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St. Mary's University, Ethiopia

St. Mary's University
School of Postgraduate Studies
Department of MBA

**The Effect of Reward Practice on Organizational
Commitment in the Save the Children International
Ethiopia Country Office**

**A Thesis Submitted to School of Postgraduate Studies of in Partial
Fulfillment of the Requirements for the Degree of Masters of
Business Administration /MBA/.**

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DECLARATION

I, Siul Neway, Registration Number/I.D. Number MBA SGS 0319/11A, do here by declare that this Thesis is my original work and that it has not been submitted partially; or in full, by any other person for an award of a degree in any other university/institution. All the sources I used or quoted have indicated and acknowledged by complete references.

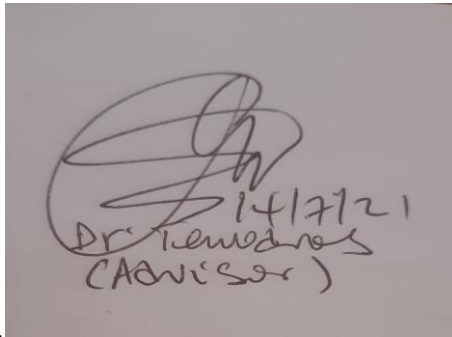
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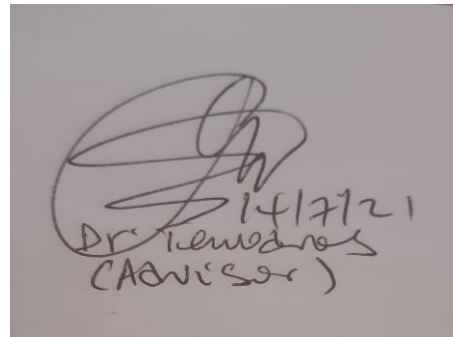
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ABBREVIATIONS AND ACRONYMS

NFR	Non-financial reward
FR	Financial reward
AC	Affective commitment
NC	Normative commitment
CC	Continuance commitment
MANOVA	Multi variant analysis

ABSTRACT

The purpose of this research was to examine the effect of Reward Practice on Organizational commitment in Save the Children Ethiopia Office. The research intended to look separately at the effect of both aspect of reward, financial and non-financial, on organizational commitment by taking employees on different positions and job grades in Head office located at Addis Ababa as target population. A Stratified random sampling technique was applied, to draw a sample size of 176. Both descriptive and inferential statistical techniques were used to analyze the data. Correlation analysis was conducted to see the relationship between reward and organizational commitment. The findings of the study highlighted the fact that financial rewards; Benefit has strong relationship with components of commitment except Affective commitment which it has no relationship. Whereas, Compensation has no relationship with affective commitment, but it has weak relationship with continuance and normative commitment. Non-financial reward i.e. learning has a large and strong positive relationship with components of commitment. Performance and development exhibited moderate but statistically significant positive association with affective and normative commitments respectively. Benefit, performance, learning & development exhibited strong & large relationship with overall Organizational commitments. The estimated result revealed that all of the explanatory variables have significant positive effect on the dependent variable organizational commitment. Learning has higher significant effect on organizational commitment in the case of the Save the Children International Ethiopia Country Office under study. Recognition has no significant effect on organizational commitment and compensation. It has been recommended, as a result, the Save the Children is expected review its financial reward packages both in terms of their fairness and transparent procedure so as to increase the turn of high level of organizational commitment through the investment made on these rewards. Moreover, Save the Children is advised to give priority and focus more on non-financial rewards to bring positive impact of commitment in the workplace.

Key Words: *Reward, Financial Reward, Non-financial Reward, Organizational Commitment*

CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

Human Resource is a critical resource of organizations that has predominate effect in the realization of sustainable competitive advantage through creation of unique organizational values. Things/activities that are considered as strategic matters to the success of an organization are accomplished through people. The proper management of one's human resource as a result determines the active involvement and commitment of employees in attainment of organizational strategic performance objectives (Armstrong, 2008).

Organizational commitment is significant part of an employee's psychological conditions because of employees, who experience high organizational commitment, are theorized to display much positive workplace behavior, such as high job performance, and citizenship activities, which will definitely benefit the organization (Mathieu & Zajac, 1990).

Organizations need to consider different strategies that enable them to get the heart and mind (commitment) of their employees that is to positively influence them to be loyal and delivery even beyond what is expected of them. When people have the opportunity to act on their own initiative, to shape their own work, to develop their knowledge and competences and feel they are rewarded for making a difference, they can do great things to their organization as they start to personally feel responsible to the success level of their organization (Jackson et. al. 2010). This implies that organizations so as to accomplish their mission should by any means focus their attention on increasing the level of their employees' commitment.

Organizational reward is considered as one of the crucial human resource practices that play pivotal role in influencing employees' behavior that make them committed to their organization. People's behavior tends to be certainly manipulated in such a way for whatever purpose they are deployed - be it positive or negative, as far as they are persuaded to have a faith on it. By explicitly linking fair rewards to positive employees' behaviors, therefore, organizations

can expect to see increased individual satisfaction, commitment and job performance (Jackson et. al. 2010). It is, therefore, necessary for organizations to design effective reward systems based on employees' best interest, skills and competences as well as in congruence with the organizational goals so as to improve employees' organizational commitment and thereby the overall organizational performance (Armstrong & Murils, 2004).

Danish and Usman (2010) noted that employees are fully motivated and satisfied with their jobs when their needs are met and this may lead to increased organizational commitment. This implies that employees' organizational commitment is based on the ability of an organization to recognize and reward its employees in respect to their input.

Save the Children is one of the humanitarian organizations which is operating in Ethiopia. Save the Children 2030 Global Ambition is to achieve 3 Breakthroughs for world's most vulnerable and marginalized children. To achieve its ambition, it has created a global 2016-2018 Strategy which comprises 9 Priorities, one of these is High Performing Organization

To achieve its ambition for 2030 to be exemplary for other international humanitarian organizations it needs to work in a more efficient and effective way, so that it can put its resources to the best use of the organization. It is aiming to be a High Performing Organization. To do this the organization is continuously fixing the basics, harmonizing its process, wherever beneficial, across this key operational functions. Finance, IT, Supply chain, HR, Programs and Awards and organizational wide. From the HR perspective has focused to attract, retain and develop committed, capable and diverse people.

This study is, therefore, aimed to investigate the Effect of Reward Practice on Organizational commitment in the context of Save the Children Ethiopia Country Office; previously, some researches, (Meskerem 2017) (Negus 2017) have been conducted on the relationship between reward practices and organizational commitment in profit making organizations. The current study differs from the previous ones it considers and focuses on an International Organization Non-Governmental Humanitarian Organization and it has broad base of reward packages, both financial and non-financial rewards as independent variables and organizational commitment as dependent variables.

1.2. Statement of the Problem

Armstrong (2010) highlighted that both financial and non-financial reward have positive relationship with engagement, which is broader definition of commitment, but non-financial reward is more related with engagement. He also indicated that the debate on the relationship between reward & motivation is applicable to the relationship between reward & commitment. But it does not show the psychological status of the engaged / committed employees. But it doesn't show the commitment from three dimensional perspectives. i.e does the commitment arises from emotional attachment (affective commitment) or lack of alternative (continuance commitment) or due to moral obligation (normative commitment) and how the identified rewards related with the multidimensional of commitment.

Mayer & Allen (1990) has examined the antecedents of the three organizational commitment namely affective, normative & continuance commitment. All of the identified antecedent are elements of total rewards, however the antecedent didn't include all elements of total reward such as salary which is an important component of nonfinancial reward. In addition to this The researches didn't examine the relationship from reward perspective instead of simply identifying simply as antecedent of commitment.

As per the preliminary research Post Distribution Monitoring Surveys, Program Review Meeting with Stakeholders and Quality Benchmark Monitoring (QBM) conducted periodically many complaints come from from government beneficiaries and other stakeholders due to some humanitarian organizations employees are not cooperative enough to response to the demands of the stakeholders and they lack sense of commitment and responsibility towards their job.

Humanitarian organizations such as Save the Children, other than the expectations from government and beneficiaries, they face high competition from other similar organizations to fundraise money (Rahman, 2012). Organizations are worrying about as to how to increase their coverage and meet all the expectations through its committed employees. Hence, Save the Children is obliged to look at itself and adjust the reward practice.

The humanitarian organization exists in an intensely dynamic environment. In such environment, capability to retain efficient and experienced workforce in an organization is very crucial for the overall performance of the organizations. The highly motivated employees serve as the best advantage for companies because their performance leads an organization to well accomplishment of its goals. However, seeking to acquire or acquiring of highly qualified employees may not result success without being able to motivate employees to attain the organizational goals. Motivation depends on financial and non-financial reward which results in fully committed employees (Ali and Ahmed, 2009)

The most important thing in delivery of quality service is the individual motivation of employees. Front line professionals have a duty to treat clients in a caring and professional way. Yet it continues to struggle with multiple complex issues that affect these expectations. One of the challenges that are observed is lack of commitment among front line workers and professionals. The staffs do not want to stay on their assigned position for more than a year because of the number of problems they have related with the company reward practice like salary, benefit, promotion, working condition, recognition and work content are major source of demotivation for staffs (Seifu,2018). Consequently, the reason needs to conduct this study are, in many occasions the researcher has observed that many employees seems are not committed to their work and they lack trust and belongingness to the company.

The relationship between reward and commitment is no explored well in different culture and countries and the study would like to explore how look like the relationship with different culture Armstrong (2010) stated that all component of to rewards must applied integrate to enhance employees motivation and commitment but there is no clear answer when we come to the question which one is more important such as is extrinsic or extrinsic reward or financial or non financial reward? Which component of reward is powerfully associated with the organizational commitment? There is still a debate on the relative impact of different reward on employees' behavior. Therefore, in addition to the stated problem, it is evident that there is a knowledge gap to be filled in relation to non-governmental organizations in particular. Therefore, the purpose of this study was to determine the effect of reward practice on organizational commitment in Save the Children International Ethiopia Country Office.

1.3. Research Questions

The researcher is intended to answer the following questions.

- I. What is the reward management practice of the organization?
- II. What is the relationship between financial & non-financial rewards with component of commitment?
- III. Does the reward have significant effect on organizational commitment in Save the Children?

1.4. Objective of the Study

1.4.1 General Objective

The general objective of this study is to assess the Effect of Reward on Organizational Commitment in the Case of Save the Children International.

1.4.2. Specific objectives

The specific objectives of this study are:

- I. To identify the reward management practice available in the organization.
- II. To examine the relationship between reward (i.e financial & non-financial reward) and components of commitment (i.e affective, normative & continuance commitment).
- III. To investigate the effect of financial & non financial reward practice on organization commitment.

1.5 Research Hypothesis

- i. Financial Reward (Benefit & Compensation) has significant & positive relationship with organizational commitment Humanitarian Organizations (H₁)
- ii. Non-Financial Reward (Learning, Recognition, Development & performance) has significant & positive relationship with organizational commitment Humanitarian Organizations (H₁)

1.6. Operational Definitions of Terms

- **Rewards** are defined as awards offered to employees for contributing towards organizational goals. It is looked at in both monetary and non-monetary terms form.
- **Rewards management:** Reward management refers to those processes, policies or strategies designed to ensure that employees contribution towards the organization is adequately recognized by employees using both cash and non-cash rewards
- **Salary** is the monetary earnings by an employee for the job done. Salary paid should be both appropriate and competitive. It must be reasonably competitive to those working within the same industry and offering the same or similar service.
- **Compensation packages and benefits:** These are rewards that are given on top of the salary to make employees more comfortable at their place of work for example housing allowance, transport allowance among others.
- **Job security:** This means income security derived from employment, either permanent employment or self-employment.
- **Recognition** It can come in terms of an open praise or awarding of certificate to an employee on achievement of the set goals or his involvement in the company activities
- **Employee Commitment:** It is a psychological attachment of an employee to the organization
- **Organizational commitment:** The multidimensional states were (1) **Affective** (the feeling towards the tasks or the emotions or feelings towards a given organization), (2) **Continuance** (missing our friends if we leave), and (3) **Normative** organizational commitment (the obligation that we have for the company such as years of services expected from us), as measured by the total subscale scores on the Affective, Continuance and Normative Commitment Scales.
- **Reward policy:** A reward policy is a strategy that the organization puts in place to fairly and equitably compensate employees according to the value brought to the organization (Armstrong, 2003).

1.7. Significance of the Study

The study has a number of contributions from practical & theoretical point of view. The outcomes of the study will be useful to employees, managers and the organizations as humanitarian organization. The findings of this study would be particularly useful to Save the Children and other Nongovernmental nonprofit making organizations to comprehend how they can do better to understand the relationship of reward on organizations and subsequently improve their employee commitment based on the findings. The study has offered valuable insight to the management of Save the Children about the reward practices for employee commitment. In addition, it could add information to the empirical knowledge about the link between reward practices and employee commitment. Since organizational commitment deals with the psychological condition of employees, employees with different cultural background would have different mindset, perceptions and behaviors/attitudes, towards their job and the environment surrounding them. Thus, this study could be supportive also to the literature either in generalization of the findings of the previous studies in this regard or contributing another new insight as the study is conducting in context of Ethiopian. Moreover, this study may serve as an input for other researchers or companies to conduct further researches in the area and it also will provide useful information to policy makers and planners to ensure that organizations have enhanced output through integration of the reward practices in their operations.

1.8 Delimitation/Scope of the Study

Despite the fact that, organizational commitment is affected by different contingent and behavioral factors and since reward management is a very wide theory, this study was delimited to assess only the role of financial and non-financial rewards on the employees' commitment. Moreover, Organizational Commitment is also a complicated and diverse area; however, the study could not cover all components of commitment.

Even though the organization has three hubs offices in Ethiopia and thirty-eight Regional Offices, the population for the study was employees Country Head Office and Addis Ababa project office.

Therefore, the study would have been more comprehensive if samples had been taken from all regional and field offices.

1.9. Limitation of the Study

Save the Children International is one of the biggest international humanitarian organization in Ethiopia with huge national geographic coverage which operates in every region in Ethiopia with many field offices. With the hugeness of the organization (both in geographic coverage and number of employees) and its longer history in Ethiopia it is difficult to assess the attitude and opinion of the whole employees due to time and budget constraints. So, the study is confined on employees working in the Head Office and Addis Ababa project offices which consists about twenty-five percent of the employees. Moreover, due to nature of data set, the study was used cross sectional data i.e. the data were collected at a point of time only.

Also as another limitation, as the researcher was an employee of the same organization while conducting the research, assuming that it might not get honest feedback from face to face meetings and briefings with some staff members to share their opinion towards the current reward practices of the organization. So questionnaires' and existing official polices and documents were used to collect the data used.

1.10. Organization of the Paper

This paper has five chapters. The first chapter is an introduction which consists of background of the study, statement of the problem, research questions, objectives, significance, scope and limitation of the study. The second chapter presents review of related literature with respect to the theoretical perspective of reward and commitment and empirical studies on the relationship between reward and commitment and the third chapter is research methodology. Data collected from employers record and from respondents were presented and analyzed in the fourth chapter, and the last chapter was summary of findings, conclusions and recommendations based on the findings.

CHAPTER TWO

LITERATURE REVIEW

2. Introduction

In this section literatures with respect to aim of the study thoroughly expounded. The chapter begins with by giving a theoretical review of the key theories and related literature which were used to study employee reward and commitment and then empirical studies of different scholars were presented and finally presented a summary of the literature reviewed.

2.1. Theoretical Literature Review

2.1.1 The Concept of Reward

Reward has been defined in various ways by different scholars. According to Jeffery Gold (2010) reward refers to all forms of financial returns and tangible services and benefits employees receive as part of an employment relationship. In the similar way Wilson (2010) also defined reward as an external agent administered when a desired act or is performed, that has controlling and informational properties. He went further to explain that rewards are usually administered to increase the probability of an event occurring, depending on the saliency and direction of the controlling and informational aspects of the reward

Reward is the compensation which an employee receives from an organization (mainly refer to enterprises) for his or her service. It not simply contains direct currencies and other forms which can convert to currencies, but also a comfortable office, favorable interpersonal relationship inside the organization, having access to decision-making involvement, the challenge and sense of achievement and preferable growth opportunities (Jiang, 2009).

Reward management is concerned with the formulation and implementation of strategies and policies that aim to reward people fairly, equitably and consistently in accordance with their value to the organization. It deals with the design, implementation and maintenance of reward processes and practices that are geared to the improvement of organizational, team and individual performance (Armstrong & Murlis 2007).

Management of rewards is considered a process to develop, operate, Implement and evaluate reward policies and practices that can identify value and recognize employees basing on the contribution they bring to the organization. It should therefore serve as a motivator for employees to commit to the organization (Armstrong et al, 2010).

Armstrong (2012) noted that a reward management strategy should ensure that organizational objectives are supported by employees through the culture of performance. Karami et al, (2013) noted the importance of an effective and timely reward system enhance employee motivation employees' motivation which to improve employee commitment to the organization as well as organization achieving its goals. Wang and Fen, (2003) also noted reward management to be a strong variable that influence organizational performance and ethics. The reason is that rewards direct the overall attitude of an employee towards the Job.

Reward system is an important tool that management can use to channel employee motivation in desired ways. In other words, reward systems seek to attract people to join the organization to keep them coming to work and motivate them to perform to high levels. The reward system consists of all organization components-including people processes rules and decision making activities involved in the allocation of compensation and benefits to employee in exchange for their contribution to the organization (Pratheepkanth, 2011).

2.1.2 The Aim of Reward

According to Armstrong and Mursil (2004), the strategic aim of reward management is to develop and implement the reward policies, processes and practices required to support the achievement of the organization's business goals. They specify the specific aims are:

- ❖ To reward people for the value they create. If employees get recognition for what they have accomplished, they will be encouraged to increase their commitment level for achieving advanced results in different performance parameters;
- ❖ To reward the right things to convey the right message about what is important in terms of expected behaviors and outcomes. Reward help organization to develop employees' self control mechanism as the reciprocity theory or exchange theory describes employees tend to demonstrate high commitment to show the behavior that intended by the organization and let them get the rewards that satisfy their current needs;

- ❖ To facilitate the attraction and retention of the skilled and competent people the organization needs, thus ‘winning the war for talent’. It is advisable to be employer of choice in the labor market by setting various rewards based on employees’ value propositions. Such kinds of practices have significant positive impacts on influencing talented employees to be loyal to the organization and at the same time get the potential to attract new talented recruits from the labor market;
- ❖ To help in the process of motivating people and gaining their commitment and engagement. Motivation is just arousing the interest or the work appetite of employees so that so as to doing so the organizations have to create an appropriate reward system. If employees are encouraged, they tend to increase their commitment to the desired level;
- ❖ To develop a positive employment relationship and psychological contract. Having an appropriate reward system that recognizes employees’ contributions and performed based on procedural justice, equity and fairness, leads to a development of a great trust in relationship between the employer and employees. If there is trust between the employer and employees, high commitment level will be displayed by the employees.

2.1.3 Elements of Reward

The elements of reward management consist of reward policies, practices, processes and procedures, notably, reward policies address broad issues of the level of rewards, taking into account the labor market, achieving equal pay, the relative importance attached to external competitiveness and internal equity, the approach to total reward, the scope for the use of contingent rewards related to performance, competence, contribution or skill, the role of line managers and transparency – the publication of information on reward structures and processes to employee (Armstrong & Murlis, 2007).

Reward Policies: - According to Armstrong and Murlis (2007), reward policies provide guide lines for the implementation of reward strategies and design and management of reward processes. They will be influenced strongly by the guiding principles and reward philosophy of the organization. The reward policy will be concerned with, the level of rewards, the relative importance attached to market rates and equity, attraction and retention of employees, the match between rewards and business performance, total reward policy, the need to communicate reward

policies to employees and transparency.

Reward Practices: - It consists of the grade and pay structures, techniques such as job evaluation, and schemes such as contingent pay used to implement reward strategy and policy. For example, the policy on pay leaves will lead to the practice of collecting and analyzing market rate data and making pay adjustments that reflect market rate of increase.

Reward Philosophy: - The reward philosophy advocates that if human resource management (HRM) is about investing in human capital from which a reasonable return is required, then it is proper to reward people differentially according to their contribution (i.e. the return on investment they generate). The philosophy of reward management also recognizes that it must be strategic in the sense that it addresses longer-term issues relating to how people should be valued for what they do and what they achieve. Reward strategies and the processes that are required to implement them have to flow from the business strategy (Armstrong & Stephens, 2005). According to Milkovich, et al, (2009), reward strategy should be assessed from the aspect of its objective, alignment with the business strategy, competitiveness both internally and externally, its contribution, and transparency and openness.

2.1.4. Total Reward Approach

The current focus among reward literature has moved from the emphasis put on financial rewards to total rewards approach. The total reward concept emphasizes the importance of considering all aspects of reward as an integrated and coherent whole (Armstrong & Mursil, 2004). Armstrong continued to stress that “essentially, the notion of total reward says that there is more to rewarding people than throwing money at them.” Therefore, total reward approach takes both financial and non-financial forms of reward packages.

According to Abraham Maslow’s hierarchy of needs theory, people are found at different stages of set of needs, and this determines their level of interest on anything; they are to be highly interested on those things that satisfy their current needs. Therefore, organizations have to carefully select the right rewards that respond to individual needs. Some are motivated by money, while others are motivated by recognition and career advancement or personal growth; which is not direct or instant material benefits. Thus, it is wrong to assume that everyone shares

the same motivator and needs.

According to Kessler & Purcell (1992), as cited by Khan et al., financial rewards provided to employees individually have a tendency to improve culture that focuses on boosting the quality of performance. On the other hand, according to Chiang & Birtch (2009), as cited by Khan et al., rewards that are non-financial in nature, such as the provision of an increase in holidays, and increases in family benefits, contribute towards the employee perceiving his/her workplace as a ‘supporting and caring’ organization.

The benefits of a total rewards approach are presented below as illustrated by Armstrong (2010):

- Greater impact: the combined effect of the different types of rewards will make a deeper and longer-lasting impact on the motivation and commitment of people.
- Enhancing the employment relationship: the employment relationship created by a total rewards approach makes the maximum use of relational as well as transactional rewards and will therefore appeal more to individuals.
- Flexibility to meet individual needs: as pointed out by Milkovich and Bloom (1998): ‘Relational rewards may bind individuals more strongly to the organization because they can answer those special individual needs.’ Kantor and Kao (2004) comment that: ‘Companies today are managing a much more heterogeneous population. For the diverse workforce, no single component becomes a value driver. Employees have choices to make and a need for greater flexibility.’
- Attraction and retention: relational rewards help to deliver a positive psychological contract. The organization can become an ‘employer of choice’ and ‘a great place to work’, thus attracting and retaining the talented people it needs.

2.1.4.1. Financial Rewards

Financial rewards are all rewards that given to employees in the form of monetary values and add up to total remuneration – base pay, pay contingent on performance, contribution, competency or skill, pay related to service, financial recognition schemes, and benefits such as pensions, sick pay and health insurance (Armstrong, 2010). Such rewards are extrinsic in nature that employees receive from the external sources, usually from the management and the

working environment, instead of arising from the job itself. The management of a reward system therefore requires decisions on levels of pay, how jobs should be valued, the design and operation of grade and pay structures and the choice of benefits.

Base pay

It is the core payment made by the employer for work performed and usually tends to reflect the organizational value of either the work that the employee undertakes or the value of skill and competency who is undertaking the work. It is directly related to time and the rate is calculated in terms of number of hours, week or month that the employee performed the task given (Thorpe and Homan, 2000).

Base pay should be value-added and competitive with the market in general, for which it is common to use individual rates, ranges, spot rates and broadband. When setting pay levels, ability to pay is paramount, supported by an examination of market rates, which may also be supported by a job evaluation database (Armstrong, 2010). Henderson (2006) stated that pay rates must be equitable and competitive. Internal equity refers to the pay relationships among jobs within a single organization. This are translated into practice by the basic techniques, job analysis, job evaluation, and performance appraisal. External competitiveness refers to comparisons of the organization's pay relative to the pay of competitive organizations. Equitable and competitive base pay is seen as a key requirement if key talent is to be recruited and turnover reduced (Henderson, 2006).

Variable Pay

It is a flexible pay given to employees based on their individual, team or organizational performance. It is commonly known by the name 'pay at risk' hence getting the pay guaranteed only when there is a good performance. The most common types of variable pay for most employees are bonuses and incentive program payments. Executives often receive longer-term rewards such as stock options. There is reason to believe that performance-based policies for rewarding top managers that link equity-based incentives to performance are effective (Armstrong and Murlis 2005).

Benefits

These are benefits given to employees in addition to their salary/wage. Such benefits are those monetary and non-monetary benefits given to the employees during and post-employment period which are connected with employment but not to the employee's contribution to the organization. They are also known by the name fringe benefits. Authors like Cascio (2003) claim that fringe benefits covers bonus, social security measures, retirement benefits like provident fund, gratuity, pension workmen's compensation, housing medical, canteen, Co-operative credit, consumer stores educational facilities, recreational facilities financial advice and so on.

2.1.4.2 Non-financial Rewards

Non-financial rewards cover broad spectrum of psychological condition that focus on the needs people have to varying degrees for recognition, achievement, responsibility, autonomy, influence and personal growth. They incorporate the notion of relational rewards, which are the intangible rewards concerned with the work environment (quality of working life, the work itself, work-life balance), recognition, performance management, and learning and development (Armstrong, 2010). Non-financial rewards can reinforce membership behavior, enhance employee wellbeing, work-life balance, job satisfaction, organizational commitment and improve work motivation and performance. With non-financial rewards, employees have greater scope to believe that their organization values them and is willing to invest in them (training and development), which is more likely to increase their motivation. Non-financial rewards have a broader latitude and long-term focus in terms of loyalty and performance.

- **Recognition**

Recognition of work is the essence of securing good work. It is one of the most powerful motivators. Efficient people would naturally like to get recognition for their skill and excellence in their work. Such recognition can do many things that what a cash reward can do. Armstrong and Murlis (2005), underlined on the point that, recognition is supposed to be given judiciously. That is, it must be related to real achievements of employees. The recognition given will have a great impact if it is followed by provision of achievement bonuses awards.

- **Training**

Training directly impacts employee performance and commitment further affecting organizational performance because it creates Job satisfaction (Apospori et al, 2008). It helps the organizations function both effectively and efficiently (Moorman et al, 1993). Organizations should make investments in training programs in order to empower its employees in achievement of organizational goals Bassanini & Scarpetta, (2002). Meyer et al, (2003) noted that employee training is also related to socialization in the workplace and this contributes to employee retention through employee commitment, provides employees with means to deal with Job related stress and creates a culture of caring within the organization.

Training and learning opportunities represent enough value for individuals to affect their work satisfaction, engagement, and loyalty. Hence, this is a leading area for increased reward investment. Furthermore, many employers who are Investors in People consider their learning and training processes more strategically as a means of ensuring that they have the required skills among their workforce. One reason why employees place such value upon the opportunity to learn new skills is that this personal development not only allows them to progress in their organizations, but it also promotes their competitiveness and employability in the labor market. In order to stay marketable and thus employable, workers must acquire both skills and experience.

- **Opportunity to grow**

Alderfer (1972), as cited by Armstrong, emphasized the importance of providing people with opportunities for personal growth as a means of rewarding and therefore motivating them. He believed that satisfaction of growth needs takes place when individuals have the opportunity to be what they are most fully and to become what they can. Most learning and development opportunities take place in the course of everyday work, and the organization can encourage this through coaching, mentoring and support in the implementation of personal development plans created as part of the performance management process. Companies themselves must be clear about available career paths, as well as the criteria for making lateral and diagonal moves (Armstrong and Murlis, 2005)

- **Performance Management**

Performance consists of many drivers and metrics. Drivers are the objectives, standards and desired outcomes; they are the focus of attention of those with the objectives. Metrics are the measurements of the results compared with the objective, determining the degree of success.”

The management of employee performance is an effective means of providing reward serving as the basis of a talent management framework (Armstrong & murlis 2005).

Therefore, to be effective, performance management requires a comprehensive and structured approach in which both the organization and the employee believe that “what is being defined as performance is both reasonable and relevant, and agree that it is rewarded equitably, competitively and appropriately.

More specifically, such a system requires the organization to establish goals that align individual objectives with those of the company and business unit, to identify expectations in respect of behavior and results, and to provide important feedback on performance to support career development (Armstrong, 2010). Furthermore, He argues that employers must provide the support and tools that line managers and employees need to reach their goals as well as guidance along the way to help promote success

- **Job security**

Job security refers to income security from either permanent employment, contract employment or self-employment. According to Auer (2007), security is derived from the level of supply of human capital of the qualified employees on one hand and the functions of the labor market and supply on the other hand. Job security as defined by Dekker, (2008) refers to protection against unfair and unjustified dismissals. Employment security means protection against unnecessary dismissal from the job (ILO,1995). In their study, Wilthagen, (1998), stated that Job security not only is it important for providing income security but also we should not underestimate the non-pecuniary benefits for example the sense of social participation, psychological effects on self-confidence and self-respect that it provides.

- **Working Condition**

The conditions in which an individual or staff works, including but not limited to such things as amenities, physical environment, stress and noise levels, degree of safety or danger, and the like. Research has shown that many employees have a positive attitude towards working in an environment that is both safe and equipped with modern, appropriate tools. Such working conditions, particularly when an area is well-designed, well-organized and pleasant to spend time in, result in significant improvements to workers' attitudes towards their jobs (Armstrong and Murlis, 2005).

The researcher is in agreement with the above assertion that both monetary and non-monetary rewards are powerful and effective in influencing employees' commitment and this therefore has prompted the researcher to carry out a study in Save the Children to find out how both monetary and non-monetary rewards affect employee commitment.

2.1.5 Concepts of Employee Commitment

According to Price, (2011), employee commitment to the organization refers to the degree of involvement and attachment an employee has with organizational values and goals. It is the desire to stay in an organization if an employee has confidence in its principles and goals. Armstrong, (2012) states that commitment means allegiance and feelings of an employee to the organization. It signifies both behavior and the feelings.

Organizational commitment is the employees' state of being committed to assist in the achievement of the organization's goals, and involves the employees' levels of identification, involvement, and loyalty (Caught & Shadur, 2000). It is an emotional response that can be measured through people's behaviors, beliefs, and attitudes and can range anywhere from very low to very high.

Organizational commitment is, in general terms, an employee's sense of attachment and loyalty to the work and organization with which the employee is associated. It is defined in terms of an employee's attitudes and intentions. Employees are said to be committed when their goals are congruent with those of the organization, when they are willing to exert effort on behalf of the organization, and when they desire to maintain their connection with the organization (Nafei, 2014).

Employee commitment seems to be a crucial factor in achieving organizational success. Individuals with low levels of commitment will do only enough to work by. They do not put their hearts into the work and mission of the organization. They seem to be more concerned with personal success than with the success of the organization as a whole. People who are less committed are also more likely to look at themselves as outsiders and not as long – term members of the organization. An attractive job offer elsewhere is very likely to result in their departure. By contrast, employees with high commitment to an organization see themselves as an integral part of the organization. Anything that threatens the organization is an imminent danger to them as well. Such employees become creatively involved in the organization's mission and values, and constantly think about ways to do their jobs better. In essence, committed employees work for the organization as if the organization belongs to them (Farrukh et al., 2017).

Organizational commitment has been operationalized as a combination of three distinct factors: (1) a strong belief in and acceptance of the organization's goals and values; (2) eagerness to work hard for the organization; and (3) desire to remain a member of the organization (Grusky, 1966), as cited by Nishat & Al-Esmael. Gallie and White (1993) said that “committed employees are more satisfied, and organizational commitment plays an essential role in the goal achievement, innovation, and stability of an organization”.

2.1.6 Components of commitment

Meyer and Allen (1997) incorporated attitudinal and behavioral approaches into a holistic definition of commitment. They conceptualized commitment as a psychological state restricted, not by value congruence only, but rather by a desire, a need and/or an obligation to maintain membership in the organization. Their model is considered as the first to view commitment as multidimensional. Based on previous research, they proposed three aspects of commitment.

Affective/Emotional or moral commitment

It occurs when individuals fully embrace the goals and values of the organization. They become emotionally involved with the organization and feel personally responsible for the organization's level of success. These individuals usually demonstrate high levels of performance, positive work attitudes, and a desire to remain with the organization. In

detail, there are three aspects that together constitute the affective commitment: a) a strong belief in the goals and values of the organization and the employees' acceptance of these, b) the readiness to lend one's support to the organization, and c) a strong need of the employees to maintain their membership in the organization (Mowday et al., 1982).

Continuance or calculative commitment

It occurs when individuals base their relationship with the organization on what they are receiving in return for their efforts and what would be lost if they were to leave (i.e., pay, benefits, associations). These individuals put forth their best effort only when the rewards match their expectations.

Continuance commitment results from the motivation to avoid impending costs that would be linked to a possible change of employer (Allen & Meyer, 1990; Meyer et al., 2013). The commitment of the employees is higher the greater they perceive the costs of such a change to be (e.g. relocation, wage losses, loss of personal contacts to former colleagues). In this regard, the previous investments that an employee has made in the organization (e.g. specialist knowledge acquired) and the possible benefits gained through these ("side bets", e.g. extra pay, pension claims) play an important role. The continuance commitment consequently corresponds to the result of a cognitive evaluation process, and is not emotionally colored (Meyer et al., 2002).

Normative commitment

It occurs when individuals remain with an organization based on expected standards of behavior or social norms. These individuals value obedience, cautiousness, and formality. Research suggests that they tend to display the same attitudes and behaviors as those who have affective commitment.

Normative commitment, by contrast, does not correspond to any individually felt attachment of the organization members, but rather reflects their moral ethical obligation towards the organization (Meyer et al., 2002, 2013; Wiener, 1982; Wiener & Vardi, 1980). In

this way, for instance, an individual's attachment arises from the fact that the employer

2.2 Empirical Studies

Miceli & Mulvey (2000) in their study of satisfaction with pay level and pay system, confirm that pay system is positively related to affective commitment with the employers. Compensation is an important mechanism affecting attitudes and behaviors of employees. Relating gender and organizational commitment, Aven et al., (1993) reveal that women focus more on their domestic roles and the organization they work is generally of secondary importance, and thus women are generally less committed to their organizations compared to men. Suliman & Iles (2000) outlined that there is no relationship between gender and affective commitment. Wright (1992) in his study on the relationship between non-monetary incentives and goal level commitment in South Florida reveals that there is a positive relationship between non-monetary rewards and goal level commitment of employees.

Mohammed & Michael (2007) studied the relationship between the beliefs of senior staff Qatari national employees regarding training benefits as measured by the benefits of employee training, and employees' organizational commitment. Findings reveal that there is a positive relationship between personal benefits of employee training and affective commitment. Benkhoff (1997) & Sikorska-Simmons (2005) in their research on the relationship between organizational commitment and marital status, reveal that married employees show more commitment to the organization compared to single employees. Employees who are married have a greater responsibility than employees who are single. This responsibility could be in form of bills, fees, child care, etc. they would want to maintain their commitment with their organization in order for them to be able to pay up their bills and take care of their responsibilities.

A study was conducted by Newman et. al. (2016) that aimed at addressing the gap in the literature by analyzing several of aspects that impact on Chinese employees' organizational commitment in the work place by the topic "the influence of organizational reward on organizational commitment and turnover intention". This study examined how one dimension of tradition, respect for authority, and moderates the relationship between affective organizational commitment and three variables: pay satisfaction, autonomy and satisfaction with supervision.

The researchers argued that “China’s long history of insularity created a society in which traditional values were valued. Yet during the last couple of decades China has opened its doors to globalization and, consequently, the social landscape is changing. This may lead us to think that endorsement of traditional beliefs may not have a significant bearing on the relationship between organizational rewards and employee commitment to the organization”. Their finding, however, prevail that traditional values, in particular respect for authority, still have a role to play in shaping the attitudes of Chinese employees towards their work and their attachment to their organization. One prominent contribution of this study is the revelation that individuals high in tradition mind set up still appear to exhibit higher levels of employees’ commitment to their organization, even when their perceived levels of autonomy and satisfaction with supervision are low. This finding has important implications for managers looking to enhance the organizational commitment of their employees in traditional societies.

Mark (2015) has conducted a research to investigate the effect of reward practices on employee commitment in faith based health organizations in Kakamega, Kenya. The result of the study prevailed that there is a strong relationship between reward practices and employee commitment, and this implies that the better the reward practices the more committed employees will be to the organization. The researcher in conclusion acknowledged that reward practices is a tool that can assist in building a more committed and productive workforce and can lead to greater commitment and less employee turnover. Based on these findings, effective reward practices can lead to greater employee commitment and a more stable workforce.

Korir and Kipkebut (2016) studied the effect of rewards (considering only financial rewards) on affective, normative and continuance commitment in Universities that are found in Nakuru, Kenya. The result of their finding showed that financial rewards had significant positive effect on organizational commitment. The researchers concluded that organizational commitment is high when employees received satisfactory financial rewards such as salary, bonuses, paid for trainings and seminars, transport, accommodation and medical allowances, annual pay increment and overtime pay. Financial reward management has insignificant effect on continuance commitment of employees in universities in Nakuru County. “While organizations can use financial rewards to attract employees, financial

rewards at times, may not be effective in retention of employees due to the level of perception the employees may have on them”.

SoonYew, LaiKuan & Kamaruzaman (2008) examined the influence of employee benefits towards organizational commitment in food-manufacturing industry in the state of Kedah, Malaysia. Findings reveal that fringe benefits fully mediate mandatory benefits when predicting organizational commitment. Braton and Jeffrey (1988) prescribe that non-financial such as recognition is likely to attract highly qualified and competent people who are too committed to the achievement of Organizational goals. Maicibi (2003) observes that non-monetary rewards such as the need for power, need for affiliation and need for achievement ensures committed employees.

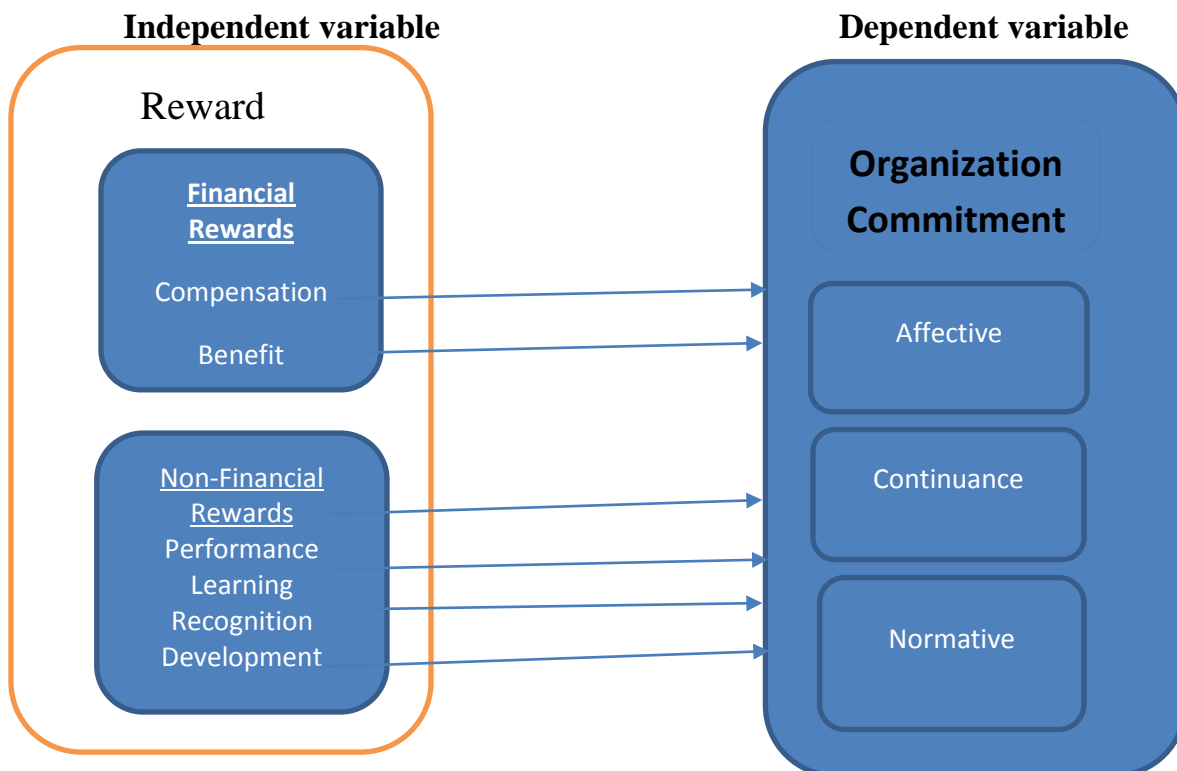
2.3 Conceptual Framework of the Study

As the researcher stated on the literature review the contemporary concept of reward border range of components which are mostly non-financial compared to the traditional concepts of reward which contains mostly financial rewards. Armstrong (2010) has stated in his book that entitled reward management that Tower Perrin (2002) has indicated broader definition of reward components it has been indicated on the book that reward is anything that brings positive experience while the employees is working in the company. Accordingly, total reward classified broadly in to financial and non-financial rewards.

The financial rewards are usually monetary which constitute salary bonus and benefits while the non-financial reward training opportunity, autonomy, job Enrichment, participation, role clarity, team support, leadership, working condition, promotional opportunity, feedback, work life balance. The non-financial reward consists of intrinsic & extrinsic reward component. It has been indicated that the non-financial reward is highly related with employees' commitment & organizational loyalty (Armstrong & Murlis (2005), Armstrong (2005). Based on different literature review references, it has been supported that all of the financial and non-financial rewards are antecedents of organizational commitment. Especially the non-financial reward has more correlation with the organizational commitment (Allen & Meyer, 1990). Therefore, it can be inferred that the reward component is the independent variable that affects the dependent variable. i.e. organizational commitment.

According to Allen & Meyer (1990) The three components of Organizational commitment which are affective commitment, continuance commitment and normative commitment are distinct psychological state which an Employees with strong affective commitment remain in the organization because they want to(affective attachment to the organization), those with strong continuance commitment remain in the organization because they need to (when the perceived cost of discontinuing is high), and those with strong normative commitment remain in organization because they feel they ought to do so (or moral obligation).Affective attachment is due to employee identification with the organization values & goal, perceived cost arises due to lack of attractive alternative .

They also stated that Affective, continuance and normative commitment are best viewed as distinguishable components, rather than types, of attitudinal commitment; that is, employees can experience each of these psychological states to varying degrees. Some employees, for example, might feel both a strong need and a strong obligation to remain, but no desire to do so; others might feel neither a need nor obligation but a strong desire, and so on. The 'net sum' of a person's commitment to the organization, therefore, reflects each of these separable psychological states. Based on the above explanation, the following model has been developed



Source: Researcher's own formulation

Figure -1: model of reward & commitment relationship

**CHAPTER THREE
RESEARCH METHODOLOGY**

3.1 Research Design and Approach

3.1.1 Research Introduction

This chapter of the study has described the type and design of the research, population and sampling techniques, instruments of data collection, procedure to follow in order to collect the data, and methods used to analyze the data.

3.1.2 Description of the Study Area

Save the Children is an international humanitarian, child-centered, development organization, without religious, political or governmental affiliation.

Save the Children is the leading independent organization for children in need. With programs in 120 countries. The organization aims to inspire breakthroughs in the way the world treats children, and to achieve immediate and lasting change in their lives by improving their health, education and economic opportunities. In times of acute crises, we also mobilize rapid assistance to help children recover from the effects of war, conflict, and natural disasters. Save the Children is made up of 29 members organizations working together worldwide.

Save the Children first worked in Ethiopia in the 1930's and set up tis first formal office here during the 1984 famine. The organization focus on health, nutrition, food security and livelihoods, water, sanitation and hygiene(WASH) education, child protection and child rights governance. The organization works with government of Ethiopia, with many local NGOs and a broad range of partners.

3.1.3 Research Design

Explanatory research design will be employed to explain and interpret relationships between two or more aspects of a situation or phenomenon, it is used to explain and interpret the relationship

between reward and commitment in the current study (Creswell, 2004).

3.1.4 Research Approach

As it is well-known scientific research may take one of two possible forms: inductive or deductive. In *inductive research*, the goal of a researcher is to infer theoretical concepts and patterns from observed data. On the other hand, in *deductive research*, the goal of the researcher is to test concepts and patterns known from theory using new empirical data. Hence, inductive research is also called *theory-building* research, and deductive research is *theory-testing* research (Bhattacharjeeh, 2012). The right research approach of this thesis will be deductive research since theory testing is much more suitable and easier for the case of this level. Theory building is beyond the scope of this research, since it requires intensive usage of time resources even ample experience at doctoral level.

The strategies and the method all contribute to a research approach that tends to be more quantitative, qualitative or mixed (Creswell, 2004). Quantitative research involves studies that make use of statistical analyses to obtain their findings. Key features include formal and systematic measurement and the use of statistics (Marczyk, Dematteo & Frestinger, 2005). Therefore, the study used quantitative research approach because it used structural questionnaire data collection method and statically data analysis techniques.

3.1.3 Research Methods

The research method will be quantitative research method as the quantitative is more appropriate to conduct research and to demonstrate and analyze the relationship of reward and employees' motivation using quantitative data.

The research is designed to study the relationship between reward and commitment in Save the Children Ethiopia. The research design is quantitative by nature since all the data collected through standardized and structured questionnaire that was distributed to respondents. All responses from the respondents were treated using different statistical tools such as descriptive and inferential statistics.

3.2 Population and sampling techniques

3.2.1 Population

In Ethiopia, in addition to its head office in Addis Ababa, it has 38 offices at field level working

in all regions of the country. In recent year SC Ethiopia reached more than 7 million people, while 5 million of them are children which makes SC the largest NGO in Ethiopia. (Save the Children Ethiopia Annual Newsletter 2018)

Save the Children has its own Human Resource Management policies, procedures and strategies that clearly show the flow of staffing activities mainly: workforce planning, external recruitment and internal placement in line with the company's staffing process, delegation matrix and other regulatory frame works. Currently Save the children has more than 2,210 employees. In addition to these, there are so many functional division and departments administered by different directors. One of the functional divisions is frontline workers, head offices, program offices and field offices.

The study is focus on the department of front operations offices which contacts section found. As the name indicates it is a section where beneficiaries, partners and government offices can contact Save the Children for complaint, enquiry, request, feedback. and so on. Under each office there are three sections namely Program Development Quality (Thematic) and Program Operation (Cross Thematic), and Support staff (Non Thematic). Staff members who work in these 3 main units have different job grades, basic payment and proportional benefits.

3.2.2. Sample size and Sampling Procedure

The researcher has used stratified sampling technique to find equitable distribution of sample size take into account the different subgroups of people in the population (such as different divisions & departments) and helps guarantee that the sample accurately represents the population on specific characteristics. In this study cases, the criteria of strata identification will be job positions/ job grades in different departments and then simple random sampling technique is used to identify the intended samples from those categories. Each division employees are accessed in head quarter office at Addis Ababa.

Save the Children Ethiopia has 1855 employees in the Country Office, Hub Office and Field Offices. For the sake of this study a total of 622 staff members in Save the Children country office based in Addis Ababa are considered to this study as target population (taken from company employee assignment report). The front line professionals include the categories of

Program development, program operation and support staff and supervisors also others to provide the necessary variety of information required for this study

The respondents were selected from each stratum (Job grades) by using stratified random sampling and by applying the principle of the proportional sample selection method. The sample size in each stratum is proportional to the size of a stratum.

To calculate sample size the following formula is used (Kothari, 2004, pp 175):-

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

Where, n = sample size required = 176, N = number of population = 622, p = 0.5, q = 0.5, e = 0.06, Z = confidence level = 1.88 for 94 percent confidence.

Table 1: Proposed proportional sample allocation method

	Professionals	Population	Sample Size
1	Community Facilitators, Storekeepers, Social Workers, Extension Agents, Assistants, Clerks, Drivers, Food Distributors, Radio Operators, Grade 5,6,7	252	72
2	Program Support Officers, Supervisors, Nurses, Mechanics, Technicians Grade 3A,3B 4A,4B	211	59
3	Function & Program Coordinators, Program/Project Managers, Specialists, MEAL Manager - FO Level, Hub Sr. Finance Coordinator Grade1A, 1B, 2A, 2B	156	44
	Total	622	176

Source: Computed from Oracle, Human Resource document of Save the Children

With proportionate stratification, the sample size of each stratum is proportionate to the population size of the stratum. Strata sample sizes are determined by the following equation: nh

$= (N_h / N) * n$ Where N_h is the sample size for stratum h , N_h is the population size for stratum h , N is total population size, and n is total sample size (Kothari, 2004).

As a result, the sample size comprised 176 respondents for the study. To collect quality survey instrument, the researcher reduced the margin error to manage the sample size.

3.3. Data Collection Methods and Source of Data

3.3.1 Source of Data

The study used both primary and secondary source of data. The secondary sources of data Included were obtained from different internal reports, organized data in Oracle (Human resource system) and newsletters journals. The primary source of data was collected from randomly selected employees of Save the Children.

3.3.2 Data collection Methods

The Primary source of data was collected by using structured and close ended Questionnaire. The questionnaire was distributed electronically and by printing paper to the respondent. The collection of information on reward practice and employees' commitment of Allen & Mayer (1990) which have been proved for its validity and reliability repetitively by different researchers.

3.3.3 Reliability and validity

Bless & Higson-Smith (2016) highlight that reliability is “concerned with the consistency of measures”, thus, the level of an instrument's reliability is dependent on its ability to produce the same score when used repeatedly.

For the reliability of the questionnaire experienced academics will be used to review the questions and categories listed in the original survey instrument. Moreover, the questionnaire was distributed to randomly selected front line professionals as Save the Children and it was tested using the Cronbach's Alpha weather it was below above 0.7. According to Bryma & Bell (2003), the Cronbach's Alpha result of 0.7 and above implies acceptable level of internal reliability.

Validity on the other hand refers to whether an instrument actually measures what it is supposed to measure, given the context in which it is Applied (Bless & Higson-Smith, 2016). To assure validity, questionnaires were designed on the basis of previous studies' questionnaires and review of related literatures on the subject.

Furthermore, the survey instrument that was used in this study had given to independent experts in consultation with a statistician to evaluate it for content validity as well as for conceptual clarity and investigative bias.

Before the analysis, first the data was collected using the above techniques and it was made ready through editing, cleaning and coding. Second, the data were coded and fed into a computer system/software to make it more appropriate for analysis. In this case the researcher used software packages of SPSS for data analysis technique considering it is easier to migrate/populate data from word and excel file, and use them to generate tabulated reports, descriptive statistics and complex inferential analysis like correlation and regression analysis.

The researcher has developed informed voluntary participation and consent of the respondents before they were engaged in the research. It gave assurance to protect the privacy of the participants' confidentiality (respondents were confirmed that personal information wouldn't be shared and be available to anyone who is not directly involved in the study). The respondents remained anonymous throughout the study. Data need will be kept for a reasonable period of time (5-10 years) with highest data protection standard. In the collection and interpretation of data researcher complied with child protection and child safeguarding policy. The researcher provided an accurate account of the information did not use any language against individuals' sexual orientation, disabilities, health, social, to nationalities, ethnic group, religious and any other minority groups.

3.4 Methods of data analysis

Before the analysis, first the data were collected using the above techniques and was made ready through editing, cleaning and coding. Second, the data were coded and fed into a computer system to make it more appropriate for analysis. In this case the researcher was used software packages of SPSS version 24 for data analysis technique because it can take data from word and

excel file, and use them to generate tabulated report, descriptive statistics and complex inferential analysis like correlation and regression analysis.

CHAPTER FOUR

RESULTS AND DISCUSSION

4.1 Results/Findings of the Study

This chapter presents a discussion of the final results and the process through which the results were obtained accordingly so as to be in line with the specific objectives of the research. In addition to this, background information of respondents was presented. Finally, the statistical methods of analysis were discussed, which included a descriptive analysis, a correlation analysis, and a multiple regression analysis through SPSS version 24.

4.1.1 Data preparation

The reliability measurement was computed on the respondents' questionnaires for the items of the primary data set related to the effect of reward on organizational commitment by applying the internal consistency measurement i.e. Cronbach's Alpha. The total average inter-item correlation or Cronbach's Alpha coefficient of evaluation of the overall summary of case processing was computed as being ($\alpha = .887$) and the Cronbach's Alpha for each factors and measures is registered to be greater than **.70**. The result that computed with Cronbach's Alpha indicates the internal consistency or the reliability of the data very high and can be acceptable; that is because, the value of alpha will be acceptable at cutoff point criteria ($\alpha \geq .70$). The closer the value of alpha to 1, the higher will be the internal consistency or reliability.

Table 2: Results of the reliability statistics

Items group	Cronbach's Alpha	No of Items
Compensation	.854	9
Benefit	.736	4
Performance	.793	11

Recognition	.721	3
Learning	.743	4
Developmental	.823	7
Affective commitment	.756	8
Continuance Commitment	.794	8
Normative Commitment	.789	8

Source: Survey Data Analysis Output,2021

4.2. Response rate

In this research a total of 176 questionnaires were distributed to the respondents, out of these 176 questionnaires were received back from the respondents. Thus, the response rate for this study is 100%, which is adequate to make a conclusion of the total population based the sample data.

4.3 Characteristics of the respondent

The study used questionnaires and the questionnaire has three parts. The first part is demographic part the second part discussed the reward management practice of Save the children & the third part deals with the respondents' opinion with regard to their commitment.

Table 3: Demography of Respondents

Sex Category	Frequency	Percent
Male	106	60.2
Female	70	39.8
Total	176	100
Education Level	Frequency	Percent
High school	5	5.9
TVET	9	5.9
Diploma	13	23.8
degree	78	53.5
Masters	62	16.8
PhD and above	9	5.1

Experience years	Frequency	Percent
Under 5 year	47	26.7
6- 10 years	87	49.4
11-15 years	33	18.8
above 15	9	5.1

Source: Survey Data Analysis Output,2021

The first part of the questionnaire consists of four questions requesting about the age, sex, educational background and work experience of the respondents. The result is presented as follows;

As it can be seen from the table 3, 106 or 60.2 % respondents are male and the rest 70 or 39.8% respondents are female. With regard to educational background of the employees, 53.5% of the respondents were Degree holders and 23.8 percent are Diploma holder. In addition, about 16.8 % of the respondents are master's holders and 5.9 percent were TVET and high school. The rest, 16.9% were Masters holders and 5.1 % are PhD and above. The result indicates that the majority of the respondent were university and college graduates at different level and it was good opportunity to get diversified opinion and result through questionnaires.

The table also shows the work experience of respondents. As it can be seen from the table the highest (49.4%) of respondents have experience between 6-10 years in the organization, 26.7% respondents had less than 5 years of experience in the organization whereas 18.8 percent of the respondents had experience between 11-15 years and the rest 5.1 % respondents had stayed above 15 years with the organization.

4.4 Financial Reward Management of Save the Children Ethiopia Office

4.4.1 Compensation

According to the table 6 below, statements were presented to the respondents. They were answered sequentially and the researcher took the majority respondents selectively to analyses. The first Item was presented as the employee contribution is adequately rewarded, 43.2 percent of respondents did not give opinion, 29.5 percent disagreed. 15.9% and 11.4 percent of the respondents' response was I Agree & I Strongly Disagree respectively with the statement.

Table 4 Response In Relation to Compensation

No	Statement	Strongly Agree	Agree	No opinion	Disagree	Strongly Disagree	Mean	SD
1	My contribution is adequately rewarded	-	28(15.9%)	76(43.2%)	52(29.5%)	20(11.4%)	3.36	0.88
2	Pay increases are handled fairly	-	29(16.5%)	73(41.5%)	48(27.3%)	26(14.8%)	3.40	0.94
3	I feel that my pay does not reflect my performance	12(6.8%)	43(24.4%)	21(11.9%)	85(48.3%)	15(8.5%)	3.27	1.13
4	My pay compares favorably with what I could get elsewhere	2(1.1%)	82(46.6%)	20(11.4%)	54(30.7%)	18(10.2%)	3.02	1.11
5	I am not clear how decisions about my pay are made	2(1%)	34(19.3%)	35(19.9%)	80(45.5%)	25(14.2%)	3.52	0.99
6	I am not paid fairly in comparison with other people doing similar work in the organization	-	33(18.8%)	45(25.6%)	76(43.2%)	22(12.5%)	3.49	0.94
7	I can get bonuses when I improve my skills and competence	1(0.6%)	52(29.5%)	19(10.8%)	91(51.7%)	13(7.4%)	3.36	1.07
8	I do not understand the pay policies of the organization	12(6.8%)	37(21%)	36(20.5%)	79(44.9%)	12(6.8%)	3.24	1.07
9	I can get pay increase when achieving better performance	-	79(44.9%)	42(23.9%)	32(18.2%)	23(13.1%)	2.99	1.07
Grand mean							3.29	

Source: Survey data Analysis output, 2021

The next query was about Pay increases. It was about whether Pay increases are handled fairly concerning this 41.5 percent of respondents were neutral and 27.3 percent of the employee were disagreed about the fairness. In line with this, the next question was If they feel that their pay does not reflect their performance. 48.3 percent don't think their pay doesn't reflect their performance. with the statement and to the contrary 24.4 feel like their pay equitable with their performance.

The following statement presented to respondents was If employees pay compares favorably with what they could get elsewhere (in other similar organizations), 46.6 percent has agreed in the opinion. In relation to this statement of agreement the next presented idea was "I am not clear how decisions about their pay is made", 45.5% of them indicated that they are clear about the decision made. On the other hand, 19.9% and 19.3% percent of respondents did have opinion about the statement and has agreed with the statement.

In addition to this to know the compensation practice in Save the Children comparing with other similar organization in reference of employees view, The question raised for respondents was " I am not paid fairly in comparison with other people doing similar work in the organization", 43.2 percent were disagree with the statement and 25.6 percent of respondents did not have take opinion to this item.

The next item question was if they get bonuses or additional payments when they improve their skills and competence, 51.7% & 29.5% of the respondents was disagreed & & 29.5% of the respondents agreed with statement respectively. The mean score was also 3.36. This implies that the respondents have a modest sense of confidence. The response for this category is if they understand the pay policies of the organization), it indicates that 44.9 percent of the employees understand the pay policies. In connection with question, 21 percent of the respondent do not understand the pay policy and 20.5 percent of the respondent have no strong opinion. The mean score was also 3.24. This implies that the respondents have a modest sense of confidence. According to the last statement from the theme, it has been found that 44.9 percent of respondent agreed to the statement of "I can get pay increase when achieving better performance" were disagreed and 23.9 percent did not give opinion on this item. The standard deviations for the last three items were the same i.e. 1.07. However, the 7th item has highest mean of 3.36.

4.4.2 Benefit

As shown in table 8 below, on the first statement, 51.1 percent of the respondents indicated that they disagreed about the benefits package compares well with those in other organizations. the standard of deviation is lower compared to the rest item i.e. 0.99. it indicates that most of responses clustered around the mean.

On the other hand, 45.5 percent of the respondent disagreed and replied the benefits package is low compares with those in other organizations. Here also 25.6 percent of respondents agreed benefit compares well and 12.5 percent did not take opinion to this item respectively. The pattern of response in the case of the 3rd item ‘The benefits package I receive is fair), it has been found that 47.2 percent tended have agreed and 21.6 percent of the respondents had disagree that the benefit package is fair. The mean score was also 2.88. This implies that the respondents have a slight modest sense of confidence.

Furthermore, the following statement presented to the respondent weather the employees have enough choice of benefits and additional services that are suitable for their, 44.9 percent of the respondent were agreed and 23.3 percent of the respondents was disagreed in their opinion. The mean score was also 3.14.

Table 5 Response Regarding to Benefit

No	Statement	Strongly Agree	Agree	No opinion	Disagree	Strongly Disagree	Mean	SD
1	The benefits package compares well with those in other organizations	2(1.1%)	36(20.5%)	25(14.2%)	90(51.1%)	23(13.1%)	3.55	0.99
2	The benefits package compares well with those in other organizations	12(6.8%)	45(25.6%)	22(12.5%)	80(45.5%)	17(9.7%)	3.26	1.15
3	The benefits package I receive is fair	6(3.4%)	83(47.2%)	31(17.6%)	38 (21.6%)	18(10.2%)	2.88	1.11
4	I have enough choice of benefits and additional services that are suitable	2(1.1%)	79(44.9%)	29(16.5%)	41(23.3%)	25(15.6%)	3.14	1.82

	for my needs								
	Grand Mean							3.21	

4.5 Non-Financial Reward Management of Save the Children Ethiopia Office

4.5.1 Performance

According to the table below, statements were presented to the respondent with regard to Performance.

Table 6 Response about Performance

No	Statement	Strongly Agree	Agree	No opinion	Disagree	Strongly Disagree	Mean	SD	
1	I get good feedback on my Performance.	27(15.3%)	97(55.1%)	16(9.1%)	36(20.5%)	-	2.35	0.97	
2	I am clear about what I am expected to achieve	7(4.0%)	73(41.5%)	37(21%)	44(25%)	15(8.5%)	2.93	1.01	
3	I do not get adequate support from my boss	10(5.7%)	33(18.8%)	55(31.3%)	70(39.8%)	8(4.5%)	3.19	0.98	
4	The performance evaluation process is fair	2(1.1%)	59(33.5%)	50(28.4%)	48(27.3%)	17(9.7%)	3.11	1.02	
5	I receive regular feedback on my current performance from my supervisor	20(11.4%)	105(59.7%)	29(16.5%)	22(12.5%)	-	2.30	0.83	
6	I am involved in establishing my goals and objectives	-	78(44.3%)	37(21.0%)	39(22.2%)	22(12.5%)	3.03	1.08	
7	I feel it is easy to get my job improvement idea across to my supervisor	7(4.0%)	29(16.5%)	40(22.7%)	66(37.5%)	34(19.3%)	3.52	1.10	
8	I have the information I need to make decisions about my work	39 (22.2%)	66(37.5%)	30(17%)	33(18.8%)	8(4.5%)	2.46	1.16	
9	I am satisfied with the technique competence of my supervisor	33(18.8%)	78(44.3%)	28(15.9%)	27(15.3%)	10(5.7%)	2.45	1.13	
10	I can influence the description of my supervisor regarding my jobs	-	30(17%)	-	118(67%)	28(15.9%)	3.82	0.90	
11	My supervisor treat all worker as equal	13(7.4%)	58(33.0%)	75(42.6%)	30(17.0%)	-	2.69	0.84	
	Grand Mean							2.89	

Source: Survey data, 2021

The first item was stated as I got good feedback on my performance. 55.1% of them agreed in

getting feedback for their performance with the mean of 2.35. on the other hand, 20.5 percent of the respondents were disagreed to this statement. With regard to the second statement if they are clear about what they expected to achieve, 41.5 percent of the respondents have agreed on the statement. In addition to this 25 percent of the respondents were indicated that they are not clear about what they are expected to achieve. The mean score was also 2.93. In related with adequate support from supervisors' respondents replied the following statement; I do not get adequate support from my boss, 39.8 percent of the respondent has disagreed and 31.3 percent of the employees did not give their opinion with mean score

The pattern of response in the case of the 4th item (The performance evaluation process is fair), it has been found that 33.5 percent tended to be agree and 28.4 percent of the respondents did not give opinion to this statement. The mean score was also 3.11. This implies that the respondents have a modest sense of confidence.

In relation to the statement I receive regular feedback on my current performance from my supervisor, it has been found that 59.7 percent of the respondents tended to agree and 16.5 percent of the respondents did not take opinion. In addition, employees' involvement in establishing their goals and objectives, 44.3 percent tended to agree with statement and 22.2 percent have disagreed, The mean score was also 3.03. This implies that the respondents have a modest sense of confidence.

Furthermore, the following statement presented to the respondent, "I feel it is easy to get my job improvement idea across to my supervisor", 37.5 percent of the respondent have disagreed in the opinion, and 22.7 percent of the employees do not have strong opinion. It has the highest mean from the theme which is 3.52. In relation to the eighth statement of agreement presented as employees have the information they need to make decisions about my work, 37.5 percent of the respondents were agreed in their opinion. Additionally, 22.2 percent were strongly agreed & 18.8 percent were disagreed respectively on the same idea.

The next issue was if employees were satisfied with the technique of the competence evaluation of their supervisor, 44.3 % of the respondents have agreed on this statement and 18.8 percent were strongly disagreed, where as 67.8 percent of respondents have disagreed that they can influence the description of my supervisor regarding their jobs.

The final statement on this category was my supervisor treats all workers as equal, 42.6 percent of the respondents did not agree with opinion and 33percent of the employees have agreed to this statement, on the other hand 17 percent were disagreed to this statement.

4.5.2 Recognition

The next thematic area to be analyzed was Recognition as part of non-financial reward management in Save the Children, the first statement presented about whether the employees contribution is fully recognized, 48.3 percent of the respondent have agreed with this question, and 23.9 percent have disagreed.

Table 7 Response in connection to Recognition

No	Statement	Strongly Agree	Agree	No opinion	Disagree	Strongly Disagree	Mean	SD
1	My contribution is fully recognized	-	85(48.3%)	38(21.6%)	42(23.9%)	11(6.3%)	2.88	0.98
2	My supervisor praise when I achieve good performance	-	69(39.2%)	39(22.2%)	44(25%)	24(13.6%)	3.13	1.08
3	There is a culture of acknowledge for good performance (award , certificate)	14(8%)	83(47.2%)	10(5.7%)	42(23.9%)	27(15.3%)	2.91	1.28
Grand Mean							2.97	

The next subject was, if supervisors praise when they achieve good performance, 39.2 percent of the respondent tended to agree and 25 percent have disagreed with highest mean from the theme of 3.13. For the 3rd item, 47.2 percent have agreed and 23.9 percent have disagreed to the statement There is a culture of acknowledge for good performance (Award, Certificate).

4.5.3 Learning

According to the table 11 below, statements were presented to the respondent with regard to learning as part of non-financial reward practice. The first item stated, “I have been given

sufficient training to perform my job effectively. 51.1% of them replied with mean of 3.66, the respondents disagreed that there have sufficient training to perform their jobs. In addition, 21 percent did not give opinion to the statement.

In relation to the second statement, 44.3 percent of the respondents have disagreed with the statement that they did not receive regular training to keep them updated for better performance and 19.9 percent of the respondent did not give opinion.

Table 8 Response Regarding to Learning

No	Statement	Strongly Agree	Agree	No opinion	Disagree	Strongly Disagree	Mean	SD
1	I have been given sufficient training to perform my job effectively	-	24(13.6%)	37(21%)	90(51.1%)	25(14.2%)	3.66	0.88
2	I receive regular training to keep me update for better performance	-	34(19.3%)	35(19.9%)	78(44.3%)	29(16.5%)	3.58	0.98
3	I have a relevant knowledge to do my job	2(1.1%)	71(40.3%)	52(29.5%)	30(17%)	21(11.9%)	2.98	1.05
4	I received continued training to do my job	11(6.3%)	47(26.7%)	84(47.7%)	30(17%)	4(2.3%)	2.82	0.87
	Grand Mean						3.26	

Following the above questions raised the respondents for agreement weather they have a relevant knowledge to do their job. 40.3 percent were agreed on this statement and 29.5 percent did not give their opinion (they were neutral). The next item issue, If they receive continued training to do their job, 47.7 percent of the respondent were neutral and 26.7 tended to agree to these statements with mean score of 0.87.

4.5.4 Development

According to the table below, statements were presented to the respondent with regard to development factors. The first item was stated, as Promotion is strongly influenced by contribution or performance. 40.5% of them replied with mean of 3.08 and agreed that promotion is strongly influenced by employee’s contribution. With regard to the second statement, 47.7 percent of the respondents were agreed with the statement the have opportunities for continued education and

career development and 21.6 percent of the respondent have disagreed to this statement.

Table 9 Response about Development

No	Statement	Strongly Agree	Agree	No opinion	Disagree	Strongly Disagree	Mean	SD
1	Promotion is strongly influenced by contribution or performance	5(2.8%)	72(40.49%)	31(17.6%)	40(22.7)	28(15.9%)	3.08	1.17
2	I have opportunities for continued education and career development		84(47.7)	31(17.6%)	38(21.6)	23(13.1%)	3.00	1.10
3	There is Enough opportunity for advancement	-	67(38.1%)	29(16.5%)	42(23.9%)	38(21.6%)	3.29	1.18
4	The promotional procedure is fair and impartial		72(40.9%)	38(21.6%)	40(22.7%)	26(14.8%)	3.11	1.10
5	I believe I have a good future in this organization	14(8%)	77(43.8%)	15(8.5%)	56(31.8%)	14(8%)	2.88	1.17
6	I have relevant skill which is not used current job	4(2.3%)	78(44.3%)	5(2.8%)	67(38.1%)	22(12.5%)	3.14	1.18
7	My potential is underutilized	-	78 (44.3%)	27(15.3%)	45(25.6%)	26(14.8%)	3.11	1.13
	Grand Mean						3.08	

On the other hand, 38.1 percent agreed in their opinion to the statement There is Enough opportunity for advancement and 23.9 percent of the respondents have disagreed to this item.

The pattern of response in the case of the 4th item (The promotional procedure is fair and impartial), it has been found that 40.9 percent tended to be agree and 22.7 percent of the respondents have disagreed. The mean score was also 3.11. This implies that the respondents have a modest sense of confidence.

Moreover, the next item was, in connection with question with “I believe I have a good future in this organization” in relation to this 43.8 percent of employees have agreed with the mean score 2.88. In line with this, the next statement was I have relevant skill which is not used current job,

44.3 percent was agreed to this statement and 38.1 percent of the respondents have disagreed. The mean score was also 3.14. The final statement was my potential is underutilized, the pattern of the response in this case was 44.3 percent of the respondents have agreed and 15.3 percent have disagreed following this 25.6 percent of the respondents were disagreed.

4.6 Components of Commitment

4.6.1 Affective commitment

According to table 12 below statements were presented to the respondents. The first question was I would be very happy to spend the rest of my career with this organization, 35.8 percent of respondents agree and 32.4 percent did not take opinion, where as 22.7 percent of the respondents disagree with the idea.

Subsequently, the next item was, I enjoy discussing my organization with people outside it concerning this 39.8 percent of respondents were neutral and 36.9 percent of respondents have agreed. In line with this, the next statement was I really feel as if this organization's problems are my own.40.3 percent have disagreed to the contrary. The mean score was also 3.27. This implies that the respondents have a modest sense of confidence about this item.

The following statement presented to respondents was I think that I could easily become as attached to another organization as I am to this one, 44.3 percent has agreed in their opinion and 32.4 percent have strongly disagreed to this item. The next presented statement was I do not feel like 'part of the family' at my organization, 15.3 percent have disagreed. On the other hand, 32.4 percent of respondents have strongly disagreed.

Furthermore, statement of agreement was presented for respondents that the organization has a great deal of personal meaning for employee, 43.8 percent agree and 27.3 percent of respondents did not take opinion. The mean score was 2.64.

The other item was I do not feel a strong sense of belonging to my organization, 38.1 % of the respondents was agreed with this statement, as indicator of lack of belongingness of employees to the organization.

Table 10 Response Concerning Affective commitment

No	Statement	Strongly Agree	Agree	No opinion	Disagree	Strongly Disagree	Mean	SD
1	I would be very happy to spend the rest of my career with this organization	-	63(35.8%)	57(32.4%)	40(22.7%)	16(9.1%)	3.05	.97
2	I enjoy discussing my organization with people outside it	13(7.4%)	65(36.9%)	70(39.8%)	28(15.9%)	-	2.64	.84
3	I really feel as if this organization's problems are my own	-	46(26.1%)	48(27.3%)	71(40.3%)	11(6.3%)	3.27	.92
4	I think that I could easily become as attached to another organization as I am to this one	17(9.7%)	78(44.3%)	-	24(13.6%)	57(32.4%)	3.15	1.50
5	I do not feel like 'part of the family' at my organization	1(0.6%)	45(25.6%)	44(25%)	59(33.5%)	27(15.3%)	3.38	1.04
6	I do not feel 'emotionally attached' to this organization		41(23.3)	46(26.1%)	56(31.8)	33(18.8%)	3.46	1.04
7	This organization has a great deal of personal meaning for me	15(8.5%)	77(43.8%)	48(27.3%)	28(15.9%)	8(4.5%)	2.64	.99
8	I do not feel a strong sense of belonging to my organization	44(25.0%)	67(38.1%)	24(13.6%)	24(13.6)	17(9.7%)	2.45	1.27
	Grand Mean						3.01	

4.6.2 Continuance commitment

The next thematic area to be analyzed was continuance commitment factor, the first statement presented as I am not afraid of what might happen if I quit my job without having another one lined up Lack of organizational readiness to change, 74.4 percent of the respondent disagreed with this question, and 15.3 percent have strongly disagreed.

Table 11 Response Regarding Continuance Commitment

No	Statement	Strongly Agree	Agree	No opinion	Disagree	Strongly Disagree	Mean	SD
1	I am not afraid of what might happen if I quit my job without having another one lined up	1(0.6)	15(8.5%)	2(1.1%)	131(74.4%)	27(15.3%)	3.95	.77
2	It would be very hard for me	1(0.6)	87(49.4%)	20(11.4%)	46(26.1%)	22(12.5%)	3.01	1.1

	to leave my organization right now, even if I wanted to							3
3	Too much in my life would be disrupted if I decided I wanted to leave my organization now	-	87(49.4%)	49(27.8%)	33(18.8%)	7(4%)	2.77	.89
4	One of the major reasons I continue to work for this organization is that leaving would require considerable personal sacrifice — another organization may not match the overall benefits I have here	13(7.4%)	85(48.3%)	51(29%)	27(15.3%)	-	2.52	.84
5	One of the few serious consequences of leaving this organization would be the scarcity of available alternatives	15(8.5%)	43(24.4%)	1(0.6%)	58(33.0%)	59(33.5%)	3.59	1.38
6	I feel that I have too few options to consider leaving this organization	-	90(51.1%)	39(22.2%)	38(21.6%)	9(5.1%)	2.81	.95
7	Right now, staying with my organization is a matter of necessity as much as desire	1(0.6)	24(13.6%)	71(40.3%)	41(23.3%)	39(22.2%)	3.53	1.00
8	It wouldn't be too costly for me to leave my organization now	-	31(17.6%)	44(25.0%)	74(42%)	27(15.3%)	3.55	.95
	Grand Mean						3.37	

The next item presented as it would be very hard for me to leave my organization right now, even if I wanted to, 49.4 percent of the respondent tended to agree and 26.1 percent have disagreed -indicating majority of the respondent will face problem if they leave the organization.

For the 3rd item, 49.4 percent have agreed and 27.8 percent did not take opinion to the statement “Too much in my life would be disrupted if I decided I wanted to leave my organization now”. In line with this, the next statement was one of the major reasons I continue to work for this organization is that leaving would require considerable personal sacrifice another organization may not match the overall benefits I have here, 48.3 percent have agreed and 29 percent did not take opinion. The mean score was 2.52.

Beside this, the next item was, one of the few serious consequences of leaving this organization would be the scarcity of available alternatives, 33.5 and 33 percent of the respondents have strongly disagreed & disagreed about this item respectively.

The pattern of response in the case of the 6th item (I feel that I have too few options to consider leaving this organization), it has been found that 51.1 percent tended to agree and 22.2 percent of the respondents did not give opinion. The mean score was also 2.81. This implies that the respondents have a modest sense of confidence. In line with this, the next statement was Right now, staying with my organization is a matter of necessity as much as desire, 40.3 percent were did not take opinion and 23.3 percent disagree. The mean score was 3.69.

The last continuance commitment factor presented to respondents was It wouldn't be too costly for me to leave my organization now, 42 percent were tended to disagree in their opinion. On other hand, 25 and 17.6 percent of the respondents tended to be moderate and agree on the same idea respectively.

4.6.3 Normative commitment

According to the table 14 below, statements were presented to the respondent with regard to normative commitment factors. The first item was stated as, "I do not think that wanting to be a 'organization man' / 'organization woman' is sensible anymore. 52.8 % of them tended to agree with mean of 2.69. on contrary, 47.2 percent of the respondents have disagreed with the statement things were better in the days when people stayed with one organization for most of their careers and 39.8 percent of the respondent have agreed. The finding is consistent with the theoretical construct by Allen & Mayer (1990) regarding the continuance commitment indicating employees must balance the cost and benefit in the decision to stay and leave their organization by considering both financial and non financial aspect.

Table 12 Response concerning about normative commitment

No	Statement	Strongly Agree	Agree	No opinion	Disagree	Strongly Disagree	Mean	SD
1	I do not think that wanting to be a 'organization man' / 'organization woman' is sensible anymore	14(8%)	92(52.8%)	16(9.1%)	42(23.9%)	12(6.8%)	2.69	1.12
2	Things were better in the days when people stayed with one organization for	1(0.6)	70(39.8%)	-	83(47.2%)	22(12.5%)	3.31	1.14

	most of their careers							
3	I was taught to believe in the value of remaining loyal to one organization	-	32(18.2%)	29(16.5%)	86(48.9%)	29(16.5%)	3.64	.96
4	If I got another offer for a better job elsewhere I would not feel it was right to leave my organization	-	79(44.9%)	2(1.1%)	70(39.8%)	25(14.2%)	3.23	1.17
5	One of the major reasons I continue to work for this organization is that I believe that loyalty is important and therefore feel a sense of moral obligation to remain	-	92(52.3%)	2(1.0%)	55(31.3%)	27(15.3%)	3.10	1.20
6	Jumping from organization to organization does not seem at all unethical to me	74(42%)	36(20.5%)	24(13.6%)	24(13.6%)	18(10.2%)	2.30	1.39
7	I do not believe that a person must always be loyal to his or her organization		96(54.5%)	2(1.1%)	51(29.0%)	27(15.3%)	3.05	1.20
8	I think that people these days move from organization to organization too often	-	79(44.9%)	2(1.1%)	70(39.8%)	25(14.2%)	3.23	1.17
	Grand Mean						3.08	

Following the above question asked the respondents for agreement “I was taught to believe in the value of remaining loyal to one organization. 48.9 percent have disagreed on this statement and 18.2 percent have agreed.

The next query was, “If I got another offer for a better job elsewhere I would not feel it was right to leave my organization”, 44.9 percent of the respondent tended to agree and 39.8 have disagreed to these statements with mean score of 3.23. In addition, 52.3 percent agreed in their opinion to the statement one of the major reasons they continue to work for this organization is that they believe that loyalty is important and therefore they feel a sense of moral obligation to remain and 31.3 percent of the respondents have disagreed to this statement.

On the following request the response in the following query was (Jumping from organization to organization does not seem at all unethical to me), 42 percent tend to strongly agree and 20.5 percent of the respondents have agreed. The mean score was also 2.30. This implies that the respondents have a modest sense of confidence.

Moreover, the next question on this category was, “I do not believe that a person must always be loyal to his or her organization concerning this 54.5 percent of respondents have agreed and 29 percent of respondents have disagreed. In line with this, the next statement was I think that people these days move from organization to organization too often.44.9 percent have agreed to the statement with mean score of 3.23. The result indicate that employees doesn’t want to be loyal to their organization for the sake for their future carrier ladder and to exploit the available alternatives.

4.7 Inferential Statistics

The Inferential statistics includes the correlation and regression analysis which was used to investigate the relationship and the effect of financial and non-financial rewards on the components of commitment. Using Pearson correlation with two tailed test of significance, the correlation analysis was made to investigate the relationships. Using the regression analysis, the impact of the variables was investigated.

4.7.1 Correlation Analysis

Correlation analysis was applied to test the “interdependency” of the variables. In this section, the direction and degree of the strength of the relationship among the variables were determined, it is possible to examine the correlation among all dimensions of the independent variables of Compensation and benefit as part of financial reward whereas performance, recognition, learning, development as part of non-financial reward and the dependent variable includes affective Commitment, Continuance Commitment, Normative Commitment as components of employee’s commitment.

Correlation analysis is useful way of exploiting relation (association) among variables. the value of the coefficient (r) ranges from -1 up to +1. The value of coefficient of correlation (r) indicates both the strength and direction of the relationship. If $r = -1$ there is perfectly negative correlation between the variable. If $r = 0$ there is no relationship between the variable and if $r = +1$ there is

perfectly positive relationship between the variables. For values of r between $+1$ and 0 or between 0 and -1 , different scholars have proposed different interpretation with slight difference. For this study diction rule given by Bartz (1999) was used Bartz (1999) described the strength of association among the variables as follows

Table 13 Interpretation of r value

Value of r	Description
0.80 or higher	Very high
0.6 to 0.8	Strong
0.4 to 0.6	Moderate
0.2 to 0.4	Low
0.20 or lower	Very low

Source: Bartz (1999)

The following table depicts the results of correlation analysis between variable

Table-14 Correlation Analysis

		Compensation	Benefit	Performance	Recognition	Learning	Development	Affective Commitment	Continuance Commitment	Normative Commitment	Organizational Commitment
Compensation	Pearson Correlation	1	.314**	.241**	.322**	.264**	.140	.111	.248**	.263**	.250**
	Sig. (2-tailed)		.000	.001	.000	.000	.064	.143	.001	.001	.001
	N	176	176	176	176	176	176	176	176	176	176
Benefit	P.Correlation	.314**	1	.399**	.365**	.594**	.458**	.448**	.678**	.626**	.694**
	Sig. (2-tailed)	.000		.000	.000	.000	.000	.000	.000	.000	.000
	N	176	176	176	176	176	176	176	176	176	176
Performance	P.Correlation	.241**	.399**	1	.293**	.350**	.337**	.400**	.383**	.321**	.427**
	Sig. (2-tailed)	.001	.000		.000	.000	.000	.000	.000	.000	.000
	N	176	176	176	176	176	176	176	176	176	176
Recognition	P.Correlation	.322**	.365**	.293**	1	.199**	.125	.134	.236**	.279**	.248**
	Sig. (2-tailed)	.000	.000	.000		.008	.100	.076	.002	.000	.000
	N	176	176	176	176	176	176	176	176	176	176
Learning	P. Correlation	.264**	.594**	.350**	.199**	1	.492**	.642**	.685**	.629**	.701**
	Sig. (2-tailed)	.000	.000	.000	.008		.000	.000	.000	.000	.000
	N	176	176	176	176	176	176	176	176	176	176
Development	P. Correlation	.140	.458**	.337**	.125	.492**	1	.308**	.579**	.518**	.665**
	Sig. (2-tailed)	.064	.000	.000	.100	.000		.000	.000	.000	.000
	N	176	176	176	176	176	176	176	176	176	176
Affective Commitment	P.Correlation	.111	.448**	.400**	.134	.546**	.308**	1	.515**	.432**	.696**
	Sig. (2-tailed)	.143	.000	.000	.076	.000	.000		.000	.000	.000
	N	176	176	176	176	176	176	176	176	176	176
Continuance Commitment	P.Correlation	.248**	.678**	.383**	.236**	.685**	.579**	.515**	1	.565**	.826**
	Sig. (2-tailed)	.001	.000	.000	.002	.000	.000	.000		.000	.000
	N	176	176	176	176	176	176	176	176	176	176
Normative commitment	P. Correlation	.263**	.626**	.321**	.279**	.629**	.518**	.432**	.565**	1	.825**
	Sig. (2-tailed)	.001	.000	.000	.001	.000	.000	.000	.000		.000
	N	176	176	176	176	176	176	176	176	176	176
Organizational commitment	P.Correlation	.250**	.694**	.427**	.248**	.701**	.665	.696**	.826**	.825**	1
	Sig. (2-tailed)	.000	.000	.001	.000	.000	.064	.000	.000	.000	
	N	176	176	176	176	176	176	176	176	176	176

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

Source: Survey Data Analysis Output

As it can be seen in the table 17 above the correlation matrix findings reveal that except for compensation with Affective & Continuance Commitment, there exist significant positive correlation between the dependent variable and the explanatory variables.

➤ **The above correlation analysis results found in the perspective of Affective commitment is presented as follow;**

From those on the financial reward, benefit exhibited moderate positive association with Affective commitment at 1% significant level with correlation coefficient $r = .448$ So we reject the null hypothesis and accept the alternative hypothesis states Benefit have a significant & positive relationship on affective commitment. . This is consistent with Scott (2010) study on the impact of financial rewards programs on employee emotional engagement to his or her work, which found that 42 percent of the respondents indicated that their organization's total rewards strategies had a positive effect on employee emotional engagement. This indicates that organizations which can link engagement to benefit are more likely to affectively engage and motivate employees. However, No relationship was observed between compensation and Affective commitment ($r = .111$, $P = .143$). In line with this, Suliman & Iles (2000) outlined that there is no relationship between Compensation and affective commitment. The result is inconsistent with the finding of Lawler, (1971) & Locke, (1969), they observe that if the employees do think that there is a discrepancy between how much pay they should receive and how much pay they do receive, they will experience pay dissatisfaction. This implies that employees who perceive difference between their expected and current pay tend not to be happy and exhibit low level of affective commitment. In addition, Miceli & Mulvey (2000) in their study of satisfaction with pay level and pay system, confirm that pay system has positive relationship with affective commitment.

With regard to non-financial reward, A large and strong positive relationship was observed between learning and Affective commitment ($r = .642$, $P < 0.01$). *Hypothesis: Reject the null hypothesis and accept the alternative hypothesis that states Learning have a significant & positive relationship on affective* on the other hand, performance exhibited moderate statistically significant positive association with the dependent variable Affective commitment at 1% significant level and correlation coefficient $r = .400$. *Reject the null hypothesis and accept the alternative hypothesis that states Performance have a significant & positive relationship on*

affective commitment. In addition, There is low and statistically significant relationship between development and Affective commitment at 1% significant level with correlation coefficient **r=.308** and there is insignificant relationship with recognition.

Hypothesis Accept the null hypothesis and accept the alternative hypothesis which states that Development has positive and significant effect on organizational commitment in Humanitarian Organizations

➤ **The correlation analysis in the perspective of Continuance commitment is presented as follow;**

Representing financial reward, benefit exhibited strong positive association with Continuance commitment at 1% significant level with correlation coefficient $r = .678$. So *reject the null hypothesis and accept the alternative hypothesis that states Benefit have a significant & positive relationship on continuance commitment*. This suggests that the perceived cost of leaving an organization (continuance commitment) increased when employees were satisfied with their financial rewards. These findings are consistent with Gohari et al (2013) who found a positive relationship between benefit and employees continuance commitment among employees in tourist firms in Malaysia. However, weak relationship was observed between compensation and Continuance commitment ($r = .001$, $P = .248$) so *Reject the null hypothesis and accept the alternative hypothesis that states compensation have a significant & positive relationship on Continuance commitment*. unlike this, the findings of Sweeney & McFarlin, (1993) who noted that employees that see their pay as being fair are likely to be more committed to their jobs.

With regard to the components of non financial reward, A large and strong positive relationship was observed between learning and Continuance commitment at 1% significant level with correlation coefficient **r=.685** and so *Reject the null hypothesis and accept the alternative hypothesis that states learning have a significant & positive relationship on Continuance commitment in Humanitarian Organizations*. on the other hand, development exhibited moderate statistically significant positive association with Continuance commitment at 1% significant level with correlation coefficient **r=.579**. However, performance, and recognition exhibited low and statistically significant positive association with Continuance commitment at 1% significant level and correlation coefficient **r=.383** & **r=.236** respectively.

➤ **The correlation analysis in the perspective of Normative commitment is presented as follow;**

The results show that the correlation coefficient between Benefit and Normative commitment is 0.626 which is high associated with each other at one percent level of significance. On the other hand, there is low and statistically significant relationship between compensation and normative commitment at 1% significant level with correlation coefficient $r=.263$. *Reject the null hypothesis and accept the alternative hypothesis that states compensation has a significant & positive relationship on normative commitment.* This suggests that financial rewards positively influenced employees' loyalty and sense of obligation towards their organization. This is consistent with findings by Melancon *et al.* (2010) which found that monetary rewards have a positive relationship with a normative commitment.

With regard to the components of non-financial reward, learning exhibited large & strong statistically significant positive association with Normative commitment at 1% significant level with correlation coefficient $r=.629$. *Reject the null hypothesis and accept the alternative hypothesis that states learning have a significant & positive relationship on Normative commitment.* On the other hand, development exhibited moderate statistically significant positive association with normative commitment at 1% significant level and correlation coefficient $r=.518$. In addition, there is low and statistically significant relationship between Performance and recognition with Normative commitment at 1% significant level with correlation coefficient $r=.279$ and $r=.321$ respectively.

➤ **Moreover, correlation analysis was undertaken between the components of financial & non-financial reward with the overall organizational commitment.**

The results show that the correlation coefficient between benefit and organizational commitment is 0.694 which is high associated with each other at one per cent level of significance. This is in consistent with the study findings of Okinyi (2015) on effect of reward practices on employee commitment in faith based health organizations in Kakamega county, Kenya. The findings of this study reveal that benefits have a very strong relationship with employee commitment. Whereas, there is very low and statistically significant relationship between compensation and

Organizational commitment at 5% significant level with correlation coefficient $r=.250$. However, this finding differ significantly from study done by Okinyi (2015) on effect of reward practices on employee commitment in faith based health organizations in kakamega county, Kenya. The researcher found that payment/salary has a very strong relationship with employee commitment. It means that an increase or decrease in pay will bring corresponding changes on employee commitment.

With regard to the components of non-financial reward, learning and development exhibited strong & statistically significant positive association with Organizational commitment at 1% significant level with correlation coefficient $r=.701$ & $r=.665$ respectively. On the other hand, performance exhibited moderate statistically significant positive association with organizational commitment at 1% significant level and correlation coefficient $r=.427$ respectively. So *Reject the null hypothesis and accept the alternative hypothesis that states performance has a significant & positive relationship on organizational commitment*

However, there is low and statistically significant relationship between recognition and organizational commitment at 1% significant level with correlation coefficient $r=.248$.

According from correlation analysis result, Benefit from financial reward and learning from non-financial reward was the major factor in positively affecting organizational commitment. Once the correlation analysis result confirms that there exists a significant correlation between the dependent variable and the explanatory variables the next step will be to determine the magnitude and dimension the effect of the explanatory variables on the dependent variable through regression analysis.

4.8. Diagnostic tests

4.8.1. Linearity

In order to apply a multiple regression with ordinary least square (OLS) the relationship that exists between the dependent variable the independent variable need to be linear. The result of scatter plot diagram with line of fit confirmed that a linear relationship existed between the dependent variable and those independent variables (Detail is attached in Annex 2).

4.8.2 Normality

One of the assumptions in multiple regression analysis with ordinary least square (OLS) method is that the sample data is obtained from normally distributed population. This implies that errors are normally distributed, and that a plot of the values of the residuals will approximate a normal curve (Keith, 2006). (Detail is attached in Annex).

4.8.3. Homoscedasticity

This assumption tells us that every disturbance has the same variance σ^2 whose value is unknown, that is regardless of their size, the dispersion of the error term (disturbance) is the same. Therefore, the standardized residuals are evenly distributed confirming that the data has no heteroscedasticity problem (Detail is attached in Annex 4).

4.8.4. Autocorrelation

Durbin-Watson statistic is applied to test the assumption that our residuals are uncorrelated. The value of this statistic can fall in between 0 to 4. For this assumption to be met, the DW value needs to be close to 2. Values below 1 and above 3 are problematic and causes for concern. Therefore, the data in this research is free from the problem of autocorrelation since the Durbin-Watson statistic is closer to 2. (Detail is attached in Annex 5).

4.8. 5 Multiple Linear Regression Analysis

Here, multiple linear regressions with ordinary least square (OLS) method was applied to find out the effect of the explanatory variables on the dependent variable. Such technique is appropriate to make statements about how well one or more independent variables will predict the value of a dependent variable.

In the regression model, six independent variables (compensation, benefit, performance, reward, learning & development) are considered as independent variables while organizational commitment is included as a dependent variable. Here compensation and benefit represent as financial reward while performance, reward, learning & development represent non-financial training. These variables being measured on a five-point Likert scale.

Table 15: Analysis of Variance

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.806 ^a	.649	.637	.532

a. Predictors: (Constant), Compensation, Benefit, Performance, Reward, Learning, Development

ANOVA^a

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	88.493	6	14.749	52.075	.000 ^b
Residual	47.865	169	.283		
Total	136.358	175			

a. Dependent Variable: Organizational commitment

b. Predictors: (Constant), Compensation, Benefit, Performance, Reward, Learning, Development

Source: Survey Data Analysis Output

After the linear regression analysis on the model, the adjusted R-squared value is revealed to be 0.637 indicating that about 63.7 percent of the variation in the organizational commitment is explained by changes in the explanatory variables. The result also indicates that, the remaining 36.3% of the variation in the dependent variable can be explained by unobserved variables indicating that there are other variables that affects organizational commitment other than those included in this model.

The regression model is also a good fit to the data as judged by the F test=52.075 (p-value= 0.000 <1 percent). This confirms that the independents variables included in the regression model are good in predicting the dependent variable and the model is also adequate for the intended analysis implying that the result occurred not by chance.

Here, OLS is applied and, hence the elasticity coefficients have been captured. Table 19, below presents the elasticity coefficients of the explanatory variables in the model adopted. The estimated result revealed that all of the explanatory variables have significant positive effect on the dependent variable organizational commitment.

For the coefficient of determination (R-square) value shows the overall predicting power of the independent variables on the dependent variable. In order to know the magnitude and significance of the effect of each independent variable on the dependent variable it requires analyzing the elasticity coefficient or value of Beta coefficient. The regression coefficient explains the average amount of change in the dependent variable that occurred due to a unit of change in an independent variable and its direction. Therefore, the larger value of Beta coefficient indicates the larger effect of an independent variable on the dependent variable while the smaller P-Value the strength of the significance of the effect of a independent variable on the dependent variable.

The relative importance of each reward types (independent variables) or the magnitude and the degree of significance of the effect of each independent variable on organizational commitment (dependent variable) was explained by the standardized Beta coefficients and its P-Values.

In this regards as depicted in the table 19 below among the six reward practices included in the regression model as independent variables. Learning was found to have relatively higher significant effect on organizational commitment in the case of the Save the children under study with elasticity coefficient ($\beta=.430$) and P-Value= .000. *Reject the null hypothesis and accept the alternative hypothesis that states Learning have a significant & positive relationship on organizational commitment*

Table 16: Regression Analysis Results Coefficients

Model	Unstandardized Coefficients		Standardized coefficients	t	sig
	B	Std Error	Beta		
(constant)	.166	.250		.662	.509
Compensation	.100	.030	.119	3.316	.001
Benefit	.334	.059	.353	5.646	.000
Performance	.115	.062	.096	1.843	.007
Recognition	.003	.052	.003	.065	.948

Learning	.430	.071	.364	6.054	.000
Development	.169	.048	.194	3.553	.000

a. Dependent Variable: Organizational commitment

*Note: * and ** implies rejection of the null hypotheses @1% and @5% critical values respectively*

Source: Survey Data Analysis Output

Therefore, the fitted regression model of this study can be presented as follows;

$$\text{COM} = .166 + .100\text{RCO} + .334\text{RBE} + .115\text{RPER} + .003\text{RRE} + .430\text{RLE} + .169\text{RDE}$$

This implies that when other independent variables remain unchanged a unit increase in learning leads to 43.0 percent improvement on organizational commitment. Next to learning, benefit has positive & significant effect on organizational commitment at 1 percent significant level with β value of .334, informing us benefit is the second important reward type which contributes to the improvement of organizational commitment next to learning. This is in line with the findings of Soon Yew, LaiKuan and Kamaruzaman (2008).their study examined the influence of employee benefits towards organizational commitment in food-manufacturing industry in the state of Kedah, Malaysia. Findings reveal that fringe benefits fully mediate mandatory benefits when predicting organizational commitment.

In addition, development with β value of .169 and P-Value of .000 revealed to has positive and statistically significant effect on organizational commitment at 1 percent significant level. The result can be interpreted as when other independent variables remain constant a unit increase in development leads to a 16.9 percent improvement on organizational commitment. With elasticity coefficient $\beta=.206$ and P-Value of .000 performances is revealed to has significant positive effect on organizational commitment at 1 percent significant level. *Reject the null hypothesis and accept the alternative hypothesis that states Performance have a significant & positive relationship on organizational commitment*

On the other hand, recognition has no significant effect on organizational commitment. On contrary, Braton and Jeffrey (1988) prescribe that non-financial such as recognition is likely to

attract highly qualified and competent people who are too committed to the achievement of Organizational goals. This is due to the procedure in giving recognition to employee is unorganized and inconsistent and the employees have not acknowledged the recognition to them, furthermore, the frequency was very low to have significant effect.

Finally, compensation was confirmed to has less importance in organizational commitment both in terms of magnitude and level of significance with elasticity coefficient $\beta=.100$ and P-Value of .001 meaning at 1 percent significance level.

From the result of the regression analysis one can also learn that non-financial reward practice is more important in influencing organizational commitment than financial reward practices.

CHAPTER FIVE

SUMMARY OF THE FINDINGS, CONCLUSION AND RECOMENDATION

5.1. Introduction

In this chapter, the summary, conclusion, and the possible recommendation are presented, discussed and described in a brief and comprehensive manner.

5.2 Summary of Major Findings

The main objective of this study was to assess the Effect of Reward on Organizational Commitment in the Save the Children. The study has adopted descriptive, correlation and regression analysis to have detail understanding between the independent variables and one dependent variable:

The Major findings of the study pointed out as the following;

Demographic analysis of personal information of members of the sample revealed that the data gathered from such members of the sample selected is reliable; 57.9 % of the respondents were female. 40.6% of the respondents belong to an age group from 31-39. About 75.4% from Save the Children employees were with an education level of 1st degree and above. Furthermore, (49.4%) of respondents have experience between 6-10 years in the company.

➤ Respondents' Opinion on Financial Reward Management of Save the Children

- Majority of the respondents indicated employee contribution is not adequately rewarded and Pay increases were not handled fairly. In line with this, most of the employees feel that their pay reflects their performance. Moreover 46.6 percent has agreed that their pay compares well with what they could get elsewhere. Majority of the respondents believes the payment were fair in comparison with other people doing similar work in the organization. However, the study shows that 48.3 percent of respondents feel that their pay does not reflect their performance,

- Regarding the response on benefit, majority of the employees indicated the benefits package they are getting does not compare well with those in other organizations. In relation to this, majority of respondents believe their benefits package is low comparing with other organizations are giving to their employees. However, 47.2% of the employees replied the benefits package they receive is fair. On the contrary the studies revealed that significant number of the employees believe that have not enough choice of benefits and additional services that are suitable for them.

➤ **Respondents' Opinion on Non-Financial Reward Management of Save the Children**

- With regard to performance, majority of the respondents agreed in getting feedback for their performance and they are clear about what they expected to achieve. However most of the respondents don't believe they get adequate support from their supervisors. On the contrary the study shows that majority of the respondents receive regular feedback on their current performance from their supervisors. Furthermore, considering Recognition as part of non-financial reward management, Majority of the respondent reported employee's performance highly recognized. However, the employees indicated their supervisor fail to praise when employees achieve good performance& there is no culture of acknowledge for good performance (award, certificate). With regard to learning, the respondents reported there is lack of sufficient training given to perform their job effectively. The respondent indicated that they don't receive regular training to keep them updated for better performance. The employees reported that Promotion is strongly influenced by contribution or performance and respondents have opportunities for continued education and career development.

➤ **Respondents' Opinion on components of commitment**

- The response from Affective commitment perspective were indicated majority of the respondents are happy to spend the rest of their career with this organization and they did not take strong opinion on enjoying discussing their organization with people outside it. Furthermore, most of the respondents reported that the organization has a great deal of personal meaning for them. The next thematic area that was analyzed was continuance commitment factor. Majority of the respondents disagreed to the statement "As I am not afraid of what might happen if I quit my job without having another one" lined up lack

of organizational readiness to change and they indicated that it would be very hard for them to leave their organization right now and reported leaving would require considerable personal sacrifice another organization may not match the overall benefits they have here & they would be scarcity of available alternatives.

- In regard to normative commitment factors, the majority respondents replied that wanting to be a company person is sensible and the employees was not taught to believe in the value of remaining loyal to one organization. do not feel 'emotionally attached' to this organization. However, most of the respondents do not feel a strong sense of belonging to the organization. Moreover, Majority of employees reported that Jumping from organization to organization does not seem at all unethical to me. Most of the respondents believe that people these days move from the organization to another organization too often.

Correlation analysis of the relationship between reward and organizational commitment

➤ The above correlation analysis in the perspective of Affective commitment

- From those on the financial reward, benefit exhibited moderate positive association with Affective commitment at 1% significant level and on the other hand no relationship was observed between compensation and affective commitment. ($r = .111$ $P = .143$).
- With regard to non-financial reward, A large and strong positive relationship was observed between learning and Affective commitment ($r = .642$, $P < 0.01$). on the other hand, performance exhibited moderate statistically significant positive association with the dependent variable Affective commitment at 1% significant level. In addition, there is low but statistically significant relationship between development and Affective commitment. However, there is insignificant relationship with recognition.

➤ The correlation analysis in the perspective of Continuance commitment

- Representing financial reward, benefit exhibited strong positive association with Continuance commitment at 1% significant level with correlation coefficient $r = .678$. This suggests that the perceived cost of leaving an organization (continuance commitment) increased when employees were satisfied with their financial rewards. However, weak relationship was observed between compensation and Continuance commitment. With regard to the components of non-financial reward, A large and strong positive relationship

was observed between learning and Continuance commitment. Furthermore, there is moderate and statistically significant relationship between development and Continuance commitment at 1% significant level. On contrary performance and recognition exhibited low and statistically significant positive association with Continuance commitment.

➤ **The correlation analysis in the perspective of Normative commitment**

- The finding shows that high association between Benefit and Normative commitment & there is low and statistically significant relationship between compensation and normative commitment at 1% significant level.
- With regard to the components of non-financial reward, learning exhibited large & strong statistically significant positive association with Normative commitment. on contrary, development exhibited moderate statistically significant positive association with normative commitment. In addition, there is low and statistically significant relationship between recognition and performance with normative commitment respectively.

➤ **The Correlation analysis between reward with the overall organizational commitment.**

- The results indicated high association between benefit and organizational commitment. Whereas, there is very low but statistically significant relationship between compensation and Organizational commitment.
- With regard to non-financial reward, performance, learning and development exhibited strong & statistically significant positive association with Organizational commitment and performance exhibited moderate statistically significant positive association with organizational commitment. However, there is low and statistically significant relationship between recognition and organizational commitment. Based on the correlation analysis result, Benefit from financial reward and learning from non-financial reward was the major factor in positively affecting organizational commitment.

➤ **Multiple Linear Regression Analysis**

- Prior to regression analysis the model passed all tests including linearity, normality, Multicollinearity, Homoscedasticity and Autocorrelation. The linear regression analysis result indicated, the adjusted R-squared value is revealed to be 0.637 indicating that about 63.7 percent of the variation in the organizational commitment is explained by changes in

the explanatory variables. The regression model is also a good fit to the data as judged by the F test=52.075 (p-value= 0.000 <1 percent). The estimated result revealed that all of the explanatory variables have significant positive effect on the dependent variable organizational commitment.

- The regression coefficient indicated Learning was found to have relatively higher significant effect on organizational commitment in the case of the Save the Children under study with elasticity coefficient ($\beta=.334$) and P-Value= .000. Next, development with β value of .206 and P-Value of .000 revealed to have positive and statistically significant effect on organizational commitment at 1 percent significant level. Whereas performance has positive & significant effect on organizational commitment at 1 percent significant level with β value of .115. On the other hand, recognition has no significant effect on organizational commitment. Finally, compensation was confirmed to have less importance in organizational commitment both in terms of magnitude and level of significance.

5.3 Conclusions

In general, the research finding is in agreement with the theoretical construct of three component of commitment and the result of other studies of commitment. All the data collected has been tested for reliability by Cronbach's alpha and validity by Principal component analysis and it possible to conclude that the scale is reliable and fairly valid.

The descriptive statistics of the responses shows that Save the Children Ethiopia employees have equivalent proportion psychological states of the three component i.e Affective commitment - employee works in organization because they have emotional attachment, continuance commitment – employees work in the company because of lack of alternative and normative commitment – employees work in the company due to moral obligation, An employee cannot have only one psychological state but can have a combination of the three with one more than the others.

Majority of employees have undesirable view on financial rewards (salary& benefits) and with regard to on financial reward, performance and learning while high favorable view for promotion & development.

- According to findings of this study, it can be recapped that compensation provided to front line and office employees of the Save the Children has limited association with their organizational commitment; implying that making change in the salary only may not lead to bring unsatisfactory corresponding change in organizational commitment. The conclusion here is therefore financial rewards alone have not the capability to impress employees so as to gain their high level of organizational commitment.
- Non-financial rewards on the other hand can influence employees more to demonstrate better level of organizational commitment. Basically, this emanated as a result of non-financial rewards enable employees to feel as if they are more valued by their organization which boosts up their intrinsic satisfaction level, and in return leading to better organizational commitment as it represents the psychological state of employees.
- From those on the financial reward, benefit exhibited moderate positive association with Affective commitment and strong positive association with Continuance & Normative commitment.
- Compensation has no relationship with affective. There is low significant relationship with & Continuance and normative commitment.
- As part of non-financial reward, learning has a large and strong positive relationship with components of commitment).
- Development exhibited moderate statistically significant positive association with continuance and normative commitments. In addition, there is low but statistically significant relationship with affective commitment.
- Performance exhibited moderate but statistically significant positive association with affective commitments. In addition, there is low but statistically significant relationship with continuance and normative commitments.
- Recognition has low and statistically significant relationship with continuance and normative commitments.
- Benefit, performance, learning & development exhibited strong & significant relationship with overall Organizational commitment
- The estimated result revealed that all of the explanatory variables have significant positive effect on the dependent variable organizational commitment.

- Learning has higher significant effect on organizational commitment in the case of the Save the Children under study.
- Performance & development has positive and statistically significant effect on organizational commitment at 1 percent significant level.
- Recognition has no significant effect on organizational commitment and compensation was confirmed to have less importance in organizational commitment.

5.4. Recommendations

- As objectives and missions are mate with employees' effort and commitment, employees need to be happy with their work environment, their need should be satisfied so that they will be dedicated for the success of the organization they work for. As there are diverse and wide range of employees with many differences in a big organization. Reward system of an organization should be designed which incorporates wide range of reward packages which includes both financial and non-financial. And different management practice should be placed to motivate employees. Some employees are satisfied with money and some of the others may need more satisfied trainings, recognition and their personal development.
- Financial rewards are one of the components of total reward packages. Employees should be compensated and should be paid which is equitable with the workload and experience. This study indicated that financial rewards of Save the Children are not strong enough to realize the required level of organizational commitment of front line workers and office based workers. Thus, so to able to meet its 2030 global goal and to be high performing organization, as the office is one of the biggest offices in the region, Save the Children Ethiopia should review its financial rewards packages, both in terms of their adequacy and procedural justices to make employees feel to be more valued by the employees based on their current wants and needs.
- The organization is advised to establish a transparent communication system that allow not only senior management staff members but including the other non-management employees as well to have better understanding about the reward management practices and related decision of the organization.
- Non-financial rewards are regarded as cost effective ways to compensate employees and also

are highly influential to attract and retain employees to perceive their organization as a supporting and caring one. Therefore, so as to enhance better level of organizational commitment of front line and office based employees, it is recommended Save the Children to strengthen its current practice in this regard. It shall introduce also additional non-financial reward packages based upon the employees' best interests.

- Save the Children should give priority on non-financial rewards to bring positive impact of commitment in the workplace. Some of the program recommended include:
 - ❖ Provide sufficient and continuous trainings to employees to perform their job
 - ❖ Developing and ensuring transparent and fair promotional practice in places
 - ❖ Communicating employees about the available opportunities and growth to avoid misunderstanding
 - ❖ Assist employees developing appropriate career ladder & helping employees to advance upward in line with company goals.
 - ❖ Recognize employees more in different form who contribute to the company distinctively and who have high performance
 - ❖ Designing and managing succession planning appropriately to inspire and to indicate their career path.
- It is revealed that Save the Children pays salary to its employees is competitive in the market which is verified by the study findings. Employees have relatively more favorable perception compared to other component of rewards. However, salary has the least correlation with any component of commitment in the Save the Children. The real objective must be balancing between the financial & non-financial rewards to maximize the effects of overall reward.
- This research may help to investigate and to revise Save the Children and other similar organizations to revisit their policies and practices, and align their human resources managements with the findings. It will help them to apply the recommendation for employing multidisciplinary measure of employee commitment and a wider coverage of employee commitment in other humanitarian organization
- Furthermore, the research believer it need further study on this area. The researcher believes that the study will help and encourage other researchers to do a wider study in terms of wider geography coverage of employees' commitment in other similar and including different service

delivering organizations

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Appendix

Annex -1 Questionnaire for Primary Data Collection

Dear Madam/ Sir,

This questionnaire aims at collecting, analyzing and assessing your organization's current and potential **employee reward and recognition program** as a tool for **motivating its employees**. This is an independent research to be conducted by **Business Administration (MBA)** prospective graduate student in **St. Mary's University**.

This questionnaire is designed to collect all relevant data that enable the researcher to achieve the core aim stated above. Please **circle** the answer for **multiple choice** and please tick (✓)mark for the **table questions**.

The researcher sincerely requests respondents to exercise utmost good faith and objectivity in responding to the items raised in the questionnaire. Please note also that the information and views you provide will be very important for the success of the research purpose and it will be kept anonymous.

I thank you in advance for your kind cooperation, for giving your precious time to answer this questionnaire.

Part A: Employee profile

The aim of this section is to gain an overall understanding about the organization and about the employee's role in the organization's functions. (Please shade or underline your answers for this category)

1. Sex: 1. Male 2. Female

2. What is your educational level?

1. High school 2. TVET

3. Diploma 4. Degree 5. Masters 6. PhD and above

4. Year of experience in the organization you are working

1. Less than 5 years 3. 11-15 years

2. 6 -10 years 4. Above 15 years

Part-B: Over all employee opinion on the Reward Management of Save the Children Ethiopia Office

The aim of this section is to gain an understanding about the Employee’s opinion relating to how they expect the organization to recognize and reward them for their efforts.

1. Reward Measure statements

No	Variable Measurement statements	Strongly agree	agree	Neutral	Disagree	Strongly Disagree
1	Compensation					
1	My contribution is adequately rewarded					
2	Pay increases are handled fairly					
3	I feel that my pay does not reflect my performance					
4	My pay compares well with what I could get elsewhere					
5	I am not clear how decisions about my pay are made					
6	I am not paid fairly in comparison with other people doing similar work in the organization					

7	I can get bonuses when I improve my skills and competence					
8	I do not understand the pay policies of the organization					
9	I can get pay increase when achieving better performance					
2	Benefit					
1	The salary compares well with those in other organizations					
2	The benefits package compares well with those in other organizations					
3	The benefits package I receive is fair and I have enough choice of benefits					
4	I receive additional services other than salary and benefits which are suitable and appropriate for me for my daily life					

No	Variable	Measurement	Strongly agree	agree	Neutral	Disagree	Strongly Disagree
3	Performance & Recognition						
A	performance						
1	I get good feedback on my Performance.						

2	I am clear about what I am expected to achieve					
3	I do not get adequate support from my supervisors					
4	The performance evaluation process is fair					
5	I receive regular feedback on my current performance from my supervisor					
6	I am involved in establishing my goals and objectives periodically					
7	I feel it is easy to get my job improvement idea across to my supervisor					
8	I have the information I need to make decisions about my work					
9	I am satisfied with the technique and competence of my supervisor					
10	I can influence the description of my regarding my jobs					
11	My supervisor treat all workers fairly and equally					
B	Recognition					
1	My contribution to overall and the organization and department is fully recognized					
2	My supervisor praise me or my					

	work when I achieve good performance					
3	There is a culture of acknowledgment/ recognition of good performance (It could be any official feedback ,award, certificate)					

No	Variable questions	Measurement	Strongly agree	agree	Neutral	Disagree	Strongly Disagree
4	Learning & development						
A	Learning						
1	I am given adequate training to perform my job effectively						
2	I receive regular training to keep me updated and for better performance						
3	I feel like I have the relevant knowledge and skill to do my job						
4	I received a continued training to do my job						
B	Development						
1	Promotion is strongly influenced by contribution or performance						
2	I have opportunities for continued education and						

	career development					
3	There is adequate opportunity for growth and advancement in career					
4	The promotion procedure is fair and impartial					
5	I believe I have a good future in the organization I am working					
6	I have relevant skill which is not used current job					
7	I believe that my potential is underutilized					

Part-C: over all employees' opinion on their commitment

The aim of this section is to gain an understanding about the organization's Current Reward and Recognition System and to what extent it meets the employee's expectations.

No	Variable questions	Measurement	Strongly agree	agree	Neutral	Disagree	Strongly Disagree
1	Affective Commitment						
1	I do not feel insecure of what might happen to me if I quit my job without having another one						
2	It would be very hard for me to leave my organization right now, even if I wanted to						
3	Too much in my life would be disrupted if I decided I wanted to leave my organization now						
4	One of the major reasons I continue to work for this organization is that leaving would require considerable personal sacrifice (another						
5	organization may not match the overall benefits I have in this organization)						

6	One of the few serious consequences of leaving this organization would be the scarcity of available alternatives					
7	I feel that I have too few options to consider leaving this organization					
8	Right now, staying with my organization is a matter of necessity as much as desire					

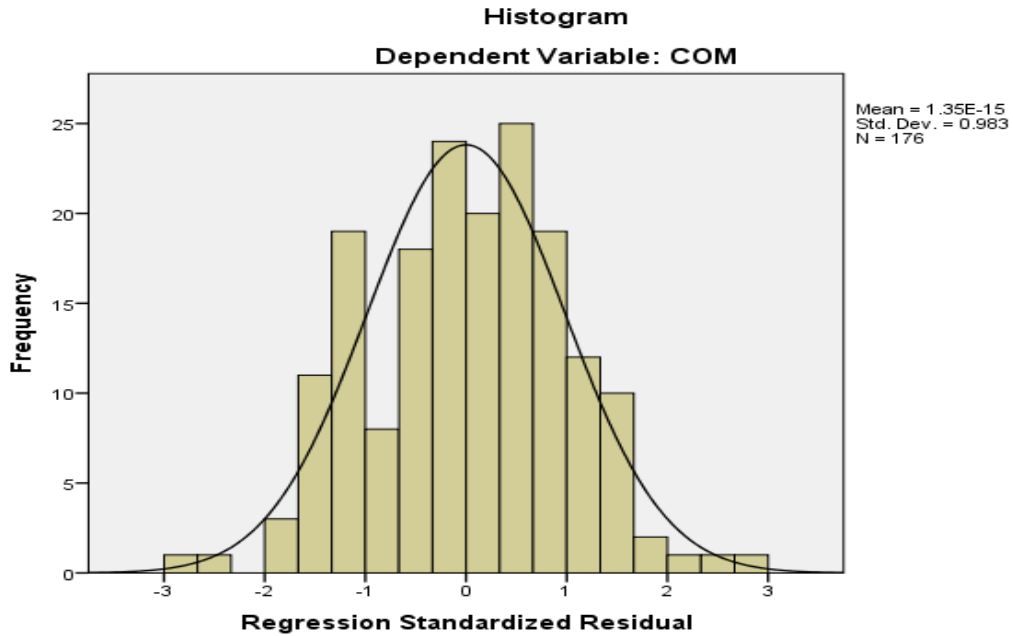
No	Variable questions	Measurement	Strongly agree	agree	Neutral	Disagree	Strongly Disagree
2	Continuance Commitment						
1	I am not afraid of what might happen if I quit my job without having another one lined up						
2	It would be very hard for me to leave my organization right now, even if I wanted to						
3	Too much in my life would be disrupted if I decided I wanted to leave my organization now						
4	One of the major reasons I continue to work for this organization is that leaving would require considerable personal sacrifice — another organization may not match the overall benefits I have here						
5	One of the few serious consequences of leaving this organization would be the scarcity of available alternatives						

6	I feel that I have too few options to consider leaving this organization					
7	Right now, staying with my organization is a matter of necessity as much as desire					
8	It wouldn't be too costly for me to leave my organization now					

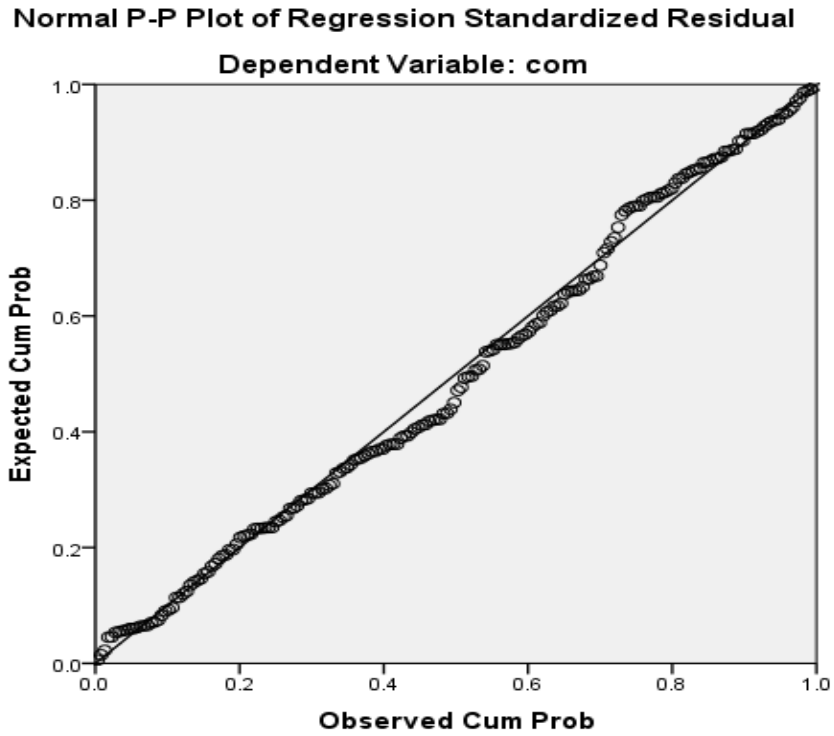
No	Variable Measurement questions	Strongly agree	agree	Neutral	Disagree	Strongly Disagree
3	Normative commitment					
1	I do not think that wanting to be a 'company man' / 'company lady' is sensible to me anymore					
2	Things are better in the when people stayed with one organization for most of their careers					
3	I was taught to believe in the value of remaining loyal in one or this organization					
4	If I get another offer for a better job elsewhere I wouldn't think it is right to leave my organization					
5	One of the major reasons I continue to work for this organization is that I believe that loyalty is important and therefore feel a sense of moral obligation to remain in the					

	organization					
6	Changing jobs from organization to organization anytime does not seem at all unethical to me					
7	I do not believe that a person must always be loyal to his or her organization unless he/she is happy with pay and the benefit comparing with its input and effort					
8	I think that people these days move from our company to another company too often					

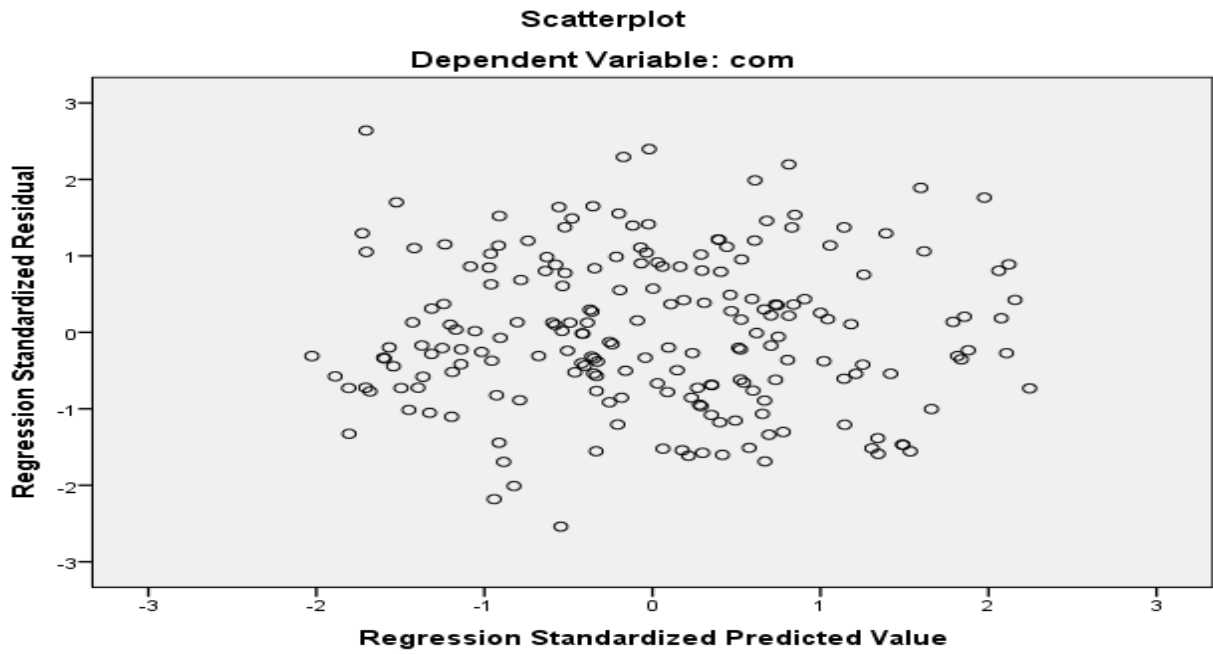
Annex -2 Test of Normality



Annex 3: Test of Linearity



Annex 4: Test of Heteroscedasticity



Annex 5: Test of Error Autocorrelation

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.806 ^a	.649	.637	.532	2.411

a. Predictors: (Constant), Compensation, Benefit, Performance, Recognition, Learning, Developpr

b. Dependent Variable: Organizational commitment

Source: Survey Data Analysis Output