The Impact of Reward Management Systems on Employee Retention:

The Case of CURE Hospital

By

Metasebia Mamo

A Thesis submitted to Addis Ababa University, School of Commerce in partial fulfillment of the requirements for the Degree of Master of Art in Human Resources Management

Addis Ababa
June 2017

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DECLARATION

I hereby declare that the study entitled "The Impact of Reward Management Systems on Employee Retention on the case of CURE Hospital" is my original work and has not been presented in Addis Ababa University or any other University, and that all sources of material used for the study have been duly acknowledged.

Name of the researcher: ***Metasebia Mamo***

*Signature*____________________

Date of submission ____________

Addis Ababa University
School of Commerce

Letter of Certification

This is to certify that the thesis prepared by Metasebia Mamo titled: The Impact of Reward Management Systems on Employee Retention: The Case of CURE Hospital, submitted in partial fulfillment of the requirements for the Degree of Master of Arts in Human Resources Management complies with the regulation of the University and meets and accepted the standards with respect to originality and quality.

Advisor: **Solomon Markos (PhD)** Signature:__________________ Date: _____________

Addis Ababa University
School of Commerce

Certification of Approval

This is to certify that the thesis prepared by Metasebia Mamo titled: The Impact of Reward Management Systems on Employee Retention: The Case of CURE Hospital, submitted in partial fulfillment of the requirements for the Degree of Master of Arts in Human Resources Management complies with the regulation of the University and meets and accepted the standards with respect to originality and quality.

Signed by the Examining Committee:

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Examiner (Internal): **Wubshet Bekalu (PhD)** Signature _______________Date _______

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Chair of Department or Graduate Program Coordinator

Acknowledgements

I am particularly grateful to the Almighty God for granting the opportunity for me to undertake this research work. I'm also thankful to my work colleagues, superiors and subordinates for the support throughout the period I was doing this Masters Programme.

I would like to thank my thesis advisor, Dr. Solomon Markos, for his guidance, constant encouragement, constructive comments and feedback, which were valuable to the research study. I particularly appreciate his professionalism and commitment that added value to the quality of the work. Without his assistance and enthusiastic approach, completion of this study would have been difficult.

ABSTRACT

The purpose of this study is to investigate the level of retention in CURE Hospital, and to examine the relationship between reward management systems and turnover intention in CURE Hospital. The research population was composed of 68 health professionals. Moreover, the data gathering tools for this research was questionnaires. Data was analyzed using descriptive and inferential statistics such as percentages; mean average, standard deviation as well as, correlation and regression analysis. The Pearson correlation revealed that there is a negative relationship between reward management system and turnover intention. The regression coefficient beta revealed that the independent variable performance appraisal and total rewards have a negative significance effect on dependent variable turnover intention. In this study the independent variables reward strategy and policy, grade and pay structure, job evaluation and grading and market rate analysis have no significant effect on dependent variable turnover intention. Generally, to reduce turnover intention and to retain health professional longer; CURE should implement performance appraisal and total rewards for the health professionals appropriately.

Key words: *reward management systems, retention, and turnover intention*

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CHAPTER ONE

1. Introduction

1.1 Background of the study

In today's competitive business environment, organizations must adopt human resource management systems that enhance competitiveness, profitability and the wellbeing of employees. People and their collective skills, abilities and experience, coupled with their ability to deploy these in the interests of the employing organization, are now recognized as making a significant contribution to organizational success and as constituting a significant source of competitive advantage. Human resource management is a strategic and coherent approach to the management of an organization's most valued assets – the employees. This involves staffing, retention of people, reward management, performance management, talent management, change management, and taking care of exits from the organization. This means that the people working in the organization need to be well looked after from the moment of recruitment and selection to the moment they leave the organization (Armstrong, 2006).

Reward management systems and employee retention are important components of human resource management systems. A reward recognizes a person's contribution. People are rewarded financially for the job they are in (base pay) and may receive additional rewards related to the level of their performance, competence or skills (contingent or variable pay) or their service in the job (service related pay). They can also receive non-financial rewards such as recognition, praise or the opportunity to develop and learn new skills.

Employee retention is most critical issue facing employers in the organization as a result of the shortage of skilled labor, economic growth and employee turnover. Employee retention is a concerted action to retain talented people, but there are limits to what any organization can do. A competitive reward to employees helps improve their performance and commitment to the organization and subsequently employees remain in the organization for longer period. (Armstrong, 2012)

Employees today are different. They are not the ones who do not have good opportunities, especially, experienced and talented ones. As soon as they feel dissatisfied with the current employer or the job due to lack of advancement opportunities, salary and remuneration and others, they switch over to the next. The result is that employers lose their invested resources to their competitors, corporate memory is lost, employee-customer relationships are strained and more over the moral of existing staff goes down. It is therefore very important that employers retain their employees, especially the good and experienced ones. Employee retention is a process in which employees are encouraged to remain with the organization for the maximum period of time or until the completion of a particular project (Hom, 1995).

Key employee retention is for many organizations a strategic intention as the war for talent plays out in the labor market. Retention of critical skills is a prerequisite to the success of an organization in the medium to long term. Acquisition of key skills and talent therefore forms an important aspect of organization success and provides a key competitive advantage. Organizations develop various reward strategies and practices to ensure that critical human capital resources are not only attracted but also retained and fully exploited for the benefit of the organization.

Reward is one of the most important components of an organizations retention strategy. Armstrong (2009) states that rewarding people involves reward management practices concerned with design, implementation and maintenance of reward systems that are geared to the improvement of organizational, team and individual performance. It includes both financial and non-financial rewards. It is imperative therefore those organizations develop and install reward strategies and practices that motivate staff to remain in the organization. Organizations should adopt the all-encompassing approach of total reward, as this is likely to provide a greater attraction and retention to a greater number of employees. Reward is a critical motivator towards an employee’s choice to remain in an organization.

Nowadays, people often don't remain at their jobs long. Each time a new employee is hired, the company spends money on hiring and training that it could have spent elsewhere. Having a good reward system helps keep employees happy, loyal to the company, and eager to move up the ladder. Rewards, like public recognition and additional pay, motivate employees to work harder.

This means, therefore, that reward management systems, as one of the major human resource practices in an organization should be continuously evaluated to establish its effect on employee retention.

This study will therefore seek to investigate the current reward management systems look like, examine the level of retention and the effect of reward on employee retention in CURE Hospital.

1.2 Statement of the Problem

Many authors on management believe that the first key to success for any organizations is people. Organization needs to have the right people and, thus it is important to retain employees and knowing how an employee can remain in a particular organization (Collins and Porras, 1994; Collins, 2001).

One of many ways to retain employees is a fair and attractive reward. As Michael Armstrong (2007) stated reward management is concerned with the formulation and implementation of strategies and policies that aim to reward people fairly, equitably and consistently in accordance with their value to the organization. It deals with the design, implementation and maintenance of reward processes and practices that geared to the improvement of organizational, team and individual performance. Total reward system is intrinsic rewards associated with job (non-monetary) and extrinsic rewards associated with job (monetary/non-monetary).

Major challenge facing organizations today is how to attract, engage and retain employees. The job market place has become competitive for high value and high talent employees making the challenge even more acute. Many organizations have responded to this challenge by putting place various incentives to attract and retain employees but the challenge in CURE remains. The challenge for many organizations today is therefore to come up with an efficient reward strategy for retaining theses core employees for the success of the organization (Terera 2014). Hiring knowledgeable people for the job is essential for an employer. But retention is even more important than hiring.

Ruth Mayhew (2015) argued that turnover often has a negative connotation, yet turnover isn't always a negative event. For example, desirable turnover occurs someone whose performance meets or exceeds expectations replaces an employee whose performance falls below the company's expectations. It's desirable because poor job performance, absenteeism and tardiness are costly replacing a poor performer with an employee who does his job can improve the company's profitability. Desirable turnover also occurs when replacing employees infuses new talent and skills, which can give an organization a competitive advantage. Conversely, undesirable turnover means the company is losing employees whose performance, skills and qualifications are valuable resources.

The researcher found that the information from the hospital's human resource record and personal observation; employee turnover rate of the local health professional is increasing from time to time. Over the last three years the organization has faced steadily rising turnover of health professional who joined the organization.

Table 1.1 CURE Hospital Turnover rate from 2013-2014

Year	Total No. of Employees (a)	Terminated Employees (b)	Employee turnover rate a/b*100 =c%
2013	120	8	6.7%
2014	134	14	10.8%
2015	137	17	12.4%

Various studies related employee retention as an outcome and/or strategies has been carried out. (Tizazu, 2015) did research on employee motivation and its effect on employee retention and concluded that organization needs to analyze motivational factors to increase retention rate. Mulwa (2010) carried out research on benefits, as a factor that affects employee turnover in world vision and recommended that a review of existing benefits plan is needed to address staff expectations. Most researchers focus on a few components that lead to employee satisfaction and hence retention leading to creation of a gap in the understanding and study of employee retention.

Many studies were carried out in different countries and industries. According to the results of these researches, findings may vary from countries to countries and industries to industries. However, the impact of reward management practice on employee retention on CURE Hospital and the cause of health professionals leaving the hospital voluntarily are not identified hitherto since as far as the knowledge of the researcher, studies have not been conducting on CURE Hospital in this regard. Thus, this research attempted to fill this gap via assessing the impact of reward management systems on employee retention in CURE hospital.

1.3 **Research Questions**

- How does the current reward management systems look like?
- What is the level of retention in CURE Hospital?
- What is the effect of reward on turnover intention?

1.4 Objective of the Study

The general objective of the study is to assess the current reward management systems in CURE hospital and to identify the impact of reward management system on employee retention. The specific objectives of the study are

- To assess the existing system of reward management of Cure hospital
- To determine the level of employee retention in CURE Hospital
- To examine the effect of reward management system on turnover intention in CURE Hospital.

1.5 Significance of the study

The output of this research was to evaluate the reward management systems and provide adequate and important insight to maintain the existing reward system or to design a new one based on the suggestion and recommendation that will be forwarded by the researcher. Furthermore, the study may help to detect the main problem for the efficiency and effectiveness of reward technique adopted here in CURE if any. It also brought the employees vision to have more emphasis and perform their duties to increase efficiency and effectiveness of the hospital.

1.6 Scope of the Study

The purpose of this study was to investigate the reward management systems look like, the level of retention in CURE Hospital and the effect of reward management on turnover intention. CURE Hospital located in Addis Ababa, Shiromeda area. The CURE hospital has 158 national and expatriate employees, including health professionals, administration and general service staff.

In this study only 68 local health professionals were participated. The data gathering tools for this study were questionnaires. All respondents were asked to rate their reward management systems and employee retention on a five-point Likert Scale.

Data collected through questionnaire were analyzed and interpreted quantitatively which were further organized and treated with different descriptive and inferential statistics.

Assumption: Turnover intention as a proxy for employee retention.

1.7Limitation of the Study

According to Catherine, Gretchen & Rossman (2010) every research project has limitation and none is perfectly designed. Equally, limitations are potential weaknesses that are mostly out of control of the researcher. They are restrictions in the study that cannot be reasonably dismissed and can affect research design. Generalizing the findings of a case in CURE hospital will not mean applicable for all employees working in CURE Hospital. This research was included only local health professionals.

The study was limited to the structured of the questionnaire. The absences of open-ended question were denied a chance to accept other opinion of the respondents.

1.8 Definition of the terms

Employee Retention: Employee retention refers to the various policies and systems, which let the employees, stick to an organization for a longer period of time.

Employee Turnover: Employee turnover is a measurement of how long your employees stay with your company and how often you have to replace them. Any time an employee leaves your company, for any reason, they are called a turnover or separation.

Turnover of Intention: As Homand Griffeth referred turnover intentions as a conscious and deliberate willfulness of an individual towards voluntary permanent withdrawal from the organization.

1.9Organization of the study

The organization of the study is organized in five chapters. The first chapter deals with background, statement of the problem, objectives of the research, scope of the study, significance of the study, limitation of the study and organization of the study. Chapter two contains a review of related literature. The third chapter deals with the research Methodology, research design and approach, target population, data types and sources, data collection procedures, ethical consideration and data analysis. The forth chapter discuss about the analysis, presentation and interpretation of the data. The final the fifth chapter includes the discussions as well as summary, conclusion and recommendation.

CHAPTER TWO
LITERATURE REVIEW

This section defines the foundation of the study by providing the theoretical framework of the study based on various theories, literature and studies that have been carried out and analyzed to provide deeper understanding on issues of reward management system and turnover intention.

2.1 Reward Management Systems

Most organizations use different types of rewards. The most common types of rewards include basic pay, job design, incentives and benefits, development opportunities and performance based pay. According to Cox (2002) money is important because of the things it can buy and it also symbolizes an employee's worth. An organizations reward system is important because if managed effectively, money can improve motivation and performance. While pay and benefits alone are not sufficient conditions for retaining employees. Most of the researchers argue that for most people, work is the primary source of income and financial security and an important indicator of status within the organization as well as society.

Reward policy underpins reward systems. The policy defines the key elements of the total reward available for employees. The policy also defines the organizations orientation towards the labor market clearly stating how the organization wishes to benchmark itself versus the competition. The task of developing a strategic reward framework for organizations is usually challenging but necessary to survive in the competitive market place. The process however cannot be copied from the organization but needs to be designed, developed and grown within the unique environment of the organization Wilson (2003). A well designed incentive program rewards measurable changes in behavior that contribute to clearly defined goals. Reward management system is concerned with formulation and implementation of strategies that aim to reward staff fairly, equitably and consistently. It also defines the maintenance requirements necessary to ensure that reward management remains relevant and properly aligned to overall organization goals. Reward strategy sets out what the organization intends to do in the longer term to develop and implement reward policies, practices and processes that will further the achievement of its business goals.

According to Schuster and Zingheim (1992) reward systems are critical parts of any organization's design. How well they fit with the rest of the systems in an organization has an important impact on how effective the organization is and on the quality of life that people experience in the organization. Over the past decade, some new reward systems have become popular in order to align reward systems with the important changes that are occurring in the way organizations are designed and managed.

Michael Armstrong (2006) job evaluation provides the basis for achieving equitable pay and is essential as a means of dealing with equal pay for work of equal value issues. The reward system will consist of policies that will provide guidelines on approaches to manage rewards. Processes concerned with evaluating relative size of jobs (job evaluation) and assessing individual performance (performance management). Procedures operated in order to maintain the system and to ensure that it operates efficiently and provides value.

Reward management system is one of the strategies used by human resource managers for attracting and retaining suitable employees as well as facilitating them to improve their performance. Therefore human resource managers must design reward structures that facilitate the organizations strategic goals and the goals of individual employees (Maund 2001). Reward systems include; salaries and wages, awards and other forms of recognition, promotions, reassignments, and non-monetary bonuses like vacations or simple appreciations (Kotelnikov 2010).

The aggregate of financial and non-financial rewards that any employer offers are thus meant to attract, retain and elicit reciprocal performance of its employees. This aggregate has been described as the new pay or total rewards. (Armstrong 2007) first defined as consisting of compensation, benefits and the work experience, with the latter component including acknowledgement, balance (of work and personal life), culture, learning and development as well as the work environment. The latest consists of five components; compensation, benefits, work-life, performance and recognition, development and career opportunities (World at Work 2007).

2.2 Definition of 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. 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 (Armstrong &Stephens, 2005).

Reward management is not just about pay and employee benefits. It is equally concerned with non-financial rewards such as recognition, learning and development opportunities and increased job responsibility.

2.3 The Aims of Reward Management

Armstrong (2009) identified the following aims of reward management.

- Reward people according to what the organization values and wants to pay for.
- Reward people according to the value they create.
- Reward the right things to convey the right message about what are important in terms of behaviors and outcomes.
- Develop a performance culture.
- Help to attract and retain the high quality (talented) people the organization needs.
- Develop a positive employment relationship and psychological contract.
- Align reward practices with both business goals and employee values;
- Operate fairly people feel that they are treated justly in accordance with what is due to them because of their value to the organization (the felt-fair principle).
- Apply equitably people are rewarded appropriately in relation to others within the organization, relativities between jobs are measured as objectively as possible and equal pay is provided for work of equal value.

- Function consistently-decisions on pay do not vary arbitrarily and without due cause between different people or at different times.
- Operate transparently-people understand how reward processes operate and how they are affected by them.

The aims of reward management are achieved by developing and implementing strategies, policies, processes and practices that are founded on a philosophy, operate in accordance with the principles of distributive and natural justice, function fairly, equitably, consistently and transparently, are aligned to the business strategy, fit the context and culture of the organization, are fit for purpose and help to develop a high-performance culture.

2.4 Reward Philosophy

As Armstrong (2009) defines reward management is based on a well articulated philosophy 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 from 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. Reward management adopts a 'total reward' approach, which emphasizes the importance of considering all aspects of reward as a coherent whole that is linked to other HR initiatives designed to achieve the motivation, commitment, engagement and development of employees. This requires the integration of reward strategies with other HRM strategies, including talent management and human resource development. Reward management is an integral part of an HRM approach to managing people.

2.4.1 Distributive justice

Distributive justice refers to how rewards are provided to people. They will feel that they have been treated justly if they believe that the rewards have been distributed in accordance with the value of their contribution, that they receive what was promised to them and that they get what they need.

2.4.2 Procedural justice

Procedural justice refers to the ways in which managerial decisions are made and reward policies are put into practice.

2.4.3 Fairness

A fair reward system is one that operates in accordance with the principles of distributive and procedural justice. It also conforms to the 'felt-fair' principle formulated by Eliot Jaques. This states that pay systems will be fair if they are felt to be fair.

2.4.4 Equity

Equity is achieved when people are rewarded appropriately in relation to others within the organization. Equitable reward processes ensure that relativities between jobs are measured as objectively as possible and that equal pay is provided for work of equal value.

2.4.5 Consistency

A consistent approach to reward management means that decisions on pay do not vary arbitrarily without due cause between different people or at different times. They do not deviate irrationally from what would generally be regarded as fair and equitable.

2.4.6 Transparency

Transparency exists when people understand how reward processes function and how they affect them. The reasons for pay decisions are explained at the time they are made. Employees have a voice in the development of reward policies and practices.

2.4.7 Strategic alignment

The strategic alignment of reward practices ensures that reward initiatives are planned by reference to the requirements of the business strategy and are designed to support the achievement of business goals.

2.4.8 Contextual and culture fit

The design of reward processes should be governed by the context (the characteristics of the organization, its business strategy and the type of employees) and the organization's culture (its values and behavioral norms).

2.4.9 Fit for purpose

The formulation of reward strategy and the design of the reward system should be based on an understanding of the objectives of reward management and should be developed to achieve that purpose.

2.4.10 Developing a high-performance culture

A high-performance culture is one in which people are aware of the need to perform well and behave accordingly in order to meet or exceed expectations. Employees will be engaged in their work and committed to the organization. In our more heavily service- and knowledge-based economy, employees have become the most important determinant of organizational success.

2.5 The Reward System

The approaches to achieving the aims of reward management as described above are incorporated in the reward system of an organization. This consists of:

2.5.1 Reward strategies, which set out what the organization intends to do in the longer term to develop and implement reward policies, practices, processes and procedures that will further the achievement of its business goals. For example, an organization may have a strategy to maintain competitive rates of pay.

2.5.2 Reward policies, which set guidelines for decision-making and action. For example, an organization may have a policy that sets the levels of pay in the organization compared with median market rates.

2.5.3 Reward systems, which consist of the grade and pay structures, techniques such as job evaluation, and schemes such as contingent pay used to implement reward strategy and policy. For example, the policy on pay levels will lead to the practice of collecting and analyzing market rate data, and making pay adjustments that reflect market rates of increase.

2.5.4 Reward processes, that consist of the ways in which policies are implemented and practices carried out, for example the way in which the outcomes of surveys are applied and how managers manage the pay adjustment and review process.

Reward procedures that are operated in order to maintain the system and to ensure that it operate efficiently and flexibly and provide value for money. For example, a procedure will be used for conducting the annual pay review.

2.6 Elements of Reward System

The description of elements of reward system is as follows:

2.6.1 Business Strategy

The starting point of the reward system is the business strategy of the organization. This identifies the business drivers and sets out the business goals. The drivers are unique to any organization but will often include items such as high performance, profitability, productivity, innovation, customer service, quality, price/cost leadership and the need to satisfy stakeholders – investors, shareholders, and employees and, in local authorities, elected representatives.

2.6.2 Reward strategy and policy

The reward strategy will define longer-term intentions in such areas as pay structures, contingent pay, employee benefits, and steps to increase engagement and commitment and adopting a total reward approach.

Reward policy 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.

2.6.3 Base or basic pay

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

2.6.4 Contingent pay

Additional financial rewards may be provided that are related to performance, competence, contribution, skill or experience. These are referred to as contingent pay. Contingent payments may be added to base pay, i.e. consolidated. If such payments are not consolidated (i.e. paid as cash bonuses) they are described as ‘variable pay’.

2.6.5 Employee benefits

Employee benefits include pensions, sick pay, insurance cover, company cars and a number of other perks. They consist of elements of remuneration additional to the various forms of cash pay and also include provisions for employees that are not strictly remuneration, such as annual holidays.

2.6.6 Allowances

Allowances are paid in addition to basic pay for special circumstances or features of employment (e.g. working unsocial hours). They may be determined unilaterally by the organization but they are often the subjects of negotiation. The main types of allowances are location allowances, overtime payments, shift payments, working conditions allowances and stand-by or call-out allowances made to those who have to be available to come in to work when required.

2.6.7 Job evaluation

Job evaluation is a systematic process for defining the relative worth or size of jobs within an organization in order to establish internal relativities and provide the basis for designing an equitable grade structure, grading jobs in the structure and managing relativities. It does not determine the level of pay directly. Job evaluation can be analytical or non-analytical. It is based on the analysis of jobs or roles, which leads to the production of job descriptions or role profiles.

2.6.8 Market rate analysis

It is an analysis of the finding of what the others are paying so that one can correctly price their jobs in relation to their competitors Gary Dessler (2008). According to Herderson (2006) every employer conducts at least a telephone, newspaper or Internet salary survey. Employers use those surveys in order to determine the price of the benchmark jobs also based on a formal or informal survey of what comparable firms are paying for similar jobs. Survey also collects data on benefits, life insurance, sick leave and vacations to provide a basis for decisions regarding employee benefits.

2.6.9 Grade and pay structures

Pay is an important feature of human resource management after all it is the main reason why people work. It is a sensitive and controversial area. Newman and Milcrovich (2001) state “Employees may see compensation as a return in exchange between their employer and themselves as an entitlement for being an employee of the company or as a reward for job well done.” This brings us to types of grades and pay structures in an Organization. Armstrong (2004) go ahead to describe grade and pay structures as tools that provide the framework for managing pay although grade structures are increasingly being used as a part of non-financial reward process by mapping career paths without any direct references to the pay implications. A grade structure consists of a sequence or hierarchy of grades, levels into which groups of jobs that are broadly comparable in size are placed.

Jobs may be placed in a graded structure according to their relative size. In such a structure, pay is influenced by market rates, and the pay ranges attached to grades provide scope for pay progression based on performance, competence, contribution or service. Alternatively, a spot rate structure may be used for all or some jobs in which no provision is made for pay progression in a job. (Armstrong 2004)

2.6.10 Performance management

Performance management processes define individual performance and contribution expectations, assess performance against those expectations, and provide for regular constructive feedback, and result in agreed plans for performance improvement, learning and personal development. They are a means of providing non-financial motivation and may also inform contingent pay decisions.

2.6.11 Non-financial rewards

Non-financial rewards do not involve any direct payments and often arise from the work itself, for example achievement, autonomy, recognition, scope to use and develop skills, training, career development opportunities and high-quality leadership.

2.6.12 Total reward

The Chartered Institute of Personnel and Development (CIPD) define the concept of total reward thus: Total reward is the term that has been adopted to describe a reward strategy that brings additional components such as learning and development, together with aspects of the working environment, into the benefits package. It goes beyond standard remuneration by embracing the company culture, and is aimed at giving all employees a voice in the operation, with the employer in return receiving an engaged employee performance. World at Work, a not-for-profit organization that provides education, conferences and research on global human resources issues defines total rewards as all of the tools available to the employer that may be used to attract, motivate and retain employees. Total rewards include everything the employee perceives to be of value resulting from the employment relationship. Total reward has the potential to assist employers, in a very powerful way, and help them align both their HR and business strategies.

2.7 Employee Retention

Turnover has negative side effects on productivity, product and service quality, and profitability. The cost involved in hiring new employees is high and finding skilled employees can be difficult Boyens (2007). Replacing a lost valuable employee can be more expensive than employing a new one. Cappelli (2008) believes that retaining the organizations valuable employees has been very challenging for many organizations.

According to Abraham (2007) retaining the best employees is paramount to a firm's long-term success. By taking proactive approach to develop an effective employee retention program, the anxiety of turnover can be reduced. The best employee retention practices take time, effort and resources but the rewards can be valuable. In his research one of the major drivers for investing in retention program is the financial impact of recruiting and training valued employees. There are two general categories of forces that operate in employee retention; engagement and coercion. Engagement occurs when an employer connects emotionally with his/her work while coercion occurs when forces outside the employee ability encourage either attachment to or disengagement from an employer. Good managers help the employee stay engaged but poor ones push them towards disengagement (Glen, 2007).

According to Carrel (1995) as business grows it often focuses on attracting and retaining good employees. According to him, human resource management is challenged with the way to attract, retain, motivate and develop individual talent. The impact of turbulent business environment presents difficulty in managing the diverse and ever changing legal and regulatory environment. Employee retention encompasses talent management, that is the use of integrated set of activities to attract and retain employees it needs now and in future. According to Abraham (2007) understanding what motivates an employee is a keynote when developing and implementing an effective retention programme. According to him rewards and recognition are crucial components to the success of any employee retention program because they confirm to the employee that their efforts are meaningful and appreciated. This can be through commending employee for work well done, commendation letters signed by top executives and service awards. According to him exit interviews are conducted to help managers identify current practices, trends and challenges affecting the workforce. They assist in revealing how employees feel about the company's reward structure, growth potential, benefits plan and culture among other matters.

As Parkinson (1990) defines employee retention as the efforts by which employers attempt to retain employees in their workforce. In this sense employee retention becomes a strategy rather than an outcome. Organizations strategists develop employee retention as a strategy with focus of gaining competitive advantage that is aligned to the overall organizations strategy. There are various high performance environments that share a serious devotion to results after employees are retained. This calls for examining approaches that can be used to retain critical employees. Nurturing from entry level, a new hire and then to high performing and committed employees requires organization to understand requirements of positive work environment.

According to Siggler (1999) employee retention refers to organizations ability to retain its employees, which can be represented by simple statistics. Leighn (2002) defines employee retention as keeping those employees that keep the organization in business. It is important that the organization hires the right employee and strives to safeguard them to avoid losing them. It is the duty of the organization to focus on reducing employee turnover with an aim of decreasing recruitment cost, training costs, accidents of new employees are often higher and so is wastage of resources. According to his research organizations can seek positive turnover whereby they aim to maintain only those employees considered to be high performers.

Schuler (2007) plans are developed and theories highlighted of employee retention that enable organization to reduce the rate of turnover. Recognizing that employee turnover is a symptom but not a problem assists in detecting the root cause and getting solution before it escalates. Turnover like absenteeism or conflict at various levels of management is the result of deeper issues that have to be resolved. They can be low morale, lack of career progression, and lack of recognition or poor relationships, which may exist in the organization. In case the root causes are not highlighted and solutions developed employee retention goes down.

Worldwide, retention of skilled employees has been of serious concern to managers in the face of ever-increasing rate of employee turnover. Today's business environment has become very competitive making skilled employees a major differentiating factor. Recent studies have shown that retention of highly skilled employees has become more difficult as skilled employees are being attracted by more than one organization with various types of incentives. Abbasi and Hollman (2000) sought to determine the impact of employee turnover on organizations and found that excessive employee turnover often engenders far-reaching consequences and at extreme may jeopardize attainment of organization goals.

As Toracco (2000) stated that although knowledge is recognized as one of the organizations most valuable assets most organizations lack the supportive systems required to retain and leverage the value of knowledge. An organization may decide to develop a retention strategy based around benefits; however the most effective approach is to develop retention strategies around total reward. Whereas statistics in some instances suggest that an organization is facing stability and retaining employees by maintaining a low turnover, this may hide that fact that in the low turnover critical employees are leaving the organization. It is important therefore for organizations to identify the critical employees and fully understand their motivation to stay or leave.

2.8 Employee Retention Strategy

In contrast to "culture," the term "strategy" refers to a more formalized and planned system of practices that are linked with an overall vision, a set of values and a mission (Jackofsky, 1984). Many companies, particularly larger ones with fully developed Human Resource departments, engage in elaborate planning exercises in order to develop a cohesive and unitary strategy to deal with employee retention or, more generally, human resources management which often includes retention as one of its objectives, will roll out particular interventions with explicit reference to an overall organizing principle.

Indeed, many experts within the Human Resource literature emphasize the importance of such exercises, and emphasize that good retention is best assured when companies take a strategic approach to the question. Yet it is clear that taking a strategic approach to Human Resource management can require considerable resources, and may prove to be too resource-intensive for smaller companies, particularly companies that are too small to have a department dedicated to Human Resource matters, or even too small to have an executive exclusively devoted to Human Resource questions (Muchinsky,1977).

Lockwood, (2006) has provided evidence that indicates a correlation in firms between “good” workforce outcomes, which includes reduced layoffs, quit rates, accidents and grievances and Human Resource strategies that emphasize employee participation and intrinsic rewards. The presence of practices related to internal career development is often the best predictor of an employee's affective commitment. Such plans include advancement plans, internal promotion and accurate career previews at the time of hiring.

2.9 Factors Affecting Retention

2.9.1Reward Levels

The Human Resource literature that covers reward is quite likely the largest part of the literature that applies to employee retention. Most of the sources consulted in this study stress the importance of reward in attracting and keeping good employees, particularly for workers whose skills and responsibilities are unique or indispensable to the organization, or for those workers in whom the company has invested considerable resources in recruiting or training.

Lockwood, (2006) argues that low wage strategies may be appropriate if work is simple and repetitive and requires little training. These distinctions are very general in nature and do not necessarily provide a clear rule of application to actual companies. Companies in highly competitive local labor markets may well find that they need to pay highly competitive rates against some industry or geographic benchmark in each of their job classifications, even for semi-skilled or unskilled positions.

In addition, some commentators hold that competitive reward packages can signal strong commitment on the part of the company, and can therefore build a strong reciprocal commitment on the part of workers. However, to the extent that it contributes to retention, competitive reward is also likely to affect both desirable and undesirable turnover: it will help to retain workers, irrespective of the quality of their contribution to the company.

While there is general agreement about the importance of competitive reward for employee retention, there is also a growing consensus that competitive, or even generous reward will not single-handedly guarantee that a company will be able to keep its most valuable employees. Lockwood, (2006) maintained that, the key issue in retention is the amount of total compensation relative to levels offered by other organizations. “Organizations that have high levels of compensation,” he wrote, “have lower turnover rates and larger numbers of individuals applying to work for them.” Furthermore, he argued, high wage workplaces may create a “culture of excellence.”

It is worth remembering that building “affective commitment” (Muchinsky, 1977) involves much more than paying well, and that retention based on the principle of “compensation-based commitment” is of course sensitive to changes in compensation within the company. Employers that base their retention on compensation-based commitment will always be vulnerable to the possibility that their competitors will be able to offer better wages and thus lure away their employees.

Similarly, Staw, (1980) argues that “money gets employees in the door, but it doesn’t keep them there.” Aquino, Griffeth, Allen, Hom, (1997) classify money as a “satisfier,” meaning that it is a necessary but insufficient factor in employee retention, while Collins, (2007) agree that money is not the primary motivator for employees. In fact, many companies have done a very good job of retaining their employees without any pay-based retention incentives.

Successful retention under such circumstances seems to depend on a wide number of factors. Clearly, the existence of other Human Resource practices is also a key to retention, and there is a great deal of interdependence between reward and these other practices.

Employees in the cities where industrial establishments are concentrated may be more likely to move to the competitor even for very modest wage differentials. Companies situated in more isolated areas know that their workers are less likely to move for small increments in compensation. The message is that companies that wish to develop a successful retention plan that includes compensation and benefits must always understand their own unique characteristics and circumstances.

Whatever their circumstances, companies that successfully incorporate reward and benefits into their retention efforts have a clear understanding of their business objectives and use compensation as a tool for influencing organizational and employee behavior. For example, pay systems and practices can have a major impact on employee retention by motivating membership-oriented behavior (commitment). Pay systems may also affect knowledge sharing and transfer if sharing; teamwork, suggestions, etc. are rewarded or recognized (Collins, 2007).

According to Branham (2005) compensation can also drive commitment-oriented behavior by sending employees a strong message about what results are valued, recognize and reinforce important contributions so that employees feel valued.

Provide a sense of “emotional ownership” and increased commitment that comes from giving employees “a piece of the action. Maintain or cut fixed payroll costs and allocate variable pay to the employees they most want to attract and keep.

Finally, it is important to distinguish between what might be called normal or standard reward like wages, salaries, benefits, etc. and what is commonly referred to as performance-based compensation, that is, specific forms of reward that are paid for workers or groups of workers who attain certain objectives vital to a company’s business strategy. Performance-based compensation or ‘pay for performance’ is becoming an increasingly popular form of compensation, particularly since its various forms are closely tailored to very specific company objectives, including employee retention (Collins, 2007).

2.9.2 Benefits

Benefits can demonstrate to employees that a company is supportive and fair, and there is evidence to suggest that stable benefits are at the top of the list of reasons why employees choose to stay with their employer or to join the company in the first place (Aquino, Griffeth, Allen, Hom, (1997). However, it is often the case that many employees do not realize the "true value" of the benefits they receive. Nor are they always sure what motivates the employer to provide these benefits. Thus, the link between benefits and employee commitment is not always strong. Adequate communication with employees is, as with most other retention practices, essential (Trevor, 2001).

The range of benefits offered by companies includes the following categories: health, dental, visions, vacation, parental/family leave, disability, retirement/pension, employee assistance programs, life insurance, extended leave, etc.

Employee benefits are constantly evolving as the workforce itself evolves, and as people identify new priorities as being important. We may note, for example, the growing interest in fitness subsidies or eldercare provisions, which are a direct response to changes in personal priorities and demographic changes.

In addition, there is also growing concern within industry about the mounting costs of health-related benefits and the magnitude of pension obligations for an aging workforce. Thus, while benefits do not necessarily figure prominently within the literature as a major area of Human Resource innovation, they are the subject of considerable concern among employers and workers, and a few key observations are worth making with respect to employee retention.

It is important to note that the relative importance of benefits will vary according to the specific needs of each individual. The importance of a benefit plan to an employee with dependents may assume far greater importance particularly in an environment where benefits costs are increasing rapidly (Tompkins and Beech, 2002). Companies with older workforce demography might see their retention efforts best served through benefit plans that cover health-related expenses, care for elderly parents, etc. Companies with a significantly younger population may find education subsidies or tuition rebates to be more effective retention drivers.

Most innovations in the area of benefits appear to be focused on the concept of flexibility. Many companies are responding to the increasingly diverse needs of their employees by introducing a greater element of choice in the range of benefits from which their workers can choose. Thus, the introduction of flexibility in benefits packages can be a key ingredient in ensuring good retention, particularly since it affords greater responsiveness to the specific needs and circumstances of individuals (Milman, 2003).

Some companies have become more creative in the types of benefits they offer to their employees, and many such initiatives are focused on allowing employees to strike a better balance between their working and non-working lives. Examples are numerous and include: earned time off, on-site child care, paid paternity leave, sabbaticals, tuition reimbursement, etc (Milman, (2003).

In the interest of facilitating a better work-life balance, (Milman, 2004) advise employers to make it easier for employees to transfer from full-time to part-time work and vice versa, introduce pro- rated benefits for part-time workers, guarantee a return to full-time status for those who elect to work part-time, and protect employee seniority when shifting from full to part-time work, and vice-versa.

2.10 Employee turnover

Employee turnover is a complex phenomenon that is broadly defined as the decision for an employee to discontinue their role with their organization (Hartel & Fujimoto, 2010). This decision may be voluntary or involuntary on the part of the employee. Voluntary turnover occurs when the employee decides to leave an organization, and comes in the form of resignations or retirements. In contrast, involuntary turnover occurs when an organization decides that that employee needs to leave an organization, through redundancies or terminations, due to unacceptable behavior, poor performance or organizational reasons such as financial considerations (Allen, Bryant &Vardaman, 2010; Cascio, 2006; Price, 2001). Regardless of the decision, the impact of employee turnover can be either functional or dysfunctional to an organization (Allen et al., 2010).

Functional turnover occurs when poor performers leave an organization, or when easily replaceable employees leave an organization. This type of turnover, while disruptive in the short term, does not harm the organization in the long term (Allen et al., 2010; Cascio, 2006). Instead, it provides benefits to the organization by eliminating poor performers and improving the morale of the remaining employees. Additionally, functional turnover maximizes the cost savings to the organization as a result of unpaid bonuses to outgoing employees, and the introduction of new employees to replace outgoing employees' results in the introduction of new ideas, creativity and innovation into the organization through the new employees' knowledge, skills and abilities. However, not all turnovers is positive, in some cases turnover can be dysfunctional and harmful to an organization.

Dysfunctional turnover occurs when high performers and hard-to-replace employees leave an organization (Allen et al., 2010). This type of employee turnover causes severe disruptions to the organization. Some of these disruptions include a loss of productivity, loss of morale in the remaining employees due to the increased responsibilities, compromised quality of work produced by the departing employee, and loss in competitive advantage for the organization within the marketplace (Dess & Shaw, 2001).

Additionally, employee turnover may decrease the remaining employees' job satisfaction and perpetuate and/or accelerate the cycle of turnover and impact of turnover to the organization (Coomber & Barriball, 2004). While dysfunctional turnover has the most negative consequences on organizations, both functional and dysfunctional turnover are costly to an organization either directly or indirectly.

Some voluntary turnover is avoidable and some is unavoidable. Avoidable turnover stems from causes that the organization may be able to influence. For example, if employees are leaving because of low job satisfaction, the organization could improve the situation by redesigning jobs to offer more challenge or more opportunities to develop their skills. Unavoidable turnover stems from causes over which the organization has little or no control. For instance, if employees leave because of health problems or a desire to return to school, there may be little the organization can do to keep them.

2.11 Turnover Intention

Intention to leave is defined as an employee's plan of intention to quit the present job and look forward to find another job in the near future (Purani, 2007). Chew (2004) also defined turnover intention as a conscious and deliberate willingness to leave an organization.

They assert that, intent is the immediate precursor to actual turnover. Turnover intent is the most immediate determinants of actual behavior. Unlike actual turnover, turnover intent is not explicit.

Sousa-Poza & Henneberger, (2002) defined turnover intent as the reflection of the probability that an individual will change his or her job within a certain time period and is an immediate precursor to actual turnover and therefore, when the intention to leave increases, actual turnover also increases.

Understanding turnover intent is important because when employees choose to leave, there are multiple direct and indirect costs and other consequences on organizational efficiency. Firth (2004), suggests that managers can influence behavioral patterns in employees and influence the employees' intention to quit. This is where employee retention strategies come to play. To reduce the ever-increasing turnover rates, organizations must understand and put in place the right strategies to retain their core employees. Organizational managers through the implementation of correct retention strategies can avoid the enormous financial and non- financial costs associated with employee turnover.

2.12 Relationship between Reward Management Systems and Employee Retention

As Price (2007) stated the reward that people receive for their contribution to an organization includes monetary and non-monetary components. Remuneration does not simply compensate employees for their efforts but also has an impact on the recruitment and retention of talented employees. Newman and Milcovich (2001) state that among all types of rewards, monetary pay is considered one of the most important and significant factors in employee retention. Noe (2010) states that pay is a powerful tool for furthering the organization's strategic goals. Pay has a large impact on employee attitudes and behaviors. It influences the kind of employees who are attracted to and remain with the organization.

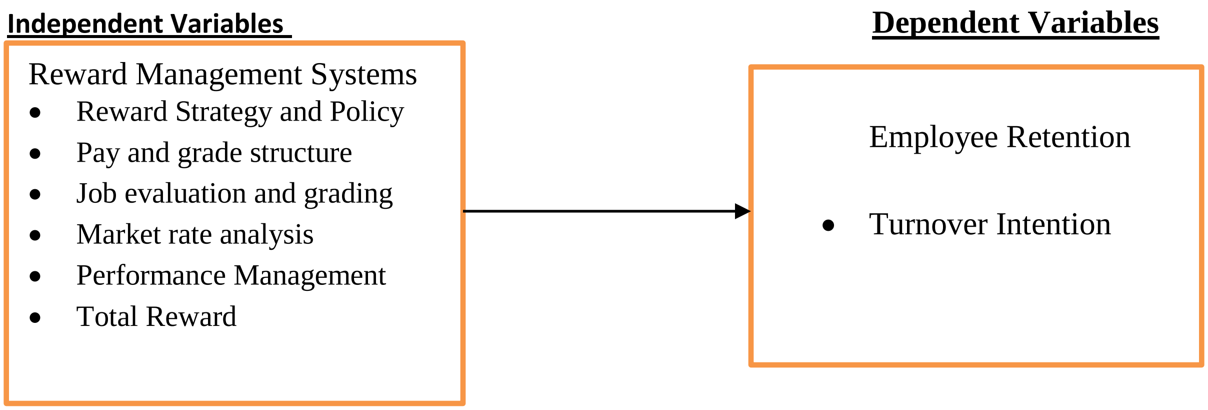
Sutherland and Canwell (2004), demonstrates that reward is the basic element, which indicates how much employees, gain by dedicating their time and effort towards the achievements of company objectives, therefore employers have the responsibility to design an attractive reward package to attract and retain valuable employees. Silbert (2005) forwarded the view that reward is important because it has an enduring impression on employees, which, in turn, gives the employees an impression that they are valued in the organization. This leads to employee loyalty in the organization and increases their chances of remaining in the organization. Promotion as a component of reward enhances employee retention. There is a close and positive correlation between promotions and job satisfaction and which in turn helps in retaining employees. Eyster, Johnson and Toder (2008) state that job flexibility along with lucrative career options, is a critical incentive for all employees.

Messmer (2000) found that one of the important factors in employee retention is investment on employee training and career development. Organization always invests in the form of training and development on those workers from whom they expect to return and give output on its investment. According to Abraham (2007) rewards and recognition are crucial components to the success of any employee retention program because they confirm to the employee that their efforts are meaningful and appreciated. This can be through commending employee for work well done, commendation letters signed by top executives and service awards. Cappelli (2008) believes that retaining the organizations valuable employees has been very challenging for many organizations.

2.13 Conceptual Framework

The conceptual framework presents the relationship between variables under study with reward management practices being the independent variable and employees' retention being the dependent variable.

Figure 2:2 Conceptual frameworks of dependent and independent variables



CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Research design and Approach

A research design is a detailed outline of how an investigation will take place. A research design will typically include how data to be collected, what instruments will be employed, how the instruments will be used and the intended means for analyzing data collected (Business Dictionary).

An explanatory survey design was considered. Questionnaire was administered to collect valid and reliable information. As the data collecting tools on retention management practice and employee retention have specific measurement scales and quantitative research was adopted.

Additionally, the researcher used quantitative approach where the perception of respondents interpreted and quantified. (Creswell, 2009). It was conducted in order to identify the extent and nature of cause and effect relationship. This study was used to assess the current reward management systems look like, to identify the level of turnover intention and the effect of reward on turnover intention.

3.2 Target Population

According to Cooper and Schindler (2001), a population is the total collection of elements to which the researcher wishes to make inferences. This study was targeted health professionals in CURE hospital that are a total number of 68. The study was a census because the population is small.

3.3 Data source and Type

The primary data source was employed to fully answer the research questions. The primary source of data was collected from CURE hospital, using questionnaires from local health professional staff. The health professional working at CURE Hospital includes physicians, nurses, laboratory technicians, x-ray technicians, pharmacists, physiotherapists and druggists.

3.4 Instrument Design/Measurement

The data gathering tools for this study was questionnaires. A questionnaire was administered to 68 respondents. The questionnaire was adopted from the Research Attitude Survey questionnaire (Armstrong, 2006) using the existing context.

All respondents were asked to rate their reward management systems and employee retention on a five-point Likert Scale. In this scoring system, for each of the five response categories (1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, and 5=Strongly Agree), with the highest score of 4 assigned to “Strongly Agree”.

The reward management systems were measured by calculating the mean and standard deviation of the indicators such as reward strategy and policy, grade and pay structure, job evaluation and grading, market analysis, performance management and total rewards/employee benefits/allowance and by calculating the mean and standard deviation for turnover intention.

3.5 Data Collection Procedure

In this research primary data was emphasized. The primary data collected through questionnaires that had 45 closed ended questions. The questionnaire is divided into 3 parts; Part I for demographic information, Part II for reward management systems and Part III Turnover Intention. The questionnaire was distributed to the health professional staff in CURE Hospital.

3.6 Reliability Analysis Test

According to Santos (1999), two important concepts a researcher should consider in selecting or designing data collecting tools are reliability (internal consistency) and validity (construct validity). Reliability refers to the consistency of scores or answers from one administration of an instrument to another and from one set of items to another (Fraenkel & Wallen, 2008).

A measuring instrument is reliable if it provides consistent and dependable results (Kothari, 2004). To measure the reliability of the data collection instrument (internal consistency), Cronbach's alpha (α) was used. The rule of the thumb for Cronbach's alpha is that the closer the alpha is to 1, the higher the reliability (Kothari, 2004). Table 3.1 indicates that the variables were reliable with a Cronbach's alpha reliability coefficient (α=0.822).

Table 3.1 Reliability Analyses

Reliability Statistics

Cronbach's Alpha	N of Items
.822	45

3.7Data analysis

Data collected through questionnaire was analyzed and interpreted quantitatively which was further organized and treated with different statistical techniques for analysis and inferences. Both descriptive and inferential statistical data were calculated using software called SPSS version 20 to compare one set of scores to another.

Descriptive statistics, such as mean and standard deviation were calculated based on the perception of the respondents. Pearson's correlation was used to examine the link between the two variables of the study and to determine the positive (direct) or negative (inverse) relationship between reward management system and turnover intention. Regression analysis was used to identify the effect between reward management system and turnover intention.

3.8 Ethical Consideration

In this study the researcher consciously considered ethical issues in seeking consent, avoid deceptions, maintaining the confidentiality, the privacy and protecting the anonymity of respondents that encountered during the study.

CHAPTER FOUR
DATA PRESENTATION, ANALYSIS AND INTERPRETATION

Introduction

This chapter presents finding, interpretation and analysis of information collected from health professional staffs of CURE Hospital. A total of 68 questionnaires were distributed to the target population, 60 of them replied with answers, making the percentage of respondents 88%. The data was analyzed using Statistical Package for Social Science Software (SPSS).

4.1 Demographic Information of the respondents

This section analyses the respondents' characteristics of 60 respondents who returned valid questionnaire for the study. Descriptive statistics was done using frequency counts and percentage for demographic information such as gender, age, work experience and educational attainment. The result of the analysis is presented in Table 4.1 below:

Table 4.1:Demographic Information of the Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Gender	Male	17	28.3	28.3	28.3
	Female	43	71.7	71.7	100.0
	Total	60	100.0	100.0	
Age	20-25	12	20.0	20.0	20.0
	26-30	14	23.3	23.3	43.3
	31-35	17	28.3	28.3	71.7
	36-40	2	3.3	3.3	75.0
	41-45	12	20.0	20.0	95.0
	46-50	2	3.3	3.3	98.3
	Over 50	1	1.7	1.7	100.0
	Total	60	100.0	100.0	
Work Experience in CURE	<1 Year	18	30.0	30.0	30.0
	2-3 Years	13	21.7	21.7	51.7
	3-4 Years	5	8.3	8.3	60.0
	4-5 Years	2	3.3	3.3	63.3
	5-6 Years	5	8.3	8.3	71.7
	6-7 Years	7	11.7	11.7	83.3
	7-8 Years	5	8.3	8.3	91.7
	>9 Years	5	8.3	8.3	100.0
	Total	60	100.0	100.0	
Educational Attainment	Diploma	6	10.0	10.0	10.0
	Degree	42	70.0	70.0	80.0
	Masters	8	13.3	13.3	93.3
	MD	4	6.7	6.7	100.0
	Total	60	100.0	100.0	

Source: Questionnaire and SPSS output (2017)

Table 4.1, sex and age distribution of the target population of respondents, respectively. 71.1% or 43 of the respondents were female while 28.3% or 17 respondents were male.

Respondent characteristics by age shows in Table 4.1, 12 (20%) were aged 20-25 years, 14 (23.3%) were aged 26-30 years, 17 (28.3%) were aged 31-35 years, 2(3.3%) were aged 41-45 years, 2 (3.3%) were aged 46-50 years and 1 (1.7%) were aged >50 years.

Respondent characteristics by work experience, accordingly as indicated in table 4.1, 18 (20%) were served for less than a year, 13 (20.7%) were served for 2-3 years, 5 (8.3%) were served 3-4 years, 2 (3.3%) were served for 4-5 years, 5 (8.3%) were served for 5-6 years, 7(11.7%) were served for 6-7 years, 5 (8.3%) were served for 7-8 years and 5(8.3%) were served since the opening of the hospital.

In terms of education, 6 (10%) of the respondents had Diploma, 42 (70%) had bachelors Degree, 8(13.3%) had masters, (3.3%) had Doctorate of Medicine and 2 (3.3%) of the respondent not specify the qualification. This implies that the hospital had homogenous pool of health professional though skewed towards degree holders.

4.2 Reward Management Systems

Respondents were asked to indicate the extent to which they agreed with statements in relation to reward management systems in CURE Hospital. These items were then measured on a likert–type scale ranging from 1 being “strongly disagree” to 5 being ”Strongly agree”.

The thirty six (36) items used to measure Reward management systems were categorized into six components as shown on Table 4.2. Most of the respondents were slightly satisfied with CURE grade and pay structure (Mean=3.37, SD= 0.99). However, most of the respondents were not satisfied with Market rate analysis (Mean=2.82, SD= 0.97), Rewards strategy and policy (Mean=3.27, SD= 0.95), job evaluation and grading (Mean=3.27, SD=0.99), performance appraisal (Mean=3.25, SD=0.93) and Total

Rewards/Employee benefit/allowance (Mean=3.12, SD= 0.72). The results therefore indicated a general dissatisfaction on CURE reward management systems.

In table 4.2 indicates the mean and standard deviation for the indicators of reward management systems. According to data in 4.2, the group means score for grade and pay structure (3.37) was the highest in comparison to the other reward management practices. The group means score for market rate analysis (2.82) was the lowest in comparison to other reward management practices.

Table 4.2: Means and Standard Deviations for the subscales of Reward management Systems

Sub-Scale	N	Mean	Std. Deviation
Reward Strategy and Policy	60	3.27	0.95
Grade and Pay structure	60	3.37	0.99
Job Evaluation and Grading	60	3.27	0.99
Market Rate Analysis	60	2.82	0.97
Performance Evaluation	60	3.25	0.93
Total Rewards/Employee Benefit/Allowance	60	3.12	0.72

Source: Questionnaire and SPSS output (2017)

In Reward Strategy and Policy as shown in Table 4.4 below: CURE policies motivates for achieving its aim and objectives scores the highest mean (M=3.28, SD= 1.26) as compared to others in this category and the lowest mean rating is that I am clear how decision about my pay are made.

Table 4.3: Means and Standard Deviations for the Reward Strategy and policy

	N	Mean	Std. Deviation
I understand CURE reward strategy	60	3.45	1.11
CURE gives knowledge on HR personnel manual in different ways	60	3.08	1.05
CURE reward strategy promotes career progression	60	3.25	1.08
I am clear how decision about my pay are made	60	3.07	1.07
I am satisfied with the organization reward policy	60	3.03	1.13
CURE policies motivates for achieving its aims and objectives	60	3.28	1.26
Reward Strategy and Policy	**60**	**3.27**	**0.95**

Source: Questionnaire and SPSS output (2017)

Based on Table 4.4 In grade and pay structure, the grading decisions are made fairly scores the lowest mean (Mean=3.17, SD=1.04) and I understand how my job has been graded scores (Mean=3.27, SD=1.15).

Table 4.4: Means and Standard Deviations for Grade and Pay structure

	N	Mean	Std. Deviation
I understand how my job has been graded	60	3.27	1.15
Grading decisions are made fairly	60	3.17	1.04
Grade and Pay structure	**60**	**3.37**	**0.99**

Source: Questionnaire and SPSS output (2017)

Table 4.5 shows that The job evaluation and grading scheme works fairly and the job evaluation recognizes my jobs true value scores equal mean (Mean=3.20) and the lowest mean score fail on the job evaluation helps in making decisions regarding wage policy (Mean=3.12, SD=1.06)

Table 4.5: Means and Standard Deviations for Job Evaluation and Grading

	N	Mean	Std. Deviation
I understand the CURE job evaluation system	60	3.32	1.05
The job evaluation recognizes my jobs true value	60	3.20	0.99
The job evaluation scheme works fairly	60	3.20	1.10
The job evaluation helps in making decisions regarding wage policy.	60	3.12	1.06
Job Evaluation and Grading	60	3.27	0.99

Source: Questionnaire and SPSS output (2017)

From Table 4.6 all the mean scores are low. There is equitable pay system in the hospital scores the lowest mean (Mean=2.53, SD=1.10), I am satisfied with my pay scores (Mean= 2.60, SD=1.04), CURE pay is competitive (Mean= 2.63, SD=1.10) and CURE pay benchmarked to the market score (Mean=2.87, SD=0.95). The lowest mean indicate that respondents believe that there is no equitable pay in CURE.

Table 4.6: Means and Standard Deviations for Market Rate Analysis

	N	Mean	Std. Deviation
CURE pay benchmarked to the market	60	2.87	0.95
CURE pay is competitive	60	2.63	1.10
I am satisfied with my pay	60	2.60	1.04
There is equitable pay system in the hospital	60	2.53	1.10
Market Rate Analysis	**60**	**2.82**	**0.97**

Source: Questionnaire and SPSS output (2017)

Table 4.7 shows I am satisfied with the reward given to the high achiever scores the lowest mean (Mean=2.78, SD=1.1.5) and the performance review done timely scores the highest mean (Mean=3.50, SD=0.91).

Table 4.7: Means and Standard Deviations for Performance Appraisal

	N	Mean	Std. Deviation
The performance review done timely	60	3.50	0.91
The performance pay scheme encourages better performance	60	3.28	0.94
I feel that my pay does reflect my performance	60	3.03	1.13
I get feedback on my performance	60	3.20	1.04
I am clear about what I am expected to achieve	60	3.33	1.07
I am satisfied with the reward given to the high achiever.	60	2.78	1.15
Performance Evaluation	**60**	**3.25**	**0.93**

Source: Questionnaire and SPSS output (2017)

Table 4.8 covers most of the benefits provided to employees, I am satisfied by the CURE bonus policy is the lowest mean (Mean=2.58, SD=1.14) and I am satisfies with CURE health insurance is the highest mean (Mean=3.72, SD=1.06). These indicate that employees are satisfied with the health insurance and not satisfied with bonus.

Table 4.8: Means and Standard Deviations for Total Rewards/Employee Benefit/Allowance

	N	Mean	Std. Deviation
I am satisfied with the word of mouth from the supervisors	60	3.32	1.07
CURE recognizes and acknowledges my work	60	3.23	1.09
The recognition provided by the organization is satisfying	60	3.07	0.97
I am paid fairly in comparison with other people doing similar work in the organization	60	2.67	1.19
I am satisfied with the CURE bonus policy	60	2.58	1.14
I am satisfied with the CURE health insurance	60	3.72	0.96
I am satisfied with CURE loan policy	60	2.85	1.13
I am satisfied with the allowance I get at CURE	60	2.72	1.06
I am satisfied with annual retreat program for employees (get together program)	60	3.25	1.04
The benefits provided by the organization is satisfying	60	2.88	1.03
Support from the other staff members is helpful to get motivated	60	3.38	1.04
I am satisfied with effective promotional opportunities	60	2.93	1.02
I am satisfied with the training and development program	60	3.15	1.13
I am satisfied with power delegation with the absence of supervisor	60	2.88	1.06
Total Rewards/Employee Benefit/Allowance	**60**	**3.12**	**0.72**

Source: Questionnaire and SPSS output (2017)

4.4 Turnover Intention

Five (5) items were used to measure turnover intention among health professionals at CURE Hospital. Respondents were requested to rate Items on a five point likert-type scale ranging from 1 “strongly disagree” to 5 “strongly agree”. As shown on table 4.11,The mean scores are as follows: I plan to work at my present job for as long as possible (Mean=1.60, SD=0.56), The benefits provided by CURE prevent me from leaving (Mean=2.07, SD=0.94), If I choose again, I will choose to work for CURE (Mean=1.78,SD=0.67), I would hate to quit this job(Mean=1.73, SD=0.63) and I would turn down an offer from another organization at this point of time (Mean=1.62, SD=0.64). The results indicate a bias towards respondents favoring exiting CURE.

Table 4.11Means and Standard Deviations for the variables of Intention to Turnover

	N	**Mean**	**Std. Deviation**
I plan to work at my present job for as long as possible	60	1.60	0.56
The benefits provided by CURE prevent me from leaving.	60	2.07	0.94
If I may choose again, I will choose to work for CURE.	60	1.78	0.67
I would hate to quit this job.	60	1.73	0.63
I would turn down an offer from another organization at this point of time.	60	1.62	0.64
Turnover Intention	60	1.73	0.58

Source: Questionnaire and SPSS output (2017)

4.5 The Relationship between Independent and Dependent Variable

The study sought to establish whether there were significant associations between Turnover Intention and Reward management systems (Reward Strategy and Policy, Grade and Pay Structure, Job Evaluation and Grading, Market Rate Analysis, Performance appraisal and Total Rewards, Employee Benefit and Allowance). In this study, Pearson correlation was used to explore relationships between the explanatory variables, specifically to assess both the direction (positive or negative) and strength of the relationship between the explanatory variables. This was crucial to assess whether any relationship exists between the variables before carrying out further analysis.

The results of the correlation analysis of Independent Variable (Reward Management Systems) and Dependent Variables (Turnover Intention) are presented in this section. Based on Cohen (1988) Correlation Strength Determination for Correlation Analysis:

The range of possible correlation coefficient values is form -1 to +1. A Pearson r correlation value without a sign indicates that the relationship is positive, whereas, negative sign in front of the Pearson correlation coefficient indicates the relationship is negative. A positive relationship means when scores increase (or decreases) in one variable, they increase (or decrease) in the other variable-thus, scores change in the same direction. A negative relationship means the scores change in the opposite direction.

4.6 Pearson Product-Moment Correlations between Turnover Intention at CURE Hospital (dependent variable) and Reward Management System

Table 4.12 The Pearson correlations between Reward Management System variables and Turnover Intention

Reward Management Systems		Turnover Intention
Reward Strategy and Policy	Person Correlation	-.360**
	Sig. (2-tailed)	.005
	N	60
Grade and Pay structure	Person Correlation	-.329**
	Sig. (2-tailed)	.010
	N	60
Job Evaluation and Grading	Person Correlation	-.259*
	Sig. (2-tailed)	.046
	N	60
Market Rate Analysis	Person Correlation	-.362**
	Sig. (2-tailed)	.004
	N	60
Performance Appraisal	Person Correlation	-.472**
	Sig. (2-tailed)	.000
	N	60
Total Rewards/Employee Benefit/allowance	Person Correlation	-.415**
	Sig. (2-tailed)	.001
	N	60

***Correlation is significant at the 0.01 level (2-tailed)*
Source: Questionnaire and SPSS output (2017)

Based on table 4.12, the output correlation obtained sig.(2- tailed) of P< 0.05 it can be concluded that there is statistically significant relationship between variables of reward management system (reward strategy and policy, grade and pay structure, market rate analysis, job evaluation and grading, performance appraisal and total rewards/employee benefits/allowance) and turnover intention. In addition, Pearson correlation values obtained was negative for all variables, this implies that there is a negative relationship between variable of reward management system and turnover intention.

Based on the above tables the measure of Person's r has negative values, these implies that the linear correlation between the two variables (independent and dependent), reward management systems and turnover intention have a negative linear correlation.

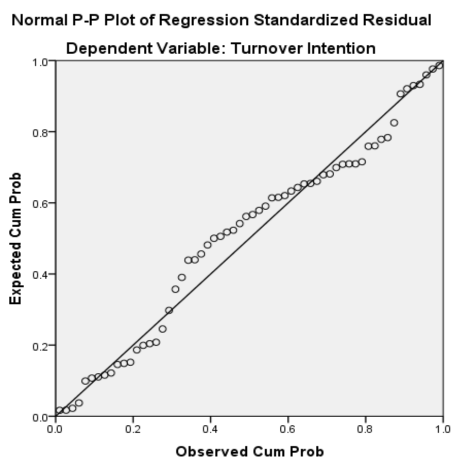
4.7 Diagnosis Tests

Before applying regression analysis, some tests were conducted in order to ensure the appropriateness of data to assumptions regression analysis.

4.7.1 Linearity Test

Linearity refers to the degree to which the change in the dependent variable is related to the change in the independent variables. To determine whether the relationship between dependent variable turnover intention and the independent variable reward management system (reward strategy and policy, grade and pay structure, job evaluation and grading, market rate analysis, performance appraisal and total rewards/employee benefit/allowance) is linear; plots of the regression residual through SPSS software had been used.

Figure 4.1: Normal Point Plot Standardized Residual



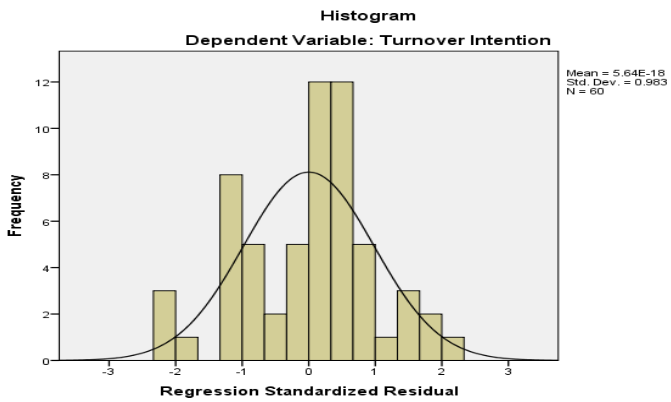
Source: Questionnaire and SPSS output (2017)

The scatter plot of residuals shows no larger difference in the spread of the residual as you look from left to right on figure 1. This result suggests the relationship we are trying to predict is linear. Similarly, the above figure shows the normal distribution of residuals around its mean of zero. Hence the normality assumption is fulfilled as required based on the above figure, it is possible to conclude that the inference that the researcher was made about the population is somewhat valid.

4.7.2 Normality Test

Figure 1 shows the frequency distribution of the standardized residuals compared to a normal distribution. Although, there are some residuals (those occurring around 0) that are relatively far away from the curve, many of the residuals are fairly lose. Moreover, the histogram is bell shaped which lead to infer that the residual are normally distributed.

Figure 4.2: Frequency Distribution of Standardized Residual



Source: Questionnaire and SPSS output (2017)

4.7.3 **Multicollineraity Test**

After the normality of the data in the regression model was met, the next step to determine whether there is similarity between the independent variables in a model it is necessary to multicollinearity test. Similarities between the independent variable will result in a very strong correlation. In addition, multicollinearity tests done to avoid habits in decision making process regarding the partial effect of independent variables on the dependent variable. Test multicollinearity as a basis the VIF values of multicollinearity test results using SPSS.

Figure 4.3: Mullicollinearity Test

Coefficients[a]

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Reward Strategy and Policy	.479	2.087
	Grade and Pay structure	.413	2.423
	Job Evaluation and Grading	.393	2.541
	Market Rate Analysis	.372	2.690
	Performance Appraisal	.412	2.429
	Total Rewards/Employee Benefit/Allowance	.355	2.819

a. Dependent Variable: Turnover Intention

Source: Questionnaire and SPSS output (2017)

Based on the coefficient output- Collinearity statistics, obtained VIF value of independent variable of reward management system practices (reward strategy and policy, grade and pay structure, job evaluation and grading, market rate analysis, performance appraisal and total rewards/employee benefit/allowance) was between 2.087 -2.819.The values obtained from collinearity statistics (VIF) was between 1 and 10. Therefore, it can be concluded that there is no multicollineraity symptoms between the independent variables.

Thus, from an examination of the information presented in all the three tests the researcher concluded that there are no significant data problems that would lead to say the assumptions of classical linear regression have been seriously violated.

4.8 The Effect of Reward Management Systems on turnover Intention

Regression analysis is a way of mathematically sorting out which of those variables does indeed have an impact. It answers the questions: Which factors matter most? Which can we ignore? How do those factors interact with each other? And, perhaps most importantly, how certain are we about all of these factors? In regression analysis, those factors are dependent variable -the main factor that you’re trying to understand and independent variables - the factors you suspect have an impact on your dependent variable.

4.8.1 Overall Regression Model

The regression summary is summarized as follows:

Table 4.13: Regression model summary: Turnover Intention [b]

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.503[a]	.253	.169	.527

a. Predictors: (Constant), Total Rewards/Employee Benefit/Allowance, Job Evaluation and Grading, Reward Strategy and Policy, Grade and Pay structure, Performance Appraisal, Market Rate Analysis

b. Dependent Variable, Turnover Intention

Source: Questionnaire and SPSS output (2017)

As clearly explained in Table 4.13 R- Squared shows 25.3% of the change in turnover intention was explained by the reward management system variables (reward strategy and policy, grade and pay structure, job evaluation and grading, market rate analysis, performance appraisal and total rewards/employee benefit/allowance). The remaining 74.7% of the variation in the level of turnover intention in CURE Hospital are explained by other variables, which are not included in the model.

4.8.2 Regression-ANOVA Table

The regression ANOVA table is summarized as follows:

Table 4.14: Regression –ANOVA[a]

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	5.002	6	.834	3.000	.001[b]
	Residual	14.731	53	.278		
	Total	19.733	59			

a. Dependent Variable: Turnover Intention

b. Predictors: (Constant), Total Rewards/Employee Benefit/Allowance, Job Evaluation and Grading, Reward Strategy and Policy, Grade and Pay structure, Performance Appraisal, Market Rate Analysis

Source: Questionnaire and SPSS output (2017)

From ANOVA test in table 4.14 it shows the Sig. Value 0.01 is greater than the calculated value 0.000. It reflects there was a statistically significant correlation between dependent variable and independent variable at 1% significant level. Which means the independent variables; reward management system have high influence to reduce the turnover intention in CURE Hospital. But it does not mean that all independent variables have equally significant correlation with turnover intention.

4.8.3 **Regression Coefficient Beta**

Table 4.15: Regression Coefficient –Beta

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.843	.324		8.788	.000
	Reward Strategy and Policy	-.050	.104	-.082	-.481	.633
	Grade and Pay structure	-.240	.108	-.069	-.373	.621
	Job Evaluation and Grading	.100	.111	.171	.905	.270
	Market Rate Analysis	-.065	.117	-.109	-.560	.478
	Performance Appraisal	-.217	.115	-.350	-1.890	.011
	Total Rewards/Employee Benefit/Allowance	-.180	.161	-.099	-.496	.003

a. Dependent Variable: Turnover Intention

Source: Questionnaire and SPSS output (2017)

Based on the result shown in the Table 4.15, reward strategy and policy, grade and pay structure, job evaluation and grading and market rate analysis were not statistically significant and B=0 this implies that there is no significant influence on turnover intention.

Performance appraisal and Total rewards/employee benefit/allowance have negative influence on turnover intention and statistically significant. Performance Appraisal has a value of (β = -.217, t = -1.890, p<. 05) and Total reward/employee benefit/allowance has a value (β = -.180, t = -.496, p<. 05)

The values for the regression weights are as follows:

$$Y = 2.843 - .217PA \; - .180\, TR + \varepsilon$$

Where; Y = Turnover Intention

PA = Performance Evaluation

TR = Total Reward/Employee Benefit/ allowance

Performance Appraisal

The beta coefficient value indicates negative impact is being created by performance appraisal on turnover intention. This beta coefficient is highly significant. The results of the study are in line with many previous studies. Previous studies have highlighted that through performance appraisal processes, employees may get aware of their performance level and realize their weaknesses through valuable feedback or guidance from top management to take necessary steps for improving their performance to retain talented employees.

Employee commitment, productivity, and employee retention can be improved with performance appraisal system. Brown (2005) also stated that possibility of performance appraisal is enhanced by complementary human resource management practices like formal training and incentive pay and performance appraisal leads to greater influence of employees’ retention.

Employees are likely to perceive the appraisal process as fair, if they are accurately rated against the performance standards and fair actions are taken in accordance with the evidences of appraisal. Therefore, employees’ work behavior such as employee retention can reflect in their perception of performance appraisal (Erdogan, 2002). Dailey et al, (1992) found that effective performance appraisal and planning systems contributed to employees’ perceptions of fairness and they were more likely to consider staying at the organization. Employees who feel that they are being treated fairly by their employers are more like to keep their job, compared to those who feel that they have been unfairly treated by their employers. Based on the aforesaid findings, it can be theorized that performance appraisal has negative impact on turnover intention in an organization.

Total Rewards

The beta coefficient value indicates negative impact is being created by total reward on turnover intention. This beta coefficient is highly significant. The results of the study are in line with many previous studies. Previous studies have highlighted that total rewards can be used as a strategy to retain competent employees (Armstrong and Stephens, 2006). Doherty’s (2013) recent argument seems to be a logical justification of this transition. He points towards the necessity of rewards systems in the organization that not only retains employees but also enable them to achieve the objective of the organization. A lower turnover intention rate is valuable for the organization as it reduces the overall cost associated with recruitment and selection process.

Total reward is goes beyond standard remuneration by embracing the company culture, and is aimed at giving all employees a voice in the operation, with the employer in return receiving an engaged employee performance. World at Work, a not-for-profit organization that provides education, conferences and research on global human resources issues defines total rewards as all of the tools available to the employer that may be used to attract, motivate and retain employees. Total rewards include everything the employee perceives to be of value resulting from the employment relationship. Total reward has the potential to assist employers, in a very powerful way, and help them align both their HR and business strategies.

Intrinsic rewards involve helping employees find success and job satisfaction from within. Intrinsic rewards help build confidence in an employee and his ability to be successful in the workplace. While extrinsic rewards provide temporary satisfaction, intrinsic rewards build prolonged satisfaction within an employee and create an attitude of success throughout the workplace. While intrinsic motivation largely comes from within a person, companies have the ability to design a workplace that leads employees to be intrinsically motivated and experience intrinsic rewards.

CHAPTER FIVE
SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

This chapter discusses the summary of findings of this research. In addition, the recommendations and limitations of the research will be included. In the last section of this chapter, the implications of the study and recommendations for future research are included.

5.1 Summary of the Major Findings

This study was aimed to evaluate the impact of reward management system on turnover intention. Consequently, the study also tried to answer the following basic questions:

1. How does the current reward management look like?
2. What is the level of retention in CURE Hospital?
3. What is the effect of reward management system on turnover intention?

In order to address these basic questions, questionnaires were employed to gather information. 88% of the respondents were properly filled and returned the questionnaire. At last the study came up with the following findings.

Results on the demographic characteristics of the respondents, work experience in CURE hospital were revealed that majority of the employees; more than 50% of the employees had served less than 5 years. Only 8% of the respondents had served for 9 years. This implies that CURE hospital has high level of employee turnover.

Descriptive statistics result indicates that the Mean and standard deviation for the variables of reward management practices were the rounded mean was 3.0 this indicated that the respondents showed neutral, neither agree nor disagree. For the turnover intention variables the rounded mean show 2.0 this indicated that the respondents were disagreed to stay longer in CURE hospital.

The correlation results indicate those reward management systems statistically significant and negatively influence turnover intention. Before applying the regression analyses, linearity, normality and multicollienearity tests were conducted and the result concluded that there was no significant data problem that would lead to say the assumptions of classical linear regression have been seriously violated.

The result of the regression analysis indicates that R- Squared shows 25.3% of the change in turnover intention was explained by the reward management system. The remaining 74.7% of the variation in the level of turnover intention in CURE Hospital are explained by other variables, which are not included in the model.

Based on the regression coefficient Beta indicates that performance appraisal and total rewards are the utmost components that influence turnover intention negatively.

5.2 Conclusion

Based on the finding, the reward management system in CURE hospital look like that it is not satisfactory for health professionals to stay in the hospital longer. Based on various results most of the researchers agreed on the successful companies need to foster a good working environment so that employee retention remains at high level.

Previous studies indicated that these components impacted negatively on turnover intention, if administered correctly. The study confirmed that indeed performance appraisal and total rewards have a negative impact on employees' decision not to continue working for the organization. However, the study findings reported that lack of effective performance appraisal and unattractive rewards had the most reasons why employees leave CURE to look for employment elsewhere.

In the process of performance appraisal in the organization, employees may get aware of their performance level and realize their weaknesses through valuable feedback or guidance from top management to take necessary steps for improving their performance to retain talented employees. The results of performance appraisal may facilitate top management to decide about reward allocations, promotion, termination, transfers, recognitions, awards, and training opportunities that can influence employees' satisfaction and opportunities for career advancement. (Lau, 2008).

Brown (2005) also stated that possibility of performance appraisal is enhanced by complementary human resource management practices like formal training and incentive pay and performance appraisal leads to greater influence of employees' retention.

Total reward is goes beyond standard remuneration by embracing the company culture, and is aimed at giving all employees a voice in the operation, with the employer in return receiving an engaged employee performance. Total rewards include everything the employee perceives to be of value resulting from the employment relationship. Total reward has the potential to assist employers, in a very powerful way, and help them align both their HR and business strategies.

Intrinsic rewards involve helping employees find success and job satisfaction from within. Intrinsic rewards help build confidence in an employee and his ability to be successful in the workplace. While extrinsic rewards provide temporary satisfaction, intrinsic rewards build prolonged satisfaction within an employee and create an attitude of success throughout the workplace.

5.3 Recommendation

Keeping employees reduces the need to recruit and cuts hiring, training and onboarding costs. A high turnover damages an organization's reputation and contributes to poor organizational performance. A good value proposition to employees based on both performance appraisal and total rewards gives an organization an edge in retention. The study recommends CURE to do the following to induce their employees to stay on. Regarding Total Rewards:

- Develop reward policies and practices, which support the achievement of business goals.
- Provide rewards, which attract, retain and motivate staff and help to develop a high performance culture.
- Maintain competitive rates of pay.

Regarding Performance appraisal

- Conduct performance appraisal periodically, quarterly or annual
- Link the performance appraisal result with incentives, transfers, promotions, career developments…
- Give constructive feedback for future improvement

CURE therefore needs to put in place pay periodic increases based on performance. This will cushion employees against inflation and cost of living increases. The structure needs to be competitive and well communicated to employees.

A lower turnover intention rate is valuable for the organization as it reduces the overall cost associated with recruitment and selection process.

5.4 Suggestion for further Research

Further studies should be carried out on the other alternative measures to increase employee retention such as open-ended interviews with employees who have resigned from the organization. These actual factors can be considered as the cause of turnover in the organizations. Thus, they can formulate effective retention strategies based on the actual factors of employee turnover in the organization.

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Annex 1: Questionnaire

Addis Ababa University
School of Commerce

Dear Participants,

This questionnaire is intended to collect primary data that will be used for thesis entitled "The Impact of Reward Management Systems on Employ Retention: The case of CURE Hospital" in partial fulfillment for Masters of Arts Degree in Human Resources Management.

Therefore, your participation in giving reliable information has very much contribution for the success of this study. So, I respectfully request your kind cooperation in answering the question as clearly and frankly as possible. Finally I would like to assure you that the information you provide would be used for academic research purpose only.

Thank you very much, in advance, for your sincere cooperation.

Part I
Demographic Information

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

1. Gender

    1. Male □ 2. Female □

2. Age

    20-25□ 26-30 □ 31-35 □
    36-40 □ 41-45□ 46-50 □ over 50□

3. Work Experience in CURE

< 1 year □ 2 – 3 years □ 3- 4 years □ 4 -5 years □
5- 6 years □ 6 -7 years □ 7 – 8 years □ >9 years □

4. Educational Attainment

    Diploma □ Degree □ Masters □ MD □Others, please specify _____________

PART II

Reward Management Systems

Assessment on the level of reward management systems

This section is seeking your opinion regarding the reward management practices at CURE. You are asked to indicate the extent to which you agree or disagree with each statement using 5 Likert scale response framework. Likert scale indicator:

1= Strongly Disagree (SD)

2= Disagree (D)

3= Neutral (N)

4= Agree (A)

5= Strongly Agree (SA)

Please put "√" on the row to indicate the extent to which you agree or disagree with the following statements.

2.1 **Reward Strategy and Policy**

No	Description	Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
5	I understand reward strategy of CURE					
6	CURE gives awareness on HR personnel manual in different ways					
7	CURE reward strategy promotes career progression					
8	I am clear how decision about my pay are made					
9	I am satisfied with the organization reward policy					
10	CURE policies motivates for achieving its aims and objectives					

2.2 Grade and Pay structure

No.	Description	Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
11	I understand how my job has been graded					
12	Grading decisions are made fairly					

2.3 Job Evaluation and Grading

No.	Description	Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
13	I understand the CURE job evaluation system					
14	The job evaluation recognizes my jobs true value					
15	The job evaluation scheme works fairly					
16	The job evaluation helps in making decisions regarding wage policy.					

2.4 Market Rate Analysis

No.	Description	Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
17	CURE pay benchmarked to the market					
18	CURE pay is competitive					
19	I am satisfied with my pay					
20	There is equitable pay system in the hospital					

2.5 Performance Evaluation

No.	Description	Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
21	The performance review done timely					
22	The performance pay scheme encourages better performance					
23	I feel that my pay does reflect my performance					
24	I get feedback on my performance					
25	I am clear about what I am expected to achieve					
26	I am satisfied with the reward given to the high achiever.					

2.6 Total Rewards/Employee Benefit/Allowance

No.	Description	Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
27	I am satisfied with the praise from the supervisors					
28	CURE recognizes and acknowledges my work					

29	The recognition provided by the organization is satisfying					
30	I am paid fairly in comparison with other people doing similar work in the organization					
31	I am satisfied with the CURE bonus policy					
32	I am satisfied with the CURE health insurance					
33	I am satisfied with CURE loan policy					
34	I am satisfied with the allowance I get at CURE					
35	I am satisfied with annual retreat program for employees (get together program)					
36	The benefits provided by the organization is satisfying					
37	Support from the other staff members is helpful to get motivated					
38	I am satisfied with effective promotional opportunities					
39	I am satisfied with the training and development program					
40	I am satisfied with power delegation with the absence of supervisor					

Part III

3.1 **Turnover Intention**

No.	Turnover Intention	Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
41	I plan to work at my present job for as long as possible					
42	The benefit provided by CURE prevent me from leaving					
43	If I may choose again, I will choose to work for the current organization					
44	I would hate to quit this job					
45	I would turn down an offer from another organization at this point of time.					