



**Employees Perception towards Base Pay versus Benefits and its effect on their
Turnover Intention: a Case of Bank of Abyssinia S.C.**

By

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DECLARATION

I, Hiwot Kebede declare that “Employees Perception towards Base Pay versus Benefits and its effect on their Turnover Intention” a Case of Bank of Abyssinia S.C. is my own work, that has not been submitted for any degree or any other examination in any other university, and that all the sources I have used or quoted have been indicated and acknowledged as complete reference. This paper is submitted for the degree of Master for Art in Human Resource Management to Addis Ababa University School of Commerce Graduate Program.

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Acronyms and Abbreviations

HR: Human Resource

HRMD: Human Resource Management Department

BoA, the Bank: Bank of Abyssinia

HR staff: employees working at HRMD of BoA

City Branches: Branches found in Addis Ababa

Outlying Branches: Branches found out of Addis Ababa

Independent Variables/Transactional Rewards: Base Pay and benefits

Dependent Variable: Turnover Intention:

Abstract

This study has tried to establish the relationship & influence of Base Pay and Benefit Packages to employees' turnover intention as a case in Bank of Abyssinia, a major financial institution in Ethiopia. In doing so, the study tried to investigate possible perception differences between managerial & clerical category of employees regarding relationship & influence of base pay & benefit packages to turnover intention. An assessment of employees' perception to the overall reward practice of the Bank is also made. To answer these research questions, data was collected through questionnaire & interview from a sample of the Bank's employees who are selected through stratified & simple random sampling methods. Quantitative data was presented using Statistical Package for Social Sciences (SPSS) and is described & analyzed using various statistical measures & methods. The findings of the research showed the Bank's overall reward management practice is perceived satisfactorily by its employees and the overall turnover intention of the Bank's employees is relatively low. It was established base pay & benefit packages have a strong relationship to employees' turnover intention. Yet, the research showed a perception difference of the said relationship among the managerial & clerical category of employees. As such, benefit packages have a stronger relationship & effect to the turnover intention for clerical category of employees and base pay has a stronger relationship & influence to turnover intention of managerial category of employees. In conclusion, the research has shown the Bank's reward management system is perceived satisfactorily by employees & hence contributed to a low turnover intention. The Bank is recommended to develop compensation strategies that address the separate perceptions of the clerical & managerial categories of employees towards base pay & benefit packages.

Key Words: Reward, Base Pay, Benefits, Turnover Intention, Managerial and Clerical employees, employee perception.

CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

Understanding what influences employees to accept a job offer and to stay in the organization, is a primary focus of every employer. Particularly, in the banking industry, it is not only needful but also a challenge to keep a highly motivated staff with the ability and drive to go above and beyond customer service expectations.

In order to keep employees stay motivated, organizations should understand the factors that affect employees' turnover intention. Michael Armstrong, (2009) states that the retention strategies should be based on an understanding of the factors that affect whether or not employees leave or stay. And one factor for employees' turnover intention is their perception towards the organizations' Reward Management System.

Reward Management deals with the strategies, policies and processes required to ensure that the contribution of people to the organization is recognized by both financial and non-financial means, Michael Armstrong, (2007). It has also a vital effect up on employees' turnover intention.

According to John Stredwick, (2005), Turnover can be put into the categories of voluntary or compulsory turnover,

Voluntary turnover take account of, leaving to take up a job elsewhere, leaving to raise a family, set up a business or enter full-time education, leaving due to partner's re-location and Retirement and health issues. Compulsory turnover, on the other hand, includes dismissal for misconduct, dismissal due to ill health and dismissal due to redundancy and the like.

Turnover intention, the main theme of this study, refers to the voluntary intention of employees to leave an organization.

In most cases employees' intent to leave organizations happens, once they get dissatisfied because of different factors. Among the factors that cause turnover intention, dissatisfaction due to the pay or benefit package that the organization is granting or having attractive benefit package or pay offer elsewhere is the major one, Armstrong, (2007).

Total reward combines the impact of two major categories, Transactional Rewards (Base Pay, Contingency Pay and Employee Benefits) and Relational Rewards (Learning & Development and work experience), Michael Armstrong, (2006). This paper mainly focuses on the two transactional (extrinsic) rewards, namely, Base Pay and Benefits.

Transactional Rewards are substantially related to turnover intention as employees who are satisfied with organizational rewards will believe losing such a competitive reward to be costly and would not find such compensation elsewhere, and therefore they choose to stay. S. Ali, S. Mohammad Amin and R.A. Hamid, (2016).

From the employer's point of view, Managing Transactional Rewards is a powerful tool for advancing the organization's retention and other strategic goals. It has a large impact on employee attitude and behaviors. It influences the kind of employees who are attracted to (and remain with) the organization and it can be a powerful tool for aligning current employees' interest with those of the comprehensive organization.

In addition, as rewarding employees is a significant organizational cost and thus requires close attention in one way, and retaining a motivated staff for long time is also among the major parts of HRM issues that affect organizations success, in order to create a balance between the two issues, organizations should know how to reward employees and differentiate between influential variables of employee retention through Reward Management.

Noe. Hollenbeck, Gerhart, Wright, (2008) put Base Pay and Benefits among the major sources of employees job dissatisfaction and reason to leave employers. The authors also states that employees being recruited away from one organization to by another are attracted with promise of higher pay levels. A study on the exit surveys of high performing employees who have left their organization indicate "better pay" as the key reason than "better opportunity". The study also shows satisfaction with benefit is another important dimension of overall pay satisfaction that brings employees retention.

Another study by N. Habuib, S. Mukhtar, & W. Jamal, (2010) also shows that pay or salary ranks as the second reason that influence employees' intention to quit.

Thus, How do organizations act in order to retain their employees? How do employees perceive the Reward Management System of the organization, how do they recognize Base Pay in comparison to Benefit Packages? Which one weighs more to the employee, and how does this affects their turnover intention? These are the basic questions of this research paper.

This paper tried to address the above described core issues as a case in Bank of Abyssinia, one of the private banks in Ethiopia.

To assess employees' perception to the overall reward management practice, and determine the relationship of Base pay & Benefit Packages to employee turnover intention, primary data were collected from a predetermined sample size using questionnaire and interview. Relevant literature will also be reviewed. Data collected were presented and analyzed using Statistical Packages for Social Studies (SPSS).

Employees' perception on Base Salary & Benefit and its effect in turnover intention were measured. At the end of this research, the perception of the Bank's employees towards the Reward Management System of the Bank on the two categories of transactional rewards were identified, discussed and interpreted.

The Bank will primarily benefit from the research as the findings of the research could be used as a base for Human Resource Management decisions on reward strategies. The research can also be potentially used as a base for further studies.

1.2. Background of the Organization

This paper tried to address the above described core problem as a case in Bank of Abyssinia, a leading private financial institution in Ethiopia. Established on February 15, 1996 G.C. in accordance with 1960 Ethiopian Commercial code and the Licensing and supervision of Banking Business Proclamation No. 84/1994, the Bank currently have 3124 permanent employees in its 188 branches all over Ethiopia. The Bank provides a full- fledged banking service to its customers and a competent and attractive compensation package to its employees.

In order to maximize the value to stakeholders, the Bank's mission is going on providing customer-focused financial services through competent, motivated employees and modern technology. Its vision is also stated as "to be the Bank of choice for customers, employees and

shareholders”. And above, putting customer first, being honest and accountable, committing to excellence, working together as a team and caring for the community are the core values of the Bank.

1.3. Statement of the Problem

An organization is only as good as it keeps its motivated people. Every establishment needs a motivated and dedicated task force to properly function and achieve its goal. As a result companies invest a lot in order to maintain the best employees’ retention strategies, as this will mainly affect employees’ turnover intention.

Thus, some organizations attempt to keep their employees motivated in certain ways and others chose a completely different path. There doesn’t seem to be an agreed, definite and preferred mechanism amongst organizations to retain their employees.

Similarly, there doesn’t seem to be a definite answer as to the perception of employees on the organizations Reward Management System and on their preference over the type of transactional rewarding factors they weigh more. Is better Base Pay a good factor than a better benefit package to influence employees’ turnover intention? Does this preference vary between ranges of employee categories? Do organizations have a clear and researched understanding of their employees’ preferences and how this preference affects the level of the turnover intention or do they simply assume what’s better for their employees? There are no definite answers.

The financial industry in Ethiopia faces the same dilemma. According to the data taken from the Human Resource related reports of two private banks, Bank of Abyssinia (BoA) and United Bank S.C. (UB), employees’ resigned for ‘better salary and benefits’ holds a significant percentage over the other reasons.

For instance in BoA, 103 employees resigned from the Bank for the year ended June 30, 2016. Among the major causes of resignation, 47% is shared over Retirement, Health related issues, Deceased, and Discipline cases. Whereas, the lion share which is 53% is signified by employees who leave the Bank for better salary and benefits, (BoA, HRD Report, June 2016). Likewise, in UB, the attrition rate of the year ended June 30, 2016, is higher by 4.6% than the previous budget

year, 2015 and the major motive here also goes for reasons such as better job position, salary and benefits, (United Bank's Annual Report, June, 2016).

The mechanisms applied by different banking institutions, in Ethiopia, to attract new employees and retain existing ones widely vary. Some institutions introduce attractive pay scales while others maintain a generous benefit package. Some also try to maintain a balance between the two. Yet, the industry is characterized by high turnover and employee poaching between firms.

In order to address the above concern, different studies have been carried out in different times and most of the studies focus on differentiating between intrinsic and extrinsic rewards as influential factors of employee turnover intention, in general. However, there are no explicit studies on how using, the transactional rewards such as Base Pay or Benefits as employee retention strategies influence employees turnover intention.

This is an indication of the need to undertake a different study in order to understand the perceptions of employees towards Base Pay and Benefit and their relationship with turnover intention.

In response to this fact, therefore, by taking Bank of Abyssinia, a leading financial institution in Ethiopia, as a case, this research assessed employees' perception towards Bank's Reward Management Practice. The study specifically focused on employees' perception towards the Base Pay versus Benefit Packages and its effect on their turnover intention.

1.4. Research Questions

1.4.1. General Question

This paper is mainly proposed to answer the next general question.

- How does the reward management practice of Bank of Abyssinia affects employee retention?

1.4.2. Specific Questions

The study also responded the following specific questions:

1. How does the reward management practice of the Bank look like?

2. What is the level of turnover intention in Bank of Abyssinia?
3. How does Base Pay affect turnover intention?
4. How does Benefits affect turnover intention?
5. Which factor prevents turnover intention significantly?
6. Is there a perception difference between Managerial and Clerical Employees?

1.5. Research Objectives

1.5.1. General Objective

The general objective of this research is to assess the reward management practice of the Bank and diagnosis its effect on employee retention.

1.5.2. Specific Objectives

To ensure achievement of the general objective, the research included the following specific objectives,

- To determine the reward management practice of the Bank,
- To identify the level of the turnover intention of the Bank,
- To define the effect of Base Pay on employee turnover intention,
- To define the effect of Benefits on employee turnover intention,
- To determine the most significant factor that prevent turnover intention,
- Identifying if there exists a perception difference between Managerial and Clerical Employees.

1.6. Significance of the Study

Since not knowing how to reward employees affects employees turnover intention and has fallout in organization's success, the awareness about how employees perceive the Bank's Reward Management System or their preference over Base Pay and Benefits has an important implication for the Bank's Management on where to find an opportunity to act on employee retention strategies.

As cited by Michael Armstrong, (2006), the CIPD (Chartered Institute of Personnel Development) study (2004), suggests that the reward and compensation strategy of a company

could take the form of a 'gap analysis' which compares what is believed should be happening with what is happening and indicates which 'gaps' need to be filled. Thus, the real perceptions of employees has been identified and recommend actions have been made on what needs to be done to overcome the identified gaps.

Accordingly, through the analysis of the factors that influence employees' turnover intention, the Bank is provided with the information that specifies the actions required to improve retention rates.

The study also helps the Bank in order to evaluate the effectiveness of its Reward Management Practices. The research may also help the Bank and other researchers to do further studies in the area.

1.7. Scope of the Study

The research focus is bounded in to Bank of Abyssinia S.C. in which selected Branches and Departments found in Addis Ababa were only included in the study.

The research area is also limited to assessing the Bank employees' perception towards the Bank's Reward Management System as a whole. And it focused only on the transactional reward factors and specifically evaluated employees' preference over Base Pay and Benefits as key factors that affect turnover intention.

Variable Pays such as bonus, profit sharing and other relational reward factors (intrinsic rewards) are not part of this study.

1.8. Limitation of the Study

The research dedicated only on employees of Bank of Abyssinia found in Addis Ababa, which means that the sample size is limited.

In order to get more precise outcome, the sample size should include the Bank's employees working at outlying branches as well. However, due to time limit and monetary reason the study is bounded in Addis Ababa.

1.9. Definition of Terms

Reward Management: Deals with the strategies, policies and processes required to ensure that the contribution of people to the organization is recognized by both financial and non-financial means. Michael Armstrong, (2007).

Dependent Variable: Turnover Intention

- **Turnover Intention:** An individual's perceived probability of staying or leaving employing organization, Michael Armstrong, (2009). And it is part of voluntary turnover.
- Involuntary turnover: is initiated by the organization (often among people who would prefer to stay) ,
- Voluntary turnover: is initiated by employees (often whom the company would prefer to keep). Noe. Hollenbeck, Gerhart, Wright, (2008)

Independent Variables/Transactional Rewards: Base Pay and Benefit

- **Base Pay:** The base rate is the amount of pay (the fixed salary or wage) that constitutes the rate for the job. Michael Armstrong, (2007)
- **Benefits:** Indirect financial and non-financial payments employees receive for continuing their employment with the company. Dessler & Varkkey, (2010)

Retention: a company's ability to keep employees in the organization, Hermann Schwind, Hari Das & Terry Wagar, (2005),

Perception: the intuitive understanding, recognition and interpretation of things and events. Michael Armstrong, (2009)

1.10. Organization of the Study

The study is constructed in five major parts in which:

CHAPTER ONE: Consists of topics such as Back Ground of the Study and the Organization, Statement of the Problem, Objectives of the Study and other introductory parts. The chapter presented the full picture of the paper and give preliminary details.

CHAPTER TWO: Deliberated Literature Review about Reward Management, Base Pay and employee benefits and discussed related empirical studies. It also included conceptual framework of the study.

CHAPTER THREE: Comprises of Methodology of the Research. In this chapter research approach and design, sampling methods and data collection procedures were discussed in detail.

CHAPTER FOUR: Included the Presentation, Analysis and Interpretation of the Data. The data gathered using the questionnaire were discussed using different descriptive and inferential statistical approaches.

CHAPTER FIVE: Presented Major Findings of the study and Conclusion and Recommendation of the Researcher.

Chapter Two

Literature Review

2.1. Reward Management

Reward Management deals with the strategies, policies and processes required to ensure that the contribution of people to the organization is recognized by both financial and non-financial means. It is about the design, implementation and maintenance of reward systems (reward processes, practices and procedures), which aim to meet the needs of both the organization and its stakeholders, Michael Armstrong, (2007).

The overall objective is to reward people fairly, equitably and consistently in accordance with their value to the organization in order to further the achievement of the organization's strategic goals.

Dessler & Varkkey (2010) further explain reward as it refers to all forms of pay going to employees and arising from their employment. It has two components. Direct financial payments (wages salaries, incentives commissions and bonuses) and indirect financial payments (financial benefits like employer-paid insurance and vacations)

2.1.1. Importance of Reward Management

In their study S.Ruvimbo Terera & Hlanganipal Nigirande, (2014), state that most employees stay in the same institution for a long time because of the economic gains they receive from that institution. And they concluded that the more employees are rewarded, the more likely they are to remain in the same organization.

Dulebohn and Werling (in Ghazanfar et. al, 2011) states that the success in attaining goals in human resource planning related to attracting and recruiting human capital is directly linked to reward offered. And, the ability to motivate workers and retain desired employees is largely influenced by the reward offered.

A study by Zhoutao Cao et al., (2013), also confirms that the effect of total rewards to reduce the turnover intention, and the results highlight the importance of reward to retain core employees.

Hence, the need for reward exists in all the circles of Human Resource Management, starting from attracting people to the organization to influencing them to stay in the organization for a longer time with satisfaction.

2.1.2. Types of Reward

Helen Murlis & Michael Armstrong, (1994), categorize Reward as Financial and Non-Financial. According to the Authors, the Financial Rewards need to be considered from three points of view:

- The effectiveness of money as a motivator;
- The reasons why people are satisfied or dissatisfied with their rewards;
- The criteria which should be used when developing a financial reward system

Non-financial Rewards on the other hand, can be focused on the needs most people have, although to different degrees, achievement, recognition, responsibility, influence and personal growth.

2.1.3. Reward Philosophy

Michael Armstrong, (2007) states that reward management is based on a well - articulated philosophy. It is a set of beliefs and guiding principles that are consistent with the values of the organization and help to enact them. The philosophy recognizes that, if human resource management (HRM) is about investing in human capital form which a reasonable return is required, then it is proper to reward people differentially according to their contribution (i.e. the return on investment they generate).

The philosophy of reward management also recognizes that it must be strategic in the sense that it addresses longer-term issues relating to how people should be valued for what they do and what they achieve. Reward strategies and the processes that are required to implement them have to flow from the business strategy.

In their book, Helen Murlis & Michael Armstrong, (1994), states that the reward philosophy should be formulated to fit both organizational and individual needs. It is therefore about the organization will pay for and not pay and about the time, the place and the conditions for change. The authors also suggest that, a reward philosophy should take account of individual needs. This means understanding the factors that affect motivation, the role of the money as a motivator and what influences employee satisfaction with their rewards.

2.1.4. Features of Reward Management

According to Armstrong, (2007) different aspects of Reward areas are discussed as follows;

Reward Strategy

Reward strategy flows from an analysis of the business drivers (high performance, profitability, productivity, innovation, customer service, quality, price, cost leadership, etc). How can these be supported by reward in order to achieve the goals of the business is the major question. The reward strategy will define longer-term intentions in such areas as pay structures, contingent pay, employee benefits, steps to increase engagement and commitment and adopting a total reward approach.

Reward Policy

Reward policy set guidelines for decision making and action. It will cover such matters as levels of pay, achieving equal pay approaches to contingent pay, the use of job evaluation and market surveys and flexing benefits.

Reward Practices

Consists of the grade and pay structures, techniques such as job evaluation, and schemes such as contingent pay used to implement reward strategy and policy.

Reward Processes

Consists of the ways in which policies are implemented and practices carried out. The way in which the outcomes of surveys are applied and how managers manage the pay adjustment and review process is part of the process.

Reward Procedure

This includes activities which are operated in order to maintain the system and to ensure that it operates efficiently and flexibly and provides value for money.

2.1.5. Aims of Reward Management

According to Armstrong, (2006) aims of Reward Management include, rewarding people according to what the organization values and wants to pay for the value they create and motivating employees to obtain their commitment and engagement.

It helps the organization to attract and retain the high quality people and organization needs. It also develops a positive employment relationship and psychological contract and aligns reward practices with both business goals and employee values.

Moreover, with the help of reward management the organization can perform fairly and equitably:

- Operate fairly – people feel that they are treated justly in accordance with what is due to them because of their value to the organization.
- Apply equitably – people are rewarded appropriately in relation to others within the organization, relativities between jobs are measured as objectively as possible.

2.1.6. Reward Strategy

Helen Murlis & Michael Armstrong, (1994), states that Reward strategy will mainly be concerned with the direction the organization should follow in developing the right mix and levels of financial and non-financial rewards in order to support the business strategy.

The authors also suggested that reward strategy should be founded on the proposition that the ultimate source of value is people. i.e, the reward process must respond to creatively to their needs as well as to those of the organization.

Meanwhile, in order for the reward to contribute to the achievement of organization's corporate goals by providing the competitive edge, required to attract and retain the level of skills the organization needs. The strategy will be concerned with:

- Meeting objectives for the attraction and retention of high quality employees;
- Achieving the right balance between rewards for individual, team and organizational performance
- Evolving total reward processes which incorporate the best mix of financial and non-financial rewards and employee benefits

The research findings of S. Ali, S. Mohamad Amin and R. A. Hamid, (2016), also imply that reward has been associated with increased organizational commitment, job satisfaction, as well as greater intent to stay in the position. And benefits have been shown to bond an employee to the employing organization and result in a correlation between reward and turnover intention.

2.2. Base Pay

The base rate is the amount of pay (the fixed salary or wage) that constitutes the rate for the job. It may be varied according to the grade of the job or the shop floor workers, the level of skill required, Michael Armstrong, (2007)

Base pay will be influenced by internal and external relatives. The internal relatives may be measured by some form of job evaluation. External relative (going rates are assessed by tracking market rates. Goldthorpe et al (in Armstrong, 2009: 267), concluded that pay is the dominant factor in the choice of employer and considerations of pay seem most powerful in binding people to their present job.

Michael Armstrong, (2009), further states that money, in the form of pay or some other sort of remuneration, is the most obvious extrinsic reward. Money provides the carrot that most people want. A study by N. Habuib, S. Mukhtar, & W. Jamal, (2010) also shows that pay or salary ranks as the second reason that influence employees' intention to quit.

2.2.1. Equity and its impact

Dessler, (1994) explains the need for equity perhaps the most important factor in determining pay rates and employee satisfaction.

Helen Murlis & Michael Armstrong, (1994), also states that satisfaction with pay amongst existing employees is mainly related to feelings about equity and fairness. External and internal

comparisons will form the basis of these feelings, which will influence their desire to stay with the organization.

2.2.2. Types of Equity

Externally, pay must compare favorably with wages in other organization or organizations will find it hard to attract and retain qualified employees. Pay rates must also be equitable internally. Each employee should view his or her pay as equitable given other employees' pay rates in the organization. On the other hand, procedural equity refers to the "perceived fairness of the process and procedures used to make decisions regarding the allocation of pay", Dessler & Varkkey, (2010).

The authors also explain the equity theory of motivation as it suggests that people are strongly motivated to maintain a balance between what they perceive as their inputs or contribution, and their reward.

As mentioned by Michael Armstrong, (2009) Jaques (1961) emphasized the need for a good pay system that is perceived as being fair and equitable. In other words the reward should be clearly related to effort or level of responsibility and people should not receive less money than they deserve compared with their fellow workers. This behavior is also influenced by employees' perception.

Perception, as described by Michael Armstrong, (2009) is the intuitive understanding, recognition and interpretation of things and events. Behavior will be influenced by the perception of individuals about the situation they are in. It is as well often influenced by the perceived causes of events than the events themselves.

Hence the issue of employee perception is among the major concerns of Human Resource Management and HR specialists use this in order to understand their employees' behavior and reduce any gap in the area.

2.2.3. New Approaches to Pay

In today's challenging employment market, a new way of dealing with paying employees is based on the skills or knowledge they have. In contrast to the more common job-based pay, Skill-or Knowledge-based pay is a pay system based on the skills or knowledge that an employee has. Hermann Schwind, Hari Das & Terry Wagar, (2005).

The authors also clarify the advantages of skill-or knowledge-based pay, as it facilitates flexibility of the work force. This include filling in after turnovers and covering for absenteeism, for employees who are being trained, and for those who are in other work related duties.

On the other hand, the disadvantages of skill-or knowledge-based pay lie on the higher pay system it may tend to generate. The solution here, also given as, if the organization can make better use of its people, total costs can be significantly lower.

In the meantime, in discussing the factors affecting the choice of provision or scale Michael Armstrong (2007) mentioned three points:-

- What employees want as established by opinion surveys
- What other employers are providing as established by market surveys and
- What the organization can afford.

2.2.4. How does pay influence employee

As described in the equity theory, most employees compare their own pay with that of others, especially those in the same job. And the perception of inequity may cause employees to take actions to restore equity, Noe. Hollenbeck, Gerhart, Wright, (2008). Consequently, the authors support the effect of compensation using, reinforcement, expectancy and agency theory of motivation.

Motivation can be described as a goal-directed behavior. It is concerned with the factors that influence people to behave in certain way, Armstrong, (2006).

Reinforcement theory

Reinforcement theory emphasizes the linkage between individual behavior and some specific outcomes to show how managers can alter the direction, level, or persistence of individual actions. They focus on the observable rather than what is inside an employee's. By altering when, where, how, and why some types of rewards are given, the manager can change the apparent motivation of employees by providing a systematic set of consequences to shape behavior, R. Schermerhorn, Jr, G. Hunt & N. Osborn, (2002),

The implication for reward management, here is that high employee performance followed by a monetary reward will make future high performance more likely. Similarly, high performance not followed by a reward will make it less likely in the future. The theory emphasizes the importance of a person's actual experience of a reward.

Expectancy Theory

This concept of expectancy was originally contained in the valency-instrumentality-expectancy (VIE) theory which was formulated by Vroom (1964). Valency stands for value, instrumentality is the belief that if we do one thing it will lead to another, and expectancy is the probability that action or effort will lead to an outcome.

This theory focuses on the link between rewards and behaviors. Behaviors can be described as a function of ability and motivation. In return, motivation is hypothesized to be a function of expectancy, instrumentality and valence perceptions. Accordingly, compensation systems differ according to their impact on these motivational components. Here, the main factor is instrumentality: the perceived link between behaviors and pay.

Agency theory

The theory is of value in the analysis and design of compensation. Interest may diverge between managers (as principal) and employees (as agent). In designing the compensation, the key question is, how can the agency cost be minimized? The theory says that the principal must choose a contracting scheme that helps align the interest of the agent with the principal's own interest. The contract can be, either behavior-oriented (such as merit pay) or outcome-oriented (stock options, profit sharing, commission and so on).

In general, the focus of all the above theories is on the fact that behavior-reward contingencies shape behavior. Thus organizations should consider the types of reward that influence behavior successfully.

2.2.5. The role of Motivation

Clarifying the role of motivation in their work, Minner, Ebrahimi, and Watchel, indicates that knowing what motivates employees and incorporating this knowledge into the compensation system will help extension identify, recruit, employ, train, and retain a productive workforce.

Smith, (in Linder, 1998) states as well, motivated employees help organizations survive. Motivated employees are more productive and loyal. To be effective, managers need to understand what motivates employees within the context of the roles they perform. Of all the functions a manager performs, motivating employees is arguably the most complex. This is due, in part, to the fact that what motivates employees changes constantly (Bowen & Radhakrishna, 1991).

Molander, (in Ghazanfar et. al, 2011) suggests that for a company to be successful, it needs the work force that can act strongly for the achievement of organizational goals and also have a strong urge to remain loyal to the company. For such devotion and dedication the key remains the motivation. Moreover, Schultz and Schultz (in the same article) give emphasis by stating that motivation is expected to accomplish work productivity and job satisfaction. Mainly, the impacts of motivation on the work performance and productivity attracted attention towards motivation in the work environment; employees with high level of motivation tend to work hard and perform better in their work as compared to the employees with low level of motivation. The understanding of the employees' needs and the expectations of employees at work signifies the base for their motivation, which will further impacts their intention to leave the organization.

Likewise, the research result conducted by Negash, Zewudu and Megerssa (2014) on Jimma University's Academic Staff indicates that benefits ranked as the fifth motivating factors while payment (salary) is ranked second, next to recognition. The study similarly indicates that lack of awareness of the existence of some benefit packages in the organization also affects employees' perception. The researchers also concluded that, employees' disagreement towards the

attractiveness of medical and insurance coverage of the university also indicates how this will positively affects motivation. And the researchers recommended if full medical and insurance coverage is included in the benefit package of the university.

On the other hand, a study performed by Yousaf, Latif, Aslam & Saddiqui, (2014), designates that financial factors include financial rewards like pay, salary, bonus, and fringe benefits, health and life insurance are significant factors that affect motivation of employees.

Transportation facility also plays an important role in enhancing employee commitment and motivation. It mitigates the financial burden and that employees have to face in the case of unavailability transport facility. And, accommodation (housing) allowance, as it is not included in their salary and not taxable. As accommodation expense has increased tremendously and employees perceive this facility as very motivating. Some of the organization offers the accommodation facility to their employees in order to retain them. The study result also shows employee rank accommodation among the top motivating factors. Since the accommodation is very expensive nowadays because the employees who have to pay rent from their own pocket face a lot of financial burden. The result also indicates that employees perceive pension as a very motivating incentive. Mostly it happens that employees decide between two jobs on the basis of pension facility

Moreover, the results of a recent study by P. Rajkumar & G. Bhuvaneshwari, (2016), validated that there exists a significant relationship between employee motivation level to stay in the organization and turnover intention.

2.3. Benefits

Employee Benefits are elements of remuneration given in addition to the various forms of cash pay. They also include items that are not strictly remuneration such as annual holidays, Armstrong, (2006).

Dessler & Varkkey, (2010) define Benefits as indirect financial and non-financial payments employees receive for continuing their employment with the company.

According to Michael Armstrong, (2009) the objectives include:

- provide an attractive and competitive total remuneration package which both attracts and retains high-quality employees;
- provide for the personal needs of employees;
- increase the commitment of employees to the organization;
- Provide for some people a tax-efficient method of remuneration.

Dessler, (1994) further defines benefits as any supplements to wages given to employees. Unlike financial incentives which are paid to specific employees whose work is above standard, benefits are available to all employees and include such things as health and life insurance, vacations, and child care facilities.

Dessler & Varkkey, (2010) also clarify benefit as indirect financial and non-financial payments employees receive for continuing their employment with the company-are an important part of just about everyone's compensation. They include things like health and life insurance, pensions, time off with pay, and child-care assistance. Benefits account for about one-third of wages and salaries (or about 30% of total payroll), with legally required benefits (social security, for instance) the most expensive single benefit cost; health insurance usually ranks second.

Indicating how employees understand the value of health benefits, one study concluded that employees whose firms provided such benefits accepted wages about 20% lower than what they would have received working at firms without them Dessler & Varkkey, (2010).

Casper & Buffardi, (in Worldat Work, 2010: 7) suggests that employees' benefits also influence applicant attraction. As a form of noncash compensation, by offering a large amount of benefits a company can compensate for moderate salaries. Similarly, Browne (1997) showed that potential employees, including men and women from different cultures, were willing to accept lower salaries if benefits of importance to the individual also were offered.

2.3.1. Types of Benefits

There are two types of benefits, some are required by law and others are discretionary benefits, Dessler & Varkkey, (2010).

Benefits required by law includes: Provident Fund, Workers' compensation for accidents, workplace injury, pay for time not worked (maternity, funeral, holiday, sick leave,) security for night shifts and regular leave.

Discretionary benefits are; life and health insurance, housing, telephone, education entertainment allowances, soft loans for asset buildings, petrol allowance and family holiday. Dessler & Varkkey, (2010, pp. 515)

Besides, Dessler, (1994) also enlarges the concept as such benefit plans are classified in to four:-

- Pay supplements: benefits for time not worked i.e. vacation and holidays, sick leave,
- Insurance benefits: life insurance plans, hospitalization, medical and disability insurance
- Retirement benefits: pension plans
- Services: Parental leave, Education and Transportation subsidies, Credit Unions, Counseling Services

In addition, Barber & Bretz, (in Worldat work, 2010: 8) research shows that companies with flexible benefits are able to fill open positions quicker than those without flexibility, suggesting that the benefits offered do indeed affect the attraction of applicants to the job.

Likewise, as cited by Armstrong (2007), the 2006 CIPD (Chartered Institute of Personnel and Development) Survey of Reward Management (1) established that the top 10 employee benefits provided by respondents were:-

- Occupational sick pay (83%)
- 25 days or more of paid leave (81%)
- On-site car parking (74%)
- Tea/coffee/cold drinks (68%)
- Christmas party/lunch (64%)
- Life assurance (63%)
- Car allowance (60%)
- Private health care (60%)
- Enhanced Maternity leave (54%)
- Relocation Assistance (51%)

Explaining employees' choices of benefits, Armstrong also states that some benefits such as holidays, maternity leave, and redundancy pay, provision of pensions, life insurance and sick pay have to be provided by statute. Company cars for executives are still popular in spite of the tax penalties because of the felt need to be competitive.

On the other hand some optional benefits such as health insurance, childcare and low-interest loans may be selected because they will be appreciated and also because they are frequently offered by other employers.

Concerning the employee's preferences for various benefits, the result of a study carried out on Midwest Public Utility company shows two extra weeks of vacation as the most preferred benefit, while the pay increase was second in the employee preferences list. The study also tells, the shorter workday was by far the least preferred benefit option, Dessler, (1994)

In the above study the outcome also indicates that the employee's age marital status and sex influenced his or her choice of benefits. For example, younger employees significantly favored a greater preference for a four –day work week. On the other hand, preference for the pension option increased significantly with employee age. Married workers showed more preference for the pension increase and for the family dental plan than did single workers.

Explaining the rationale behind employee benefits, Armstrong (2007) also states that benefits are provided for the personal needs of employees and they are a means of increasing their commitment to the organization and demonstrating that their employers care for their well-being. Organizations also provide benefits to endure that the total remuneration package is competitive.

Therefore, in the course of providing better benefits and increasing employees' commitment, organizations can motivate their employees to work hard and stay long.

Moreover, F. Stone, (2002) added pay and benefit packages are described as one of the strategic means for organizations to tackle the recruitment/retention problem. It is one that digs into the roots of high turnover and identifies cultural changes as well as pays and benefits packages that will satisfy employees-rather than the "replacement mentality" HR Managers seem prone to. Stone explained one major study, first carried out by McKinsey & Company in 1997, entitled

“The war for talent” discovered that while certain skills were more important than others, the ability to acquire, develop, and retain key personnel was, indeed, “a driver of corporate performance, one that could serve a business as a competitive advantage for the present and into the future.

In the context this study also, Banks are under competition and they are forced to revise their pay and benefit packages frequently in order to attract high performers and retain experienced employees.

2.3.2. Benefits Today

While both salary and benefits are cited and considered as equal and similar groups of resignation drives, recent studies and literatures show that there is an increasing attention towards benefit packages unlike the usual accounts which give major emphasis to base pay and other intrinsic rewarding factors.

According to Noe. Hollenbeck, Gerhart, Wright, (2008), several factors have contributed to less emphasis on cash and more on benefits in compensation. Reasons for benefits growth include:-

- The tax treatment of benefits programs is often more favorable for employees than the tax treatment of wages and salaries, meaning that a dollar spent on benefits has the potential to generate more value for the employees than the same dollar spent on wages and salaries.
- The cost advantage that groups typically realize over individuals. Organizations that represent large groups of employees can purchase insurance (or self insure) at a lower rate because of economies of scale, which spread fixed costs over more employees to reduce the cost per person.
- The growth of organized labor from the 1930s through the 1950s. This growth was partly a result of another piece of New Deal legislation, the National Labour Relations Act, which greatly enhanced trade unions’ ability to organize workers and negotiate contracts with employers. And Benefits were often a key negotiation objective
- Employers also provide unique benefits as a means of differentiating themselves in the eyes of current or prospective employees

Hermann Schwind, Hari Das & Terry Wagar, (2005), concluded that benefits are becoming the increasingly important as a competitive advantage. They recommended that Human Resource Managers has to integrate benefit in to the compensation practice. They suggested that the compensation practice has to fulfill short-term and long term goals. The short-term goals include, high motivation and productivity and a common long-term goal is to retain good employees, that is an objective that can be achieved by valued benefit packages.

Other suggestion by Dessler & Varkkey, (2010) also refers as employers need to include benefit issues on their policy issues and design benefits package with care. What benefits to include, whether to deny some benefits during ‘probationary’ period, how to finance benefits, cost-containment procedures and how to communicate benefit options are also among the current issues.

2.4. Turnover

Armstrong, (2009), define Turnover as the rate at which people leave an organization. And Turnover Intention also refers to an individual’s perceived probability of staying or leaving employing organization.

Further, Noe. Hollenbeck, Gerhart, Wright, (2008) put the two categories of turnover as, Involuntary and Voluntary. Involuntary turnover is initiated by the organization (often among people who would prefer to stay). On the other hand, voluntary turnover is initiated by employees (often whom the company would prefer to keep). Thus, to compete effectively, organizations must take steps to ensure that good performers (people who initiate the turnover) are motivated to stay with the organization.

Another distinction in voluntary turnover by Allen, (2008) also include functional and dysfunctional voluntary turnover. Dysfunctional turnover is harmful to the organization and can take exit of high performers and employees with hard to replace or that lead to high replacement costs. In the contrary, functional turnover does not hurt an organization. Examples of such type include exit of poor performers or employees whose talents are easy to replace.

2.4.1. The Fundamental Chain of Turnover

While explaining the effect of turnover, Noe, Hollenbeck, Gerhart, Wright, (2008) states that at the organization level, turnover results in lowered work unit performance, which in turn, harms the firm's financial performance. The causal chain is especially strong when the organization is losing its top performers. In addition, the loss of workers who are central to teams or customer networks can be especially disruptive.

The above issue also applies in the context of the banking institutions in Ethiopia. For instance if a high performing Branch Manager left one bank and join other competent bank, in addition to losing a talented workforce, the effect will continue through poaching corporate customers between the banks.

Organizations experience high cost and challenge because of turnover. According to Armstrong, (2009), considerable costs of employee turnover include:-

- Direct cost of recruiting replacements and training
- Leaving costs – payroll and HR administration
- Opportunity cost of time spent by HR and line managers in recruiting, induction and training
- Loss of output from those leaving before they are replaced and because of delays in obtaining replacements and
- Loss of output while new starters are on their learning curves acquiring the necessary knowledge and skills

Thus, the author also suggests that turnover cost analysis must be done and retention strategies be developed based on the analysis.

2.5. Retention

As defined by Hermann Schwind, Hari Das & Terry Wagar, (2005), retention is a company's ability to keep employees. It is an effort by the employer to maintain a working environment which supports current staff in remaining with the company.

In order to enforce a talented work force to stay with the organization concentrated actions is required such as encouraging their contribution and value them accordingly, Armstrong, (2006).

Allen, (2008) also states that by understanding why people leave, organizations can also gain a better idea of why people stay and can learn how to influence these decisions.

Job Embeddedness

Job embeddedness is the collection of forces that influence employee retention. It can be distinguished from turnover in that its emphasis is on all of the factors that keep an employee on the job, rather than the psychological process one goes through when quitting. Tereence R. Michell et al., (2001),

Susan E.Jackson, et al. (2003), describe the degree to which employees would have to give up or sacrifice things if they left their job are the major factors that influence voluntary turnover intention. These factors are links, fit, and sacrifice.

Links: refers to the formal and informal connection an individual has with other individuals or groups either on or off the job.

Fit: is the individual's compatibility with work and non-work settings. The better the fit, the less likely the person is to leave the organization

Sacrifice: is meant to capture the things that someone must relinquish or give up when leaving a job. It is the perceived loss of material or psychological benefits that are currently available or may be available in future. Financial factors that are not portable, such as stock options or defined benefit plans, may cause a person to reconsider leaving. This is because in many cases, these factors can be easily quantified and compared with other job alternatives.

Thus, understanding the factors that contribute to retention and developing retention strategies based on these factors are very help full for the organizations.

2.5.1. Retention Strategies

Michael Armstrong, (2009), suggests that employee retention strategies should be based on an understanding of the factors that affect their turnover intention.

As he stated it, for instance, for early-career employees (30 years and under) career advancement is significant. For mid-career employees (age 31-50) the ability to manage their careers and satisfaction from their work are important. Late-career employees (over 50) will be interested in security. It is also the case that a younger workforce will change jobs and employers more often than an older workforce, and workforces with a lot of part-timers are less stable than those with predominantly full-time staff.

A retention strategy takes in to account the retention issues the organization is facing and sets out ways in which these issues can be dealt with. This may mean accepting the reality, as mentioned by Michael Armstrong, (2009), that the market, not the company will ultimately determine the movement of employees. The author believes that it may be difficult to counter the pull of the market – as organizations can't shield their people from attractive opportunities and aggressive recruiters. He suggests that; the old goal of HR management – to minimize overall employee turnover needs to be replaced by a new goal: to influence who leaves and when. This, could be based on risk analysis to quantify the seriousness of losing key people or of key posts becoming vacant.

After describing the possible reasons for leaving as, more pay, better career move, more security, poor relationship with supervisor or colleagues and the like, Armstrong, (2009), suggest that deal with uncompetitive, inequitable or unfair pay systems and benefit packages are the possible actions to deal with employee turnover issues.

In addition, Armstrong argues that since different people have different needs and wants, some will be much more motivated by money than others. Thus, it cannot be concluded that, money motivates everyone in the same way and to the same extent. And it is a powerful force because it is linked directly or indirectly to the satisfaction of many needs.

On the findings of other practitioners, Noe. Hollenbeck, Gerhart, Wright, (2008)it is found that, for some people pay is a reflection of self worth, so pay satisfaction takes on critical significance when it comes to retention.

Greer (2001), also expressed, compensation and benefits are among the sound investment practices that employers can use as a retention strategy. Increased retentions also occur with

performance-based compensation, pay incentives, and benefits that are valued by employees. The most frequently used approach for retaining senior executives is to improve their compensation and benefits. Besides, strategically oriented compensation systems provide the ability to reinforce desired behaviors and serve the traditional functions of attracting and maintaining a qualified workforce.

In general, the review indicates that both Base Pay and benefits are among the key factors that affect employee turnover intention. For the some part of the empirical studies Base pay is the main motivating factor followed by financial benefits. Still, some other studies also show that employees' higher preference towards financial benefits for these benefits supports the extra financial concerns of employees.

2.6. Conceptual Framework

The research's main ideas to achieve its purpose is structured in the below framework. As enlightened by Robert B. Burns and Richard A. Burns, (2008), conceptual framework indicates the nature and directions of relationships between variables.

The Framework is constructed based on selected extrinsic compensations, Base Pay and Benefits (independent variables) and Turnover Intention (dependent variable). Accordingly, the perception that the Bank's employees have towards Base pay and Benefits and the effect/relationship of such perception on turnover intention is the theme of this study.

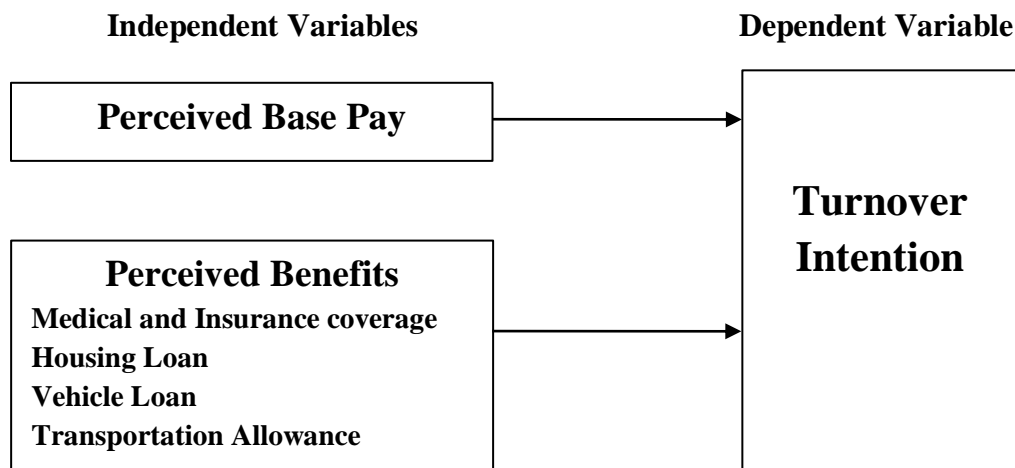


Figure I- Conceptual Framework (own source)

Chapter Three

Research Methodology

3.1. Research Approach

This research adopted both quantitative and qualitative research approach. Quantitative studies provide data in numeric form as such the researcher can apply statistical tests in making statement about the data. As the main purpose of this study is to arrive at conclusions regarding the perception of employees of Bank of Abyssinia towards the Bank's Reward Management System and its effect on their turnover intention, numerical data were collected, analyzed and interpreted using statistical tests justifying the need to primarily adopt quantitative research method.

On the other hand, the researcher used personal accounts, semi-structured interviews with the Bank's Human Resources Management Department, and referred to documents to grasp an understanding of why certain reward factors are preferred to the others to influence employees' turnover intention. Further, the researcher completed a subjective assessment of the possible implications of the outcomes of data (employees perception) acquired.

3.2. Description of the Study Area

This study focused on the financial industry of Ethiopia, by taking Bank of Abyssinia as a case. The study area is geographically further narrowed to the city of Addis Ababa for manageability and taking in to account the time and resources available to conduct the study.

The study included Managerial and Clerical categories of employees in the selected geographic area, Addis Ababa, through sampling methods discussed in the next topics of this proposal.

Conceptually, the study area is limited to defining the reward management system of the Bank, and employees' perception towards the overall reward system of the Bank. Among the major types of rewards, only Base Pay and Benefits will be covered as a means of employee retention strategy of the Bank.

3.3. Research Design

The main type of research design used for this study is descriptive research designs; where in quantitative research approach was implemented.

In the descriptive research design, the quantitative data were articulated through descriptive statistical tests such as mean, standard deviation and other that included explanation about employees' agreement level towards the variables under study. Inferential statistics were also involved to measure the perception difference between the sample categories and the relationship between the independent variables and turnover intention (dependent variable).

In addition, a qualitative approach was used to analyze the data gathered through the interview with Human Resources Management Department of the Bank.

3.4. Population, Sample Size and Sampling Method

A target population is those people, events, or records that contain the desired information and can answer the measurement questions, Cooper & Schindler, (2008). The Bank currently has a total of 3124 permanent employees.

3.4.1. Sample Frame

For this research, the sample frame or the target population comprises of all employees of the Bank of Abyssinia working in branches found in Addis Ababa (specifically, employees working at Managerial and Clerical positions). Due to time and resource constraints to access the entire population size, which is well over a thousand and five hundred (i.e.1595) employees and 99 Branches, the researcher narrowed down the population size using the following sampling techniques to identify a manageable population size for the research.

3.4.2. Sampling Techniques

The sampling techniques selected for this research are both stratified sampling methods and simple random sampling techniques. With stratified sampling, the target populations were divided into two major separate groups.

- Group by Branches' Grade and Department. All branches of Bank of Abyssinia in Addis Ababa were hypothetically categorized into three Branch Grades, as Grade I, II & III and Departments at Head Office.
- Group by Employment Category (Clerical & Managerial).

Accordingly, for the purpose of creating a consistent groups the above stratum were merged based on the 'Employment Category'. Consequently, the final stratum is as follows:

- Managerial staff at Branches GI, GII, GIII & Dept.&
- Clerical Staff at Branches GI, GII, GIII & Dept.

3.4.3. Sample Size

In order to determine the sample size from the total population, i.e. employees working at Addis Ababa, the researcher used the sample size determination method stated in C.R. Kothari (2004);

$$n = \frac{Z^2 * p * q * N}{e^2(N - 1) + Z^2 * p * q}$$

Where,

n = size of sample

P = sample proportion; q = 1-p; i.e. 0.5 (in which case 'n' will be the maximum & sample will yield at desired precision)

Z = the value of standard variation at a given confidence level and to be worked out from table showing area under Normal Curve; 1.96 (as the confidence level is 95%)

N = number of total population; 1595

e = acceptable error (precision); 0.05

As the population under study is homogeneous, the researcher assumed 5% sampling error and 95% confidence level or reliability. Therefore, the sample size for this study is determined as follows:-

$$n = \frac{1.96^2 * 0.5 * 0.5 * 1595}{0.05^2(1595 - 1) + 1.96^2 * 0.5 * 0.5}$$

$$\underline{\underline{n = 310}}$$

Consequently, in order to answer the question how many items be selected from each stratum or how to allocate the sample size for each stratum as raised by Kothari, (2004), the following formula were used to determine the sample size for each Managerial and Clerical groups.

$$n_h = (N_1/N)*n$$

where:-

- n_h is sample size of stratum h
- N_1 is population size of stratum
- N is total Population size (1595)
- n represents total sample size (310)

Therefore, the sample size for each group of Managerial and Clerical staff was determined and a sample size of 67 and 243 employees were taken from Managerial and Clerical employee categories, respectively.

Table 1 Sample Size by Job Category

Employment Category	Total Number of staff at Addis Ababa	Determination	Sample Size
Managerial	345	$345/1595*310$	67
Clerical	1250	$1250/1595*310$	243

On the other hand, in order to determine the sample branches included in the study, the researcher used simple random sampling by which 25% sample size was taken from each Branch Grades and Departments that are found in Addis Ababa.

The sample size of the branches was determined as follows:

Table 2 Branch/Department Distribution

No.	Branches by Grade & Dept.	Total no. of Branches in each Grades & Dept.	No. of Sample Branches/Dept. (25%)
1	Grade I	53	13
2	Grade II	29	7
3	Grade III	17	4
4	Departments	31	8
Total		130	32

Accordingly, the questionnaires were distributed to the employees of the 24 branches (13, 7, & 4 from Grade I, II & III branches, respectively) and 8 Departments that are selected randomly for this research purpose. In selecting respondents from each branch a purposive sampling technique was used by which employees who are working in loan, foreign and core operation area were included. And, simple random sampling method was used to select participants from each department.

The selected branches and departments are listed in the following table.

Table 3: List of Sample Braches/Departments

Branch Grade	Name of Branch	Branch Grade	Name of Branches
Grade I	Addis Alemayehu	Grade II	Awtobis Tera
	Abinet		Abakoran
	Wuha Limat		Bomb Tera
	Lafto		Debebe H/Yohannes
	Tele Medhanialem		Military Tera
	Addisu Gebeya		Sidist Kilo
	Bambis		Messalemiya
	Chilot	Grade III	Bole Medhanialem
	ShiroMeda		Bole
	Hayahulet Mazoriya		Guenet
	Arat Kilo		Raguel
	Ras Desta		
	Awtobis Tera		

Department
Core Systems
Business Intelligence Analysis
Procurement
Finance and Accounting
Info. Systems Infrastructure
Human Resource
Credit Analysis and Appraisal
Facility Management

3.5. Data Types and Sources

Data for this research were collected from both primary and secondary sources. The primary data were collected directly by the researcher from the sample employees determined specifically for this purpose and are a new data.

The researcher also uses secondary data such as human resource manuals and different studies in the area.

Questionnaire and interview (to Human Resource Management Department of the Bank) techniques were used to collect the primary data. Also, secondary data were collected from published printed sources, books, journals, periodicals and magazines.

Data needed for this research were primarily be quantitative data as such collection of information which can be analyzed numerically is simple and the result were also presented statistically (using descriptive statistics). And qualitative data types were used for the fact that the researcher interviewed the HR people working at the Bank's HRM Department.

3.6. Data Collection Instruments

First, questionnaire was developed considering the objective of the study and the statistical analysis procedure to be followed. The questionnaire included both open ended and closed ended question type. The closed ended questions types include General Data questions, Ranks, and Likert Scales. Questionnaire is selected as data collection instrument, as it helps collection of large amount of data. The content of the questionnaire consists of modified questions from other researchers in the same area, for instance, Iqra Saeed, et al, (2014). And the researcher developed some additional questions that are specific to this study.

Once developing the data collection instrument is completed, a pilot test was completed in order to refine the questionnaire. After taking some amendments, the questionnaires were distributed to the selected sample of employees.

In the meantime, the researcher conducted interview with the Bank's Human Resource Management Department and collected additional information that are required for this study.

3.6.1. Validity and Reliability of Data/Instrument

In research, a sound measurement should have the test of validity and reliability. According to C.R. Kothari, (2004) Validity refers to the extent to which a test measures what we actually wish to measure and Reliability on the other hand, is about the accuracy and precision of a measurement procedure.

Validity

Before distributing the final questionnaire to the respondents the researcher checked its validity. Senior HR professionals in the Bank and in other organization and the advisor of the researcher reviewed and commented on the questionnaire. The questionnaire was also pre-tested on 31 respondents in the Bank. Accordingly, the final questionnaire incorporated the comments.

Reliability

To measure the internal consistency of the instrument, the researcher made a reliability test on responses of the selected 31 employees of the Bank. The test was taken place before proceeding to the final data collection step. The internal consistency of each items included in the questionnaire was checked using Cronbach alpha. As stated by Robert B. Burns and Richard A. Burns, (2008) the acceptable level of Cronbach Alpha scale is 0.7 & above and the analysis is a useful way of determining internal consistency and homogeneity of groups of items in tests and questionnaires.

Table 4 , Reliability Test - SPSS own source, (2017)

Reliability Statistics

Question Items	Cronbach's Alpha	No. of Items
Reward Management Practice	.770	7
Base Salary	.778	7
Benefits	.858	8
Turn over Intention	.708	4

3.7. Ethical Considerations

The researcher requested the Bank for permission to undertake the research. The participants were clearly informed of the purpose of the study; the selection method and particular guarantee for any leak of information (confidentiality of information). Any kind of discrimination and biasness were avoided as the sampling size was determined using scientific strategies. In order to avoid participants' anxiety the question type focused only on the subject matter.

3.8. Data Analysis

The study specifically focused on the relationship between the independent variables (employees' perception towards Base Pay and Benefit) and the effect of such perception on the dependent variable (turnover intention). In view of that, a descriptive data analysis and other appropriate method of analysis were performed using different inferential statistics.

While clarifying descriptive statistics, Robert B. Burns and Richard A. Burns, (2008), states that descriptive statistics relates to the process of collecting, organizing and presenting data in some manner that quickly and easily describes these data; therefore, in this study a descriptive analysis was applied using the data summary gathered through descriptive statistics such as mean and standard deviation. Graphs and tabulations were also used for ease of presenting the data.

The analysis predominantly employed quantitative data analysis method and some elements of qualitative data were applied to support the quantitative analysis. The quantitative data were presented with the support of appropriate version of SPSS (Statistical Package for Social Science version 22.0).

In addition, through the inferential statistics, a one-way ANOVA test was performed to determine the significance of the mean group difference between clerical and managerial employee categories. Besides, to signify the relationship between the variables, a correlation analysis (with analysis rule of +/-0.8 to+-1, very strong, 0.5 - .79 strong and .3 to .49 moderate... Daniel Muijs, (2004),) and to identify the best predictor variable, a regression analysis were also completed.

Finally, the data gathered through interview (from the Bank's HRM Department) were also analyzed using qualitative data analysis method and presented incorporated with the quantitative data results.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

This chapter comprises of data presentation, analysis and interpretation of the findings of the study. The analysis and interpretation of data is carried out in two separate parts. The first part has dealt with quantitative data where the results of the questionnaire are analyzed and interpreted while the second part covered qualitative data acquired through interview.

4.1. Summary of the Demographic Characteristics of Respondents

A total number of 310 questionnaires were distributed to selected Branches and Departments of the Bank. Given that the study sample was categorized in two groups based on nature of the respondents' job, namely Managerial and Clerical, 67 and 243 questionnaires were distributed to each group respectively.

The respondents' job category with their response rate in particular and the job category of the sample domain in general is summarized in the below table for comparison purpose.

Table 5. respondents' job category

Respondents' Background		Total Sample	Percentage	Response rate	
				No.	%
Job Category of respondents	Managerial	67	22	61	91
	Clerical	243	78	220	90
Total		310	100	281	90
Sample Domains' Background		Total Sample	Percentage	Response rate	
Job Category of Sample Domain	Managerial	311	19	NA	
	Clerical	1284	81	NA	
Total		1595	100.00	NA	

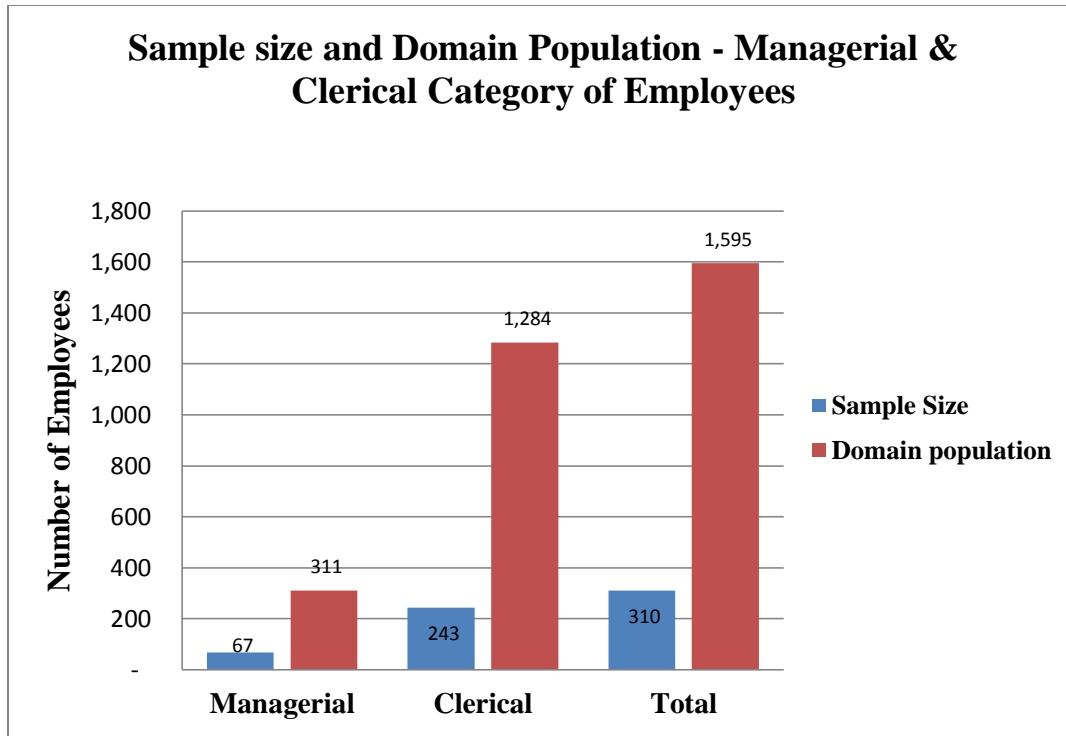


Figure II – Respondent’s job category

Out of the total questionnaires distributed to respondents, 61 (91%) were returned from managerial job category and 220 (90%) were returned from clerical job category. In most cases, the respondents addressed only the close-ended questions and did not respond to the open-ended questions.

In analyzing the proportion of job category of the respondents in comparison to the proportion of job category of the sample domain (total number of employees of BOA in Addis Ababa), we can see there is a comparable similarity. While 81% of the sample domain falls under clerical job category, 78% of the respondents of this study are under the same clerical job category. 19% of the sample domain is in the managerial job category while 22% of the respondents of this study are in the managerial job category. We can conclude the sample respondents are representative of the domain in terms of the job category of employees.

The gender allocation of the respondents shows that 198 respondents (70%) are male while the remaining 83 respondents (30%) are female. On a sample domain level, 978 employees (61%) are male while the remaining 617 employees (39%) are female.

The table below summarizes the gender allocation of the respondents in particular and the sample Domain in general.

Table 6- respondents' gender distribution

Respondents Background		Number of Respondent	Percentage
gender of respondents	Female	83	29.5
	Male	198	70.5
Total		281	100.0
gender of Sample Domain	Female	617	39
	Male	978	61
Total		1595	100.0

With regard to age of the respondents, a slightly greater proportion (22.%) of the respondents fall under the age category of 26 -30 while the next higher proportion (21.4%) falls under the age category of 20 -25.

The following table summarizes detailed age distribution of respondents in particular and the sample domain in general

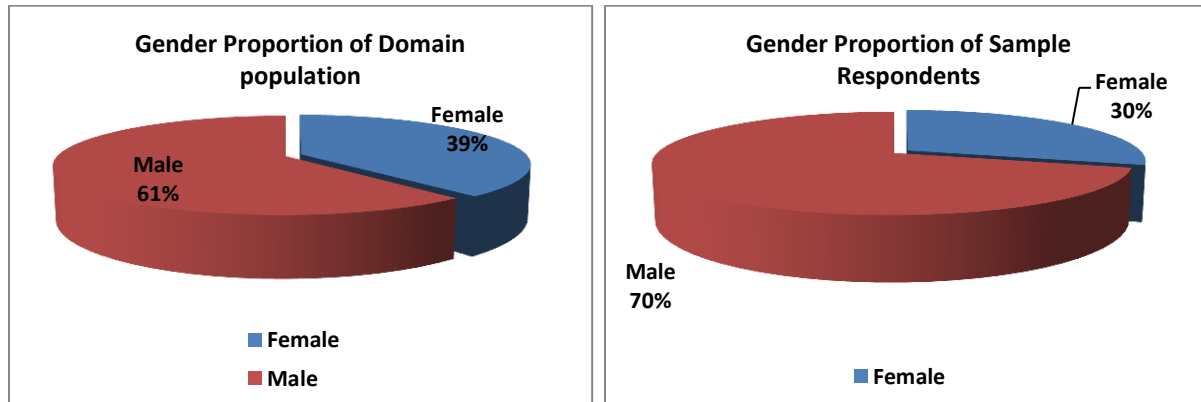


Figure III Gender proportion of sample respondents and Domain Population

Table 7 - respondents' Age distribution

Respondents Background		Number of Respondent	Percentage
Age of respondents	20-25	60	21.4
	26-30	62	22.1
	31-35	55	19.6
	36-40	56	19.9
	40-45	17	6.0
	46 and above	31	11.0
Total		281	100.0
Age of sample Domain	20-25	343	21.5
	26-30	348	21.8
	31-35	314	19.7
	36-40	319	20.0
	40-45	95	5.9
	46 and above	176	11.0
Total		1595	100.0

The marital status of the respondents shows 117 respondents (41.6%) are married while 159 respondents (56.6%) are single. An insignificant number of respondents are either widowed or divorced

Table 8 - respondents' Marital Status

Respondents Background		Number of Respondent	Percentage
Marital Status	Married	117	41.6
	Single	159	56.6
	Widow	4	1.4
	Divorced	1	.4
Total		281	100.0

With regard to the Educational qualification of respondents, a significant majority of the respondents 202 in number (71.9%) are First Degree Holders while 67 respondents (23.8%) are Second Degree holders and above.

The following table summarizes the educational qualification of the respondents in particular and the sample domain in general.

Table 9 – respondents’ Educational status

Respondents Background		Number of Respondent	Percentage
Educational qualification of respondents	Certificate	1	.4
	Diploma	11	3.9
	1st degree	202	71.9
	second degree & above	67	23.8
Total		281	100.0
Educational qualification of sample domain	Certificate	3	0.2
	Diploma	364	22.8
	1st degree	1148	72.0
	second degree & above	80	5.0
Total		1599	100.0

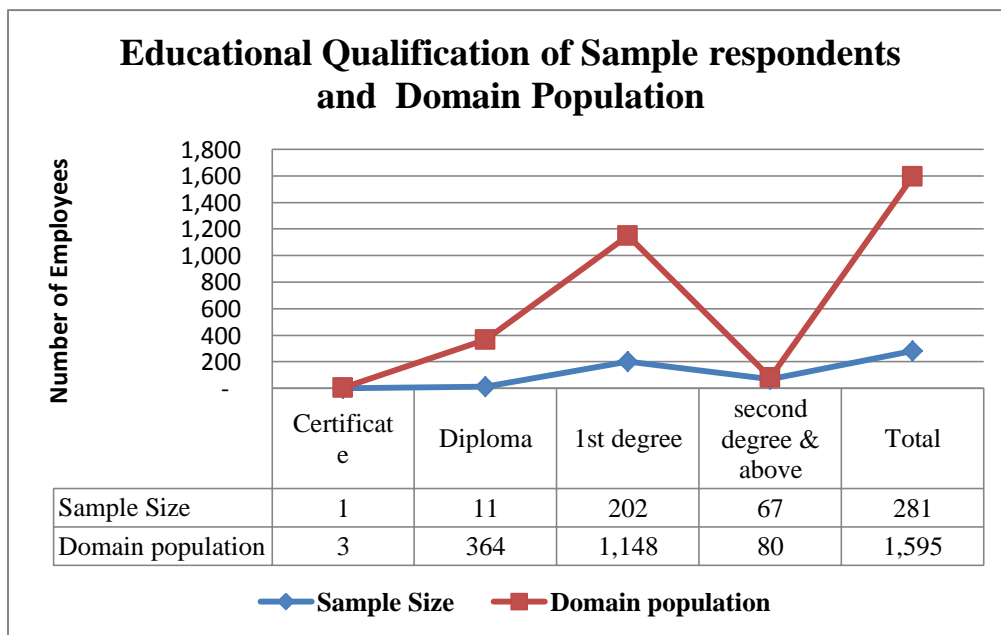


Figure IV – Educational qualification of sample respondents & domain population

In assessing the experience of respondents, 129 of them (45.9%) have a one to three years work experience in the Bank while 71 respondents (25.3%) have a 10 years and above experience in the Bank.

The following table shows the work experiences of respondents in particular and sample domain in general in a range of categories.

Table 10 – respondents’ work experience summary

Respondents Background		Number of Respondent	percentage
Total Experience of responders in BoA	1-3	129	45.9
	4-6	28	10.0
	7-10	53	18.9
	10 & above	71	25.3
Total		281	100.0
Total Experience of sample Domain in BoA	1-3	633	39.7
	4-6	216	13.5
	7-10	408	25.6
	10 & above	338	21.2
Total		1959	100.00

In assessing the base salary level of respondents 130 of them (46.3%) earn between Br. 5000 and Br. 10,000 while 64 of the respondents (22.8%) earn between Br. 15,001 and Br. 20,000. And the other categories are followed as mentioned in the following table.

The table below details the base salary level of respondents in various ranges.

Table 11– respondents monthly earning

Respondents Background		Number of Respondent	percentage
Monthly Salary	5000-10000	130	46.3
	10001-15000	29	10.3
	15001-20000	64	22.8
	20001-25000	15	5.3
	25001-30000	8	2.8
	30 & above	35	12.5
Total		281	100.0

4.2. Summary of Descriptive Statistics

This section presents and describes the respondents' answers about the level of their agreement to statements that describe the given variables. Presentation and analysis on this section is made using various statistical tools such as Mean, Standard Deviation, ANOVA and others.

4.2.1. Average level of agreement based on respondents' demographic characteristics

Table 12-respondents average level of agreement

Respondents Background		Average Agreement on the Bank's Practice			Average level of Turnover Intention
		Reward Mgt. Practice	Base Pay	Benefits	
sex of respondents	Female	3.93	3.83	3.8	2.42
	Male	3.76	3.72	3.71	2.51
Age of respondents	20-25	3.94	3.97	3.87	2.26
	26-30	3.61	3.52	3.5	2.53
	31-35	3.88	3.66	3.85	2.36
	36-40	3.73	3.81	3.79	2.67
	40-45	4.34	4.15	3.86	2.46
	46 and above	3.69	3.66	3.56	2.74
Marital Status	Married	3.82	3.79	3.74	2.51
	Single	3.8	3.72	3.74	2.48
	Widow	3.68	4	3.56	2.44
	Divorced	4.29	3.86	4.13	1
Educational Status	Certificate	3.57	3.71	3.5	2.75
	Diploma	3.87	3.96	3.72	2.43
	1st degree	3.87	3.81	3.86	2.34
	second degree & above	3.64	3.55	3.38	2.92
Total Experience	1-3	3.8	3.79	3.73	2.37
	4-6	3.93	3.89	3.87	2.33
	6-10	3.94	3.75	3.85	2.39
	10 & above	3.69	3.68	3.62	2.72
Total Experience in BoA	1-3	3.82	3.76	3.7	2.39
	4-6	3.92	3.54	3.64	2.3
	6-10	3.94	3.91	3.93	2.41
	10 & above	3.66	3.71	3.69	2.79
Monthly Salary	5000-10000	3.93	3.85	3.82	2.29
	10001-15000	3.62	3.48	3.65	2.44
	15001-20000	3.76	3.74	3.74	2.52
	20001-25000	3.82	3.74	3.83	2.85
	25001-30000	3.71	3.73	3.48	2.66
	30 & above	3.64	3.64	3.48	2.99
Total		3.81	3.75	3.73	2.48

Concerning the average agreement level on the fairness of the Reward management practice, base pay and benefits of the Bank and the average level of turnover intention; Female employees have relatively higher level of agreement than male employees. On the other hand they have lower level of intent to leave the Bank than male employees.

Employees in the age category of 40 - 45 have the highest level of agreement on the fairness of the Reward management practice and base pay. Following this category, the age groups 20 - 25 and 31-35 win the second and third position. In relation to the existence of attractive benefit packages, on the other hand, the age group 20-25 is with the highest level of average agreement, followed by the age groups 31 -35 and 40 - 45. Regarding the agreement level of the turnover intention the ages groups 20-25 and 46 & above are characterized by employees with lowest and highest level of turnover intention, respectively.

Among the married and bachelor groups the married employees have relatively high level of average agreement towards the fairness of the Reward management practice and base pay. The two groups, however, have similar level of agreement regarding benefits. As to the intent to leave the Bank, bachelors have lower level of intent than married employees.

On the status of education of the respondent groups, the majority share is engaged by BA holders (71.9%) and second degree and above (23.8%). Accordingly, the BA holders have relatively higher level of agreement and lower intent to leave the Bank.

Employees with a total experience of 7 to 10 years have the highest level of average agreement towards the fairness of the Reward management practice, base pay and benefits of the Bank. This group also stands in the second position regarding lower intent to leave the Bank. At the same time employees who work for 4 to 6 years is the group with the lowest turnover intention. On the other hand, employees holding 10 and more years of experience tend to have high turnover intention.

Characterizing the respondents in their monthly income, the first group, i.e. base pay from birr 5,000.00 to 10,000.00 have relatively higher level of positive agreement than respondents in the other income group. On the area of intention to leave the company, this group has also lower level of turnover intention. The groups within the base pay range from birr 20,000.00 to 25,000.00 and base pay from birr 35,000.00 & above are with higher intent to leave the Bank.

4.2.2. Perception towards the Reward Management Practice of the Bank

Regarding the Reward Management Practice of the Bank, employees in both managerial and clerical categories were asked to rate their level of agreement for each of the forwarded questions and their response is presented and analyzed using mean and 95% confidence interval of the mean.

Table 13 – Perception on Reward Management Practice

Statement Items	Respondent Group	N	Mean	Std. Deviation	95% Confidence Interval for Mean	
					Lower Bound	Upper Bound
Q1_1 Reward focus on needs of employees	Managerial	61	4.02	0.53	3.88	4.15
	Clerical	220	3.69	0.91	3.57	3.81
	Total	281	3.76	0.86	3.66	3.86
Q1_2 Reward effect on employee turnover intention	Managerial	61	4.18	0.70	4.00	4.36
	Clerical	220	3.90	0.88	3.78	4.02
	Total	281	3.96	0.85	3.86	4.06
Q1_3 Reward ensures organization competitiveness	Managerial	61	4.05	0.53	3.91	4.18
	Clerical	220	3.96	0.83	3.85	4.07
	Total	281	3.98	0.78	3.89	4.07
Q1_4 Reward matches work effort contribution	Managerial	61	3.59	0.69	3.41	3.77
	Clerical	220	3.65	0.98	3.52	3.79
	Total	281	3.64	0.93	3.53	3.75
Q1_5 Satisfied with Reward	Managerial	61	3.43	0.74	3.24	3.62
	Clerical	220	3.67	0.93	3.55	3.80
	Total	281	3.62	0.90	3.51	3.72
Q1_6 Fair reward relative to other banks	Managerial	61	3.56	0.98	3.31	3.81
	Clerical	220	4.02	0.85	3.91	4.14
	Total	281	3.92	0.89	3.82	4.03
Q1_7 Reward keeps from leaving	Managerial	61	3.92	0.53	3.78	4.05
	Clerical	220	3.75	0.96	3.63	3.88
	Total	281	3.79	0.88	3.69	3.89
Reward Management Practice	Managerial	61	3.82	0.44	3.71	3.93
	Clerical	220	3.81	0.63	3.72	3.89
	Total	281	3.81	0.59	3.74	3.88

As pointed out in the above table, for statement number one, three, four, five and seven, the average ratings and the 95% Confidence Interval, by the managerial group and the clerical

workers are well above the moderate level, i.e, both groups have positively agreed on the mentioned dimensions of the Bank’s Reward Management Practice.

On the other hand, while both groups have positively agreed on the statements, effect of reward on employee turnover intention and the fairness of the reward relative to other banks, managers have relatively, higher level of agreement than clerical workers. The average agreement for this statement is also fall in the 95% Confidence interval of 3.86 to 4.06.

In addition to assessing the average agreement level of each group, a technique of One-way ANOVA is used in order to identify if there exists a difference between the groups average level of agreement.

Table 14 – ANOVA TEST - I

Item	Respondent Group	N	Mean	Std. Deviation	95% Confidence Interval for Mean		One-way ANOVA test	
					Lower Bound	Upper Bound	F-value	p-value
Reward Management Practice	Managerial	61	3.82	0.44	3.71	3.93	0.02	.890
	Clerical	220	3.81	0.63	3.72	3.89		
	Total	281	3.81	0.59	3.74	3.88		

Regarding the reward management practice of the Bank, the average agreement level of managerial and clerical employees of the Bank is 3.82 and 3.81, respectively. For both groups the 95% Confidence Interval, of their agreement level are well above the moderate level, i.e, both groups have positively agreed that the Bank has attractive Reward Management Practice.

The p-value equals to 0.890, greater than 0.05, shows that both groups have similar level of agreement on the Reward Management Practice of the Bank. Over all, the average agreement of employees is computed to be 3.81 which fall in the 95% Confidence interval of 3.74 to 3.88.

The interview result also implied that the Bank’s philosophy towards employee retention via transactional rewarding factors is to consistently conduct market assessments and keep the Bank’s salary and benefits packages at an industry leading level. The Bank firmly believes a well-rewarded task force is a backbone of institutional success, hence such is a priority in its policies.

4.2.3. Perception towards Base Pay

Table 15 – Perception on Base Pay

Statement Items	Respondent Group	N	Mean	Std. Deviation	95% Confidence Interval for Mean	
					Lower Bound	Upper Bound
Q2_1 salary satisfaction compared to the work	Managerial	61	4.02	0.50	3.89	4.14
	Clerical	220	3.85	0.98	3.72	3.98
	Total	281	3.88	0.90	3.78	3.99
Q2_2 salary relative to the industry average	Managerial	61	4.03	0.55	3.89	4.17
	Clerical	220	4.13	0.71	4.04	4.23
	Total	281	4.11	0.68	4.03	4.19
Q2_3 salary compared to others in the bank	Managerial	61	3.85	0.63	3.69	4.01
	Clerical	220	3.60	1.06	3.46	3.74
	Total	281	3.65	0.98	3.54	3.77
Q2_4 salary increment based on fair criteria	Managerial	61	3.38	0.84	3.16	3.59
	Clerical	220	3.50	0.98	3.37	3.63
	Total	281	3.47	0.95	3.36	3.58
Q2_5 basis to determine pay scale	Managerial	61	3.30	0.78	3.09	3.50
	Clerical	220	3.71	0.82	3.60	3.82
	Total	281	3.62	0.83	3.52	3.72
Q2_6 salary adjustment within reasonable time	Managerial	61	4.02	0.65	3.85	4.18
	Clerical	220	3.84	0.85	3.73	3.95
	Total	281	3.88	0.81	3.78	3.97
Q2_7 pay scale treats every one equally	Managerial	61	4.00	0.66	3.83	4.17
	Clerical	220	3.55	0.94	3.43	3.67
	Total	281	3.65	0.90	3.54	3.75
Base Pay	Managerial	61	3.80	0.47	3.68	3.92
	Clerical	220	3.74	0.63	3.66	3.82
	Total	281	3.75	0.60	3.68	3.82

In this section, employees were asked to provide their level of agreement on the selected seven statements. Except for the fifth and seventh statements, employees in both clerical and managerial categories have similar level of agreement on the statements raised relating to base pay.

For instance, for the last statement regarding base pay, pay scale treats everyone equally, the average rating results in 4.00 for managerial groups and 3.55 for clerical groups. Their agreement is above the moderate level by which the groups agreed that the pay scale treats every employee equally. Conversely, when a p-value is calculated for this specific statement the value results in 0.001, and this indicates the groups don't have similar level of agreement to the statement. At this point, the managerial groups have relatively higher level of agreement than clerical employees. Their average agreement, on the other hand is 3.65 which fall in the 95% Confidence interval.

Moreover, one way ANOVA test is performed to see the categorical difference.

Table 16 – ANOVA TEST - II

Statement Items	Respondent Group	N	Mean	Std. Deviation	95% Confidence Interval for Mean		One-way ANOVA test	
					Lower Bound	Upper Bound	F-value	p-value
Base Pay	Managerial	61	3.80	0.47	3.68	3.92	0.46	.499
	Clerical	220	3.74	0.63	3.66	3.82		
	Total	281	3.75	0.60	3.68	3.82		

Over all, the average agreement level of managerial and clerical employees of the Bank towards base pay is 3.80 and 3.74, respectively. For both groups the 95% Confidence Interval, of their agreement level are above the moderate level. This means, both groups have positively agreed that their base pay is relatively fair. Besides, the average agreement of employees which is 3.75 also fall in the 95% Confidence interval of 3.68 to 3.82. The p-value which equals to 0.499, greater than 0.05, indicates that both groups have similar level of agreement on the issues regarding base pay.

Similarly, the reward management strategy of Bank of Abyssinia is to introduce a ground breaking increment (comparatively higher) once every few years and maintain this through moderate annual percentage increments. This will help the Bank to attract a new influx of incomers and better retain its current staff for some time before the introduction of the next attractive increment few years later. The rationale behind such strategy is the ease of

implementation and power of attraction of a onetime significant increment on existing reward packages than a serious of fragmented increments through time.

The current retention strategy of the Bank also mainly focuses attracting and retaining employees through attractive base pay relative to the industry. In the meantime, maintaining the current benefits the Bank has also a plan to develop attractive benefits scheme for its employees. Regarding the strength of the Bank’s salary and benefit packages to attract and retain qualified and competent labour forces, the Bank believes it has a strong force from the salary scale aspect and it is the best among other banks in the industry.

4.2.4. Perception towards Benefits

Table 17 – Perception on Benefits

Statement Items	Respondent Group	N	Mean	Std. Deviation	95% Confidence Interval for Mean	
					Lower Bound	Upper Bound
Q3_1 attractive medical and insurance	Managerial	61	4.33	0.7	4.15	4.51
	Clerical	220	4.1	0.78	4	4.2
	Total	281	4.15	0.77	4.06	4.24
Q3_2 attractive housing loan	Managerial	61	4.38	0.71	4.19	4.56
	Clerical	220	3.81	0.84	3.7	3.93
	Total	281	3.94	0.85	3.84	4.04
Q3_3 attractive automobile(car) loan	Managerial	61	2.62	1.27	2.3	2.95
	Clerical	220	3.39	1.03	3.25	3.52
	Total	281	3.22	1.13	3.09	3.35
Q3_4 attractive transportation allowance	Managerial	61	3.49	0.94	3.25	3.73
	Clerical	220	3.78	0.97	3.65	3.91
	Total	281	3.72	0.97	3.6	3.83
Q3_5 current benefits considers real needs	Managerial	61	3.62	0.76	3.43	3.82
	Clerical	220	3.61	1.01	3.48	3.75
	Total	281	3.62	0.96	3.5	3.73
Q3_6 benefit schemes treat all employees equally	Managerial	61	3.7	0.72	3.52	3.89
	Clerical	220	3.57	1.04	3.43	3.71
	Total	281	3.6	0.98	3.48	3.71
Q3_7 the benefits are satisfactory	Managerial	61	3.77	0.72	3.59	3.95
	Clerical	220	3.75	0.88	3.64	3.87
	Total	281	3.76	0.85	3.66	3.86
Q3_8 attractive benefit compared to other banks	Managerial	61	3.64	1.02	3.38	3.9
	Clerical	220	3.95	1.03	3.81	4.09
	Total	281	3.88	1.03	3.76	4
Benefits	Managerial	61	3.69	0.63	3.53	3.86
	Clerical	220	3.75	0.67	3.66	3.83
	Total	281	3.73	0.66	3.66	3.81

On the topic of benefits, the respondents were asked to rate their agreement level on the selected types of benefits and on the general benefit scheme of the Bank. Accordingly, the average agreement level of each group and other related issues are presented and analyzed in the above table.

Here, though the mean agreement of both groups in almost all of the statements is above the moderate level, there also exists a moderate difference between the two groups level of agreement. The difference mainly exists in the first four questions as well as in the last question.

For instance for the statement relating to the automobile loan, the average agreement level for managerial and clerical groups are 2.62 and 3.39, correspondingly. Here, the average rating by managerial groups is below the moderate level and clericals have relatively a higher level of agreement. The calculated p-value, 0.000, also indicates that the two groups do not have similar level of agreement to this statement.

The ANOVA test is presented below for comparison.

Table 18 – ANOVA TEST - III

Statement Items	Respondent Group	N	Mean	Std. Deviation	95% Confidence Interval for Mean		One-way ANOVA test	
					Lower Bound	Upper Bound	F-value	p-value
Benefits	Managerial	61	3.69	0.63	3.53	3.86	0.29	.591
	Clerical	220	3.75	0.67	3.66	3.83		
	Total	281	3.73	0.66	3.66	3.81		

In general, the average agreement level towards the benefits the Bank is providing is 3.69 and 3.75, for managerial and clerical groups, respectively. Both groups agreement level is above the moderate level and fall in 95% confidence interval. This tells that both groups have positively agreed that the benefits are moderately fair.

The aggregate mean, 3.73 also falls in the 95% confidence interval of 3.66 and 3.81. The p-value, .591 is greater than .05, indicates that both groups have relatively the same level of agreement on benefit issues.

Moreover as Benefit package revision is part of the proactive reward management strategy of the Bank, considering the real needs of the employees and what the industry is providing, as well, benefit revision is under study. The Bank is well aware of its being on the average state concerning the benefit package it is providing for employees.

4.2.5. Turnover Intention

4.2.5.1. Agreement level

Table 19 – Turnover Intention

Statement Items	Respondent Group	N	Mean	Std. Deviation	95% Confidence Interval for Mean	
					Lower Bound	Upper Bound
Q4_1 I have considered an alternative	managerial	61	2.80	1.15	2.51	3.10
	Clerical	220	2.54	1.06	2.40	2.68
	Total	281	2.59	1.08	2.47	2.72
Q4_2 I have plan to leave the Bank	managerial	61	2.44	1.06	2.17	2.71
	Clerical	220	2.42	1.01	2.29	2.56
	Total	281	2.43	1.02	2.31	2.55
Q4_3 It is not important to stay in the Bank	managerial	61	2.98	1.19	2.68	3.29
	Clerical	220	2.22	1.09	2.08	2.37
	Total	281	2.39	1.16	2.25	2.52
Q4_4 I will leave the Bank in the future	managerial	61	2.89	1.17	2.59	3.19
	Clerical	220	2.43	1.08	2.29	2.57
	Total	281	2.53	1.11	2.40	2.66
Turnover Intention	managerial	61	2.78	0.77	2.58	2.98
	Clerical	220	2.40	0.78	2.30	2.51
	Total	281	2.48	0.79	2.39	2.58

In this section, employees were asked to rate their turnover intention on the basis of the above four questions. For the first and second statements, the employees in both groups have positively agreed that they certainly not consider an alternative employment frequently. For the last two statements, though the employees' level of agreement is relatively on the same side, the two groups do not have same level of feeling regarding the importance of spending their career.

The ANOVA test for the turnover intention is presented below

Table 20 – ANOVA TEST - IV

Statement Items	Respondent Group	N	Mean	Std. Deviation	95% Confidence Interval for Mean		One-way ANOVA test	
					Lower Bound	Upper Bound	F-value	p-value
Turnover Intention	managerial	61	2.78	0.77	2.58	2.98	11.21	.001
	Clerical	220	2.40	0.78	2.30	2.51		
	Total	281	2.48	0.79	2.39	2.58		

Generally, the average turnover intention level of employees in managerial and clerical categories is under the moderate level. The p-value, 0.001, however, indicates that the two groups have no similar level of intent to leave the Bank; employees in managerial category have relatively higher intent to leave the Bank than clerical employees.

Largely, the 2.48 level of turnover intention signifies that, though there is an intention to leave the Bank, it is low level intention. However, the turnover rate may not still be regarded as satisfactory taking in to consideration Bank of Abyssinia’s recent initiatives to introduce very attractive salary scale to its employees.

Furthermore, the responses for the third question regarding turnover intention are summarized and presented in the following table as a supplement for the above analysis.

4.2.5.2. Importance to spend career in the Bank

Table 21– Chi Square

Current Position		importance to spend career in the Bank					Total	Pearson Chi-Square	df	p-value
		No Importance	Less important	some importance	fairly important	very important				
managerial	No	9	14	17	17	4	61	16.566	4	.002
	%	14.8%	23.0%	27.9%	27.9%	6.6%	100.0%			
Clerical	No	53	57	81	20	9	220			
	%	24.1%	25.9%	36.8%	9.1%	4.1%	100.0%			
Total	No	62	71	98	37	13	281			
	%	22.1%	25.3%	34.9%	13.2%	4.6%	100.0%			

As it can be seen from the above table, 14.8% of managerial employees feel it has no importance to spend their career in the Bank. On the other hand, the acceptance level for the groupings, 'has some importance' and 'is fairly important' become equal and both groups ensure 27.9%, each. The remaining, 23% and 6.6 % are shared by respondents who have mixed feeling and who feel high importance, respectively.

In the clerical category, 24.1% of the respondents feel spending career in the Bank has no importance. 36.8% and 9.1% feel some importance and fair importance, respectively and the other 25.9% and 4.1% is fall with in mixed feeling and high importance category.

Overall, 22.1% of the employees feel no importance to spend their career in the Bank and 25.3% are in mixed feeling. Employees with moderate feeling contributed 34.9% (some importance) and 13.2% (fairly important). The remaining 4.6% relay on spending career in the Bank is very important.

Moreover, chi-square test of independence is performed to see if turnover intention (for that particular question) depends on the employee position. Accordingly, the p-value, $.002 < 0.05$ indicates that Turnover Intention depends on the employee position. Managers and clericals do not have similar intention level i.e. have somewhat different in their importance to spend career in the Bank. For instance the clericals would say "Less important" 25.9% as compared to 23.0% managers with similar response. In addition, relatively high proportion of managers, 27.9%, would say fairly important compared to only 9% of clericals who felt the same.

4.3. Ranking

The following table presents the ranked importance of the variables Base Pay and Benefits (Housing Loan, Medical and Insurance coverage, Transportation Allowance and Car/Automobile loan)

Table 22 – Ranking

Respondent Group	Reward Type	Count of Respondents Ranking					Average Rank	Rank
		1 st	2 nd	3 rd	4 th	5 th		
Both Groups	Medical and Insurance coverage	185	96				1.34	1
	Salary/Base Pay	181	100				1.36	2
	Housing Loan	48	134	99			2.18	3
	Automobile/car Loan		9	80	178	14	3.70	4
	Transportation Allowance		1	102	95	83	3.93	5
Managerial	Medical and Insurance coverage	43	18				1.30	1
	Salary	29	32				1.52	2
	Housing Loan	30	27	4			1.57	3
	Automobile/car Loan			22	32	7	3.75	4
	Transportation Allowance			22	31	8	3.77	5
Clerical	Salary	152	68				1.31	1
	Medical and Insurance coverage	142	78				1.35	2
	Housing Loan	18	107	95			2.35	3
	Automobile/car Loan		9	58	146	7	3.69	4
	Transportation Allowance		1	80	64	75	3.97	5

The employees were asked to rate the above factors in order of importance that can affect their intent to leave the Bank. The result is presented as follows.

Employees in clerical category order the importance as salary, Medical and Insurance coverage and housing loan to affect turnover intention. On the other hand, for employees in managerial group, Medical and Insurance coverage comes first in order of preference to affect turnover intention and salary and housing loan follow the order as main factors to influence turnover intention.

The average response for the two groups, in general results as Medical and Insurance coverage, salary and housing allowances are the first three main factors, in sequence, that have high effect to influence the turnover intention of employees.

4.4. Correlation

In order to assess the relationship of employees' satisfaction on base pay and benefits with their turnover intention, a correlation analysis was conducted. The following table presents the correlation result.

Table 23 – Correlation

Items	Both Respondent Groups		Managerial		Clerical	
	Base Pay	Benefits	Base Pay	Benefits	Base Pay	Benefits
Base Pay	1		1		1	
Benefits	.645**	1	.584**	1	.662**	1
Turnover Intention	-.574**	-.632**	-.633**	-.496**	-.590**	-.675**
**. Correlation is significant at the 0.01 level (2-tailed).						

In the above table the turnover intention of employees is found to have significantly correlated with Base pay and Benefits

The Pearson moment linear correlation, r , between base pay satisfaction level and Turnover intention is $r = -0.574$, while satisfaction on benefits is correlated with turnover intention by $r = -0.632$. Both base pay and benefits have significantly negatively correlated with turnover intention. This indicates that employees' turnover intention has inverse relationship with both base salary and benefits. That is, the increase in satisfaction level of each of base salary or benefits will have a significant effect in reducing the turnover intention of employees.

In other words, improved satisfaction level of employees with regard to base salary and benefits has a considerable effect as to means of employees' retention. Meaning, the low level of turnover intention, mean = 2.48, in the Bank could be attributed to considerably high level of satisfaction in base pay (mean= 3.75) an benefits (mean= 3.73).

While for clerical workers, it is benefit that have stronger relation with turnover intention ($r = -0.675$) as compared to the relation between base salary and turnover intention ($r = -0.590$).

Whereas, for the managers, it is the base salary found to have relatively stronger relation ($r=0.633$) the benefits ($r=-0.496$).

Considering both groups of employees, benefits have relatively highly correlated with turnover intention ($r=-0.632$) than the base salary relation with turnover intention ($r=-0.574$).

On the other hand, because base salary and benefits are themselves strongly correlated ($r=0.645$), it is obvious that the satisfaction level in one would also raise (minimize) the satisfaction (dissatisfaction) of the other. So it is better to see the partial correlation of one of the factors with turnover intention while avoiding the effect of the other factor.

Table 24- Partial Correlations – Base Pay

Control Variables		Turnover Intention	Base Pay
Benefits	Turnover Intention	Correlation	1.000
		Significance (2-tailed)	.000
		Df	0
	Base Pay	Correlation	-.282
		Significance (2-tailed)	.000
		Df	278

Table 25 - Partial Correlations – Benefit

Control Variables		Turnover Intention	Benefits
Base Pay	Turnover Intention	Correlation	1.000
		Significance (2-tailed)	.000
		Df	0
	Benefits	Correlation	-.418
		Significance (2-tailed)	.000
		Df	278

The partial correlation of base salary with turnover intention is $r = -0.282$; while the partial correlation of the benefits with turnover intention is $r = -0.418$. This clearly indicates that, considering both types of employees, it is the benefits that have relatively stronger relation with turnover intention than base salary.

4.5. Regression

In order to further assess the effects of employees' satisfaction (regarding base salary and benefits) with their turnover intention, a linear regression analysis was conducted. In the table below, the R^2 , also called the coefficient of determination, tells to what extent these two factors would explain turnover intention.

The regression analysis using the responses of both groups has resulted with $R^2 = 44.3\%$. This amounts the extent to which turnover intention of employees can be influenced or explained by both benefits and base salary. In other words if employees consider to leave the Bank, they give 44.3% intention to Base Pay and Benefit and it is influential.

Table 26 – Regression

Model		Unstandardized Coefficients	Standardized Coefficients	t-value	p-value	R	R Square	Adjusted R Square
		B	Beta					
Both Groups	(Constant)	5.889		25.101	.000	0.668	.447	.443
	Base Pay	-.374	-.286	-4.895	.000			
	Benefits	-.536	-.448	-7.672	.000			
Managerial groups	(Constant)	6.858		10.906	.000	0.652	.425	.405
	Base Pay	-.847	-.521	-4.250	.000			
	Benefits	-.233	-.191	-1.558	.125			
Clerical Groups	(Constant)	5.777		24.025	.000	0.702	.492	.487
	Base Pay	-.314	-.256	-3.966	.000			
	Benefits	-.587	-.505	-7.833	.000			

The regression table above gives a picture of influence or the extent of which the base pay and benefit affect turnover intention of employees.

The unstandardized Beta coefficients provide information on the extent of reducing turnover intention due to the increase on satisfaction level of base salary and benefits. So, the one point improvement in base salary would reduce turnover intention by the level 0.374. For a similar

level of improvement in the satisfaction on benefits would further reduce the turnover intention of employees' by 0.536.

A one point increase in base pay of managerial employees would decrease their turnover intention level by 0.847. Similarly a rate of increment on their benefit reduces their turnover intention by 0.233. So considering this result, salary increment would be better than benefit growth, for employees at managerial level.

For the clerical workers, a rate increase in both salary and benefit would have a positive effect on their turnover intention. A one point of salary increment reduces turnover intention by a level of 0.314 and same improvement in benefit also eases their turnover intention by 0.587levels.

While the contribution of both base salary and benefits to the turnover intention computed is 44.3%, in order to see the level of contribution of each factor, a step-wise regression analysis was conducted. The first step of the regression with Benefits only resulted with $R^2 = 39.7\%$. in the second step, i.e. including base salary, the R^2 raised to the level 44.3%. Hence, employees' benefits would influence turnover intention to the level of 39.7%, and the contribution by base salary is then $(44.3-39.5 = 4.8\%)$. This is as well an implication on the ability of the benefit items to embrace some parts of employee base pay. In the meantime, it is evidenced that benefit is the most explanatory item, and it has a higher influential ability to affect employees' turnover intention than Base Pay.

CHAPTER FIVE

MAJOR FINDINGS, CONCLUSION AND RECOMMENDATION

This chapter is devoted to discuss the major findings of this study, to reach at the general conclusion and suggest the researcher's recommendations based on the findings.

5.1. Major Findings

The researcher has the following findings with respect to the general perception of employees towards the Bank's reward management practice, their Base Pay and Benefits and its effect on their turnover intention;

- The level of agreement shown by respondents of both sample categories (namely Managerial and Clerical) to the study variables is almost similar. Both Sample groups have positively agreed that the Reward Management practice of the Bank, their base pay and provided benefits are moderately fair. Besides, the average agreements of employees also fall in the 95% Confidence interval, in all cases.
- The total turnover intention of the Bank falls at the level of 2.48. This implies that, the average turnover intention of employees in both managerial and clerical categories is under the moderate level, that is, though there is an intention to leave the Bank, it is a low level intention. Despite the level of turnover intention falling under the moderate level, it may not still be regarded as satisfactory taking in to consideration Bank of Abyssinia's recent initiatives to introduce very attractive salary scale to its employees.
- Even though both sample categories demonstrated the same level of agreement towards the independent variables, both categories did not show a similar level of agreement to turnover intention. The calculated p-value, which is .001, (ANOVA test result, Table 17) signifies that the two categories have no similar level of intention to leave the Bank. Employees in managerial category have relatively higher level of turnover intention than clerical employees. The chi-square test for a specific question in this study also supplements that Turnover Intention depends on the employee position.

- The study showed Medical Benefit and Insurance coverage have the highest ranked importance among list of benefits followed by Salary/Base Pay and Housing Loan. As such they have their respective level of influence on the turnover intention of employees.
- A correlation analysis was conducted to find out the relationship between employees' satisfaction level towards base pay/benefit and their turnover intention. The extent of the relationship is also measured. Accordingly, the correlation results provided evidence that both base pay and benefits are significantly negatively correlated with turnover intention. That means turnover intention has inverse relationship with both base pay and benefits. The better the employee is satisfied with his/her base pay/benefit, the less his/her turnover intention.
- The relationship between base salary/benefit and turnover intention has shown difference amount sample groups. The Clerical category of employees has demonstrated a stronger relationship between benefit and turnover intention whereas managerial employees has shown a stronger relationship between salary and turnover intention. Considering both groups of employees, however, benefits are relatively highly correlated with turnover intention ($r = -0.632$) than base salary ($r = -0.574$).
- Because base salary and benefits are themselves strongly correlated, a partial correlation of one of the factors with turnover intention while avoiding the effect of the other factor is completed. Accordingly, the result indicates that a partial correlation of the benefits with turnover intention have relatively stronger relation with turnover intention than the partial correlation of base salary with turnover intention.
- To further evaluate the extent of the effect of base salary and benefits on turnover intention, a multiple linear regression analysis was conducted. The regression analysis conducted using the responses of both sample categories resulted in R^2 (coefficient of determination) = 44.3%. This signifies the extent to which turnover intention of employees can be influenced by both benefits and base salary

- In the meantime, the results of the unstandardized Beta coefficients i.e. the one point improvement in base salary would reduce turnover intention by the level 0.374. For a similar level of improvement in the satisfaction on benefits would further reduce the turnover intention of employees' by 0.536, furthermore signify the higher effect of benefit on turnover intention than base pay.
- At last, yet, the total contribution of both base pay and benefits to the turnover intention is 44.3%, in order to see the level of contribution of each factor, a step-wise regression analysis is conducted. Hence, it results as, employees' benefits would influence turnover intention to the level 39.7%, and the contribution by base salary is then $(44.3 - 39.5 = 4.8\%)$. This is as well an implication on the ability of the benefit items to embrace some parts of employee base pay. In the meantime, it is evidenced that benefit is the most explanatory item, and it has a higher influential ability to affect employees' turnover intention than Base Pay. Different studies results also showed benefits are given more emphasis for the fair tax treatment and cost advantage they bring to employees and organizations, respectively, Noe. Hollenbeck, Gerhart, Wright, (2008). Similarly, Hermann Schwind, Hari Das & Terry Wagar, (2005), also concluded that benefits are becoming increasingly important as a competitive advantage.

5.2. Conclusion

Based on the finding of this study, we can conclude that;

- The reward management system of Bank of Abyssinia is positively perceived by its employees and has therefore contributed to a relatively low level of turnover intention among various categories of employees. This implies that the Bank has paid considerable attention to its reward management practice and has employed better reward strategies that have been to the satisfaction of its employees.
- The overall turnover intention of employees of the Bank of Abyssinia is relatively lower (a level of 2.48) which signifies employees comparative satisfaction with the reward practices. However, this score does not necessarily imply the employees of the Bank are in their absolutely minimal turnover intention. It may not still be regarded as satisfactory taking in to consideration the Bank's recent initiatives to introduce very attractive salary scale to its employees. Hence, the level will have to be analyzed in relation to the Bank's continuous effort to introduce competitive base pay and benefit packages.
- Benefit packages have a higher degree of relation & influence to the turnover intention of the Bank's employees in comparison to the relation and influence base pay has with turnover intention.
- The findings of this study also showed perception of employees on the relationship between base pay versus benefit packages with turnover intention has notably varied among different employment categories. Employees on the managerial category give emphasis to base salary while employees in the clerical category are highly interested in benefits. We can therefore conclude that similar compensation strategies employed by the Bank across the board will not have equal effect on the perception of employees and therefore on their turnover intention.

5.3. Recommendation

Based on the outcome of this study, the following recommendations are given for the Bank in order to be more effective in the future.

- The study has shown the reward management practice of Bank of Abyssinia is positively perceived by its employees and has contributed to a relatively lower level of turn over intention. This result is also supported by the findings of S. Ruvimbo Terera & Hlanganipal Nigirande, (2014), that most employees stay in the same institution for a long time because of the economic gains they receive from that institution. The authors concluded that the more employees are rewarded, the more likely they are to remain in the same organization. Accordingly, the researcher recommends the Bank to continue paying close attention to its current practice and keep up devising better compensation strategies to better motivate employees to stay and prevent any possible turnover intention.
- Even though the relative level of turnover intention of its employees is found to be low, the Bank could still perceive this level as unacceptable compared to the attractive salary and benefit packages it has tried to introduce in recent years. The researcher therefore recommends the Bank to regularly monitor the level of turnover intention of its employees and gear its efforts in introducing attractive salary and benefit packages towards the objective of retaining its employees. The Bank also needs to study which reward package is related to the turnover intention of its employees in a greater degree and focuses its attention accordingly. This also give a resolution for the Bank for the fact that the interview result implies the Bank has no formal means of receiving feedback from its employees regarding any of the previously implemented Reward Practices.
- Over all, the study has shown benefit packages have a higher degree of relationship and influence over employees' turnover intention than base pay has. Thus, the researcher recommends the Bank to invest more time, money and effort in studying competitive benefit packages and regularly monitoring market trends, industry averages and conducting employee surveys in the objective of enhancing the level of attractiveness of its benefit packages. As mentioned by Michael Armstrong, (2009), the market, not the company will ultimately determine the movement of employees.

- The researcher also recommends the Bank to pay special attention to specific benefit packages that the study identified as having a particular relevance to turnover intention. These include Medical benefits and insurance coverage. As employees' perception of the effect of these packages on their turnover intention is higher, the attention to be given in reviewing and monitoring the packages should be higher.
- The study has shown employees in different categories have different perception on the effect of benefits versus base pay to turnover intention. The researcher therefore recommends the Bank to give attention to its reward packages to the varying category of employees.
- On the other hand, as the authors Noe, Hollenbeck, Gerhart, Wright, (2008) states that, for some people pay is a reflection of self-worth, so pay satisfaction takes on critical significance when it comes to retention. Therefore, corresponding to the result of this study, considering better base pay for employees at managerial category is also suggested. In addition, since employees in managerial category have a relatively higher turnover intention than clerical employees, improving their total compensation and benefits is also important. This is also supported by Greer, (2001), as the most frequently used approach for retaining senior executives is to improve their compensation and benefits.
- Generally, considering the interview result conducted with the HRMD of the Bank, the Bank's retention strategy mainly focuses on introducing an industry leading salary scale and the Bank already implemented an attractive and industry leading salary scale. Though this is the fact, the result of this study showed that the employees, especially, in managerial groups are still concerned with their base pay. Besides, the result signifies that benefits are the most correlated and influential factor of turnover intention than base pay. Hence, instead of implementing attractive salary scale without giving equal attention to employees benefit, it is better for the Bank to study and implement a considerable benefit scheme, parallel to the attractive salary scale. So that, if employees are satisfied with the benefits, an offer for attractive salary in other organization or a relatively lower salary in the Bank, solely may not pressure their intent to leave the Bank in the future.

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APPENDIXES

Part II: Instruction

The following tables contain a number of questions on which you could potentially agree or disagree with. Please rate (using “X”) how much you personally agree or disagree with each statement using the scales provided at the right side columns of the tables.

Table I.

Items	Description	level of agreement/satisfaction				
		Strongly agree	Agree	Neutral	Disagree	Strongly disagree
1. The Bank's Reward Management Practice	The Reward Management Practice at the Bank focuses on the real needs of employees					
	The Reward Management Practice at the Bank has a major effect on employees turnover intention					
	The Bank's Reward Management Systems are modified as necessary to ensure organization's competitiveness					
	The Reward distributed matches my work effort/contribution					
	I am satisfied with the quality (appropriateness, distributive and procedural justice) of the Bank's Reward Management System					
	The Bank's Reward Management Practices is fair relative to other banks in the industry					
	The current Reward Management Practice of the Bank keeps me for not having a plan to leave the Bank					
The influence of the Reward Management Practice						
2. Base pay or Salary	The Salary I am paid is satisfactory compared to the work I do					
	The Salary I am paid is fair relative to the industry's average					
	I earn the same salary with others doing the same job in the Bank					
	Salary increments are based on fair criteria					
	The basis set to determine the pay scale is reasonable					
	Salary adjustment/increment is made within a reasonable time interval					
	Pay scale of the Bank is fair as it treats everyone equally proportional to their work					
3. Benefits	The Bank's medical & Insurance coverage is attractive					
	The Bank's housing loan policy is attractive					
	The Bank's vehicle/car loan policy is attractive					
	The transportation allowance is attractive					

Items	Description	level of agreement/satisfaction				
		Strongly agree	Agree	Neutral	Disagree	Strongly disagree
	The current benefits I receive considers my real needs					
	The Benefit Schemes of the Bank treat all employees equally					
	The benefits I am entitled are satisfactory					
	The Bank provides attractive benefit packages compared to other banks in the industry					
4.Turnover Intention	I haven't ever consider an alternative employment from other bank/company					
	I have no plan to leave the Bank in the foreseeable future					
	Choose from 1 to 5					
	How important is it to you personally that you spend your career in this Bank rather than some other organization?					
	1= It is very important for me to spend my career in this organization					
	2= It is fairly important					
	3= It is of some importance					
	4= I have mixed feelings about its importance					
	5= It is of no importance at all					
	Which of the following most clearly reflects your feelings about your future with this Bank in the next year?					
	1= I definitely will not leave					
	2= I probably will not leave					
	3= I am uncertain					
	4= I probably will leave					
5= I definitely will leave						

Table II. Please put the variables in rank

No.	Description	First	Second	Third	Fourth	Fifth
1	How do you rank the importance of the following variables for you to stay in the Bank or to select a new job/company?					
	- Salary					
	- Medical and Insurance cost coverage					
	- Housing loan					
	- Vehicle loan					
	- Transportation allowance					

Part III: Please answer the following questions using the space provided.

1. How do you describe the overall impact of the Bank’s Reward Management System on your intent to leave the Bank?

2. How do you evaluate your overall motivation level towards the salary you are currently receiving and its effect on your turnover intention?

3. How do you evaluate your motivation level towards the benefits you are currently entitled and its effect on your turnover intention?

Thank you very much!

APPENDIX B

List of the Interview Questions that are forwarded to the Bank's Human Resource Management Department include:-

1. What is the philosophy of the Bank towards motivating/retaining employees through transactional (extrinsic) reward factors?
2. What are the Reward Management Strategies of the Bank? What is the central theme of these strategies (Why are they in place: The rationale behind crafting these strategies?)
3. How do you approach the revision to REWARDS? Is it reactionary, going to be conducted whenever problems arise or somehow strategic/proactive, going to be conducted by visualizing its business impact on the Bank's performance?"
4. What is the Retention Strategy of the Bank (if more emphasis is given to base pay/salary or benefit – current practice?)
5. How do you rate the strength of your salary and benefit packages to attract and retain qualified and competent labour force? What dimensions in this regard make the Bank best among the others in the industry? In what other dimensions is the Bank far behind others (worst or below the average situation, if any)?
6. How are you going to get the employees' perception/reaction/opinion towards the revised salary and benefits? And how do you measure the impact of the revision on the Bank's overall performance? Have you done these things before? If so, what conclusions have you drawn? Is there any previous study that assesses employees' perception/opinion (towards salary and benefit) or Feedback after increasing salary or revising benefits?