



**The Effect of Nonfinancial Reward on  
Employee Retention:  
The case of United Bank S.C.**

**A Research Paper Submitted to School of Commerce in  
Partial  
Fulfillment for the Requirement Masters Degree in  
Human Resource Management**

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School of Commerce**

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**By**

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## **DECLARATION**

This thesis paper entitled- the Effect of Nonfinancial Rewards on Employee Retention at United Bank S.C., is my original work towards the award of Masters in Human Resource Management. To the best of my knowledge all sources of materials used had been properly acknowledged. I also confirm that this paper has not been accepted before for any degree in any University or College.

Therefore, I hereby declare that I am the only author/person produced this paper in consultation with my advisor Dr. Wubshet Bekalu.

Bazezew Minale

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Date

## LETTER OF CERTIFICATION

This is to certify that Bazezew Minale has performed this thesis work on the topic – the Effect of Nonfinancial Rewards on Employee Retention at United Bank under my supervision. This work is original and suitable for the submission in partial fulfillment of the requirement for the award of Masters in Human Resource Management.

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Wubshet Bekalu (Phd)

Advisor

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Signature

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Date

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## **LIST OF ABBREVIATION/ACRONYMS**

HR	Human Resource
NFR	Nonfinancial Reward
UB	United Bank Share Company
SPSS	Statistical Package for Social Science
WLB	Work Life Balance

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## **ABSTRACT**

*In this research the effect of nonfinancial reward on employee retention were empirically examined at United Bank. Both primary and secondary data were used for analysis. Primary data were collected through questionnaire from 318 respondents selected using random sampling technique from the target population size of 1, 551 where as secondary data were obtained using document review. Data obtained was analyzed using Statistical Package for Social Sciences. Descriptive and inferential statistics methods were used while analyzing data. Thus, the result of correlation analysis evidenced recognition, career advancement opportunity and training & development had positive and moderate relationship with employee retention. The beta coefficient value in multiple regressions also revealed nonfinancial rewards studied had a positive influence in bringing variation in employee retention. The finding of descriptive analysis also revealed that the respondents average agreement on recognition, career advancement and training & development rewards were moderate level. This implies the practice of these rewards at United Bank were unsatisfactory to retain its employees. Therefore, the management shall work on recognition, career advancement opportunity and training & development reward practices to enhance the retention of employees.*

**Keywords:** *Nonfinancial reward, Recognition, Career advancement opportunity, Training and development, Employee retention.*

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# **CHAPTER ONE**

## **INTRODUCTION**

### **1.1 Background of the Study**

Human resource is a unique and a very important resource that contributes a lot to organizations. Johari et al., (2012) described human resource as a heavyweight component of any organization. This indicates that human resource is a greatest asset of organizations. Organizations may possess the latest technology, strong capital or locate its business in a place that is strategic to the market but all these may enable the organization to achieve objectives when there is a workforce that utilizes these resources effectively. Thus, organization's real competitive advantage is derived from its human resource. This is making organizations today to provide a great concern to the availability and retention of capable human resource (Harvey, 2009).

Hence, employee retention is an important human resource management issue that organizations carefully address it. Employee retention is the numbers of employees remain in an organization within a specific period of time. To retain more employees and reduce the turnover rate of key employee, organizations design and implement various human resource techniques. The purpose is just to motivate employees to stay with them for longer. Because replacing experienced employees with a new one is costly and the effect on performance is also terrible. The loss of these people is even greater when they leave to work for competitor organization (Derek et al., 2005).

Reward is among the human resource techniques that play an important role in determining employee retention. Kathure (2014) described reward as financial and nonfinancial offer that an organization provides to employees in return for their service. The financial reward includes basic salary, bonuses and other financial benefits, whereas non financial reward can include recognition, career advancement opportunities, training and development, work life balance, job security etc.

Nonfinancial rewards make workers more comfortable on the job and encourage them to contribute extra effort by developing a deal that addresses a broad range of issues (Armstrong, 2009). This indicates that when employees feel uncomfortable on the prevailing nonfinancial rewards practiced by the employer they want to quit. Hence, nonfinancial rewards have influence and contribute its part in retaining employees and help the organizations to have a stable workforce.

Therefore, in this research the effect of nonfinancial reward on employee retention at United Bank S.C has been examined.

## **1.2 Background of United Bank S.C.**

United Bank is a Private Bank which was incorporated in 1998 in accordance with the Commercial Code of Ethiopia of 1960 and the Licensing and Supervision of Banking Business Proclamation No. 84/1994 ([www.unitedbank.com.et](http://www.unitedbank.com.et)).

It was learned that since its establishment the bank has been trying to improve the management structure, human resource and its capital in the manner that enables it to achieve objectives. The major commercial banking services provided by the bank

include deposit mobilization, financing businesses (loan and trade finance) forex and fund transfer services to its customers.

The banking business by nature is customer based and so the human interaction is relatively high. Availability of employees with high integrity and required skilled is so critical. How employees handle bank customers matter on customer satisfaction and this will have an ultimate impact on the performance of the bank. In this regard it was learned that all its branches have been optimally staffed with trained and experienced employees.

To retain these trained employees the bank periodically reviews and implements the reward systems as a strategy. However, it was learned that the retention of employees especially those serving customers in branches is still a challenge to the bank.

### **1.3 Research Problem**

Various studies indicate that the banking business now days is becoming a challenge and banks have been working in a stiff competition. This demands them to provide high emphasis to their human resource as the contribution of people in winning the competition and ensure their business sustainability is indispensable. However, the mobility of professionals within an industry is relatively high and this is making employee retention challenging. For example the finding of the six year data (2010-2015) collected from private banks in Ethiopia by Agarwal (2016) shows that the average turnover rate was 8.5%. This can indicate the experience of high employee mobility in the banking industry.

United Bank is also no exception; it has been experiencing the same problem as the same survey report indicated that its average turnover rate was 7.32% during this period. So the turnover rate of United Bank may signal the existence retention problem compared to the average turnover rate of 3.30% set in its strategic plan document. This variation may be still tolerable but the peril is that the majority of staffs leaving the Bank are trained clerical employees. Replacing these employees needs time and then performance will be compromised.

There are many factors that influence employee retention in organizations. Low salary and benefit packages are among the main reason for staff turnover. Unfair treatments and unproductive relationships with superiors and colleagues, low career growth, workload and poor working environment are also among the prime reasons for changing employers in banking industry (Ethiopian Business Review). Therefore, nonfinancial reward practices are among the factors that influence employee retention in organizations.

As far as the knowledge of researcher the factors that contribute for such employee retention problem in United Bank are not identified by research. Even the studies conducted in the banking industry provide greater emphasis to financial rewards like compensation and benefits.

Therefore, this study seeks to find out the effect of nonfinancial rewards on employee retention at United Bank S.C.

#### **1.4 Research Questions**

The following research questions will be answered by this study:

1. What are the current nonfinancial rewards practiced in United Bank?
2. What is the relationship between nonfinancial reward and retention?
3. What is the level of employee retention in United Bank?

#### **1.5 Research Objectives**

The general objective of this study is to identify the current nonfinancial reward practices and examine their influence on employee retention at United Bank S.C. of Ethiopia.

The following are the specific objectives of this study:

1. To assess the Nonfinancial Reward Practices implemented by United Bank,
2. To determine the existence of relationship between Nonfinancial Reward and Employee Retention, and
3. To identify the Level of Employee Retention in United Bank,



## **1.6 Significance of the Study**

Employee retention has always been a major problem to many organizations. Retaining skilled employees for long time brings so many benefits to the organization i.e increase operational efficiencies reduce training and related costs and have positive impact on the overall performance of the organization.

There are many factors that influence retentions of employee in organizations for long period. Researches made in the area indicate that among the factors that influence employee retention is nonfinancial rewards practiced by the employer. However, there is limited research conducted on the impact of these factors on employee retention in the banking industry.

Therefore, the result of this study will help to fill this gap. It will also help to contribute to the existing literature and works already written in the area. The study will particularly benefit United Bank in which the research is conducted to adopt appropriate measures in relation to the management of nonfinancial reward.

## **1.7 Scope of the Study**

The scope of study is to investigate the effect of nonfinancial reward practice on employee retention at United Bank. Data collection was made from all sample Branches working both in Addis Ababa and Regional towns. The nonfinancial rewards selected to be investigated in this study were recognition, career advancement opportunities and training and development. The researcher believes that conducting

studies in these selected variables will make the study manageable in terms of cost, time and for subsequent research quality.

### **1.8 Limitation of the Study**

In this study quantitative data was collected only in one Bank, United Bank for analysis and to then to draw conclusions. This may be considered as a limitation in generalizing the result of the study to the industry level.

### **1.9 Organization of the Paper/Study**

The final paper of this research has been organized in five chapters including this chapter.

Accordingly:

In chapter two relevant literatures were reviewed and the findings of some related studies conducted in the area were presented.

In the third chapter the research design and methods that were used while collecting data and analyzing the data were presented.

In the forth chapter presentation of data and interpretation thereon were presented.

In the final fifth chapter summary of findings, conclusions and recommendations were presented.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

In these chapter literatures in the area of nonfinancial reward and employee retention have been reviewed. The chapter begins with a review of important concepts and benefits regarding employee retention. Following this, human resource management practices especially nonfinancial rewards that determine employee retention in organizations have been discussed. Empirical studies conducted in the area were also reviewed. The chapter ends up with the presentation of conceptual frame that indicates nonfinancial rewards (as independent variable) and employee retention (as dependent variable).

#### **2.1 Employee Retention**

Employee retention is the percent of employees remain in an organization with in a specific period of time. According to Shakeel and But (2015) employee retention is keeping an employee within an organization for maximum period of time. Employee retention so simply expressed as a rate at which current employees of an organization are staying in their jobs. Conversely this means that employee retention is just the opposite of employee turnover.

In today's competitive business environment availability of skilled employees are becoming the major differentiating factor for most organizations (Samuel and Chipunza, 2009). This in fact demands organizations to take planned and organized effort and actions to motivate and tempt employees to stay with them. In this regard

Denton (2000) argued that employees who're happy and convinced with their jobs are extra committed to constantly put their effort to satisfy and increase the pleasure of organization customers. Existence of good employee retention in an organization does mean an organization takes steps or implements techniques that enable to maintain maximum longevity of employees. This indicates that employee retention needs various policies and practices which can let employees stick to an organization for a longer period of time. This is also described by Siddapur (2016) as employee retention is influenced by the system of policies and HR practices or the environment where they are working.

Hence, organizations that design and implement human resource practices that will make employee motivate and make them happy in their job can retain their key employees. Availability of such experienced employees will so benefit these organizations more by ensuring their long term existence and success in their business. The major advantage of increasing employee retention in an organization is that experienced employees working in an organization for a longer period of time are more familiar with the organizations policies, guidelines, establish relationships with customers and thus they perform better. In this regard Cascio(2003) argued that organization"s inability to formulate and put into HR techniques that enables employees satisfy and encourage them to stay in an organizational is one of the vital major challenges facing businesses within the area of performance.

Hence, organizations should adjust human resource practices and cater the diverse needs of employees that affect employee retention positively and make employees stay in an organization for long period of time.

However, it is important to note that increasing employee retention levels in an organization is not the end by itself. Higher retention rate does not indicate that organizational performance is excellent or employee productivity is good. Therefore, effective employee retention strategies are those that foster commitment, loyalty and increased organizational performance (Kimunge, 2014). These are the ultimate objective of organizations while they try to design strategies to increase the retention level of employees.

### **2.1.1 Commitment**

Porter et al (1974) defined commitment as: „the relative strength of the individual's identification with and involvement in a particular organization". According to this definition commitment is the degree to which employee's relationship with the organization is expressed. The existence of such relationship has positive implications for the decision to stay in the organization. Ongori (2007) also similarly described employee commitment as an affective response to the whole organization and the degree of attachment or loyalty employees feel towards the organization. Therefore, it is possible to learn here that employee commitment is employees attachment to the organization and can be expressed in terms of employees willingness to stay with the organizations. This employee commitment can be

created by organizations through increasing employee involvement and ownership”, communication, leadership development, developing a sense of excitement in the job, and developing various HR policy and practice initiatives (Armstrong, 2009).

Therefore, retaining committed employees is very essential as committed employees in an organization will have a positive contribution for the organization performance as it significantly decrease or eliminates absenteeism and tardiness.

### **2.1.2 Loyalty**

Employee loyalty is all about employees being committed for the success of the organization with a strong belief that working with that particular organization is their best option (Singhal, 2015). Employee loyalty is more of an emotional attachment developed overtime as a result of satisfaction with the current work environment of the employer. It is possible to understand that loyal employees try to do their job for the company beyond what would be required of them i.e., they perform even when doing so may demand sacrificing some aspect of employees’ self-interest.

Employee loyalty is essential as loyal employees are the key reason for organizational success. loyal employees go above and beyond to help the organization improve its performance and achieve its objectives through sharing their expertise, resolve conflicts easily, suggest improvements, boost morale, help co-workers, and conserve resources (Nadia, 2013). Therefore, employee loyalty cannot be measured by the number of years they are work for the organization, it need to include the amount of commitment employee forward when they are working for the organization.

## **2.2 Determining Factors of Employee Retention**

There are many factors that will influence or determine employees to stay in organizations. Human resource management practices like compensations, job security, training & developments, supervisor support culture, work environment and organization justice have play significant contributions in the employee's decision to stay or leave their employer (Meyer and Allen, 1991). These are in fact some of the determining factors that influence employees in pushing or retaining them according to their absence or presence in organizations. Similarly Walker (2001) also recognized seven reasons or factors that influence employee retention in organizations. These include:

- (i) Compensation and appreciation of the carried out work,
- (ii) Provision of challenging work,
- (iii) Possibilities to be promoted and to be taught,
- (iv) Invitational surroundings within the institution,
- (v) Confident family members with colleagues,
- (vi) Healthy balance between the reputable and personal existence, and
- (vii) Just right communications.

Hence, while summarizing the findings of various scholars on factors that influence employee retention in organizations they can be divided in two big categories i.e., financial and non financial in nature.

Details of these financial and nonfinancial factors that are believed and confirmed by various researchers and professionals as they have influence in employee retention have been illustrated in the following diagram below.



(Source: Shakeel & But, 2015)

As it is indicated in the above diagram various forms of financial and nonfinancial factors have been depicted. Some HR professionals and literatures totally called these factors as reward i.e., financial and nonfinancial reward.

### 2.2.1 Reward

Bartol and Locke, (2000) defined reward as all of the monetary, non-monetary, and psychological payments that an organization provides for its employees. According to this definition reward is the amount of monetary and non monetary values



employee received in return for their service provided to their employer. As it discussed in the aforementioned parts reward is so basically categorized into financial and non financial in nature. So reward will be provided to employees usually based on the level of personal contributions, efforts and performance.

In this regard Armstrong and Murlis (2004) in their book called reward management illustrated reward management as the formulation and implementation of strategies and policies that aim to reward people fairly, equitably and consistently in accordance with their value to the organization. The specific aims of reward management according to these scholars include:

- To reward people for the value they create;
- To align reward practices with both business goals and employee values
- To facilitate the attraction and retention of the skilled and competent people the organization needs, thus „winning the war for talent“;
- To motivate people and gain their commitment and engagement;
- To support the development of a performance culture;
- To develop a positive employment relationship and psychological contract.

Therefore, the reward practice and administration thereon of an organization must take into account the long term issues related to attracting, motivating and then retaining experienced employees. This can only be achieved when employees are valued and fairly rewarded according to their contribution.

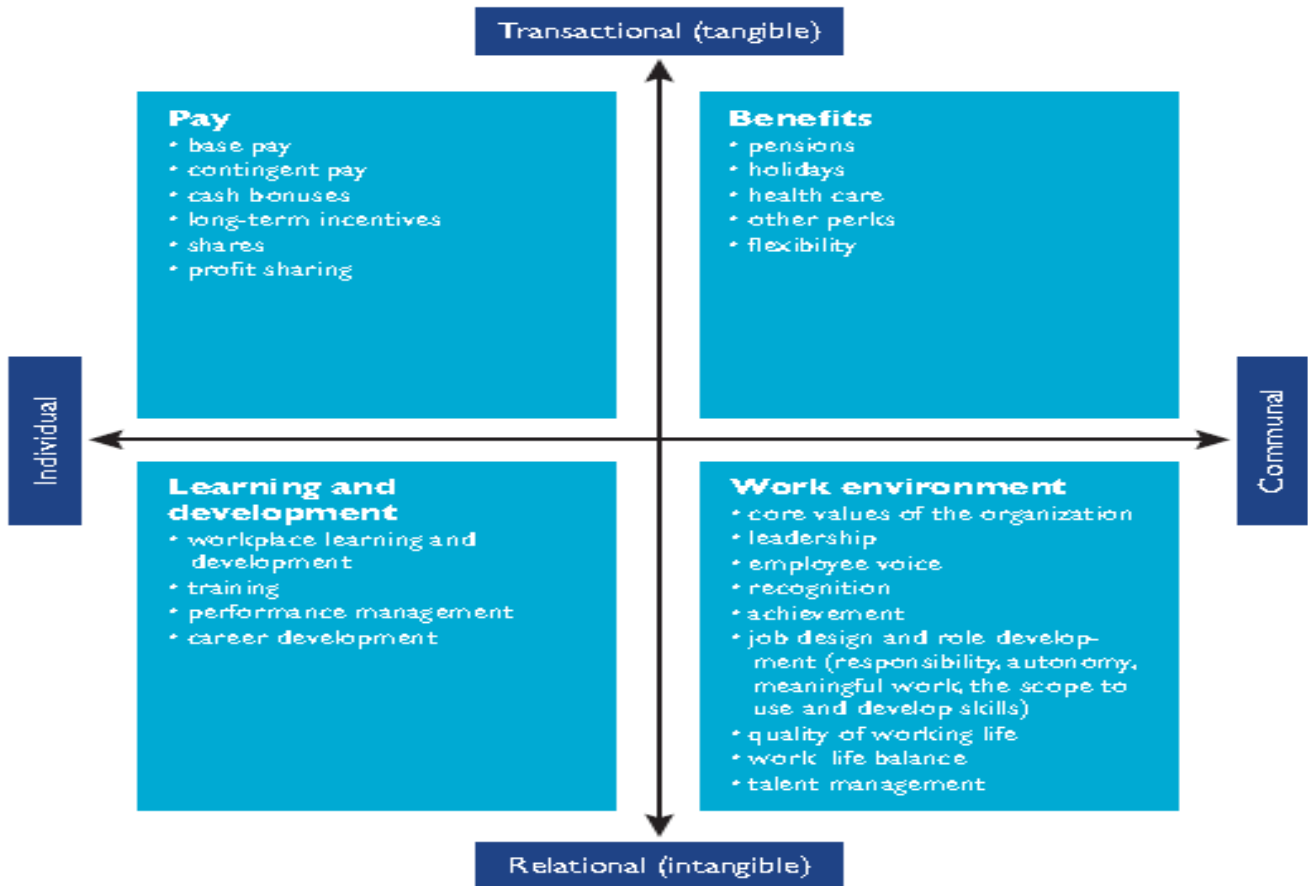
### **2.2.2 Total Reward**

Armstrong and Murlis (2004) described total reward as comprehensive employee reward which includes all types of rewards i.e., indirect as well as direct, and intrinsic as well as extrinsic. According to these scholars the financial rewards include both compensations and financial benefits where as non-financial rewards include recognition, autonomy, opportunity to use and develop skills, career opportunities, work life balances.

It is possible to learn here that total reward is comprehensive in nature that provide all options to employees in return for their effort to the performance of organization. This comprehensive and holistic nature of total reward is best explained by Armstrong(2009) as total reward reliance is not placed on one or two reward mechanisms operating in isolation, account is taken of every way in which employees can be rewarded and obtain satisfaction through their work. Therefore, it understood that the main is to maximize the combined impact of a wide range of reward initiatives on motivation, commitment and job engagement.

Therefore, this in turn serves as an important technique to organizations to attract, motivate, satisfy and employee retention.

A Towers Perrin model of total reward is presented below:



(Source: Armstrong, 2009)

According to this model, these four components of reward are grouped into two main categories of tangible (financial) elements and relational (intangible or non-financial) elements of reward. The very purpose of total reward as it is discussed above is not throwing money to employees but it also providing rewards that are non financial which is believed to have impact on employee"s attraction and retention as well. Hence, total reward is so very important and critical in addressing the issues created during recruitment and serves as employee retention strategy for organizations. O"Neal (1998) explained total reward as it helps to 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 on employee reward where they will be most effective in addressing workers" shifting values."

Therefore, all these literatures and research finding by scholars indicate that employee commitment and retention is not only determined by financial rewards but by a cluster of financial and non financial reward factors.

### **2.3 Nonfinancial Rewards**

Nonfinancial rewards are those which do not involve any financial payments to employees. Armstrong (2009) described these nonfinancial rewards as they often arise from the work itself like achievement, autonomy, recognition, scope to use and develop skills, training, career development opportunities and high quality leadership. From this it is possible understand that nonfinancial rewards are values rewarded to employees other than monetary values in the reward package in return for their contribution. This will help them to further motivate and encourage to contribute a lot to the organization.

According to Armstrong and Murlis (2004) implementing only financial reward in organizations is a weak tactic as financial rewards can be easily replicated, conversely intrinsic or nonfinancial rewards are far more difficult to imitate by other organizations. Nonfinancial rewards are so found to be even more significant than the financial rewards in motivating and retaining employee in organizations. Nonfinancial rewards

are more intrinsic, in that, they are meant for the satisfaction of psychological needs including job variety and challenging people, achievement, recognition, employee development and involvement in determining the affairs of the organization (Itika, 2011).

Therefore, it is possible to understand that nonfinancial rewards are more of relational in nature and their provision in organizations is an additional in the reward package which results in a positive effect on engagement and subsequent employee retention.

### **2.3.1 Recognition**

Organizations now a day are looking for strategies to attract and retain their top performers to maintain and increase the performance of the company. Recognition is among the commonly practiced motivational and retention programs in response to outstanding contribution of employees. Recognition can include both formal and informal programs practiced accordingly to support business strategy by reinforcing certain behaviors of employees (e.g., extraordinary accomplishments) that contribute to organizational success (WorldatWork). Rose (1998) also described recognition as a “non-monetary award given in recognition of employee accomplishment or performance such as customer service efforts or support of colleagues, which is not dependent on achievement of a predetermined target”. Thus, recognition is non monetary reward offered to employees as a result of their outstanding contribution in the performance of the organization. This recognition will motivate, provides a sense of accomplishment and makes employees feel valued for their work. Valuing employees for what they contribute to the performance of the organization not only

boosts individual employee engagement, but it also has been found to increase productivity and loyalty to the company, leading to higher employee retention for organizations.

Silverman (2002) also argued that there are various ways that managers can recognize employees without recourse to monetary incentives. Some of these methods include saying a heartfelt thank you, formal written letters of thanks and appreciation, public appreciation of a deserving employee in team meetings, special dinners, or organizational newsletters, and special recognition programs such as "employee of the month or year" awards. According to Armstrong (2007) recognition needs are linked to the esteem needs in Maslow's hierarchy of needs. These are defined by Maslow as the need to have a stable, firmly based, high evaluation of oneself (self-esteem) and to have the respect of others (prestige). These needs are classified into two subsidiary sets: first, „the desire for achievement, for adequacy, for confidence in the face of the world, and for independence and freedom“, and second, „the desire for reputation or status defined as respect or esteem from other people, and manifested by recognition, attention, importance or appreciation“.

Therefore, timely recognition of personal contribution to organizations is essential as it strengthens organizational commitment and employee retention. Harrison in his e-book called „Creative ideas for employee recognition“ at [www.cuttingedgepr.com](http://www.cuttingedgepr.com) described employee recognition as timely, informal or formal acknowledgement of a person's or team's behavior, effort or business result that supports the organization's goals and values, and which has clearly been beyond normal expectations“. He also

added that appreciation is a fundamental human need. Employees respond to appreciation expressed through recognition of their good work because it confirms their work is valued. When employees and their work are valued, their satisfaction and productivity rises, and they are motivated to maintain or improve their good work.

Meta-analysis conducted by the Gallup Organization (2003) identified the following benefits of recognition:

- i. Helps to retain skilled and productive employees,
- ii. Higher loyalty and satisfaction scores from customers.
- iii. Increased individual productivity (the act of recognizing desired behavior increases the repetition of the desired behavior, and therefore productivity).
- iv. Greater employee satisfaction and enjoyment of work - more time spent focusing on the job and less time complaining.
- v. Direct performance feedback for individuals and teams is provided, and
- vi. Better safety records and fewer accidents on the job, lower negative effects such as absenteeism and stress.

Recognition has a positive impact and helps to retain productive employees in organizations. This indicates that employees motivation and loyalty grow when they feel that their employer notice and truly value their contributions. Consistent recognition of employees in an organization is an important factor that helps organizations retain their high-performing workers(Rodrigo, 2015).

Therefore, employee recognition is one of the most important nonfinancial factors which go a long way in retaining employees. It is more effective when employee recognition is made immediately after such impressive accomplishment by an employee is registered and noticed. When the hard work of employees appreciated and acknowledged by the employer employees prefer or stick to work for organization for longer period and perform well to the organization.

### **2.3.2 Career advancement opportunity**

Opportunity for career advancement is a nonfinancial reward that is considered as retention factor. Career advancement opportunity in most organization is a formalized, organized and it is planned effort to accomplish the balance between requirement of organization workforce and individual career needs. Kathure (2014) described career advancement opportunity as a nonfinancial reward that that provides employees with opportunities for personal growth, more responsibilities and increased social status. Career advancement opportunities in an organization are the degree of potential occupational mobility within an organization. Hence, employees want to know they have a future at the organization.

This indicates that availability of an opportunity for career advancement or promotion can make an employee stay in organizations for long period. Conversely lack of it in an organization on the basis of seniority or otherwise may result in dissatisfaction that simmers in an employee's mind until he or she finally quits (Kathure, 2014). This tells that growth and development are the integral part of every individual's career. When employees cannot foresee their path of career development in their current



organization, they try to search opportunities elsewhere in the labor market and they will leave the organization as soon as they get an opportunity.

Thus, availability of growth opportunity serves as an instrument to retain employees in the organization. Rewarding people through career development is associated with the process of talent management, which deals with the recruitment and retention of talented people and their career progression (Armstrong, 2007). Hence, human resource practitioners in organizations should regularly discuss and update the professional goal of each employee and assist how they can achieve in the organization. Such regular follow up for achievement of employee's professional goals and objectives shall be supported with offering resources such as access to mentors and training programs. By doing this they will be successful in retaining their key employees for long period of time.

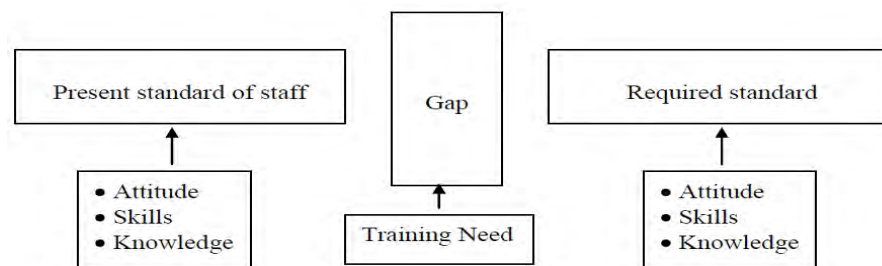
### **2.3.3 Training and Development**

Training is defined as a planned process which helps to provide on the job experience, and modify the attitudes, skills and knowledge of employees to achieve satisfactory performances while handling their daily task or activities (Goldsmith et al., 1997). According to this definition training is provided to employees to improve their skills and knowledge for proper handling of their duties and responsibilities. The essential parts of a worthy employee training program are constructed on orientation, management skills, and operational skills of employees (Jehanzeb and Bashir, 2013). Armstrong(2007) described training is the provision of systematic and planned instruction and development activities to promote learning can enable

employees continually to upgrade their skills and progressively develop their careers.

Hence, training and development benefits the company thru increased productivity, raised standards of performance, greater efficiency, lowers staff turnover and aids succession planning. Training and development is also advantages for employees as it increases job satisfaction, promotes employee morale and helps for professional and personal development.

To get the aforementioned benefits the training and development shall be conducted after need analysis is conducted. A training need is usually viewed as the gap between where an employee is now and where she/he is expected. This is clearly depicted the following diagram:



(Source: Article from Internet)

During need analysis the present standard of staff in terms of attitude, skill and knowledge is identified and compared with required standard. The result of this comparison is the gap that has to be improved thru training and development. Therefore training need assessment is very essential to identify the current skill or knowledge deficiency of a staff and then help subsequently to provide appropriate training to an employee.

Training & development has strong impact on the performance of individuals when conducted based on the need of each employee. Need based training and development actions enable employees to cope up the challenges and handle their responsibilities to accomplish their responsibilities. It serves not only to polish the current skills of employees but to prepare employees for future careers.

Since training is important to employees' career in the future it is regarded or considered by employees as a reward package and then serves as retention instrument for organizations when handled properly.

In the current highly competitive and global market availability of trained employees are essential for the success and sustainability of organizations. As it is clearly depicted in Towers Perrin Model of Total Reward training and development is among the reward factors that determine employee retention in organizations. So employee training and career development for an organization is not a cost but it is an investment that its return is expressed in the form of employee retention and ultimately gaining organizational competitiveness (Iftikhar et al., 2015). Therefore, it is possible to conclude that achievement of competitive advantage among the organizations is possible through training and at the same time retention and management of the talented employees.

#### **2.3.4 Work Life Balance (WLB)**

According to Kar & Misra, (2013) work life balance practices are those institutionalized, structural and procedural arrangements as well as formal and

informal practices that enable individuals to easily manage the conflicting worlds of work and family leaves. Such work life balance practices include flexible work hours (e.g., flextime, which permits workers to vary their start and finish times provided a certain number of hours is worked; compressed work week, in which employees work a full week's worth of hours in four days and take the fifth off), working from home (telework), sharing a full-time job between two employees (job sharing), family leave programs (e.g., parental leave, adoption leave, compassionate leave), on-site childcare, and financial and/or informational assistance with childcare and eldercare services (Estes & Michael, 2005).

These are the alternative work life mechanisms that organizations will institutionalize in order to help employees balance their work and other family lives. Work-life balance is essential as it helps employees to properly prioritize between their work and everyday life, social life, health, family etc. When employees cannot find such balance, they can experience a personal conflict which results from an interference of incompatible pressures from an individual's work and family roles (Cegarra-Leiva and Cegarra, 2012). In order to avoid such negative consequences of conflict between employees' work and family, organizations should introduce or offer WLB practices.

Therefore, Work place flexibility is the major concern for employees and without work place flexibility, money alone is not sufficient for holding employees for a longer time (Neog & Barua, 2015). This indicates that employees will put their effort fully at work in a work environment where there is a work life balance implemented by the

employer. When employees have a room that entertains their family responsibilities their intention to stay will be higher.

### **2.3.5 Job Security**

According to Meltz (1989) job security is defined as employee continuing to work for an organization with no diminution of seniority, pay, pension rights, and others. Job security is a major concern of employees in an organization and it plays an important role in the employment relationship. Job insecurity occurs when employees feel that their job is uncertain and will end soon. Job insecurity will threaten the employees with loss of material, social, and psychological benefits related to employment (Reisel et al., 2007). These arguments indicate that employees do not want to stay longer in an organization where their job is insecure.

According to Need Hierarchy Theory of Marslow, an individual has five basic needs such as, physiological needs, safety and security needs, social needs, esteem needs and self-actualization needs. These needs as we know range from lowest to complex. Marslow in his theory hypothesized that human beings must satisfy their lower-order needs before shifting to higher level needs in hierarchy (Khan, 2013). So the management must find out what the majority of their employees need now and also in future so that it will remove or at least reduce the job security anxieties. This means that when organizations satisfy employees in terms of job security their intention to leave will be very low. The existence of such positive impact of job security on employee retention was also confirmed by researchers (Hassan et al., 2011; Boella & Turner, 2005; Ashford, 1989). This means that availability of job

security serves as a retention tool for organizations and makes employees contribute a lot to the organization.

Therefore, the management of the organization should be concerned with the decisions that affect the job security of employee since it could affect the level of employee retention and subsequently on the performance the company.

### **2.3.6 Work Environment**

S and Krishnan (2016) described the work environment variables as, supervisor support, promotion, co-worker relationship, general working conditions, social support, perceived organization support, participation in decision making are predictors of organization commitment. A conducive work environment is so a flexible atmosphere where working experience is enjoyable and resources are adequately provided (Kossivi et al., 2016).

Organizations should take into consideration the work environment seriously as it may result in an adverse effect on the performance of their employees. Once employees realize that the work environment is conducive and the firm considers them important, they will have high level of commitment and a sense of ownership for their organization. A positive work environment is so believed to make employees feel good about coming to work and provide the necessary motivation to sustain them throughout the day (Msengeti and Obwogi 2015). This also agrees with the finding of Spence et al.,(2009) where favorable working environment contributes to employee retention. This indicates that for workplace to be a conducive factor of retention it should be enjoyable.

Thus, the workplace environment includes not only the physical elements around the work area of an employee but also all things that form part of the employee's involvement with the work itself. Organization that provide employee-friendly work environment creates a good sense of trust between employees and that of the organization. This will become a major factor that considerably helps employees to increase their commitment and thereby enable the organization to retain its key employee for a longer.

## **2.5. Empirical Reviews**

### **2.5.1 Recognition and Retention**

Good salary and benefit package may be nice but employees don't want such financial rewards only. Employees want to be recognized and appreciated for the values they create for the organization in their day to day works. For example if organizations rely on rewarding financially its employees it is most possible that the employee's objective will become modified to secure the pay and nothing more and this in turn will lead to a degraded culture of the organization (Athure, 2014).

Various scholars conduct the study in the area and identified that recognition of employees by the organization management or supervisor in various mechanisms has a positive effect on employee retention or their intention to stay. Schouten (2006) identified that adapting a recognition program in organizations helps to retain key employees, and increase employee productivity as well. The research made by Deloitte indicate that, companies that scored in the top 20% for building a "recognition-rich culture" had 31% lower voluntary turnover rates. This indicates that

the recognition not only helps to retain employees for longer period but it has an impact on the productivity of employees. Chew and Chan (2008) identified in their study that training and development as well as remuneration and recognition showed positive relationships with the intention to stay in the organization.

Therefore, this leads to the conclusion that establishment of recognition program and implementing accordingly by employers is so important as it contributes for retention of key employees. As identified by researchers mentioned above when people feel that leaders notice and officially recognize the value of their contributions, their motivation and loyalty grow and they decide to stay for longer period of time in the organization.

### **2.5.2 Career Advancement Opportunity**

Employees need the opportunity for career advancement in organizations. In fact career advancement is also essential for organizations as organizations need talented & productive employees as successors. In this regard Prince (2005) argued that talented employees are required for maintaining a competitive advantage of the organization. This indicates that the availability of career advancement opportunity in organizations is not only an issue of to employees but it is also the concern of the organizations. So existence of career growth ladder in an organization will have impact on the decision of employees to stay in an organization.

The existence of such positive relationship between career advancement opportunity and employee retention is indicated by Meyer et al, (2003) which revealed that internal career development of employees is often the best predictor of an



employee's effective commitment and intension to stay in an organization. In a recent Linkedin survey that asked people why they recently left their job, the number one answer was to have “greater opportunities for advancement.” This tells that providing employees with a clear path for growth is the best thing that the company do for success of employee retention. The findings of Bashir (2008) also similarly indicates that availability of career advancement opportunities, work-life policies, job characteristics will lead to organizational commitment which ultimately influences employee retention in organizations. Kimuge (2014) in the study of the “Effects of Total Rewards on Employee Retention” also found out that compensation, work-life balance, training and career growth have positive impact in employees’ decision to stay or leave an organization.

Therefore, all these findings lead to the conclusion that there is a positive relationship between career advancement opportunities and employee retention in organizations.

### **2.5.3 Training & Development and Retention**

Training and development is one of the nonfinancial rewards that organizations considered as an important factor in employee retention. Various researches had also confirmed that one of the characteristic that help to retain employee is to offer them opportunities for training and development. In line with this the study conducted by (Rosenwald, 2000 and Nyaga, 2015) confirmed that there is a strong relationship between employee training and development, and employee retention.

Messmer (2000) also found that one of the important factors in employee retention is investment on employee training and career development.

Therefore, the results of these researches indicate that investment on employees in the form of training and development is advantageous as the return on it is significant in the form of retention and increase productivity. Summary of the findings of researches made in this area have been presented below:

Authors	Variables discussed	Outcome
McCrensky (1964)	Training, recognition, supervisor employee relations, etc	Training, recognition, supervisor employee relations, personal satisfaction, individual sense of attainment and realizing long term personal goals are the factors of satisfaction which enhances employee retention.
Garavan (1997)	Education, employee development, learning, training, retention.	Education, employee development, learning, training leads to retention.
Al - khayyat (1998)	Development, training, retention.	Development, training leads to retention.
Hocquet (1999)	Vocational training	Vocational training creates satisfaction.
Shoaib et al., (2009)	Career and development opportunities, supervisor support, working environment, rewards, work-life policies, retention.	Career and development opportunities, supervisor support, working environment, rewards, work-life policies leads to retention.
Samuel (2009)	Training and development, challenging/interesting work, etc.	Intrinsic and extrinsic motivational variables influence employees' retention and turnover.
Chee (2012)	Employee empowerment, training and development, appraisal system, compensation, employee retention.	Employee empowerment, training and development, appraisal system compensation are the main factor for the success of a firm on employee retention.
Hassan (2013)	Job training, rewards, supervisory support, retention, job satisfaction.	Supervisory support and rewards are the key variables that lead to job satisfaction and employee retention.
Paillia (2013)	Perceived job alternatives, intention to search, intention to leave and organizational citizenship behavior, retention.	Perceived job alternatives provided a better account of ocb towards the organization (sportsmanship and civic virtue) than ocb towards individuals (helping and altruism).
Farooq (2013)	Intrinsic motivational variables (need for achievement, need for affiliation, need for power and training and development), etc.	Intrinsic and extrinsic motivational factors influence employee retention
Beynon et al., (2014)	Training, satisfaction, loyalty, turnover, retention.	Satisfaction with training impact retention and employee loyalty.

(Source:-Shakeel & But, 2015)

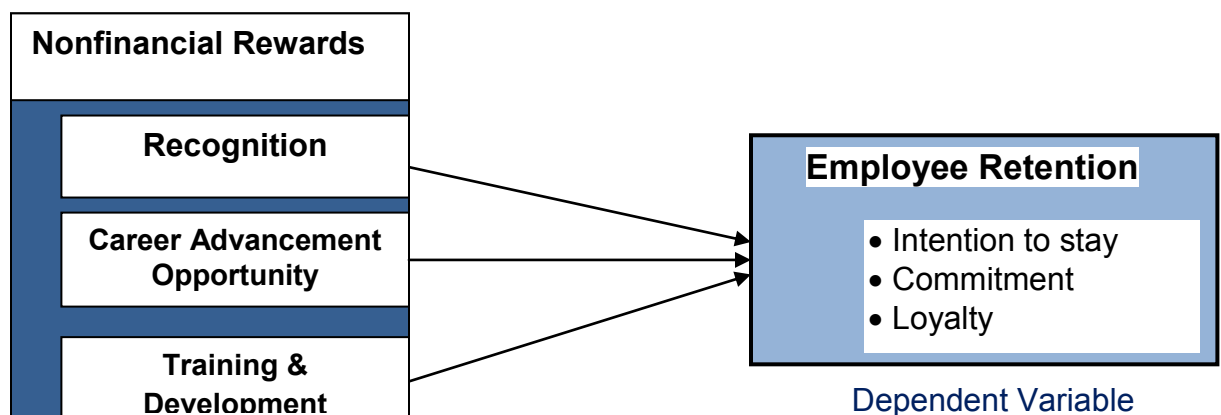
All these researches indicate training & development has greater impact on employee retention. Thus the better retention does mean increase productivity thru lowering cost of training, and cost of production.

Therefore, training and development have a positive effect on employee retention and to increase organizational productivity as well.

## 2.6 Conceptual Framework

On the basis of literatures reviewed the research model which is depicted below is developed. The framework attempts to determine the influence of selected nonfinancial rewards on employee retention at United Bank. The nonfinancial rewards selected to be examined in this study are recognition, career advancement opportunity and training & development. These nonfinancial rewards are dominant as they can address others at least indirectly.

**Fig.1 Proposed Conceptual Framework**



Independent Variables  
(Source: Own Research Model, 2017)

The research model depicts in fig.1 indicates how recognition, career advancement opportunity and training & development, affect employee retention at United Bank.

## **Chapter Three**

### **Research Design and Methodology**

In this chapter the research design utilized, the target population and sampling technique used, the research approach followed in collecting data and the statistical techniques used in analyzing the collected data has been presented.

#### **3.1 Research Design**

Research design is a framework that serves as a blueprint to study the research problem. The function of research design is to provide for the collection of relevant data with minimal expenditure of effort, time and money taking into account the research purpose(Kothari, 2004).

Therefore, the research design that was adopted in this study is both descriptive and explanatory research. The descriptive research design suits to this research study as it enables to describe the association of nonfinancial reward variables to employee retention. The study will also try to examine the impact of nonfinancial reward on employee retention.

#### **3.2 Research Approach**

The two basic approaches to research are quantitative and qualitative approach. The quantitative approach involves the generation of data in quantitative form which can be subjected to rigorous quantitative analysis in a formal and rigid fashion on the other hand qualitative approach to research is concerned with subjective assessment of attitudes, opinions and behavior (Kothari, 2004). Quantitative analysis helps us to

explore, present, describe and examine relationships and trends within our data (Saunders et al. 2009)

Therefore, taking into account these concepts the research approach utilized in this study was quantitative research. So the quantitative data collected on the current reward practices, level of employee retention and the relationship of nonfinancial reward and employee retention was go thru statistical analysis to answer the research questions.

### **3.3 Nature of Variables and Data Type**

#### **3.3.1 Nature of Variables**

Nonfinancial rewards selected to be studied in this research were recognition, training & development, and career advancement opportunities. These are independent variables that the relationship with the dependent variables - employee retention and the impact thereon were examined and analyzed.

#### **3.3.2 Type of Data**

##### **3.3.2.1. Primary Data**

There are several approaches available to gather required primary data for the research. The data collection method that was used in this study for collecting the primary data was questionnaire. Thus, primary data on nonfinancial reward practice (recognition, career opportunities and training and development) and employee retention was gathered from Clerical staffs and Managerial staffs of United Bank Branches using questionnaire.

Hence, questionnaires with close ended questions were developed to collect the relevant primary data for the study. The questions in the questionnaire seek to answer the research question.

#### **3.3.2.2. Secondary Data**

Secondary sources from relevant articles, internet search, books, and research studies among others were used for reviewing literatures in the area. The Bank's website, annual reports and policy documents were also used for background description and to analyze the magnitude and trends of employee retention in United Bank.

### **3.4 Target Population**

In this study non clerical employees of the Bank were excluded from the study because the majority of employees assigned in this job category are Security Guards and Searchers. In addition to this the Bank is currently outsourcing the service of security guards. It was also learned that the mobility of management and professional staffs working at Head Office is not significant. So there is no point to include such categories of staff to the study.

Therefore, the target population of this study was Clerical and Managerial Employees of United Bank working in Branches.

### **3.5 Sampling Technique and Sampling Size**

#### **3.5.1 Sampling Techniques**

There are two commonly known sampling techniques - probability sampling and non probability sampling. Non-probability sampling is a method in which sample units are taken purposely by the researcher whereas under probability sampling each sample unit is of the population has an equal chance to be selected or included in the sample.

Therefore, in this study one of the probability sampling techniques called random sampling was used. In the first place 34 branches were randomly selected from 165 Branches. These sample Branches were selected from Addis Ababa Branches and from those working in Regional towns. Then sample respondents were taken from these branches using simple random sample technique.

#### **3.5.2 Sample Size**

Sample refers to the number of items to be selected from the target population. While deciding on the size of the sample time and budgetary constraint has to be taken into consideration, however, the size of sample should be optimum that fulfills the requirements of efficiency, representativeness, reliability and flexibility (Kothari, 2004).

In probability sampling the larger the sample's size the lower the likely error in generalizing to the population and therefore probability sampling is a compromise



between the accuracy of the findings and the amount of time and money invest in collecting, checking and analyzing the data (Saunders et al., 2009).

The target population of this study were 1, 551 Clerical and Managerial Employees working in Branches. Therefore, 318 employees are determined to be the size of the sample using Yamane's sample size calculation formula presented below (Yamane, 1967).

$$n = \frac{N}{1 + Ne^2}$$

Where, n = the sample size

N = the target population size

e = the acceptable sampling error which is 5%

(Source: Yamane, 1967)

### **3.6 Data Collection Methods**

While collecting relevant data for the study two methods were employed i.e document review were used to collect secondary data and questionnaires were used for collecting primary data from respondents.

To collect primary data questionnaires were chosen because it is a satisfactory tool for collecting data in more sample respondents with a minimum cost and time. Questionnaires have also an advantage in that respondents will have time to think of their answers, thus allowing smaller rate of errors. In addition to these respondents may feel more at ease when answering questionnaires as they are not required to write down their names.

Questionnaires designed to collect primary data from were extracted from the questions generated by Allen & Meyer (1990), Roberts (2005), Hong Et al., (2012), Renzl and Matzler(2006) and Johari, Et al.,(2012). Questionnaires were adapted as they were used in similar studies.

### **3.6.1 Reliability**

The reliability of the questionnaires was undergoing a pre-test through Cronbach's Alpha, a statistical measure of internal consistency.

**Reliability Statistics**

Cronbach's Alpha	N of Items
.930	26

Source: own survey, 2017

The result of the test indicated that the scales is significant, having a reliability of ( $\alpha=0.930$ ). The questionnaire was thus deemed reliable to be used in the study for data collection.

### **3.6.2 Validity**

Validity refers the extent to which a measure i.e., the questions items in a questionnaire adequately represents or measures the concept or variables. So in this study content validity of the questionnaire used were passed the evaluation of an advisor and other subject matter experts.

### **3.6.3 Administration of the Questionnaire**

Questionnaires were distributed to selected respondents at work place physically by the researcher to those working in Addis Ababa branches. For those respondents working outside Addis Ababa branches questionnaires were addressed thru network addresses internally used by staffs. The researcher was explained the questions to the respondents after the questionnaire were distributed to help them understand the purpose, and to encourage them to provide their independent opinions on the questions. The collection of answered questionnaires was made physically and through electronic means via their network address in Addis Ababa and Outlying Branches respectively.

### **3.7 Ethical Considerations**

The confidentiality of the data that would have to be provided and the anonymity of the respondent is a big concern in research ethics. To overcome such concern assurance about the confidentiality of data and anonymity of respondents were explicitly stated the questionnaires distributed to be filled out by the respondents. In addition to this respondents were also informed about the purpose of the data collection.

Therefore, anonymity and confidential treatment of the answers provided by respondents were guaranteed in this manner.

### **3.8 Data Analysis**

In quantitative research descriptive and inferential statistics techniques are commonly used. Descriptive statistics concern the development of certain indices from the raw

data, whereas inferential statistics concern with the process of generalization (Kothari, 2004).

Thus, in this study both descriptive and inferential statistical tools for data analysis were used. The data analysis was also supported with software called Statistical Package for Social Science (SPSS Version 22). Mean scores, standard deviations, percentages and frequency distribution was used to summarize the responses. Results were also presented in tables.

## **CHAPTER FOUR**

### **DATA PRESENTATION AND ANALYSIS**

In this chapter data collected from sample respondents through questionnaire and document review by the researcher is analyzed and interpreted. Accordingly, the response rate of the questionnaire is presented in the first section followed by the demographic characteristic of respondents. Then the respondent's opinion on effect of nonfinancial reward on employee retention will be presented and the results will be analyzed using descriptive and inferential statistics. Finally secondary data collected through document review regarding the trend and magnitude of employee retention is presented and analyzed in line with the strategic document.

#### **4.1 Response Rate of Questionnaire**

To collect primary data from target respondents questionnaires were distributed to Clerical and Managerial staffs working at United Bank Branches. The number of questionnaires distributed to respondents were 318. Of these 271 usable questionnaires were received and analyzed. This makes the return rate of the questionnaire to 85.2%, so this makes the researcher confident that the data obtained from the respondents is sufficient enough to come up with realistic conclusions.

#### **4.2 Data Analysis using Descriptive Statistics**

##### **4.2.1 Demographic Profile of Respondents**

The characteristics of the respondents were assessed from the point of view of gender, age, educational qualification, length of service and their job category at

United Bank. Accordingly, analysis and interpretation of the data obtained from the respondents are presented as follows:

**Table 1. Demographic Profile of Respondents**

Demographic Respondents	Profile of	Frequency	Percent	Valid Percent	Cumulative Percent
Gender	Male	165	60.9	61.3	61.3
	Female	104	38.4	38.7	100.0
Age	18-25 years	57	21.0	21.1	21.1
	25-35 years	165	60.9	61.1	82.2
	35-45 years	47	17.3	17.4	99.6
	above 45 years	1	.4	.4	100.0
Education Level	Certificate	2	.7	.7	.7
	Diploma	57	21.0	21.1	21.9
	Bachelor Degree	191	70.5	70.7	92.6
	Masters Degree	20	7.4	7.4	100.0
Service year	less than 2 years	70	25.8	25.8	25.8
	2-5 years	103	38.0	38.0	63.8
	5-9 years	64	23.6	23.6	87.5
	9-15 years	31	11.4	11.4	98.9
	More than 15 years	3	1.1	1.1	100.0
Position	Clerical	222	81.9	81.9	81.9
	Managerial	49	18.1	18.1	100.0

Source: Own Survey, 2017

The gender composition of respondents in **table 1** indicates that about 61.3% of them are male and 38.7% females. This composition of staff in terms of gender agrees with the gender composition of the Bank's HR Report (2016) that depicts 58.8 % of staff members are male while the remaining 41.2% are women. Hence, this indicates that the sample respondents represent the population. Since the gender composition of the sample with population was minimal significant disparities may not exist in relation to responses orientation to gender.

Regarding the age of respondents, in **table 1** the higher percentage, which is, 61.1% falls between 25-35 years age. 21.1% are between 18-25 years old and 17.3% are between the age of 35-45 years. This indicates that the majority of respondents were above 25 years age. So the sample under consideration was mature enough to give a reliable response

With regard to the educational level of respondents the statistical data in **table 1** depicts that the education level of respondents range from certificate level to Masters Degree. The majority of the respondents, i.e., 70.7% (191 out of 271) of the respondents were Degree holders. While the remaining 21%( i.e., 57 out of 271), 7.4%( i.e., 20 out of 271) and 0.7%( i.e., 2 out of 271) respondents have Diploma, Masters Degree and Certificates respectively. From this information it is evident that majority of the respondents had attained a degree. This reveals that the sample under consideration was well informed to give relevant and informed information.

Regarding the length of service of respondents, **table 1** shows that 25.8% (i.e., 70 out of 271 respondents) are serving the bank less than two years. When we go up to the next age groups 38% (i.e., 103 out of 271 respondents), 23.6% (i.e., 64 out of 271 respondents), 11.4% (i.e., 31 out of 271 respondents) are serving the Bank 2-5 years, 5-9 years and 9-15 years respectively. The rest 1.1 % ( i.e., 3 out of 271 respondents) serve the Bank more than 15 years. More than 74% of respondents have a work experience of greater than 2 years. This indicates that the majority of the respondents had acquired sufficient experience with in the Bank and could provide reliable and accurate information about the practice of nonfinancial rewards exercised in United Bank.

The position of respondents they assumed **in table 1** indicate that above 81.9 % ( i.e., 222 out of 271 respondents) are Clerical Employees while the rest 18.1 % ( i.e., 49 out of 271 respondents) are Managerial staffs. Thus, the proportion of respondents in terms of their role played in branches is enough to get the opinions of both management and non management staffs on the subject under study.

#### **4.2.2      Nonfinancial Rewards Practiced in United Bank**

Respondents were asked to indicate the nonfinancial rewards they believe are currently practiced in United Bank.

Accordingly, the result of the responses provided by respondents has been presented in table 2 below:



**Table 2: Nonfinancial Rewards Practiced in United Bank**

		Responses		Percent of Cases
		N	Percent	
Nonfinancial Reward Practiced	Recognition	111	20.7%	43.7%
	Career Advancement Opportunity	155	28.9%	61.0%
	Training and Development	129	24.1%	50.8%
	Work Life Balance	61	11.4%	24.0%
	Job Security	80	14.9%	31.5%
Total		536	100.0%	211.0%
a. Dichotomy group tabulated at value 1.				

Source: Own Survey, 2017

In table 2 above it is depicted that 20.7%, 28.9%, 24.1%, 11.4%, 14.9% of respondents indicated that recognition, career advancement opportunity, training & development, work life balance and job security are practiced.

#### **4.2.3 Description of the Effect of Nonfinancial Rewards and Retention in Employee Retention**

In this section the respondents' level of agreement on the effect of nonfinancial reward on employee retention has been presented.

Mean scores of respondents were used while interpreting the data. Mean score above 3.80 is considered high, 3.40-3.79 considered moderate and below 3.39 considered as low (Akmaliah, 2009).

**Table 3 . Respondents Agreement on Nonfinancial Rewards and Retention in terms of their Demographic Profile**

Demographic Profiles of Respondents			Recognition	Career Advancement Opportunity	Training & Development	Retention
Gender	Male	Mean	3.62	3.63	3.60	3.87
		N	165	165	165	165
		Std. Dev	.80	.87	.92	.61
	Female	Mean	3.60	3.50	3.54	3.77
		N	104	104	104	104
		Std. Dev	.88	.96	.82	.59
Age	18-25	Mean	3.78	3.66	3.57	3.89
		N	57	57	57	57
		Std. Dev	.88	.91	.96	.61
	25-35	Mean	3.59	3.58	3.57	3.81
		N	165	165	165	165
		Std. Dev	.78	.90	.85	.58
	35-45	Mean	3.55	3.61	3.65	3.85
		N	47	47	47	47
		Std. Dev	.87	.92	.89	.65
Educational Level	Certificate	Mean	3.00	3.50	4.00	4.00
		N	2	2	2	2
		Std. Dev	1.41	.70	.00	.00
	Diploma	Mean	3.94	3.89	3.68	4.00
		N	57	57	57	57
		Std. Dev	.74	.83	.92	.62
	Bachlor Degree	Mean	3.56	3.51	3.54	3.78
		N	191	191	191	191
		Std. Dev	.84	.93	.86	.59
	Masters Degree	Mean	3.30	3.55	3.60	3.90
		N	20	20	20	20
		Std. Dev	.73	.82	1.09	.64
Length Service of	less than 2 years	Mean	3.85	3.79	3.55	3.79
		N	69	69	69	69
		Std. Dev	.75	.86	.94	.63
	2-5 years	Mean	3.58	3.60	3.52	3.90
		N	103	103	103	103
		Std. Dev	.86	.87	.89	.55
	5-9 years	Mean	3.46	3.46	3.59	3.76
		N	64	64	64	64
		Std. Dev	.77	.97	.81	.61
	9-15 years	Mean	3.58	3.61	3.83	3.90
		N	31	31	31	31
		Std. Dev	.92	.84	.89	.70
	more than 15 years	Mean	3.00	1.66	3.33	3.33
		N	3	3	3	3
		Std. Dev	1.00	.57	1.15	.57
Position of Respondents	Clerical	Mean	3.58	3.60	3.56	3.81
		N	221	221	221	221
		Std. Dev	.85	.90	.90	.58
	Managerial	Mean	3.77	3.57	3.65	3.95
		N	49	49	49	49
		Std. Dev	.74	.97	.83	.67

Source: own survey, 2017

As shown in table 3 the average agreement of male and female respondents on recognition, career advancement opportunity and training & development was moderate. The mean score indicates that there is no difference on the agreement of male and female in nonfinancial reward. However, the agreement level of male and female differs with regards to retention.

The average agreement level of respondents in all category of age was the same. Their agreement on recognition, career advancement opportunity and training & development was moderate and high on employee retention.

Regarding the educational level of respondents the average agreement level of certificate and masters degree holders was low in recognition where as bachlor degree and diploma holders" average agreement was moderate and high respectively as shown in table 3. Certificate, bachlor degree and masters degree holders average agreement on career advancement were moderate where as diploma holders average agreement was high. Certificate holders average agreement were high in training and development where as the average agreement level of diploma, bachlor degree and masters degree holders were moderate as shown in table 3. With regards to retention certificate, diploma, and masters holders average agreement was high. However, bachlor degree holders level of agreement was moderate.

The average agreement level of respondents with the length of service less than 2 years was high in recognition. Respondents" level of agreement on recognition with

a length of service up to 15 years was moderate. The average agreement of respondents with a length of service up to 15 years was moderate level agreement on career advancement opportunity. The average agreement of respondents having a service length more than 15 years low in all nonfinancial rewards and employee retention. The average agreement level of respondents with a service length of up to 9 years was moderate in training and development whereas those with a service length of 9-15 year were high. Regarding employee retention respondents' agreement with the service year up to 15 years was above moderate level.

The average agreement levels of both managerial and clerical respondents were high in retention and moderate on nonfinancial rewards which indicate no difference with regards to the position they assumed.

**Table 4: Level of Respondents Agreement on the effect of Recognition on Retention**

<b>Recognition Statements</b>	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
My contribution is fully recognized	267	3.80	1.034
I receive constructive feedback about my work	267	3.70	1.023
My supervisor praises when I achieve good performance	269	3.65	1.010
The Management awards employees who makes difference	267	3.40	1.160
Promotion is strongly influenced by contribution or performance	270	3.31	1.249
There is a culture of acknowledging good performance	264	3.40	1.056
<b>Recognition</b>	<b>271</b>	<b>3.5416</b>	<b>.77306</b>

Source: Own Survey, 2017

As shown in table 4 the respondents' agreement to the statement "my contribution is fully recognized" was 3.80. When this mean value is compared with (Akmaliah, 2009) mean score comparison, the mean result indicates that the feeling of respondents for this statement indicate their high agreement. The statements "I receive constructive feedback about my work", "my supervisor praises when I achieve good performance", "the management awards employees who makes difference", "there is a culture of acknowledging good performance" were rated by respondents as moderate as shown by a mean score of 3.70, 3.65, 3.40 and 3.40 respectively. However, a statement "promotion is strongly influenced by contribution or performance" was received low agreement by the respondents as shown by a mean score of 3.31 as compared to the standard mean comparison. The overall respondents' average agreement with regard to the recognition practices of the bank was 3.54. This shows that most of the respondents agree that recognition is a determinant factor to them.

**Table 5: Level of Respondents Agreement on the effect of Career Advancement Opportunity on Retention**

<b>Career Advancement Opportunity Statements</b>	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
I have an opportunity for promotion in this Bank	269	3.80	1.023
The promotion paths are clearly stated and communicated	271	3.49	1.208
I will be promoted within the next two years	270	3.80	.946
The promotion procedure is acceptable and impartial	271	3.48	1.112
Staffs are promoted in a fair and transparent way	270	3.39	1.192
Career advancement opportunity	271	3.5893	.86793

Source: Own Survey, 2017

The study sought to evaluate the practice of career advancement opportunity at United Bank. The results of respondents' agreement in **table 5** indicate that the statements "I have an opportunity for promotion in this Bank" and "I will be promoted within the next two years" were received a mean score of 3.80. This mean score indicates respondents' high agreement with regards to these statements. The statements "the promotion paths are clearly stated and communicated", "the promotion procedure is acceptable and impartial", and "staffs are promoted in a fair and transparent way" were rated by respondents as moderate level of agreement as shown by a mean score of 3.49, 3.48 and 3.39 respectively. The overall rating of respondents' agreement on career advancement opportunity reward practice was 3.59 which is considered as moderate level of agreement. This also shows that most of the respondents agree that career advancement opportunity is a determinant factor to them

**Table 6: Level of Respondents' agreement on the effect of Training and Development on Retention**

<b>Training &amp; Development Statements</b>	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
Employees are properly trained upon joining United Bank	270	3.66	1.135
The Bank provides opportunities for career development	270	3.68	.931
There are an opportunities for continued education in United Bank	270	3.52	1.034
I have received sufficient training to do my job effectively	269	3.41	1.154
The Bank has a training and development policy applicable to all employees	271	3.39	1.099
I received regular training to keep me update for better performance	270	3.19	1.149
<b>Training &amp; Development</b>	<b>271</b>	<b>3.4772</b>	<b>.81758</b>

Source: Own Survey, 2017

As shown in **table 6** respondents moderately agreed to the first five statements” employees are properly trained upon joining United Bank”, “the Bank provides opportunities for career development”, there are an opportunities for continued education”,” I have received sufficient training to do my job effectively”, and “the Bank has a training and development policy applicable to all employees” as shown by a mean score of 3.66, 3.68, 3.52, 3.41 and 3.39 respectively. The mean score of the statement “I received regular training to keep me update for better performance” was 3.19 which indicate the respondents low agreement as per (Akmaliah, 2009) mean score value comparison. Respondents average agreement on training and development reward practice at the bank was moderate by a mean score of 3.48. similarly this result indicates that most of the respondents agree that training and development is a determinant factor to them

**Table 7: Level of Respondents agreement on the effect of Nonfinancial Rewards on Retention**

	N	Mean	Std. Deviation
Nonfinancial Reward	271	3.5978	.66926
Valid N (listwise)	271		

Source: Own Survey, 2017

As shown in table 7 the respondents average agreement on the effect of nonfinancial reward on employee retention were moderate level as shown by a mean score 3.59. This shows that most of the respondents agree that nonfinancial reward is a determinant factor to them to stay in United Bank.

**Table 8: Respondents Level of Agreement on Employee Retention (Intention to stay, Loyalty and Commitment)**

<b>Employee Retention Statements</b>	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
I am not thinking about quitting my job at the present time	265	3.61	1.100
If I wanted to do another job or function, I would look first at the possibilities within this Bank	269	3.87	.937
It is unlikely that I will actively look for a different organization to work for in the next year	267	3.30	1.079
<b>Intention to Stay</b>	<b>271</b>	<b>3.5959</b>	<b>.71623</b>
I would be very happy to spend the rest of my career with United Bank	269	3.38	1.161
I really feel as if this Bank's problems are my own	268	3.81	1.023
<b>Loyalty</b>	<b>271</b>	<b>3.5923</b>	<b>.92835</b>
I feel that I have too few options to consider leaving United Bank	265	3.42	1.126
I speak positively about this Bank when talking to customers, friends and relatives	270	4.45	.703
I recommend the products and services of the Bank to others	271	4.43	.726
When needed I am willing to put in extra effort to get the job done	267	4.31	.759
<b>Commitment</b>	<b>271</b>	<b>4.1571</b>	<b>.57974</b>
<b>Employee Retention</b>	<b>271</b>	<b>3.8612</b>	<b>.59761</b>

Source: Own Survey, 2017

With regard to respondents intention to stay the results in **table 8** revealed that the statement “If I wanted to do another job or function, I would look first at the possibilities within this Bank” was rated by respondents as high agreement as shown by a mean score of 3.87. respondents moderately agreed on “ I am not thinking about quitting my job at the present time” with a mean score of 3.61 and the



statement ” It is unlikely that I will actively look for a different organization to work for in the next year” was rated by respondents as low agreement by a mean score of 3.30. Respondents average agreement on intention to stay was moderate as shown by a mean score 3.59.

Regarding loyalty statements the result in **table 8** shows that respondents are highly agreed on the statement “I really feel as if this Bank's problems are my own” as shown by a mean score of 3.81 and the statement “I would be very happy to spend the rest of my career with United Bank” received the respondents low agreement by a mean score of 3.38.

With regards to statements asked respondents agreement on their commitment level the results in **table 8** shows that respondents were highly agreed on the statements “I speak positively about this Bank when talking to customers, friends and relatives”, “I recommend the products and services of the Bank to others”, “when needed I am willing to put an extra effort to get the job done” with a mean score of 4.45, 4.43, and 4.31 respectively. The respondents’ agreement to the statement “I feel that I have too few options to consider leaving United Bank” was 3.42 which indicate the respondents’ moderate agreement for the statement. The average agreement of respondents on commitment was high with a mean score of 4.15.

The result of respondents’ agreement to all questions or statements categorized under retention construct was 3.86. This indicates respondents’ high agreement as they are committed to their Bank.

### **4.3 Data Analysis Using Inferential Statistics**

#### **4.3.1 Correlation Analysis**

Correlation is the existence of relationship or degree of correspondence between variables. Correlation simply indicates the presence of relation between two variables but does not imply one is a cause of another variable (Robert B., and Richard A., 2008).

To analyze correlations of variables in this study Pearson Correlation analysis was used. The Pearson correlation coefficient reveals intensity of the relationship (-1.0 to +1.0) and direction (either positive or negative) of correlation between two variables. The result of correlation analysis between independent and dependent variables considered in this study is presented in table 9.

**Table 9: Correlation Matrix**

		Recognition	Career advancement opportunity	Training & Development	Nonfinancial Reward	Intention to Stay	Loyalty	Commitment	Employee Retention
Recognition	Pearson Correlation	1	.539**	.349**	.768**	.346**	.365**	.242**	.372**
	Sig. (2-tailed)		.000	.000	.000	.000	.000	.000	.000
	N		271	271	271	271	271	271	271
Career advancement opportunity	Pearson Correlation		1	.418**	.817**	.313**	.390**	.236**	.356**
	Sig. (2-tailed)			.000	.000	.000	.000	.000	.000
	N			271	271	271	271	271	271
Training & Development	Pearson Correlation			1	.716**	.279**	.267**	.123*	.273**
	Sig. (2-tailed)				.000	.000	.000	.043	.000
	N				271	271	271	271	271
Nonfinancial Reward	Pearson Correlation				1	.399**	.414**	.247**	.411**
	Sig. (2-tailed)					.000	.000	.000	.000
	N					271	271	271	271
Intention to Stay	Pearson Correlation					1	.464**	.315**	.694**
	Sig. (2-tailed)						.000	.000	.000
	N						271	271	271
Loyalty	Pearson Correlation						1	.401**	.707**
	Sig. (2-tailed)							.000	.000
	N							271	271
Commitment	Pearson Correlation							1	.675**
	Sig. (2-tailed)								.000
	N								271
Employee Retention	Pearson Correlation								1
	Sig. (2-tailed)								
	N								
**. Correlation is significant at the 0.01 level (2-tailed).									
*. Correlation is significant at the 0.05 level (2-tailed).									

Source: Own survey, 2017

**Table 9** indicates the result of statistical test for correlation of independent and dependent variables. Accordingly as shown in the correlation matrix table nonfinancial reward was correlated with employee retention, intention to stay, loyalty and commitment with a correlation coefficient of 0.411 at  $p < 0.01$ , 0.399 at  $p < 0.01$ , 0.414 at  $p < 0.01$ , and 0.247 at  $p < 0.01$  respectively.

Recognition was correlated with employee retention at correlation coefficient (0.372,  $p < 0.01$ ), Career advancement opportunity was correlated with employee retention

with a correlation coefficient of (0.356,  $p < 0.01$ ), and Training & Development was correlated with employee retention with a coefficient of (0.273,  $p < 0.01$ ).

Therefore, it is possible to understand that the Pearson correlation coefficient of independent and dependent variables in table 9 indicate the existence of positive relationship. The level of correlation for all these variables was also moderate.

#### 4.3.2 Regression Analysis

In this part regression analysis will be conducted to measure the magnitude or relative effect of independent variables on dependent variable.

**Table 10: Regression Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.428 <sup>a</sup>	.183	.174	.54317
a. Predictors: (Constant), Training and Development, Recognition, Career advancement opportunity				

Source: own survey, 2017

In table 10 the model summary of regression results indicate that nonfinancial rewards are causing a variation of 17% in retention of employees.

**Table 11: Regression Coefficients <sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.479	.185		13.368	.000
	Recognition	.181	.051	.234	3.515	.001
	Career advancement opportunity	.125	.047	.181	2.640	.009
	Training and Development	.085	.045	.116	1.876	.062
a. Dependent Variable: Retention						

Source: own Survey, 2017

In table 11 the coefficients of independent variables also reveal that recognition and career advancement opportunity are significant at  $p=.001$  and  $p=.009$  respectively. Training and development is not significant. This means that the two variables contribute a lot to the prediction of dependent variable employee retention. The beta coefficient value indicates that one degree change in recognitions, career advancement opportunity and training & development cause 18%, 12.5% and 8.5% change in employee retention respectively.

#### 4.3.3 Analysis of Variance (ANOVA).

ANOVA was applied to test whether there is a difference in employee retention on the basis of gender, age, level of education, work experience/length of service and position of respondents.

**Table 12 Analysis of variance as per demographic profiles.**

Demographic Profile		Sum of Squares	df	Mean Square	F	Sig.
Gender	Between Groups	13.739	38	.362	1.661	.013
	Within Groups	50.053	230	.218		
	Total	63.792	268			
Age	Between Groups	16.240	38	.427	1.079	.357
	Within Groups	91.523	231	.396		
	Total	107.763	269			
Highest level of education attended	Between Groups	10.542	38	.277	.939	.576
	Within Groups	68.232	231	.295		
	Total	78.774	269			
Year of Service in United Bank	Between Groups	35.588	38	.937	.916	.615
	Within Groups	237.298	232	1.023		
	Total	272.886	270			
Job category of the respondents	Between Groups	5.358	38	.141	.905	.632
	Within Groups	36.140	232	.156		
	Total	41.498	270			

Source: Own survey, 2017

In table 12 the result of ANOVA analysis indicates the mean difference in gender of respondents ( $F=1.661$ ,  $P<0.05$ ), age of respondents ( $F=1.079$ ,  $P>0.05$ ), educational level of respondents ( $F=0.939$ ,  $P>0.05$ ), year of service of respondents ( $F=0.916$ ,  $P>0.05$ ) and job category or position of respondents assumed ( $F=0.905$ ,  $P>0.05$ ).

This finding evidenced that only the mean difference in gender of respondents ( $F=1.661$ ,  $P<0.05$ ) was statistically significant. This means that there is a difference in the mean of employee retention or their intention to stay based on gender. The mean difference in other demographic profiles of respondents were statistically insignificant.

#### 4.3.4 Employee Retention Level and Trends at United Bank

Annual reports and strategic plan of United Bank was assessed to determine the retention level and trends for the last five years.

Accordingly the findings are presented in the table 13 below.

**Table 13: Retention Level and Trends**

Description	Fiscal Year (June 2012 – 2016)				
	2012	2013	2014	2015	2016
Number of Staff	1974	2101	2424	2921	3213
Staffs Leaving the Bank during the fiscal year	110	149	188	125	149
Turnover Rate	5.60%	7.09%	7.76%	4.28%	4.64%
Retention Rate	94.40	92.91	92.24	95.72	95.36

Source: Annual HR Report of United Bank

The data in table 13 reveals the strength of staff size and the magnitude of staff retention within the period under review. The review period covers the last five fiscal years ranging from June, 2012 – June, 2016.

Hence, during the review period the Bank increased its staff from 1974 to 3213. This indicates the staff level of United Banks is increased by more than 60% within five years period. On the other hand the number of staff leaving the bank is increased by 35.6%. The data also indicates that the five year average attrition rate of the Bank was 5.87%. However, it was learned that United Bank sets 3.10% as an average tolerable attrition rate in its strategic plan document. Even though the employee turnover rate shows decreasing the data reflects that the actual employee turnover rate is still more than the attrition rate set by the bank. In line with this it was also learned that the majority of those leaving the bank are key clerical employees who are skilled in customer service through provision of intensive training programs

## **CHAPTER FIVE**

### **SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Summary of Findings**

In this study the effect of nonfinancial rewards on employee retention at United Bank S.C was examined. Specifically recognition, career advancement opportunity and training & development were examined with employee retention using descriptive and inferential statistics.

Summary of findings have been presented as follows:

- Regarding the recognition practice, the respondents overall average level of agreement was 3.54 which is moderate. The statement that received the high level of agreement was “my contribution is fully recognized” as shown by a mean score of 3.80. The statement with the low level of agreement was “promotion is strongly influenced by contribution or performance” with a mean score of 3.31. This shows that most respondents agree that recognition is determinant to them.
- The respondents overall average agreement regarding the variable career advancement opportunities was 3.58. According to Akmaliah (2009) mean score comparison this also indicate respondents moderate level of agreement. The statements that received the high level of agreement by respondents were the statements “I have an opportunity for promotion in this



Bank” and “I will be promoted within the next two years “with a mean score of 3.80.

- The average level of agreement by the respondents on training and development practices was 3.47. Similar to recognition and career advancement opportunity variables shown above, the respondents agreement to training and development was at a moderate level. The statement that received low level of agreement was “I received regular training to keep me update for better performance” as shown by a mean score of 3.19.
- Regarding respondents agreement on their intention to stay the statement that received high level agreement by the respondents was “If I wanted to do another job or function, I would look first at the possibilities within this Bank” with a mean score of 3.87 and conversely the statement that received low level of agreement by the respondents was “it is unlikely that I will actively look for a different organization to work for in the next year” as shown by a mean score of 3.30. Regarding the loyalty of respondents the statement “I really feel as if this Bank's problems are my own” received high level of agreement by the respondents with a mean score of 3.81. The statement “I would be very happy to spend the rest of my career with United Bank” received low level of agreement with a mean score of 3.38. All commitment statements received high level of agreement by respondents except the statement “I feel that I have too few options to consider leaving United Bank” with a mean score of 3.42 which is considered as moderate as per the standard mean score comparison mentioned above. It is possible to

understand here that the respondents overall agreement on employee retention was had got high agreement level by respondents with a mean score value of 3.86.

- The overall respondents average agreement on the effect of nonfinancial reward on employee retention were moderate level as shown by a mean score 3.58. This shows that most respondents agree that nonfinancial reward is determinant to them.
- The result of correlation analysis indicated the existence of positive and moderate relationship between nonfinancial reward and employee retention. The magnitude of the correlation coefficient were 0.411 which is significant at  $p < 0.05$
- The result of regression analysis had also further revealed that nonfinancial rewards examined in this study were found to bring variation in employee retention at UB. That is a unit change in recognition, career advancement opportunity, and training & development would lead to a 0.181, 0.125, and 0.085 changes in employee retention respectively. This finding is consistent with the previous studies conducted by (Schouten, 2006; Chew and Chan, 2008; Meyer et al, 2003; Bashir, 2008; Kimuge, 2014; Rosenwald, 2000 and Nyaga, 2015).

## **5.2 Conclusions**

The objective of this study was to examine the effect of nonfinancial reward practice to employee retention.

Accordingly,

- The existence of positive effect of nonfinancial rewards to employee retention was explored in this study. Recognition, Career advancement opportunity and training & development had a positive contribution to employee retention.
- The result of descriptive analysis revealed that the average agreement of respondents on nonfinancial rewards was moderate. This shows that most respondents agree that nonfinancial rewards are determinant to retention but the practice by United Bank is inadequate.
- The results of correlation analysis also indicate that nonfinancial rewards were positive correlation with employee retention. This finding is in line with the theoretical constructs. This means that availability and proper implementation of nonfinancial rewards will make employees to stay which will enhance the retention level of employees in UB, and
- Finally the results of document review also indicate that the retention level was low compared to its strategic plan.

### **5.3 Recommendations**

The study concluded that the average agreement of respondents on nonfinancial rewards and its dimensions were moderate. The study also concluded the existence of positive effect of nonfinancial reward on employee retention. Thus, the following recommendations have been recommended taking into account these major findings in this study.

- The management of UB shall enhance recognition, career advancement opportunity and training and development reward practice to increase employee retention.
- Specifically United Bank shall use performance or contribution as major criteria to promote employees, and
- The Bank shall also provide training to employees to increase their performance and effectiveness in handling their duties.

### **5.4 Recommendations for further Research**

In this study the positive effect of nonfinancial rewards on employee retention at United Bank had been identified. Therefore, other researchers can conduct similar studies in other organizations to replicate and confirm.

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## Appendix I – Survey Questionnaire

### Addis Ababa University School of Commerce

Dear Sir/Madam,

I am conducting a Master's Thesis on "the impact of non financial rewards on employee retention at United Bank S.C". I would like you to fill-up the questionnaire as you have practical experience within the Bank. I believe that your honest response will make this research successful. I assure you that the information provided by you will be kept confidential and will only be utilized for academic purpose.

#### Part I: Demographic Profile

Please tick the appropriate answer for each of the following questions.

1. Gender:

1) Male ☐      2) Female ☐

2. Age:

- 1) 18 - 25 years ☐
- 2) 25 - 35 years ☐
- 3) 35 – 45 years ☐
- 4) above 45 years ☐

3. Highest level of education attended:

- 1) Certificate ☐
- 2) Diploma ☐
- 3) Bachelor Degree ☐
- 4) Masters Degree ☐
- 5) Doctorate Degree ☐

4. How long have you been working for United Bank?

- 1) Less than 2 year ☐
- 2) 2 - 5 years ☐
- 3) 5 - 9 years ☐
- 4) 9 - 15 years ☐
- 5) More than 15 years ☐

5. What is your position in United Bank?

- 1) Clerical ☐

2) Managerial ☐

**Part II: Assessment of respondent's opinion about the non financial rewards practiced at United Bank**

Please, put a tick (✓) mark(s) on the following non financial reward(s) that you believe practiced at United Bank (You can tick more than one):

1. Recognition ☐
2. Career Advancement Opportunity/Promotion ☐
3. Training and Development ☐
4. Work Life Balance ☐
5. Job Security ☐
6. Other \_\_\_\_\_

**Part III: Assessment of respondent's agreement on the extent to which non financial rewards are practiced at United Bank**

Please, indicate the extent to which you agree or disagree with each statement.

(SA=Strongly Agree A=Agree N=Neutral D=Disagree SD=Strongly Disagree)

S.N	Statements	SA	A	N	D	SD
	<b>Recognition</b>					
1	My contribution is fully recognized					
2	I receive constructive feedback about my work					
3	My supervisor praises when I achieve good performance					
4	The Management awards employees who makes difference ( achieve high performance)					
5	Promotion is strongly influenced by contribution or performance					
6	There is a culture of acknowledging good performance					
	<b>Career Advancement Opportunity/Promotion</b>					
1	I have an opportunity for promotion in this Bank					
2	The promotion paths are clearly stated and communicated					
3	I will be promoted within the next two years					
4	The promotion procedure is acceptable and impartial					
5	Staffs are promoted in a fair and transparent way					

S.N	Statements	SA	A	N	D	SD
	<b>Training and Development</b>					
1	Employees are properly trained upon joining United Bank					
2	The Bank provides opportunities for career development					
3	There are an opportunities for continued education in United Bank					
4	I have received sufficient training to do my job effectively					
5	The Bank has a training and development policy applicable to all employees					
6	I received regular training to keep me update for better performance					

**Part IV: Assessment on respondent's opinion on Intention to Stay/Retention.**

Please, indicate the extent to which you agree or disagree with each statement.

**(SA=Strongly Agree    A=Agree    N=Neutral    D=Disagree    SD=Strongly Disagree)**

S.N	Statements	SA	A	N	D	SD
1	I am not thinking about quitting my job at the present time					
2	If I wanted to do another job or function, I would look first at the possibilities within this Bank					
3	It is unlikely that I will actively look for a different organization to work for in the next year					
4	I would be very happy to spend the rest of my career with United Bank					
5	I really feel as if this Bank's problems are my own					
6	I feel that I have too few options to consider leaving United Bank					
7	I speak positively about this Bank when talking to customers, friends and relatives					
8	I recommend the products and services of the Bank to others					
9	When needed I am willing to put in extra effort to get the job done					

**Thank You!**