 employees
- Commercial $=(34/728) 258$
= 12 employees
- store $=(22/728) 258$
= 8 employees
- Industrial safety and security $=(39/728) 258$
= 14 employees

Table 2. Basic salary based on Job grade

NO	2015 fiscal year months	Before salary increment	After salary After salary increment	Difference
1	Grade 1	750	1,150	400
2	Grade 2	891	1,457	566
3	Grade 3	1,058	1,792	734
4	Grade 4	1,256	2,155	899
5	Grade 5	1,492	2,546	1054
6	Grade 6	1,772	2,965	1193
7	Grade 7	2,105	3,412	1307
8	Grade 8	2,500	3,896	1396
9	Grade 9	2,998	4,420	1422
10	Grade 10	3,596	4,999	1403
10	Grade 11	4,313	6,038	1725
12	Grade 12	5,172	7,499	2327
13	Grade 13	6,203	8,994	2791
14	Grade 14	7,439	12,274	4835
15	Grade 15	8,922	14,275	5353
16	Grade 16	10,700	16,050	5350
17	Grade 17	-	20,000	-
18	Grade 18	-	25,000	-

Source: Horizon Addis Tyre Share company Human resource and administration Department personnel.

Table . 3. Company Canteen Subsidy in 2015 fiscal year per Quarter

	Description	2015 Fiscal year				Total
		First Quarter	Second Quarter	Third Quarter	Fourth Quarter	
Canteen	Subsidy including VAT	311,938	520,337	477,498	526,909	1,836,682

Source: Horizon Addis Tyre Share company Human resource and administration department personnel.

Table. 4 Number of promoted employees in 2014 and 2015 fiscal year based on Department

S.N	Department	Number of employees promoted in 2014	Number of employees promoted in 2015
1	Commercial	3	9
2	Finance and economy	2	1
3	GM	2	0
4	HRA	8	3
5	Industrial safety & security	2	1
6	PIQA	6	5
7	Plant engineering	3	17
8	plant manager	0	0
9	production	70	58
10	Store	5	2
	Total	101	96
	Total number of employees at the end of December	758	774

Source: Horizon Addis Tyre Share company Human resource and administration department annual report

Table-5 Number of absence without valid reason By Department

S/N	Department	Total
1	Production	98
2	Plant Engineering	22
3	Store	15
4	ISS	11
5	HRA	8
6	PIQA	6
7	Finance	6
8	QMS /EMS&PT/	6
9	Commercial	0
Total		172

Source . HATSC Motivation, Labor Relation, Training & Development 2015 annual performance Report.

Table-6 Number of vacant positions not fulfill in case of Salary and skilled manpower

S.No	Job position	Major reason
1	Shift Manager	Salary & skilled manpower
2	Lead electric and instrument technician	Salary & skilled manpower
3	Lead Mechanic	Salary & skilled manpower
4	Senior automation and drive technician	Salary & skilled manpower
5	Automation and drive Engineer	Salary & skilled manpower
6	Senior sales officer	Salary & skilled manpower
7	General Accountant head	Salary & skilled manpower
8	Cost and Budget head	Salary & skilled manpower
9	Purchasing head	Salary

Source . HATSC Personnel

Table-7 Data Summery comparing of 2014 with 2015 fiscal year based on settled Quality Objective performance

Factors	2014 performance	2015 performance	Targets settled in 2015 year Quality objective	The actual result in numbers	The actual result %
Turnover	227 employees	132 employees	114 employees	18 employees	86.36%
Absenteeism	156 employees	172 employees	109 employees	63 employees	63.37%