



Addis Ababa University

School of Commerce

**The Effect of Non-financial Rewards on Employee Retention: The
Case of Berhanena Selam Printing Enterprise**

**A Thesis Submitted to School of Commerce, Addis Ababa
University in Partial Fulfillment of the Requirements for the Award
of Master of Arts Degree in Human Resource Management**

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DECLARATION

This thesis paper entitled – **The Effect of Non-financial Rewards on Employee Retention: The case of Berhanena Selam Printing Enterprise** is my original work towards the award of Masters in Human Resource Management. To the best of my knowledge all sources of material used had been properly acknowledged. I also confirm that this paper has not been accepted before for any degree in any University or College.

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

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CERTIFICATION

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Postgraduate Program

This is to certify that the thesis prepared by Elizabeth Dagne, entitled, “**The Effect of Non-financial Rewards on Employee Retention: The Case of Berhanena Selam Printing Enterprise**” is submitted in partial fulfillment of the requirement for the degree of Masters of Human Resource Management complies with regulation of the University and meets the accepted standard with respect to originality and quality.

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ABSTRACT

This research looked at the extent to which identified non-financial rewards which are employee recognition, job autonomy, learning and development and supportive work environment are influenced the retention and reduction of employee turnover in Berhanena Selam Printing Enterprise(BSPE). The general objective of the study was to examine the relationship between nonfinancial rewards and employee retention and make recommendations to management of the enterprise on how to effectively retain employees and reduce turnover. The study adopted the cross-sectional survey research design, to investigate the extent to which selected non-financial variables influence employees' retention to either remain or quit an organization. Quantitative research design used and this design was chosen because its findings are generalizable. The target population of the research comprised 114 employees of the surveyed organization by taking all professional employees out of it 89 respondents returned the filled questionnaires. Adopted questionnaire measured on a Likert scale used to collect data from respondents, data obtained was analyzed using statistical package for social sciences. From Descriptive, frequency, mean and standard deviation and from inferential, correlation and multiple regression analysis were used while analyzing data. The result of correlation analysis evidenced non-financial rewards treated in this study has a strong relationship with employee retention. Beta coefficient result showed non-financial rewards studied has a positive influence in bringing variation in employee retention. From the four nonfinancial rewards, the following variables are found to have significantly influenced employee retention in BSPE; job autonomy, learning and development, supportive work environment, whereas employee recognition not found influential factor to employee retention.

Key words: Employee, retention, recognition, nonfinancial rewards, job autonomy, learning and development, supportive work environment

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LIST OF ACRONYMS

| | |
|--------|--|
| ANOVA | Analysis of Variance |
| BSPE | Berhanena Selam Printing Enterprise |
| HR/HRM | Human Resource Management |
| IDS | Income Data Services |
| ILO | International Labor Organization |
| SPSS | Statistical Package for Social Science |
| VIF | Variance Inflation Factor |

CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

The management of remuneration has a strong link between Job level and payment scheme (Bussin, 2003). It has become very intricate due to the pressures of the unpredictable business environment. Globalization and the increased importance of employing the most talented people all contribute to the complex design of reward program (Gross & Friedman, 2004). According to Nyaga (2017) the current world of work where the war for talent is real, skilled employees have a broader choice of employment, locally, nationally and internationally.

Employee retention is the numbers of employees remain in an organization within a specific period of time. To retain more employees and reduce the turnover rate of a key employee, organizations design and implement various human resource techniques. The purpose is just to motivate employees to stay with them for long. Because replacing experienced employees with a new one is costly and the effect on performance is also poor. The loss of these people is even greater when they leave to work for competitor organization (Derek, Laura & Stephen, 2005).

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

Organizations are increasingly interested in reducing labor costs and increasing productivity. Money, benefits and other different forms of rewards have been used to attract and retain employees to achieve organizational goals around the world (Chiu, Luk & Tang, 2002). According to Aghazadeh (2003) human resource management practices have to change as the business environment changes. Most organizations have their challenges to contend with. Their employees are always looking for avenues to join an alternative organization. This is due

to various factors like job flexibility, job security, benefits. Due to these factors and also the instability of the global business environment, organizations have no alternative other than to have alternative forms of reward (Neelkamal, 2012).

The problem with the organization today is that in the case of competition, the emphasis has and is still on financial rewards (Kerr-Philips and Thimas, 2009). There has been a significant interest in the importance of money as an attraction and retention tool (Tang, Luna & Surtaso, 2004). In spite of the above, non-financial factors have the potential to improve the competitiveness of organizations in attracting and retaining employees because they are less costly and have a long-term focus especially in the case of learning and development. Organizations face negative consequences when they ignore the importance of non-financial rewards on employee retention (Hijazi, Anwar, & Mehbood, 2007).

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

Therefore, in this research the effect of non-financial reward on employee retention at Berhanena Selam Printing Enterprise will be evaluated and examined in order to have a big picture about the relationship between non-financial reward and its effect on employee retention.

1.2. Statement of the Problem

Financial rewards can only be utilized to a limited degree depending on the capability of the employer (Lawler, 1996). Sometimes, the money is not forthcoming leading to some of the workers leaving for looking attractive working environment (Nyaga, 2015). The same researcher also explained that there are various factors which lesser the financial viability of organizations and they can be reduced by the use of less costly, convenient and long-term non-financial rewards. Most enterprises and organizations in private and non-private sectors; apart from job security which many employees enjoy, they also enjoy many kinds of allowances like a medical

cover, life insurance and other. Financial reward sometimes not important as non-financial rewards in bringing organizational effectiveness, efficiency as well as employee retention (Nyaga, 2015)

Employee retention has been a major problem for most organizations a Berhanena Selam Printing Enterprise is the one, which faces a challenge of retaining employees. With respect to the turnover rate of the company, the turnover data show a total of one hundred twenty-two or an average rate of 5% (five percent) employees left during the period of 2015-2017; Moreover, those employees who left the company were very crucial (Turnover report of the company, 2017). Human Resource Strategic Plan document of the company also indicates this issue as a major challenge for this company to be more competitive in the market (HR Strategic Plan document of the company, 2017).

Recently, the company has started conducting employee exit interview, which shows most of the employees who left the company were dissatisfied with their immediate supervisors and management unfair reward practices, lack of fairness in providing a chance to get training, lack of opportunity to exercise what they acquired from the specific training that is provided by the company and low career growth were among the major reasons of employees to left the company (Employees Exit Interview Report).

It is the first time that this topic is going to be studied specifically in this Organization, thus non-financial rewards that have been practiced in the organization have to be evaluated. It will also give appropriate directions on how employer & employees of the organization will be benefited from non-financial rewards scheme; therefore, the findings of this study will have some practical relevance for Human Resources practitioner of the company.

Some studies related to non-financial reward and its effect on the employee retention have been conducted and most of the studies are outside Ethiopia, (Bazezew Minale, 2017; Nyaga Josephine, 2015; Samuel & Chipunza, 2009; Khan & Kashif, 2017; Das & Baruah, 2013) conducted their research on the same topic. Accordingly, some of these studies examined a different set of non-financial reward and some of those variables have yielded similar results, but most of them yielded conflicting results suggesting that there may be cultural differences; hence,

there is a need for research how workers react to different non-financial reward systems in an organization.

Therefore, the central point in this study focused on explaining and describing the effect of non-financial rewards on employee retention.

1.3. Research Questions

1. How do employees perceive about non-financial reward practices at Berhanena Selam Printing Enterprise?
2. What is the status of employee retention at Berhanena Selam Printing Enterprise?
3. To what extent does non-financial reward affect employee retention in the Berhanena Selam Printing Enterprise under study?

1.4. Research Objectives

1.4.1. General Objectives

The general objective of this study is to examine the effect of non-financial rewards on employees' retention in the case of Berhanena Selam Printing Enterprise in order to have a better understanding about the importance of non-financial reward systems for the best interest of the organization as well as employees.

1.4.2. Specific Objectives of the study

1. To assess the employee's perceptions of non-financial reward practices at Berhanena Selam Printing Enterprise.
2. To assess the status of employee retention at Berhanena Selam Printing Enterprise.
3. To examine the effect of non-financial rewards on employee retention at Berhanena Selam Printing Enterprise.

1.5. Significance of the Study

The findings generated from this study will contribute to dealing with non-financial rewards. Clarifying and examining the effect of non-financial rewards is essential for management of the enterprise for planning, organizing and for staffs' development. Finally, this study will serve as a resource material in Human Resource and increase organization development and it can use as a base for other researchers to undertake further studies in the areas of non-financial rewards.

1.6. Scope of the Study

Conceptually, the study gives due emphasis to non-financial rewards such as job autonomy, recognition, learning and development and supportive work environment. The Methodological scope of this study was delimited to professional employees of Berhanena Selam Printing Enterprise because it is believed that non-financial rewards will affect them more. Besides, since all offices are situated in the same place, it will also be very convenient to reach to them.

1.7. Limitation of the study

In this study quantitative data was collected from professional employees only at Berhanena Selam Printing Enterprise for analysis and has drawn conclusion; moreover those professional employees were busy with their day to day activities and it needed a big effort to convince them to participate in the survey and filling the questionnaire in time, thus only 89 respondents are filled and returned the questionnaire.

There were 8 types of nonfinancial rewards that are mentioned here, out of these only four non-financial reward variables selected as a unit of study. Therefore, these may be considered as a limitation in generalizing the results of the study.

1.8. Organization of the Thesis

This thesis is ordered into five chapters, the first chapter is the introduction, which consists of background information about rewards management, specifically nonfinancial one, the statement of the problem, objective, research question, scope and significance of the study, the operational definition of terms and limitation of the study. The second chapter contains a review of related literature on a theoretical review and empirical review of rewards management in the context of the effect of non-financial rewards on employee retention and conceptual framework of the study. The third chapter discusses the research methodology focusing on data collection techniques and method of analysis. The fourth chapter presents a discussion of the findings of the study and analysis and the last chapter discusses a summary of findings, conclusion, and implication to Human Resource Management.

CHAPTER TWO

LITERATURE REVIEW

2.1. Introduction

In this chapter, literature in the area of non-financial rewards and employee retention has reviewed. This chapter begins with a review of important concepts and benefits regarding employee retention. Human resource management practices especially non-financial rewards that determine employee retention in the organization reviewed. Empirical and theoretical studies conducted in the area reviewed. Finally, this chapter ended up with the presentation of a conceptual framework that indicates non-financial rewards as the independent variable and employee retention as the dependent variable.

2.2. Theoretical Review

A theory is a set of statements or principles devised to explain a group of facts or phenomena, especially one that is repeatedly tested or is widely accepted to make predictions about natural phenomena. The theories reviewed in this study include Herzberg's Two-Factor, Vroom's Expectancy, and Social Exchange theories discussed.

2.2.1. Herzberg's Two-Factor Theory

One of Herzberg's many theories is known as the Two-Factor Theory or the Motivation-Hygiene Theory. This theory commonly related to Maslow's theory of a hierarchy of needs conducted in the late 1950's. In his first steps of studying the redesigning of jobs, he looked at all the available information at the time. From this data, he decided to conduct his own study, which involved two-hundred accountants and engineers. From his study, he found that the subjects he surveyed described satisfying events at work in terms of factors that connected to the job itself (Ramlall, 2004). He believed that the mental health of an employee is directly related to performing meaningful work. Based on the study, he discovered factors that he labeled as motivators, or job content factors, and hygiene factors, or job context. Motivators or job content

factors were those that focused on work. These included achievement, work itself, advancement, recognition, responsibility, and growth. Likewise, hygiene factors or job context are defined as factors that are related to job dissatisfaction. Examples of hygiene factors include the company, organizational policies, administration, salary, status, job security, working conditions, personal life, and interpersonal relations. The organization may have control over many of these factors, but some of them they do not, such as personal life or interpersonal relationships. Herzberg found that the factors that lead to job satisfaction are different and separate to those that may lead to job dissatisfaction (Ramlall, 2004). He found that the growth needs, or the highest level of needs, are the only real motivators of employees. Employees will motivate by the existence of the motivating factors but are only dissatisfied, by the hygiene factors. One of Herzberg's leading arguments was, "for an employee to be truly motivated, the employee's job has to be fully enriched where the employee has the opportunity for achievement and recognition, stimulation, responsibility, and advancement" (ibid). Herzberg found that for the employee to be motivated, they must feel personally responsible for the products produced from the job. This will have them working harder to achieve their own personal goals, as well as the goals of the organization. The employee also needs to feel like the working that they are doing is meaningful and enriching (ibid). In order to do this and to address the different types of factors, a manager might want to consider the following:

- ❖ Remove some job controls.
- ❖ Increase worker accountability for their own work.
- ❖ Give workers complete units of work to produce.
- ❖ Give greater job freedom or additional authority to workers.
- ❖ Make periodic reports directly to the workers (not through the supervisor).
- ❖ Introduce new and more difficult tasks.
- ❖ Assign specialized tasks to workers so they can become experts.

2.2.2. Vroom's Expectancy Theory

Employee retention has been the topic of extensive research from the early 20th century. According to Vroom (1961) people will perform better if there is a desirable outcome or reward. The reward must be something that is not only desirable but also something that will make the effort exerted worthwhile; therefore, the organization must understand what types of things motivate their staff because what works for one individual may not work for another. Some individuals may be motivated by recognition from their supervisors while others may be motivated by bonuses or benefits. The more aligned employees' goals match the company's goals, the higher the employee retention rate. Expectancy theory further postulates that employees have a variety of expectations. Employees expect that management will provide them with information regarding their job and will train them adequately so that they can perform their roles effectively within the organization. Indeed, the expectancy theory is the extent to which an employee's goals match the company's goals. The more aligned these are the higher the employee retention rate (Borkowski, 2005).

2.2.3. The Social Exchange Theory

It is important for employees to perceive a positive and valuing attitude of the organization toward them in order to have greater motivation for staying in the company. Such condition for employee retention is based on the social exchange theory, which holds that the exchange relationship between employer and employee goes beyond exchange of impersonal resources such as money, information, and service. It also involves social exchange of socio emotional resources such as respect, approval, and support (Eisenberger, Fasolo & Davis-LaMastro, 1990). According to this theory, employees tend to perceive the organization as having a positive or negative attitude towards recognizing their contributions and valuing their well fare (ibid).

The theory also holds that individuals who perceive greater support for their employing organization would be more likely to feel obligated to 'repay' the organization. Similarly, the social exchange theory argues that employees who are more likely to leave the organization tend

to be those who perceive low support and low feeling of obligation toward the organization (Allen, Griffeth & R., 2003)

2.3. Concept of Employee Retention

Employee retention is concerned with keeping or encouraging employees to remain in an organization for a maximum period. Mita, Aarti & Ravneeta (2014) defined employee retention as ‘a technique adopted by businesses to maintain an effective workforce and at the same time meet operational requirements’ Das & Baruah (2013) described it as a process in which the employees are encouraged to remain with the organization for the maximum period of time or until the completion of the project. According to Workforce planning for Wisconsin State Government (2015) employee retention is a systematic effort to create and foster an environment that encourages employees to remain employed by having policies and practices in place that address their diverse needs. In this regard, Cascio (2003) argued that organization’s inability to formulate and put into Human Resource techniques that enable employees to satisfy and encourage them to stay in an organization is one of the major challenges facing businesses within the area of performance. Therefore, understanding factors that are used for employee retention is one major important aspect of an organization.

2.3.1. Determining Factors for Employee Retention

The most common factors that caused satisfactory employees to quit their jobs are unhappiness with management, limited career advancement and recognition, insufficient pay and benefits and job boredom (Mathis & Jackson, 2010).

Fitz-enz (1990) recognized that employee retention is not influenced by a single factor, but there are many factors, which are responsible for retaining employees in a job security, training and development, supervision, support culture, work environment and organizational justice. Many scholars identified different kinds of retention factors, such as, remuneration and benefits, training opportunities, fair and equal treatment, organizational culture Ghapanchi & Aurum (2011) whereas Andrews and Wan (2009) emphasized on management style and leadership

capability to increase organization retention, Christeen (2014) also acknowledged eight retention factors which are management, conducive environment, social support and development opportunities, autonomy, compensation, crafter workload, and work-life balance. Kaliprasad (2006) has confirmed that despite the fact that a company may try to bring all these factors into play to enhance employee retention, an employee can still choose to leave the workplace because of, for example, bad management. He pointed out that organizations ability to retain its employees completely depends upon its ability to manage them. In addition, Walker (2001) identified seven factors that can enhance employees' retention.

- ❖ Compensation and appreciation of the accomplished work.
- ❖ Provision of challenging work.
- ❖ Probabilities to be promoted and to learn.
- ❖ The attractive atmosphere within the organization.
- ❖ A good relationship with colleagues.
- ❖ A healthy balance between the professional and personal life.
- ❖ Good commitments.

2.4. Non-financial Rewards

Non-financial rewards are those, which do not involve any financial payments to employees. Armstrong (2009), described these non-financial rewards as they often arise from the work itself like achievement, autonomy, recognition, scope to use and develop skills, training, career development opportunities, and high-quality leadership. Similarly Rose (1998) described it as a noncash award given in recognition of the high level of accomplishments or performance such as customer care or support to colleagues, which is not dependent on the achievement of a pre-determined target. Non-financial rewards are regarded as cost-effective ways to compensate employees, thereby attracting, motivating and retaining high-quality employees. The essence of these reward schemes is to establish linkage with desired behavior and the outcome that makes an employee feel appreciated (Whetter, 2007). In related perspective, Woodruffe (2007) mentioned examples of non-financial rewards as advancement, exposure to senior people, praise being awarded, available support from supervisor, the feeling of being trusted and the feeling of

work for a good and reliable organization. From this, it is possible to understand that non-financial rewards are values rewarded to employees other than monetary values in the reward package in return for their contribution.

Silverman (2004) also explained about nonfinancial rewards as there is a doubt that focusing solely on financial rewards created instrumental relationship: 'I work or you just because you pay me.' It is easier for competitors to take away key employees; they just have to pay them more money. In terms of retaining key talent building affective relationship between employer and employee binds the two more closely together. This in any case makes the employees less likely to leave and makes it harder for rival organizations to compete. Non-financial rewards schemes can help reinforce affective relationships and they are more difficult for other organizations to match as compared to extrinsic form of reward.

On the other hand, non-financial rewards according to O'Halloran (Scotishjobs.com) can be viewed in two ways, immediate and career rewards. Immediate reward according to him includes:-

- ❖ Recognize a high performer employee in a regular meeting or informal gatherings.
- ❖ Provide a positive feedback in the presence of more senior staff.
- ❖ Utilize the performance management process to comment on good performance.

Whereas, the career-related reward is more effective of non-financial reward, which according to him maybe one with long-term implications for the employee. This reward is related to the employee's professional development and has long-term and an ongoing motivational effect. Some of these according to him include:-

- ❖ Providing formal or informal training opportunities.
- ❖ Supporting an individual or team to take new additional responsibilities.
- ❖ Allowing a valued employee greater autonomy in his/her work.
- ❖ Providing opportunities to attend external training programmers, seminars or conferences.
- ❖ Offering high performer employees to chance to rotate in higher positions or to lead key projects in the organization.

Armstrong (2006) also explained non-financial reward often arises from the work itself, for example, achievements, autonomy, and recognition, scope to use and develop skills, training, career development opportunities, and high-quality leadership.

2.4.1. Types of Non-financial Rewards

➤ Employee Recognition

According to Silverman (2004) recognition is a method of identifying either individual employees or teams for a particular praise or acknowledgment. The size, scope, and formality of recognition schemes vary greatly. There are wide varieties of ways in which non-financial recognition can work in practice. Rewards range from these that are informal and impromptu to more formal structured schemes. For example, in its most basic form, non-financial recognition may be concerned with acknowledging the efforts of employees by:-

- ❖ The supervisor says thank you.
- ❖ The supervisor writes formally to record thanks.
- ❖ A more senior manager in the organization writes to the individual.
- ❖ Public appreciation of the effort in a team meeting, in an organization newsletter, or at a special dinner.
- ❖ Declaring the individual 'employee of the month or year'

Types of recognition are many and various. According to research conducted by IDS (2002) there is no standard approach to recognition. Rewards vary with the size and sector of the employer, and the objectives of the approach, for example, what behaviors are to be encouraged. However, the IDS report argues that the most influential factor determining the nature of the reward is organization culture. This dictates which form of recognition will be most appropriate to the organization concerned.

➤ **Supportive Work Environment**

S. and Krishnan (2016) described supportive work environment variables as supervisor support, promotion, co-worker relationships, general working conditions, social support. A Conducive work environment is also a flexible atmosphere where working experience is enjoyable; resources are adequately provided (Kossivi, Xu, and Kalgare, 2016). The workplace environment includes not only the physical elements around the work area of an employee but also all things that form part of the employee's organization that provides employee-friendly work environment creates a good sense of trust between employee and that of the organization.

➤ **Job Autonomy**

Job autonomy, which is conceptualized in terms of the degree to which the job gives the worker freedom, independence, and discretion in scheduling work, making a decision, and in determining how the work will be performed (Jackson, Wall, Martin and Davids, 1993). Job Autonomy can also be seen to be characterized by the ability to choose how to do one's work; having influence over one's work and flexibility in workload decision (Kossivi et al., 2016). It is the element that positively affects employees' psychological states and thus leads to better work consequences including higher intrinsic work motivation, quality of performance and work satisfaction and lower absenteeism and turnover. It also can be defined the degree of freedom that employees have to make decisions about how to accomplish their work. Normally, the more freedom employees have to make decisions and to direct the activities of their work, the greater their motivation to perform the work. Such latitude in decision making would also support employee retention (Hackman and Oldham, 1975).

➤ **Learning and Development**

Learning can be a particularly strong retention tool when it combined with measures designed to allow people to develop and progress within a company (Meyer et al, 2003). It is important for employers to put in place effective internal promotion programs that will allow even their unskilled and semi-skilled workforce to move towards positions of greater responsibility and remuneration within the company.

For employees to prosper and grow, they need to be encouraged to reach their full potential by providing learning and development. A business that provides learning and development will be more competitive and productive and will win the loyalty of its workforce (Njanja, Maina, Kibet, and Njagi, 2013). Learning and development are so enthusiastically embraced as key factors to good retention is no doubt due to the fact that well-developed training programs are becoming ever more essential to the ongoing survival of most modern companies, whether or not retention is an important issue to that company.

Meyer et al. (2003) suggest that employee learning and development contributes to retention by: building employee commitment through a show of support; providing employees with the means to deal with stress related to job demands and change; serving as an incentive to stay, and creating a culture of caring. Learning & development has seen as ways of building employee commitment in that they allow employees to remain where they work, and provide them with the support necessary to face the on-going challenges related to their work (Meyer et al., 2003).

Providing opportunities for employees to learn and develop themselves is considered a non-financial reward or schemes. Learning is generally defined more holistically, as a process that encompasses training as well as education (Jensen, 2001). According to Sloman (2005) learning is described as ‘a self-directed, work-based process which leads to increased adaptive capacity.’ This process is ongoing, a lifelong journey that may not always be clearly planned or even intentional and can be considered the heart of human resource development (Garavan, Heraty & Barnicle, 1999).

➤ **Job Security**

Job security is basically income security that can be derived from employment, either dependable employment or self-employment (Nyaga, 2015). The security is derived from the level of human capital of the individual on the one hand and the functioning of the labor market on the other, Auer (2007). Job security is the assurance from the company or organization the employees will remain with them for a reasonable period without being wrongly dismissed (Adebayo and Lucky, 2012). According to the most commonly used definition, “employment security means that

workers have protection against arbitrary and short notice dismissal from employment, as well as having long-term contracts of employment and having employment relations that avoid casualization” (ILO 1995, p.18).

➤ **Career Advancement Opportunity**

Career advancement opportunity can be defined as a non-financial reward that provides employees with opportunities for personal growth, more responsibilities and increased social status (Kathure, 2014). Career advancement opportunities in an organization are the degree of potential occupational mobility within an organization. Lack of opportunity for advancement through seniority or otherwise may result in dissatisfaction that simmers in an employee’s mind until he or she finally quits. If the jobs having no real future, applicants should receive a full explanation before they are hired. If an organization does not have chances for the promotion of their employees, they may quickly lose this resource to others (Cascio, 2003).

➤ **Work-Life Balance**

Work-life balance is one type of non-financial reward that is slowly finding its way in the Corporate World, a digression from the commonly held view that work and personal life are two aspects in a zero-sum game where if one wins, another has to lose (Wangari & Were, 2014). The same researcher explained as about creating and maintaining supportive and healthy work environments, which will enable employees to have balance between work and personal responsibilities. It is also defined by Ungerson & Yeandle (2005) as the thought of employees on job, personal and family time that sustained and integrated by minimizing the conflict that might happen. Dundas (2008) argued that work-life balance is about managing and manipulating efficiently between the job and all personal aspects.

2.5. Empirical Reviews

Different scholars have said much about the effect of financial and non-financial rewards and their relationship with employee retention. The following point tries to see the non-financial reward and its relationship with employee retention.

2.5.1. The Relationship between Non-financial Rewards and Employees' Retention

1. Employee Recognition & Retention

Pitts (2009) noted that recognition is the exhibition and revelation by an appraisal of performance in the contribution and achievement of an objective, which is an influential and commanding tool for any organization for employee retention. He further stated that it could be formal and informal, expressed or implied. According to Walker (2001) recognition from bosses, team members, coworkers, and customer enhance loyalty of employees. In the same stream, Mason (2001) find out in his study that motivation, retention of employees and recognition is an influential and commanding tool for any organization.

H₁: Employee recognition has a positive and significant influence on employee retention.

2. Learning and Development & Employee Retention

According to Gratton and Ghoshal (2003) human capital is made up of intellectual capital, social capital and emotional capital. Learning and development has often been a core organization strategy influencing both employee retention and human capital growth. According to Anis, Rahma, Nasir & Safwan, (2010) in this age when the technology is changing so rapidly that any skill becomes obsolete in quick time and to cope with this changes companies have to give the required training to their employees in order to remain competitive in the business environment. Villegas (2006) explained that training has a direct relationship with employee retention. It helps the organization to increase employee retention and decrease turnover. When employees are provided with the necessary training opportunities, they feel that organization is interested in them and want to develop their career.

According to Cole et al.,(2005) employee development in any establishment cause enhance employee's morale, confidence, motivation, lowering cost of productivity by better and economical using organizational resources and decreasing waste. In addition, he observed that training and development of employees reduce turnover.

H₂: Learning and development has a positive and significant influence on employee retention.

3. Job Autonomy & Employee Retention

Job autonomy leads to intrinsic motivation which, is considered as basic psychological need, essential for personal growth (Ryan & Deci, 2001). Intrinsic motivation is when individuals perform an activity because they find it interesting and derive satisfaction from the activity itself (Gagne & Deci, 2005). Conversely, when individuals are less able to undertake interesting activities, exercise discretion and make their own decisions, they are more likely to experience burnout and leave the organization (Adebayo & Ezeanya, 2011).

Job autonomy can also be defined as the amount of discretion that an employee has in carrying out his work activities (Perez, 2008). When employees have some control over their jobs and its outcomes, they feel less stressful and more interested in an organization to stay. Armstrong (2010) explained job autonomy the degree to which the job provides substantial freedom, independence, and discretion to the individual' in work content, the method for accomplishing the work, and the pace at which work is accomplished. When employees are given the chance to control their own work outcomes, they become owners of the decisions, feel more involved in the organization, and are thus more willing to stay.

H₃: Job autonomy has a positive and significant influence on employee retention.

4. Supportive Work Environment & Employee Retention

According to Miller, Ericson and Yust (2001) employees are benefited by the work environment that provides a sense of belonging. Ramlall (2003) stressed the need for recognizing the individual needs of an employee in an organization as it will encourage commitment and provide a suitable work environment. Based on the study conducted by CHRISTABELLA (2014) job aid, supervisor support, physical work environment, and performance feedback are factors of working environment that affect employee's retention. Eisenberger, Fasolo, and Davis-LaMastro (1990) suggested that employee's perception regarding an organization is strongly influenced by their relationship with the supervisor. Superior-subordinate relationships are also among the factors for the longevity of employees in an organization Nyaga (2015). Cran (2012) also explained that people do not leave their jobs rather they leave their leaders, so leaders must improve their leadership skill to enhance employee loyalty and commitment better. Jasper

(2007) carried out a research that revealed that manager-employee relationship is the most frequent reason why employees quit their job.

Organizations feel that the supervisors are the sources of general assistance in the efforts to retain their critical employees (Ramlall, 2003). Employees who perceived high support expressed stronger feelings of affiliations and loyalty to the organization as perceived support related to supervisor's evaluations; the relationship with supervisor plays an important role with employee's decision of stay in the organization. Employees who believed that supervisor valued their contribution and cared their well-being showed increased perceived organization support, which in turn is related to decreased turnover. Also, employees with low perceived organization support may believe that their prospective success in the organization is greatly limited. Thus a reduction of perceived organizational support, resulting from perceived supervisor support or other resources may increase employee's likelihood of quitting the organization (Eisenberger, et al., 2002).

H₄: Supportive Work Environment has a positive and significant influence on employee retention.

5. Training and development & Employee Retention

Messmer (2000) found that one of the important factors in employee retention is an investment in employee training and career development. Organizations always invest in the form of training and development on those workers from whom they expect to retain and give output on its investment. Tomlinson (2002) emphasized the view that organizations can keep the leading edge in this competitive world by having their employees well trained in the latest technologies. Garg & Rastongi (2006) explained that in today's competitive environment feedback is very essential for organizations from employees and the more knowledge the employee learn, the more he or she will perform and meet the global challenge of the marketplace.

6. Job Security & Employee Retention

According to Meltz (1989) job security is defined as employee continuing to work for an organization with no reduction in seniority pay, pension rights, and others. Job security is a more concern of employees in an organization and it plays an important role in the employment relationship, on the other hand, job insecurity will threaten the employees with loss of materials, social, and psychological benefits related to employment (Reisel et al., 2007).

7. Work-life balance and Employee Retention

Work-life balance is increasingly important for employee retention. Hyman & Summers (2003) found that intervention of work demands into personal life, for instance working during the weekend, resulted into heightened stress and emotional exhaustion among on employees and those organizations who implemented work-life balance is increased productivity and reduced costs, improved employee flexibility. If an organization allows flexible schedule as often as valuable to an employee as salary, benefits, and perks. Research shows that flexible work arrangements may reduce stress, since they are working flexibly and they will be more satisfied with their jobs, more satisfied with their lives, and experience better work-family balance. The freedoms that employees develop a greater sense of job satisfaction are less likely to leave their organization (Bussin, 2003).

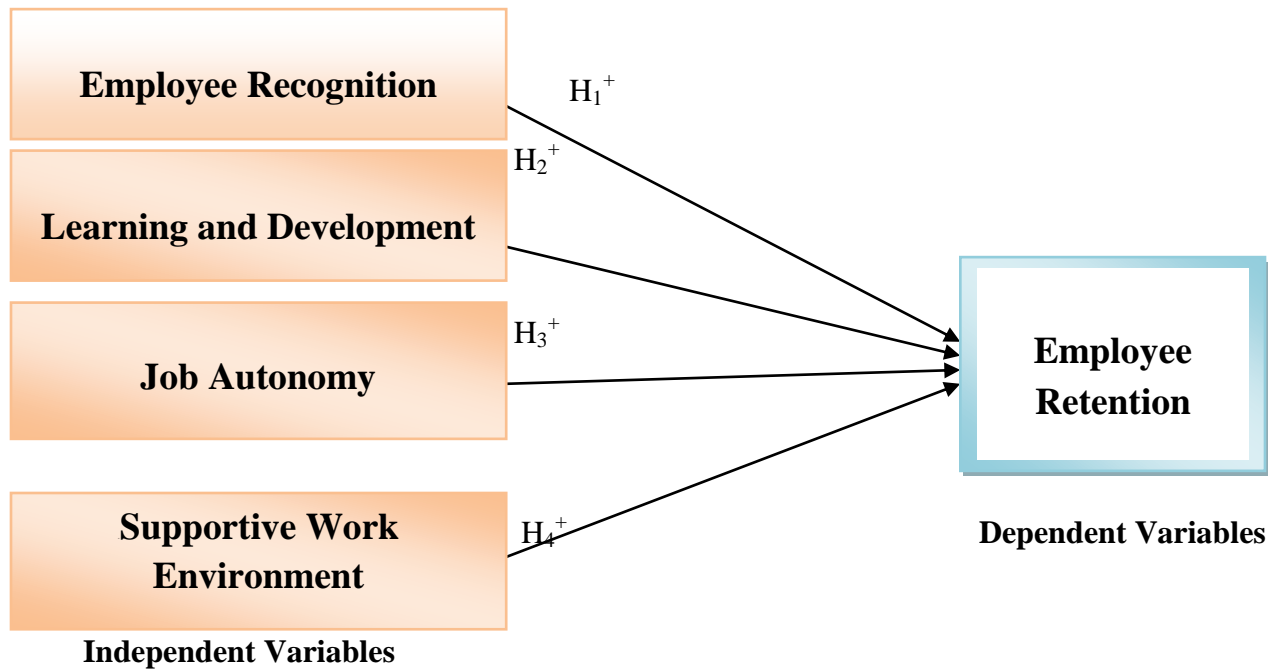
8. Participation in Decision Making & Employee Retention

Hewitt (2002) has mentioned that modern businesses always keep its employees to be well informed about all the important affairs of its businesses and involved them in decision making at all levels which can exploit the talents of its employees. By supporting this argument, Noah (2008), found in his study that employee involvement in decision-making helps in creating a sense of belongingness among employees.

2.6. Conceptual Framework of the Study

Based on literature reviewed the research model which is depicted below is developed. This framework attempts to determine the effect of non-financial rewards on employee retention in Berhanena Selam Printing Enterprise. These non-financial rewards, which are selected to examine in the study, are Employee Recognition, Job Autonomy, Learning & Development and Supportive work Environment. These non-financial rewards are proposed to be more influential for employee retention.

Fig. 1 PROPOSED CONCEPTUAL FRAMEWORK OF THE STUDY



Sources: This theoretical framework of the study slightly adopted from Nyaga, Josephine (2015)

2.7. Research Hypothesis

The purpose of this study is to examine whether there is any relationship between non-financial rewards and employee retention. Hence, the Hypothesis will be:

Hypothesis 1: Employee recognition has a positive and significant influence on employee retention.

Hypothesis 2: Learning and development has a positive and significant influence on employee retention.

Hypothesis 3: Job autonomy has a positive and significant influence on employee retention.

Hypothesis 4: Supportive Work Environment has a positive and significant influence on employee retention.

CHAPTER THREE

RESEARCH METHODOLOGY

In this chapter the research design utilized, the research approach followed in collection data, target population used, research instrument, data collection techniques, validity and reliability of research instruments and techniques used in analyzing the collected data, presentation of the findings has been discussed.

3.1. Research Design

The research design is the conceptual structure within which research is conducted; it constitutes the blueprint for the collection, measurement, and analysis of data (Kothari, 2004).

According to Saunders, Lewis & Thornhill (2009) explanatory research design studies a situation or a problem in order to explain the relationships between variables. Therefore, this research design was more appropriate for this study in order to examine the relationship between the two variables (non-financial rewards & employee retention).

3.2. Research approach

A quantitative research was used to test the hypothesized the relationship. This study followed by a quantitative approach as this is considered to be most suitable research method, since it was examined the relationships between the two variables. The intention of using the quantitative method was to analyze the collected data through questionnaires and come up with results. The quantitative data collected on the employees' perception about non-financial reward practices, the status of employee loyalty, the relationship between non-financial rewards and employee retention and the degree of non-financial rewards effect on employee retention used through statistical analysis to answer the research questions.

3.3. Target Population

The target population or unit of study for this study were only professional employees of the company, since number of professional employees is few in number 114(one hundred fourteen) the study used census survey. According to Kothari (2004) it can be assumed that in such an inquiry when all items are covered, no element of chance is left and highest accuracy is obtained, thus by taking this assumption, conducting census survey was found more appropriate for this study.

3.4. Data Types and Sources

To get a picture of the present situations, effect of non-financial rewards on employee retention, primary data was collected from professional employees in the form of a structured questionnaire from professional employees of the company.

The student researcher was proposed to use secondary data which was collected from the internet search, relevant journal articles, books, similar research conducted previously, company profile, Human Resource strategic plan document of a company, and employees' turnover report of the company was used.

3.5. Method of Data Collection

Data were collected by using closed-ended questionnaires by adopting survey questions from previously published journal articles and by modifying slightly to ensure the validity of the work. The reasons for selecting questionnaire as a data collection instrument is an ease at which information can be gathered as opposed to conducting interviews. Furthermore, considering respondents' time to answer the questions, this method was more convenient in terms of time and cost.

3.6. Measurement

The independent variables for this study, non-financial rewards such as job autonomy which was measured by Hackman & Oldham (1975) job diagnostic survey, whereas the rest learning and development, employee retention, Employee recognition, and supportive work environment was measured by Demo, Neiva, Nunes & Rozzett (2012) Human Resource Management Policies and Practices Scale.

3.7. Administering the Questionnaire

In order to get the required data from respondents and Human Resource office, first permission was requested from the HR director of BSPE on the basis of the forwarding letter from the university. After getting the permission, questionnaires were distributed to respondents to facilitate good response rate consent was made with employees in BSPE; the collection of the data should take a maximum of three weeks. By considering, the respondent could possibly fill the questionnaires with full attention without the interference of normal working hours. As much as possible, maximum care had taken into account in designing the cover part and questions in the questionnaire.

3.8. Ethical Considerations

Permission to conduct the study was asked from Human Resource Directorate of the company and after getting their consent, the student researcher was tried to get the relevant information from there. The questionnaire was administered in a controlled environment. Participation was voluntary. The objective of the study was explained to participants in detail on the questionnaire and at their place of work where the data collection was taken place, confidentiality and anonymity were assured.

3.9. Data Analysis and Presentation

According to Kothari (2004) data analysis is the computation of certain indices or measures along with searching for patterns of relationship that exist among the data groups. He also indicated multiple regressions would be used when the researcher has one dependent variable, which is presumed to be a function of two or more independent variables. Descriptive statistics also used to describe and interpret the result of the study. Therefore, at the end of the data collection; the analysis was done by using inferential statistics; such as regression and correlation analysis more specifically Pearson correlation was used to measure the degree of association between non-financial rewards and employee retention.

From inferential statistics, multiple regression analysis, analysis of variance (ANOVA), were used. The data analysis was also supported by the software called Statistical Package for Social Science (SPSS version 20). The analysis used by using the quantitative techniques results or findings was presented in the form of tables.

3.10. Validity and Reliability

3.10.1. Validity

Validity refers to the extent to which a test measures what we actually wish to measure. Content validity is the extent to which a measuring instrument provides adequate coverage of the topic under study (Kothari, 2004). The validity of the study, therefore, was checked through content validity method by taking an advice from the advisor and an experienced person on the topic under study and adopting questionnaires from previous researchers was increased its validity.

3.10.2. Reliability Test

Reliability is broadly defined as the degree to which measures are free from error and therefore yield consistent results (Zikmund, 2003). Reliability can be computed through different methods like test-retest reliability, internal consistency reliability, and equivalent forms reliability. In this study, questionnaire reliability was checked by using internal consistency method to measure the

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correlation between each item in the questionnaire. One of the most commonly used indicators of internal consistency is Cronbach's alpha coefficient. Ideally, the Cronbach's alpha coefficient of scales should be above 0.7 (Pallant, 2005).

Therefore, reliability checks for questionnaires were used by using Cronbach's Alpha statistic method to ensure internal consistency by using pre-testing method. The basic reason for carrying out pre-testing was to determine whether the instruments are going to serve the purpose for which they were assigned.

As shown in table 4.1 for the reliability test Cronbach's Alpha Coefficients, employee retention factors range from 0.811 to 0.918. Based on the examination of the research scales and constructs, it can be concluded that each variable represents a reliable and valid construct.

Table 4.1 Reliability Statistics

| Constructs | Cronbach's Alpha | Number of Items |
|-----------------------------|------------------|-----------------|
| Employee Recognition | 0.825 | 7 |
| Job Autonomy | 0.811 | 11 |
| Supportive work Environment | 0.833 | 10 |
| Learning & Development | 0.918 | 3 |
| Employee Retention | 0.908 | 8 |
| Overall Reliability | .953 | 39 |

Source: Survey result, SPSS (2018)

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

The main objective of this paper is to examine the effect of non-financial rewards on employees' retention in Berhanena Selam Printing Enterprise. In this chapter, the data obtained in the study are analyzed, presented, interpreted and discussed. The chapter begins by providing the response rate of the questionnaire followed by demographic and personal information of the respondents. The descriptive and inferential statistics are presented thereafter.

4.1. Response Rate of Questionnaire

Questionnaire has been distributed to 101 employees and 89 questionnaires were filled and returned which makes the response rate, 78%. Though the target population was 114, the reason for distributing only 101 questionnaires is because some employees were reluctant to take and fill the questionnaires.

4.2. Analysis using Descriptive Statistics

4.2.1. Demographic Profile of Respondents

Here the characteristics of respondents' profile were assessed and interpreted with respect to gender, age, marital status, educational level, job category (position) and length of service at Berhanena Selam Printing Enterprise will be discussed. Thus, analysis and interpretation of the data obtained from respondents are presented as below:

➤ **Gender of Respondents**

The below table 4.2 shows the output frequency distribution of gender respondents.

| | Frequency | Percent |
|--------------|-----------|---------|
| Male | 61 | 68.5 |
| Valid Female | 28 | 31.5 |
| Total | 89 | 100.0 |

Source: own survey, 2018

The above table presents the gender distribution of the sample. There are 61 (68.5%) of male employees, 28(31.5%) are female respondents from the total employees of 89 respondents who were filled the questionnaire. The sample was representative of a larger number of male respondents to that of female respondents. The target population of the gender composition shows that 80 (70%) of them are male and 34 (30%) of them are females. Therefore this indicates that the number of proportion of male and female employees in the company is not proportional.

➤ Age of Respondents

The below table 4.3 shows the output frequency distribution of age of respondents.

Table 4.3 Age Distribution of Respondents

| | Age | Frequency | Percent |
|-------|----------|-----------|---------|
| Valid | 18-25 | 12 | 13.5 |
| | 26-35 | 29 | 32.6 |
| | 36-45 | 31 | 34.8 |
| | above 45 | 17 | 19.1 |
| | Total | 89 | 100.0 |

Source: own survey, 2018

With regard to age distribution of respondents, the above table shows the majority of respondents 34.8%, (n=31) fall in the age category of 36-45 followed by the age category of 26-35 years old constitutes 32.6% (n=29), the age category of 18-25 years old constitutes 13.5% (n=12), and the number of respondents of 17(n=19.1%) falls in the age category of above 45 year. Therefore, the highest respondents for this study were employees who are between 36-45 years of age, followed by 26-35, hence it is assumed they are well enough matured to give the appropriate response for the questions asked in the questionnaire. Moreover, having a group of professionals that belong to the most active and energetic age group may help the organization to achieve its goals.

➤ **Marital Status of Respondents**

The below table 4.4 shows the output frequency distribution of marital status of respondents.

Table 4.4. Marital Status of Respondents

| Marital Status | | Frequency | Percent |
|----------------|---------|-----------|---------|
| Valid | Single | 29 | 32.6 |
| | Married | 59 | 66.3 |
| | Other | 1 | 1.1 |
| | Total | 89 | 100.0 |

Source: own survey, 2018

The above table 4.4 illustrates that out of 89 respondents who participated in the survey 59(66.3%) were married, 29 (32.6%) were single employees, and the remaining 1 (1%) did not mention his/her status. Therefore, it is depicted that the number of married employees was more than unmarried. It also indicates that BSPE has more married professional employees than single employees, it can be taken as an advantage that a person who has family responsibilities can remain in the organization than those single employees.

➤ **Educational Level of Respondents**

The below table 4.5 shows the output frequency distribution of educational level of respondents.

Table 4.5: Educational Level of Respondents

| Level of Education | | Frequency | Percent |
|--------------------|--------|-----------|---------|
| Valid | BA/BSc | 74 | 83.1 |
| | MA/MSc | 15 | 16.9 |
| | Total | 89 | 100.0 |

Source: Own survey, 2018

The above table 4.5 illustrates that 83.1% (n=74) respondents have a first degree, and the remaining 16.9% (n=15) are Master's Degree holders. The majority of professional employees are the first-degree holder as compared to 2nd-degree holders. It depicts also all respondents are professional enough to fill the questionnaire with full understanding.

➤ **Work Experience of Respondents'**

The below table 4.6 shows the output frequency distribution of year of service of respondents.

Table 4.6: Respondents' work experience

| Work Experience | Frequency | Percent |
|------------------------|------------------|----------------|
| Valid > 2 years | 16 | 18.0 |
| 2-5 years | 35 | 39.3 |
| 6-10 years | 20 | 22.5 |
| 11-15 years | 5 | 5.6 |
| above 15 years | 13 | 14.6 |
| Total | 89 | 100.0 |

Source: Own Survey, 2018

Regarding the length of service of respondents, the above table illustrates, 18%(n=16) employees have served the company less than 2 years, 39.3%(n=35), 22.5%(n=20), 5.6%(n=5) and 14.6%(n=13) have served the company 2-5 years, 6-10 years, 11-15 years and more than 15 years respectively and it depicts that 82% of respondents have served the company more than 2 years. In addition, the highest numbers of respondents were employees who have served the company from 2-5 years, followed by 6-10 years of experience, therefore it is believed employees are moderately experienced and have a sound knowledge about their organization non-financial reward policy, practice, and procedure. In addition, 57.3% of employees has 5 years or less work experience in the organization. This may implied there is a high turnover.

➤ **Job Category(position) of Respondents**

The below table shows the output frequency distribution of job category (position) of respondents.

Table 4.7: Respondents' Job Category (position)

| | Position | Frequency | Percent |
|-------|-----------------|------------------|----------------|
| Valid | Managerial | 25 | 28.1 |
| | Non-Managerial | 64 | 71.9 |
| | Total | 89 | 100.0 |

Source: Own survey, 2018

With regard to the respondents' job category (position), the above table shows, 25(28.1%) are on a managerial position and the remaining 64(71.9%) are on a non-managerial position. Accordingly, most of the respondents were on non-managerial position but it can be concluded that the proportion is adequate enough to get the opinion of respondents who are on a managerial and non-managerial level with respect to the subject under study.

4.3. Descriptive Analysis

The first section of the questionnaire asked demographic information of respondents and the second section asked basic research questions that intended to acquire information regarding employee recognition, job autonomy, learning and development, supportive work environment, employee loyalty and intention to stay of Berhanena Selam Printing Enterprise employees.

The basic research questions collected from employees of Berhanena Selam Printing Enterprise through structured questionnaire was analyzed and presented in the section below. Respondents were asked to indicate the non-financial rewards that they believe are currently practiced in Berhanena Selam Printing Enterprise. Accordingly, the result of responses provided by respondents has been presented below the table.

4.4. Employees’ Perception of Non-financial Rewards Practices in Berhanena Selam Printing Enterprise

Table 4.8: Non-financial Rewards Practice in BSPE

| | | Responses | | Percent of Cases |
|-----------------------|-----------------------------|-----------|---------|------------------|
| | | N | Percent | |
| Non-Financial Rewards | Employee Recognition | 56 | 62.9% | 40.6% |
| | Job Autonomy | 38 | 42.6% | 27.5% |
| | Learning and development | 24 | 26.9% | 17.4% |
| | Supportive work environment | 20 | 22.4% | 14.5% |

Source: Own Survey, 2018

In table 4.8 above, employee recognition, job autonomy, learning and development and supportive work environment are the non-financial rewards that occupy 1st, 2nd, 3rd and 4th ranking in terms of use in the organization. Apart from employee recognition, other practices are not widely applied as indicated by employees’ responses.

According to Akmaliah (2009) mean score measurement was used while interpreting the data. Mean score > 3.79 is considered high, 3.40-3.79 considered moderate and below 3.40 considered as low. Therefore, the below table shows the description of Respondents’ agreement on the non-financial rewards that have been practiced in Berhanena Selam Printing Enterprise are interpreted accordingly.

4.4.1. Perception of employees' agreement on the employee recognition practice of BSPE

Table 4.9: Perception of employees' agreement of recognition Practice in BSPE

| Employee Recognition Statements | Mean | Std. Deviation |
|--|-------------|----------------|
| My contribution is fully recognized | 3.70 | 0.92 |
| This company gives me enough recognition for work that I had done it well | 3.73 | 0.89 |
| I have received an adequate recognition by the company other than the compensation | 3.44 | 0.96 |
| I am praised regularly for my work | 3.46 | 0.94 |
| I get credit for what I do | 3.53 | 1.00 |
| I am told that I am making progress | 3.72 | 0.92 |
| The management awards employees who make difference (achieve high performance) | 3.60 | 0.94 |
| Aggregate Mean | 3.60 | |

Source: Own survey, 2018

From the above paragraphs, the majority of the respondents were moderately agreed about the recognition practices that are taking places at BSPE. It revealed also much of the respondents are moderately agreed about the contribution they serve to BSPE is being recognized by their supervisor or higher management body. More than half of the respondents also moderately accept that the employee award practice is based up on solely on high achievement.

The overall mean result also indicate that respondents do not agree highly with regard to the recognition practice of the enterprise, this shows there are unfinished assignment that have to be done on the management of BSPE.

4.4.2. Perception of employees’ agreement on the job autonomy practice of BSPE.

Table 4.10: Perception of employees’ agreement of job autonomy Practices in BSPE

| Job Autonomy Statements | Mean | Std. Deviation |
|--|-------------|----------------|
| I control the amount of work I do myself | 3.91 | 0.94 |
| I am completely independent of others | 2.92 | 1.27 |
| I am interested in my work | 3.85 | 1.11 |
| My work consists of a variety of work | 4.03 | 0.83 |
| I am allowed to decide on the methods of doing my work | 3.75 | 0.98 |
| I have a certain degree of authority in my work | 3.84 | 0.88 |
| I have almost complete responsibility for deciding how and when the work is to be done | 3.53 | 1.06 |
| I do a complete task from start to finish | 3.88 | 0.91 |
| I have very little freedom in deciding how the work is to be done | 2.74 | 1.15 |
| My job gives me considerable freedom in doing the work | 3.61 | 0.96 |
| My job allows me an opportunity to use discretion in scheduling work | 3.60 | 0.88 |
| Aggregate Mean | 3.61 | |

Source: Own survey, 2018

The above table illustrates majority of respondents do not agreed about their complete independence from other. It evidenced also there is a task that are done on the team basis, however, most of the respondents were agreed that they have discretion in deciding how the work to be done.

The overall respondents’ average agreement (total mean score) with regard to the job autonomy practice of the company was 3.61. As compared to the standard mean score comparison, this result show majority of the BSPE respondents agreed that they are autonomous in discretion of exercising their duties and responsibilities.

4.4.3. Perception of employees on the supportive work environment practice of BSPE.

Table 4.11: Perception of employees’ agreement on supportive work environment practice of BSPE

| Supportive Work Environment Statements | Mean | Std. Deviation |
|--|-------------|----------------|
| My supervisor treats me with fairly | 3.79 | 0.95 |
| My supervisor is knowledgeable about my work | 3.76 | 0.94 |
| My supervisor takes time to listen to me | 3.69 | 1.01 |
| My supervisor provides me with sufficient information related to my work | 3.60 | 0.95 |
| I receive constructive criticism about my work | 3.58 | 1.00 |
| My manager provides me with constant feedback about how I am doing. | 3.40 | 1.05 |
| My physical working conditions are good | 3.47 | 1.23 |
| There are disturbing noises at my workplace | 3.37 | 1.016 |
| Heating and ventilation are working in a desired way in my workplace | 2.53 | 1.17 |
| My workplace supports my wellbeing | 3.44 | 1.00 |
| Aggregate Mean | 3.46 | |

Source: Own Survey, 2018

From the above paragraph it revealed that most respondents were agreed highly about the supervisor fair treatment, for the remaining statements, they were agreed moderately or most of the respondents agreed between (“neither agree nor disagree” to “agree”). Almost all respondents agreed that in their workplace there is no heating and ventilation, it shows BSPE human resource department does not give attention to employees’ health and employees are doing their daily task with a poor physical working environment.

The overall respondents' mean score was 3.46. This implies supervisor support to employees is moderate. This shows the majority of BSPE respondents' perception towards supervisor support, getting constructive feedback regularly and existing situation of the physical environment are not adequate. On the other hand, as compared to other variable of studies this result is low.

4.4.4. Perception of employees' on the learning and development practice of BSPE.

Table 4.12: Perception of employees' agreement on learning and development practice of BSPE

| Learning and Development statements | Mean | Std. Deviation |
|--|-------------|-----------------------|
| The organization I work for invests in my development and education promoting my personal and professional growth in a broad manner. | 3.65 | 1.23 |
| The organization I work for stimulates learning and application of knowledge. | 3.51 | 1.10 |
| The organization I work for helps me develop the skills I need for the successful accomplishment of my duties. (e.g. training, conferences, seminars) | 3.46 | 1.20 |
| Aggregate Mean | 3.54 | |

Source: Own survey, 2018

As it is depicts in the above paragraph, the overall respondents' mean score was M=3.54 indicate that more than half of respondents were agreed that their organization support them by being a sponsor to pursue their education by covering their tuition fee. This shows there is a tendency that human resource department implements learning and development practices in order to better equip its workforce with the necessary knowledge and skill.

4.4.5. Summary of non-financial variables mean result

Table 4.13: Summary of mean result

| S.no. | Variable Name | Aggregate Mean Result |
|-------|-----------------------------|-----------------------|
| 1 | Job Autonomy | 3.61 |
| 2 | Employee Recognition | 3.60 |
| 3 | Learning and development | 3.54 |
| 4 | Supportive work environment | 3.46 |

Source: Own survey, 2018

The above table illustrates that majority of respondents agreement for the practice of non-financial rewards at BSPE were moderate, this evidenced that human resource department of BSPE doesn't give adequate emphasis for using those non-financial rewards as a retention tool for employees as needed.

4.5. Status of Employee Retention

Table 4:14 Status of Employee Retention

| Employee Retention Statements | | | | | |
|--|----------------------------|-----------|---------|------|--------------------|
| I am prepared to put in a great deal of effort beyond what was normally expected, in order to help this company to be successful. | | | | | |
| | | Frequency | Percent | Mean | Standard Deviation |
| Valid | Disagree | 9 | 10.1 | 4.07 | 0.91 |
| | Neither Agree nor Disagree | 7 | 7.9 | | |
| | Agree | 42 | 47.2 | | |
| | Strongly Agree | 31 | 34.8 | | |
| | Total | 89 | 100.0 | | |
| I feel a lot of loyalty to this company. | | | | | |
| | | Frequency | Percent | Mean | Standard Deviation |
| Valid | Strongly Disagree | 2 | 2.2 | 3.92 | 1.09 |
| | Disagree | 12 | 13.5 | | |
| | Neither Agree nor Disagree | 8 | 9.0 | | |
| | Agree | | | | |

Effect of Non-financial Rewards on employee Retention

| | | | | | |
|--|----------------------------|-----------|---------|------|--------------------|
| | Agree | 36 | 40.4 | | |
| | Strongly Agree | 31 | 34.8 | | |
| | Total | 89 | 100.0 | | |
| I really feel as if this company's problems are my own. | | | | | |
| | | Frequency | Percent | Mean | Standard Deviation |
| Valid | Strongly Disagree | 6 | 6.7 | 3.63 | 1.18 |
| | Disagree | 12 | 13.5 | | |
| | Neither Agree nor Disagree | 12 | 13.5 | | |
| | Agree | 38 | 42.7 | | |
| | Strongly Agree | 21 | 23.6 | | |
| | Total | 89 | 100.0 | | |
| I speak positively about this company when talking to customers, friends and relatives. | | | | | |
| | | Frequency | Percent | Mean | Standard Deviation |
| Valid | Strongly Disagree | 2 | 2.2 | 3.82 | 1.02 |
| | Disagree | 10 | 11.2 | | |
| | Neither Agree nor Disagree | 13 | 14.6 | | |
| | Agree | 41 | 46.1 | | |
| | Strongly Agree | 23 | 25.8 | | |
| | Total | 89 | 100.0 | | |
| I would recommend this company to a friend is he/she is looking for a job. | | | | | |
| | | Frequency | Percent | Mean | Standard Deviation |
| Valid | Strongly Disagree | 2 | 2.2 | 3.66 | 0.95 |
| | Disagree | 11 | 12.4 | | |
| | Neither Agree nor Disagree | 15 | 16.9 | | |
| | Agree | 48 | 53.9 | | |
| | Strongly Agree | 13 | 14.6 | | |
| | Total | 89 | 100.0 | | |
| I am not thinking about quitting my job at the present time | | | | | |
| | | Frequency | Percent | Mean | Standard Deviation |
| Valid | Strongly Disagree | 13 | 14.6 | 2.53 | 1.01 |
| | Disagree | 37 | 41.6 | | |
| | Neither Agree nor Disagree | 18 | 20.2 | | |
| | Agree | 21 | 23.6 | | |
| | Total | 89 | 100.0 | | |

Effect of Non-financial Rewards on employee Retention

| This is the best company for me to work with | | | | | |
|--|----------------------------|-----------|---------|-------------|--------------------|
| | | Frequency | Percent | Mean | Standard Deviation |
| Valid | Strongly Disagree | 4 | 4.5 | 3.40 | 1.12 |
| | Disagree | 16 | 18.0 | | |
| | Neither Agree nor Disagree | 25 | 28.1 | | |
| | Agree | 28 | 31.5 | | |
| | Strongly Agree | 16 | 18.0 | | |
| | Total | 89 | 100.0 | | |
| I would be very happy to spend the rest of my career with Berhanena Selam Printing Enterprise | | | | | |
| | | Frequency | Percent | Mean | Standard Deviation |
| Valid | Strongly Disagree | 7 | 7.9 | 3.16 | 1.16 |
| | Disagree | 23 | 25.8 | | |
| | Neither Agree nor Disagree | 18 | 20.2 | | |
| | Agree | 31 | 34.8 | | |
| | Strongly Agree | 10 | 11.2 | | |
| | Total | 89 | 100.0 | | |
| Aggregate Mean | | | | 3.44 | |

Source: Own Survey, 2018

From the above paragraph, it shows that majority of respondents were moderately agreed about the employee retention their willingness to serve their company beyond expected of them, and have very positive attitude about their company. This indicates that respondents have organizational citizenship behavior. On the other hand, most of the respondents were agreed moderately or between (“agree” to “strongly agree”) about recommending their company to a friend, and feeling really for their company’s problem. As a result of this, overall respondents’ mean score was M=3.82 indicates that most of the respondents are loyal to their company.

Table 4.15 illustrates respondents' agreement on the items measuring employee intention to stay. The item "I am not thinking about quitting my job at the present time" obtained a mean score of $M=2.53$, "This is the best company for me to work with" scored $M= 3.40$ and "I would be very happy to spend the rest of my career with Berhanena Selam Printing Enterprise" scored $M=3.16$.

The above paragraph shows, even though the result shows their loyalty, if better opportunities come, they don't want to stay there. Aggregate mean score $M=3.03$ also indicated their lowest agreement with regard to staying in the company.

4.6. Data Analysis Using Inferential Statistics

4.6.1. Bivariate Correlation Analysis

Correlation analysis used to describe the strength and direction of the linear relationship between two variables. SPSS calculates a number of statistics to find a relationship between variables. Accordingly, the student researcher used a simple bivariate correlation, which just means between two variables also known as zero-order-correlation. Moreover, in order to examine the relationship between non-financial rewards and employee retention, for which a bivariate correlation is best fit the test.

Pearson correlation coefficient indicates the relationship between variables. This can range from -1.00 to 1.00. A correlation coefficient of 0 indicates no relationship at all, a correlation of 1.0 indicates a perfect positive correlation, and a value of -1.0 indicates a perfect negative correlation (Pallant, 2005).

Table 4.15. Correlation Coefficient

| Correlation Coefficient(r) | Strength of the correlation |
|----------------------------|-----------------------------|
| .50 to 1.0 or -.50 to -.10 | Strong relationship |
| .30 to .49 or -.30 to -.49 | Moderate relationship |
| .10 to .29 or -.10 to -.29 | Small relationship |

Source: Cohen, 1988.

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Therefore, in the next part, the correlation between non-financial rewards and employee retention will be calculated with the help of bivariate Pearson correlation coefficient.

Table 4.16 Correlations Matrix

| | Employee Recognition | Job Autonomy | Supportive Work environment | Learning & development | Employee loyalty | Intention to stay | Employee Retention |
|-----------------------------|----------------------|--------------|-----------------------------|------------------------|------------------|-------------------|--------------------|
| Employee Recognition | | .575** | .582** | .468** | .486** | .605** | .582** |
| Job autonomy | | | .568** | .367** | .630** | .583** | .641** |
| Supportive work environment | | | | .666** | .603** | .665** | .674** |
| Learning & development | | | | | .541** | .598** | .606** |
| Employee loyalty | | | | | | .780** | .934** |
| Intention to stay | | | | | | | .952** |
| Employee Retention | | | | | | | |

****Correlations is significant at the 0.01(2-tailed).**

Source, Own Survey, 2018

4.6.2. The Relationship between Non-financial Rewards & Employee Retention

➤ **Interpretation of output from correlation table**

Table 4.16 illustrates the result of a statistical test for correlation of independent (non-financial rewards) and dependent (employee retention) variables. Accordingly as shown in the correlation matrix table employee recognition correlated with employee retention at correlation coefficient ($r=0.582$ at $p<0.01$), job autonomy correlated with employee retention at correlation coefficient ($r=0.641$ at $p<0.01$), supportive work environment correlated with employee retention at correlation coefficient ($r=0.674$ at $p<0.01$), learning and development correlated with employee retention at correlation coefficient ($r=0.606$ at $p<0.01$), and those coefficients indicate, if

employees are given the appropriate non-financial rewards, they will remain in the company for longer period of time.

Therefore, the Pearson Correlation Coefficient of independent and dependent variables in table 4.16 indicates the existence of a positive relationship and this is in accordance with the hypothesis of the study. When we see the degree of their association, as per the guideline of Cohen's (1988) all independent variables were highly correlated or ($r \geq 0.5$).

4.6.3. Assumptions of Multiple Regression

According to Pallent (2005) SPSS performs collinearity diagnosis on the variables as part of the multiple regression procedures. This can pick up on problem with multicollinearity that only not be evident in the correlation matrix. The results are presented in the table labeled coefficients. The values are given: Tolerance and Variance of Inflation (VIF). Tolerance is an indicator of how much of the variability of the specified independent is not explained by the other independent variables in the model and is calculated using the formula $1-R^2$ for each variable. If this value is very small or less than .10, it indicates that the multiple correlation with other variables is high, suggesting the possibility of multicollinearity. VIF values above 10 would be a concern here, indicating multicollinearity.

Therefore, the result of this study shows that the tolerance value for independent value for employee recognition, job autonomy, supportive work environment and learning and development are found to be .56, .584, .412 and .544 respectively. Therefore, there was no violation of the assumption of multiple regression. With regard to the VIF result, it shows, employee recognition, job autonomy, supportive work environment and learning and development are found to be 1.78, 1.71, 2.42 and 1.83, hence all results are less than 10, which also confirms that multicollinearity was not a problem.

In a normal probability plot of the regression standardized results that were requested as parts of the analysis lie in a regularly straight diagonal line from bottom left to top right. This would suggest no major deviation from normality. Accordingly, the attached appendix probability plot are satisfied the requirement and there were no major deviation from normality.

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In the scatter plot of the standardized residual also shows that the residuals will be most of the cores concentrated in the center. Deviations from a centralized rectangle suggest some violation of the assumptions. With regard to testing the heteroscedasticity, the scatter plot result in the attached appendix shows to some extent rectangular shape with most of the cases are concentrated in the center; therefore, assumption of for multiple regression is fulfilled.

4.6.4. Influence of non-financial reward on employee retention

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

Table 4.17. Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .780 ^a | .609 | .590 | .46243 |

a. Predictors: (Constant), learning & development, Job autonomy, Employee Recognition, Supportive work environment

Source: Own survey, 2018

The model summary of regression results indicates that the adjusted R square (regression coefficient) of 0.59 indicates that much of the variance in the dependent variable (employee retention) is explained by the model which includes non-financial rewards. This also means that the model explains 59% of the variance in retention of employees in BSPE, and for the rest 41%, there are other factors (external to these variables) that made them remain in the company.

Table 4.18. Analysis of Variance (ANOVA) for non-financial rewards and employee retention

| ANOVA ^a | | | | | | |
|--------------------|------------|----------------|----|-------------|--------|-------------------|
| Model | | Sum of Squares | df | Mean Square | F | Sig. |
| 1 | Regression | 27.942 | 4 | 6.985 | 32.666 | .000 ^b |
| | Residual | 17.963 | 84 | .214 | | |
| | Total | 45.905 | 88 | | | |

a. Dependent Variable: Employee Retention
b. Predictors: (Constant), learning & development, Job Autonomy, Recognition, Supportive work environment

Source: Own survey, 2018

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To assess the statistical significance of the result, it is necessary to look in the above ANOVA table. The highest F value and less significance value ($p < 0.001$) indicate that the model reaches statistical significance and this tests the null hypothesis that multiple R in the population is equal to zero.

➤ **Evaluating Effect(Significance) of Each of Independent Variable to Employee Retention**

Table 4.19. Regression Coefficients

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|-------|-----------------------------|-----------------------------|------------|---------------------------|-------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | .177 | .323 | | .548 | .585 |
| | Employee Recognition | .125 | .088 | .129 | 1.418 | .160 |
| | Learning & development | .178 | .061 | .269 | 2.910 | .005 |
| | Job Autonomy | .406 | .107 | .338 | 3.786 | .000 |
| | Supportive work environment | .253 | .118 | .228 | 2.144 | .035 |

a. Dependent Variable: Employee Retention

Source: Own survey, 2018

In order to find the contributions of each independent variable to dependent variable included in the model, it has to be noticed that the value of unstandardized coefficient beta (β). The greater value of beta and less value of significant level ($p < 0.05$) of each independent variable shows the strongest importance to the dependent variable (Pallant, 2005).

Therefore, from the table 4.1.9, the coefficient of independent variables also revealed that job autonomy, learning and development and supportive work environment are significant at $p=0.000$ and $p= 0.005$, $p=0.035$ respectively. This indicates that the three independent variables contributed a lot to the prediction of the dependent variable (employee retention). Since the significant value for employee recognition is not less than 0.05 or ($P > 0.05$), it is not significant as other independent variables. The β coefficient value indicates that a one-degree change in employee recognition, job autonomy, supportive work environment and learning and development cause a variance of 12.5%, 40.6%, 25.3% and 17.8%, degree of importance with

regard to the employee retention respectively. Accordingly, the following paragraphs tests the proposed hypothesis by comparing with the regression coefficient beta results.

Hypothesis 1: Stated that employee recognition has a positive and significant influence on employee retention

Based on the table and justification provided in the preceding paragraph, employee recognition has no significant importance with employee retention, therefore, this finding did not support H₁. This also revealed that employee recognition practice as represented by formal or informal verbal praise or thank you letter, with unstandardized β coefficient of 12.5% at sig value of 0.160 was correlated positively with employee retention but found insignificant, this study was consistent with the previous study of Samuel & Chipunza (2009), which was found recognition practice insignificant for two public sectors organization in South Africa for retention of employee. Other previous studies for instance (Bazezew M, 2017) conducted his study for academic purpose and empirical research of (Khan et al., 2017); found recognition a significant factor of employee retention. Thus, misalignment of culture with the recognition practice of the enterprise may be a reason for being this variable unimportant factor for retaining employees.

Hypothesis 2: Stated that learning and development has a positive and significant influence on employee retention

The second hypothesis testing provided that the unstandardized coefficient of learning and development practice has 17.8% degree of importance in employee retention. The relationship of the independent variable, learning, and development whose t-statistic value was 2.910 at sig value 0.005 with that of the dependent variable is found to be positive and statistically significant, and leads to acceptance of H₂. Meaning those organizational practices like granting full or partial sponsorship program for undergraduate or postgraduate and other like training, conferences and seminars make employees stay in the enterprise. Moreover, if employees are given full or partial scholarship program to pursue undergraduate or postgraduate program or having an opportunity to participate in different kinds of training that are related with their specialization, then they can remain in BSPE for a longer period. This finding is also in

conformity with the previous studies conducted by (Thumbran, 2010, Khan et al., 2017 & Nyaga, 2015).

Hypothesis 3: Stated that job autonomy has a positive and significant influence on employee retention.

Based on the table 4.19, the unstandardized coefficient of job autonomy was calculated to be highly importance whose t-statistic value was found to be 3.786 at p-value of 0.000 with β coefficients 40.6%, which leads to acceptance of H₃. Moreover, job autonomy as represented by discretion in scheduling work, determining how the work will be performed, have a high degree of importance in retaining employees, which evidenced that if management of BSPE gives the necessary empowerment in discretion their work with full autonomy to its employees, they feel accomplishment for the specific task they have assigned and can stay in the organization for a long period. This finding is also similar with other previous studies conducted by (Gagne & Deci, 2005 & Adebayo & Ezeanya, 2011).

Hypothesis 4: Stated that supportive work environment has a positive and significance influence on employee retention.

Based on the results of this study, the finding of the unstandardized coefficient evidenced the importance of supportive work environment on employee retention. The result evidenced that the variable was importance for employee retention with $\beta = 25.3\%$ (whose t-statistic value was 2.144 at P- value of 0.035) which leads to acceptance of H₄. This indicates that having a good support from supervisor, giving a proper constructive feedback regularly to the employees, and having conducive working environment make BSPE employees remain in the enterprise for longer and they will be more interested to stay in the organization. This finding is also similar with other previous studies conducted by (Ramlall, 2003 & Eisenberger, et al., 2002).

CHAPTER FIVE

SUMMARY, CONCLUSION & RECOMMENDATION

5.1. Summary of findings

This study conducted to examine the effect of non-financial rewards on employee retention in Berhanena Selam Printing Enterprise through questionnaire data collected from 89 employees. Therefore summary of findings have been presented as follows:

- ✓ The target group consisted majority male respondents than female.
- ✓ Majority of the respondents who are participated in the study ranging from the age category of 36-45-year-old and are married employees.
- ✓ Majority of the respondents were the first-degree holder.
- ✓ Majority of the respondents served the company between 2-5 years, besides most of the respondents were in a non-managerial position.
- ✓ From the multiple response (dichotomy table) result, highest respondents agreed that BSPE has implemented employee recognition practice, followed by job autonomy, learning and development and supportive work environment.
- ✓ The result of descriptive statistics towards the perception of employees on the non-financial reward practices at BSPE also shows that majority of respondents moderately agree about employee recognition, job autonomy, supportive work environment and learning and development practices.
- ✓ According to the standard mean score comparison, employees' retention status of BSPE shows that they are moderately agreed towards the retention statements.
- ✓ The result of correlation analysis indicated the existence of a strong positive relationship between non-financial rewards and employee retention. This result also consistent with the proposed hypothesis.

- ✓ The model summary of regression results indicates that the adjusted R square was high 59% of the variance in retention of employees in BSPE.
- ✓ The ANOVA result also confirms model summary result found to be significant to employees retention.
- ✓ The result of regression coefficients had also further revealed that non-financial rewards examined in the study were found to be important factor in employee retention at BSPE with different level of importance.
- ✓ Job autonomy found to have the greatest importance in bringing employee retention in BSPE followed by learning and development, supportive work environment, whereas employee recognition practice found insignificant at sig value of $P > 0.05$ as compared to other variables of the study.

5.2. Conclusion

The study attempted to examine the effect of non-financial rewards, such employee recognition, job autonomy, supportive work environment and learning and development on employee retention. Accordingly,

- ✓ The descriptive statistical analysis shows that the level of agreement or perception of respondents towards the non-financial rewards such as employee recognition, job autonomy, learning and development & supportive work environment was moderate. The average agreement for supportive work environment found to be low agreement as compared to other variables of study, thus from the result, the student researcher is conclude BSPE doesn't give much emphasis to employees with regard to supervisors support, giving constructive feedback, provision of an attractive physical working environment.
- ✓ The status of employee retention at BSPE shows moderate; this evidenced that employees level of agreement with regard to staying in the enterprise is not adequate, if they get a chance they will leave, therefore, the management of BSPE has an assignment with regard to nonfinancial rewards that are provided to employees to retain them for longer.

- ✓ The result of correlation analysis also revealed that non-financial rewards have a strong positive association with employee retention. This finding also in line with the proposed hypothesis. Therefore, this result indicates that if non-financial rewards are provided to employees adequately, level of retention of the employee will enhance accordingly.
- ✓ The result of regression model summary result also indicates that those non-financial rewards are found to be highly importance for employee retention at BSPE. Therefore, the student researcher has concluded that non-financial rewards are the most important factor for employee retention at BSPE.
- ✓ The β coefficient result also shows job autonomy has the greatest effect on employee retention, followed by learning and development, and supportive work environment. The contribution of employee recognition practice has found insignificant despite many literatures are supported it, however, this result is found to be similar to Samuel & Chipunza (2009). They found recognition practice insignificant for two public sector organization in South Africa. Therefore, it requires re-visiting and designing of recognition policy and procedure in order to fit the cultural setting of BSPE employees.

5.3. Recommendation

Based on the major findings that have been discussed so far, the following points are recommended for practical application to enhance the retention level of employees in BSPE.

- ✓ The management of BSPE has to improve non-financial rewards practice in order to increase the level of employee retention.
- ✓ Employees have to work with an attractive working environment to be more productive and keep their health.
- ✓ The result of employee retention status found moderate; therefore, management has to do much effort to come up with high status of employee retention.
- ✓ The result of correlation analysis revealed that a positive correlation between non-financial rewards for employee retention. This leads that management of BSPE has to

design different types of non-financial reward packages by doing so, talented workforce can kept for a longer period of time.

- ✓ From the β coefficient result, employees are more influenced by job autonomy; therefore, BSPE has to design a job that is more suitable to its employees to exercise their power and to have autonomy with the work they are doing in order to be satisfied intrinsically and to boost their morale.
- ✓ The management of BSPE should revise the recognition practice. From the findings it revealed that BSPE has practiced recognizing its employees, but its effect is found insignificant than other variables to retain the workforce for a longer period. Therefore, employee recognition practice of BSPE has to revise and care should be taken when implementing it. There is formal and informal employee recognition practice, accordingly, BSPE management has to re-design the existing recognition system and replace with more fitted the cultural setting of the company.
- ✓ The influence and significant level of supportive work environment were low as compared to job autonomy and learning and development variables, this indicates employees do not get the proper support from their supervisors, like by showing proper care to their employees, giving constructive feedback, creating a conducive physical working environment. Therefore, management of BSPE has to give training to supervisors, looking into procedures of assigning supervisors and openly discuss the matter to have a better communication and team spirit between employees and their supervisors to meet the organizational goals effectively and efficiently.
- ✓ Learning and development practice found a significant and influential factor to retain employees in BSPE; hence, management of BSPE has to open opportunities for different type of training that best used to employees to increase their performance in handling their duties. BSPE is pioneer company in the printing area, but from the Human Resource Strategic Plan document, shortage of skilled work force is mentioned as a major challenge to be more competitive in the market, therefore, employees have to get experience from other countries that have better knowledge on the area by inviting them to share their experience.

- ✓ BSPE is having a group of professionals that belong to the most active and energetic age groups may help the company to achieve its goals. The company should keep them for a longer period of time by providing a reasonable amount of non-financial rewards that best fits their age.
- ✓ Management should be proactive to retain its workforce, by continuously re-designing and implementing the new non-financial reward policies and practices, in accordance with the external and internal factors that can affect retention of employees, by ensuring that employees of the BSPE become satisfied with the non-financial reward packages and competitiveness in the market can be improved.

5.4. Suggestion for future research

In this study the positive effect of non-financial rewards on employee retention at Berhanena Selam Printing Enterprise has been identified by taking only professional employees of the company, therefore other researchers can conduct similar research by including nonprofessionals with professional one in order to replicate and confirm this study.

Only four independent non-financial variables have been treated, future researchers can conduct their study by using other non-financial rewards which are supported by different literatures such as, job security, work-life balance, participating in decision making, provision of paternity leave, and carrier advancement opportunity.

Only the effect of non-financial rewards towards retention has been examined here. Thus, other researchers can conduct their research by incorporating financial reward as well as non-financial, which is one of the interesting parts of human resource management that is deeply rooted in every society.

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Appendix I

Addis Ababa University School of Commerce
Department of Business Administration and Information System
MA in Human Resource Management Program
Questionnaire to be filled by Employees, Supervisors and Managers

Dear Respondents:

My name is Elizabeth Dagne and I am a graduate student of Addis Ababa University – School of Commerce. Currently I am conducting my final year project for partial fulfillment of Master’s Degree with the title —**The Effect of Non-financial Rewards on Employee Retention at Berhanena Selam Printing Enterprise**. Therefore, you are voluntarily invited to participate in this research study by filling the following questions.

Thank you for taking the time to assist me in my educational endeavors. Your response will be kept confidential and be used solely for academic purpose. If you are interested to have further information about this study or have any problem in filling the questionnaire, please contact me through:

Mobile No. +251-91-115-46-24 or email: < lizadagne053@gmail.com >

Note :-

- ✓ *Please do not write your name.*
- ✓ *Put “√” or “x” mark in the box to the point which mostly reflects your idea.*
- ✓ *All information will be used only for academic purpose and treated confidentially.*
- ✓ *Your honest and unbiased response will greatly contribute for the research to achieve its objective.*

Part I. Demographic Profile

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

1. Gender

1. Male

2. Female

2. Marital Status

1. Single

2. Married

3. Other

3. Age

1. 18-25 years

2. 26-35 years

3. 36-45 years

4. Above 45 years

4. Highest level of education attended

i. BA/BSc.

ii. MA/MSc.

iii. Doctorate degree

5. How long have you been working for Berhanena Selam Printing Enterprise?

i. Less than 2 years

ii. 2-5 years (less than six years)

iii. 6-10 years (less than 11 years)

iv. 11-15 years

v. Above 15 years

6. What is your position in Berhanena Selam Printing Enterprise?

i. Managerial

ii. Supervisory

3. Non managerial

II. Research Related Questions

A. *Assessment of respondent's opinion about the non-financial rewards that have been practiced at Berhanena Selam Printing Enterprise.*

Please Put a tick (√) or (x) mark(s) on the following non-financial rewards that you believe practiced at Berhanena Selam Printing Enterprise.

1. Employee Recognition
2. Learning and development
3. Supportive Work Environment
4. Job Autonomy
5. Other _____

The following questions are presented on a five point Likert scale. If the item strongly matches with your response choose 5 (Strongly Agree), if you moderately agree on the idea choose 4(Agree), if you do not have any idea or information on the point choose 3 (Neither Agree nor Disagree), if you moderately disagree with the point choose 2 (Disagree) and if you completely disagree with the point choose 1 (Strongly Disagree).

5 = “Strongly Agree”

4 = “Agree”

3 = “Neither Agree nor Disagree”

2 = “Disagree”

1 = “Strongly Disagree”

B. Respondent's agreement on the extent to which non-financial rewards that are practiced at the company.

Instruction: Listed below is a series of statements that represent the working conditions that exist for you in the organization you work. Please indicate your level of agreement with each statement by **circling** the number that represents your situation.

| S.N | Items | 1 | 2 | 3 | 4 | 5 |
|--|---|-------------------|----------|----------------------------|-------|----------------|
| | | Strongly Disagree | Disagree | Neither Agree nor Disagree | Agree | Strongly Agree |
| Questions related to Employee Recognition | | | | | | |
| 1 | My contribution is fully recognized. | 1 | 2 | 3 | 4 | 5 |
| 2 | This company gives me enough recognition for work that I had done it well. | 1 | 2 | 3 | 4 | 5 |
| 3 | I have received an adequate recognition by the company other than the compensation. | 1 | 2 | 3 | 4 | 5 |
| 4 | I am praised regularly for my work. | 1 | 2 | 3 | 4 | 5 |
| 5 | I get credit for what I do. | 1 | 2 | 3 | 4 | 5 |
| 6 | I am told that I am making progress | 1 | 2 | 3 | 4 | 5 |
| 7 | The management awards employees who make difference (achieve high performance) | 1 | 2 | 3 | 4 | 5 |
| Questions related to Job Autonomy | | | | | | |
| 1 | I control the amount of work I do myself. | 1 | 2 | 3 | 4 | 5 |
| 2 | I am completely independent of others.(R) | 1 | 2 | 3 | 4 | 5 |

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| S.N | Items | 1 | 2 | 3 | 4 | 5 |
|---|---|-------------------|----------|----------------------------|-------|----------------|
| | | Strongly Disagree | Disagree | Neither Agree nor Disagree | Agree | Strongly Agree |
| 3 | My work consists of a variety of work. | 1 | 2 | 3 | 4 | 5 |
| 4 | I am allowed to decide on the methods of doing my work. | 1 | 2 | 3 | 4 | 5 |
| 5 | I have certain degree of authority in my work. | 1 | 2 | 3 | 4 | 5 |
| 6 | I have almost complete responsibility for deciding how and when the work is to be done. | 1 | 2 | 3 | 4 | 5 |
| 7 | I do a complete task from start to finish. | 1 | 2 | 3 | 4 | 5 |
| 8 | I have very little freedom in deciding how the work is to be done. | 1 | 2 | 3 | 4 | 5 |
| 9 | My job gives me considerable freedom in doing the work. | 1 | 2 | 3 | 4 | 5 |
| 10 | My job allows me an opportunity to use discretion in scheduling work. | 1 | 2 | 3 | 4 | 5 |
| Questions related to Supportive Work Environment | | | | | | |
| 1 | My supervisor treats me with fairly | 1 | 2 | 3 | 4 | 5 |
| 2 | My supervisor is knowledgeable about my work. | 1 | 2 | 3 | 4 | 5 |
| 3 | My supervisor takes time to listen to me. | 1 | 2 | 3 | 4 | 5 |
| 4 | My supervisor provides me with sufficient information related to my work. | 1 | 2 | 3 | 4 | 5 |

Effect of Non-financial Rewards on employee Retention

| S.N | Items | 1 | 2 | 3 | 4 | 5 |
|--|---|-------------------|----------|----------------------------|-------|----------------|
| | | Strongly Disagree | Disagree | Neither Agree nor Disagree | Agree | Strongly Agree |
| 5 | I receive constructive criticism about my work. | 1 | 2 | 3 | 4 | 5 |
| 6 | My manager provides me with constant feedback about how I am doing. | 1 | 2 | 3 | 4 | 5 |
| 7 | My Physical working conditions are good. | 1 | 2 | 3 | 4 | 5 |
| 8 | There are disturbing noises at my workplace.(R) | 1 | 2 | 3 | 4 | 5 |
| 9 | Heating and Ventilation are working in a desired way in my workplace. | 1 | 2 | 3 | 4 | 5 |
| 10 | My workplace supports my wellbeing. | 1 | 2 | 3 | 4 | 5 |
| Questions related to Learning and Development | | | | | | |
| 1 | The organization I work for invests in my development and education promoting my personal and professional growth in a broad manner | 1 | 2 | 3 | 4 | 5 |
| 2 | The organization I work for stimulates learning and application of knowledge. | 1 | 2 | 3 | 4 | 5 |
| 3 | The organization I work for helps me develop the skills I need for the successful accomplishment of my duties. (e.g. training, conferences, Seminars) | 1 | 2 | 3 | 4 | 5 |

Effect of Non-financial Rewards on employee Retention

| S.N | Items | 1 | 2 | 3 | 4 | 5 |
|--|---|-------------------|----------|----------------------------|-------|----------------|
| | | Strongly Disagree | Disagree | Neither Agree nor Disagree | Agree | Strongly Agree |
| Questions related to employee Retention | | | | | | |
| 1 | I am prepared to put in a great deal of effort beyond what was normally expected, in order to help this company to be successful. | 1 | 2 | 3 | 4 | 5 |
| 2 | I feel a lot of loyalty to this company. | 1 | 2 | 3 | 4 | 5 |
| 3 | I really feel as if this company's problems are my own | 1 | 2 | 3 | 4 | 5 |
| 4 | I speak positively about this company when talking to customers, friends and relatives | 1 | 2 | 3 | 4 | 5 |
| 5 | I would recommend this company to a friend if he/she is looking for a job. | 1 | 2 | 3 | 4 | 5 |
| 6 | I am not thinking about quitting my job at the present time.(R) | 1 | 2 | 3 | 4 | 5 |
| 7 | This is the best company for me to work with | 1 | 2 | 3 | 4 | 5 |
| 8 | I would be very happy to spend the rest of my career with Berhanena Selam Printing Enterprise. | 1 | 2 | 3 | 4 | 5 |

Thank you once again for completing the questionnaire!!

Appendix II

Collinearity Diagnostics

| Model | | Correlations | | | Collinearity Statistics | |
|-------|-----------------------------|--------------|---------|------|-------------------------|-------|
| | | Zero-order | Partial | Part | Tolerance | VIF |
| 1 | (Constant) | | | | | |
| | Employee Recognition | .582 | .153 | .097 | .560 | 1.786 |
| | Job Autonomy | .641 | .382 | .258 | .584 | 1.711 |
| | Supportive Work Environment | .674 | .228 | .146 | .412 | 2.429 |
| | Learning & Development | .606 | .303 | .199 | .544 | 1.838 |

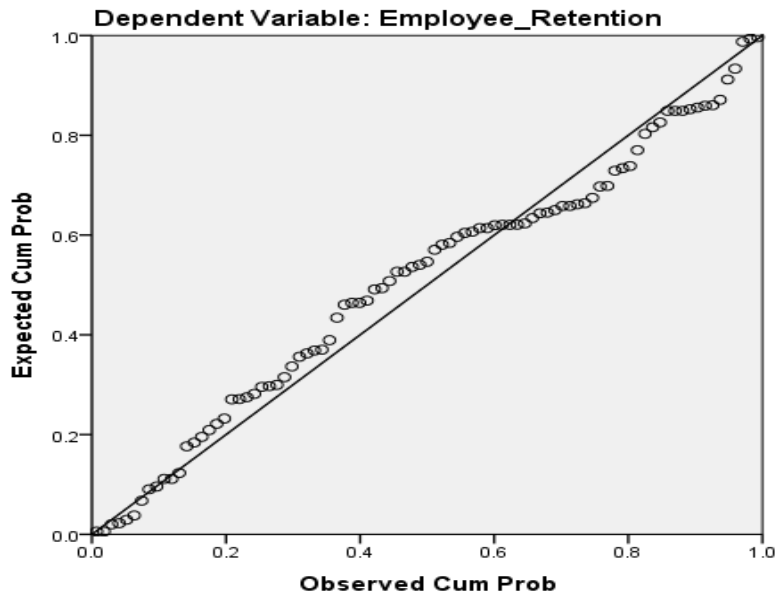
Model Summary^b

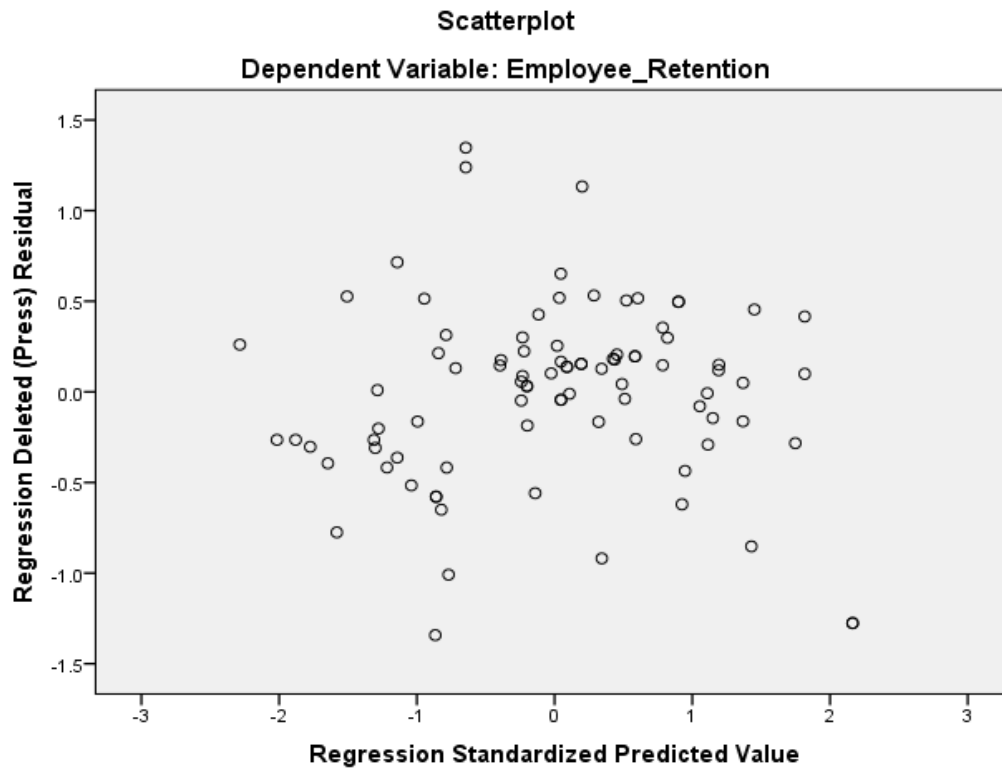
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
|-------|-------------------|----------|-------------------|----------------------------|---------------|
| 1 | .780 ^a | .609 | .590 | .46243 | 1.871 |

a. Predictors: (Constant), Learning & development, Job Autonomy, Recognition, supportive Work Environment

b. Dependent Variable: Employee Retention

Normal P-P Plot of Regression Standardized Residual





Appendix I: Questionnaire

Appendix II: Regression Assumptions