

# THE EFFECT OF REWARD MANAGEMENT PRACTICES ON EMPLOYEES TURNOVER INTENTION IN THE CASE OF ABEBE BIKILA HEALTH CENTER

By

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Intention In The Case Of Abebe Bikila Health Center	

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Department:-Masters Of Business Administration

THE EFFECT OF REWARD MANAGEMENT PRACTICES ON EMPLOYEE TURNOVER INTENTION IN THE CASE OF ABEBE BIKILA HEALTH CENTRE

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#### **DECLARATION**

I, Meron Adugna Alemu declare that the research entitled "The Effect of Reward Management Practices on Turnover Intention: the Case of Abebe Bikila Health Center", is my original work under the guidance and suggestion of Dr. Tewodros. It is offered for the partial fulfilment of the Degree of Master of Business Administration (MBA). This research has not been submitted for any degree in St'Mary University or any other University and all sources of material used for the research have been duly acknowledged.

Name:	Signature:	
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# **CERTIFICATE**

This is to certify that Meron Adugna Alemu, Student of Masters of Business Administration (MBA),St'Mary University, has been working under my supervision and guidance for this project work. Her project work entitled "The Effect of Reward Management Practices on Turnover Intention: the Case of Abebe Bikila Health center" which she has now submitted is genuine and original work.

Name:	Signature:	
Date:	Place:	

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# **ACRONYMS**

- HR-Human resource
- TI-turnover intention

#### **ABSTRACT**

Human capital is a paramount important part of todays' business world. For any company to achieve its corporate strategies, it is important to have motivated, committed workforce within the company. Losing experienced human resource by voluntary turnover is very costly for the organization and difficult to recover from when it specially occurs in large quantity. Regardless of the huge negative impact of turnover intention on the goal achievement of organizations, serious attention and research to address the problem specially in the health sector is very limited in many organizations in Ethiopia including Abebe Bikila health center. The study considered various independent variables including remuneration, cash incentives, promotion opportunities, recognition, and work conditions. The research aimed to determine how these factors influence the likelihood of employees leaving their current job. Based on quantitative survey, the data was collected from 202 sample group that are working in the center at clerical, non-clerical supervisory and health professional levels. By implementing the proper statistical tests, the study analysis uncovered that the first three out of the five candidate variables (remuneration, cash incentives, promotion, recognition and work condition) were found to strongly correlate well with turnover intention. By investigating the relationship between reward management practices and turnover intentions, this study provided valuable insights for organizations specially healthcare centers looking to reduce employee turnover and improve retention strategies.

Keywords:-Rewardpractices, Turnoverintention

#### **CHAPTER ONE**

#### 1 INTRODUCTION

# 1.1 Background of the study

Reward Practices are systematic ways of a program that gives incentives for those who perform well in the organization. Reward practices can be categorized as financial and non-financial rewards (Armstrong, 2007). Financial rewards are those which satisfy the employees by providing rewards in terms of money. Besides the finance rewards, there are also non-financial rewards that meet the ego and self-actualization needs and wants of employee.

As said by Sadiq et al (2022), employees are essential components of a company, influencing not only their own performance at work but also other important things, namely their willingness to work and their commitment to achieving company goals. Hiring qualified workers is important to companies in order to achieve a competitive edge in the market. Retaining professional workers is however more important to a company than recruiting them. Nowadays, organizations face the challenge of retaining their employees owing to increased market competition (Haider, et al., 2015).

According to Long ,(2012), turnover is defined as movement of employees across organizational membership boundary and it can be categorized as voluntary and involuntary. While voluntary turnover is coming from the employees themselves, involuntary turnover is based on the decision of the organization. High level of labour turnover is especially costly to both individual organizations and the economy as a whole and adversely affects efficiency, productivity, profitability of the organization and morals of employees (Glebbeek, 2004). Beyond recruitment and training, the overriding interest of organizations is to retain competent and productive employees. one of the ways that organizations have adopted in addressing the problem of employee turnover is to put in place a rewards system that will motivate employees to show loyalty and commitment and remain with the organization (Mendis, 2017).

A study by Deci, Koestner, and Ryan (1999) shows the link between reward management practices and turnover intention as the researchers found that employees who perceive their work as intrinsically rewarding are more likely to have lower turnover intentions. This suggests that when employees find their work fulfilling and meaningful, they are less likely to consider leaving the organization.

Similarly, a study by Gerhart and Milkovich (1992) found that higher levels of pay and financial rewards are associated with lower turnover intentions among employees. Another important factor in the link between reward practices and turnover intention is the perceived fairness of rewards. Employees' perceptions of fairness in the distribution of rewards can significantly impact their intention to stay or leave the organization.

In the health sector, the relationship between reward management practices and employee turnover intentions is significant. When employees feel that they are rewarded for their efforts and contributions, they are more likely to be satisfied with their job and committed to the organization (Khamis et.al,2018).

Reward management practices that offer competitive salaries, performance-based incentives, opportunities for profession growth, and recognition for achievements can motivate employees to stay in their current positions and this is particularly important in the health sector, where the demand for skilled healthcare professionals is high and the competition to retain them is fierce (Wang et al., 2018).

Reminding of this, this study investigated the effect of reward practices on employee turnover intention among employees in Abebe Bikila health center .The study took employee turnover intention as dependent variable while taking remuneration , cash incentives, promotion , recognition and work condition as independent variables because these variables are key components of an organizations reward management practices.

#### 1.2 Statement of the problem

Lack of rewards and recognition practices may cause to create unsatisfactory workforce within the organization, because today's employees want to be treated like a valuable resource not a disposable asset. So, in the current context, retaining qualified personnel within organizations has become one of the most common challenges and problems that managers face today which can lead to increased recruitment and training costs, decreased productivity, and negatively impact patient care (Kravita & Maliotta, 2016).

In an effort to solve this issue, many healthcare organizations have implemented reward practices as a way to motivate and retain employees. (Toh & Tan, 2018).

Employees are the most important element as they are the mastermind of plans, decisions and strategies of an organization. Unlike many other kinds of business capitals, trained and skilled human resource is also a complex one where the absence or presence of a single trained employee can be felt by the organization and can have completely different business outcome. It is often tough and takes long time for organizations to recover from the loss of valued employees through many reasons. The loss by employees' decision of quitting is especially challenging owing to the nature of unpredictability and shortage of time for adjustment (Romadhona & Wahyuningtyas, 2019).

High employee turnover rate is a significant challenge facing healthcare organizations worldwide, including in Ethiopia. Employee turnover rates in healthcare organizations, have become a pressing concern for hospital administrators and human resource managers. The high turnover rates are attributed to various factors, including dissatisfaction with rewards and recognition & lack of career growth (Chang, 2016).

Previous study by Li(2014) has shown that reward practices can have a positive impact on employee motivation and retention. However, the effectiveness of reward practices can vary depending on factors such as the type of reward (Mobley, 2017). Different types of rewards can have different effects on employees 'intentions to leave their current organization .For instance, extrinsic rewards such as promotions and bonuses can be effective in retaining employees, but their effect may be temporary.

According to Mobley (2017) ,the effectiveness of reward practices depends on aligning the type of reward with the strong matches and preferences of employees. A combination of a number of rewards can generate an extensive and effective reward management practices that motivate employees and enhance their retention.

#### **Research Gaps**

The first gap is that while individual components of reward practices such as recognition, cash incentives, promotion, and appreciation have been studied separately, there is a research gap in understanding the combined effect of these factors on turnover intention in healthcare settings. For instance, Toh & Tan(2018) examined the relationship between reward

management system and turnover intention by considering a single factor which is remuneration only and neglected the effect of the rest.

The second gap is that different previous studies explored the effect of reward management practices on turnover intention in a general organizational context without specifically examining on industry-specific aspect such as health sector.

Therefore, due to the above reasons this study was done to provide a panoramic understanding of the effect of reward management practices on employee turnover intention by including the key combined components remuneration, cash incentives, Promotion, recognition, and work condition that have been offered to employees in Abebe Bikila Health center.

# 1.3 Research questions

Based on the objective of the study and noticed research gap ,this study sought to answer the following questions;

- 1. What is the extent of employees turnover intention in Abebe Bikila health center?
- 2. What is the effect of cash incentives on employee turnover intention in Abebe Bikila health center?
- 3. How does promotion influence employee turnover intention in Abebe Bikila health center?
- 4. What is the influence of recognition on employee turnover intention in Abebe Bikila health center?
- 5. How does work condition affects employee turnover intention in Abebe Bikila health center?

#### 1.4 Hypothesis of the study

- H1: Remuneration has a negative and significant effect on turnover intention.
- H2: Cash incentive has a negative and significant effect on turnover intention.
- H3: Promotion has a negative and significant effect on turnover intention.
- H4: Recognition has a negative and significant effect on turnover intention.
- H5: Work condition has a negative and significant effect on turnover intention.

#### 1.5 Objectives of the study

#### 1.5.1 General objective

The general objective of the study was to investigate the effect of reward management practices on employee turnover intention in Abebe Bikila healthcare center.

#### 1.5.2 Specific objectives

- 1. To determine the extent of employees turnover intention in Abebe Bikila health center.
- 2. To investigate the effect of cash incentives on employee turnover intention in Abebe Bikila health center.
- 3. To identify the influence of promotion on employee turnover intention in Abebe Bikila health center.
- 4. To explore the influence of recognition on employee turnover intention in Abebe Bikila health center.
- 5. To determine the effect of work condition on employee turnover intention in Abebe Bikila health center.

#### 1.6 Significance of the study

The findings of this study will have realistic implications for healthcare organizations, particularly in the context of Abebe Bikila Health Center, by providing evidence-based recommendations for the implementation of effective reward practices that support employee retention. The result of this research will be very useful not only for Abebe Bikila health center, but also for other health care centers and similar companies. Because the study will find significant reward system factors relationship with turnover intentions by identifying employees' opinions to wards the reward system practice of HR management.

The findings of the study will be disseminated by using online platforms such as healthcare blogs. This study will give signal to the HR management of the health center or other industries to take remedial action. Also, it will help as a source of reference and a stepping stone for those student researchers who want to make further study on the area afterwards. it gives the researcher the opportunity to gain deep knowledge about the effect of reward system on turnover intentions and also to develop a skill to do research.

#### 1.7 Scope of the study

The main focus of the study was investigation of the effect of reward management practices on employee turnover intention. Topically, although there are numerous factors that affect turnover intention, but this study only focused on the reward practices because rewards are of higher significance in accordance with turnover intention (Mobley,2017). The developed variables under conceptual framework which used as variable scope and focusing area of this study were remuneration, cash incentives, promotion, recognition and work condition because the researcher desired to investigate the combined effect of these variables on turnover intention.

Geographically the study was performed in Addis Abeba and its focal point was Abebe Bikila Health center in Addis ketema sub city because the researcher observed there was noticable turnover rate and could access easily required information from this health center as the researcher had a family working there.

Methodologically, the study used quantitative research approach only because it provides statistical evidence on the effect. Explanatory and descriptive design were utilized because these designs enable to point out the relationship between dependent and independent variables and summarize the demographic characteristics of the respondents respectively. The research period of this study was delimited from April to June 2024 due to the schedule of the university.

## 1.8 Definition of Key terms

**Turnover intention** (**TI**)- is a measurement of whether an employees plan to leave their position or whether an organization plans to remove an employee (David, 2008).

**Reward practices** – are systematic way of a scheme or a program which gives incentives for those individuals or groups who perform well in the organization (Armstrong, 2007).

**Cash incentives**-refer to monetary rewards or bonuses given to employees in exchange of their performance (Farnham &Patterson,2017)

**Promotion-**is advancement of an employee to a higher position within organization (Gellatly & Peters, 2016).

**Recognition-** refers to giving positive feedback to employees based on their performance (Maertz et al.,2007).

**Work condition-**refers to the interaction of an employee with the physical work environment (Bezuidenhout, 1994).

### 1.9 Limitation of the study

The sample size was very small that may affect the generalizability of the findings. Obtaining some necessary data was challenging due to privacy issues of the center. And also limited financial resource and time of the researcher restricted the scope, depth and breadth of the research.

## 1.10 Organization of the study

This presentation of the research work is organized here in to five chapters. Chapter one provided an overview about statement of the problem as well as the background, objective, significance, scope and organization of the study. Chapter Two consisted of a brief related literature on employee turnover intention along with potential reward system factors. Chapter Three concentrated on explaining the research procedure and methodology. Chapter Four presented the data and data analysis steps. Chapter Five finally summarized and discussed the main findings and recommendations.

### **CHAPTER TWO**

#### 2 REVIEW OF RELATED LITRATURE

#### 2.1 Review of Theoretical Literature

### 2.1.1 Reward practices

According to Pratheepkanth (2011), a reward practice in an organization includes various components such as people processes, rules, and decision-making activities that are involved in the allocation of compensation and benefits to employees in exchange for their contributions to the organization. Jiang et al. (2009) define reward as the compensation that an employee receives from an organization for their service, which includes not only direct currencies but also othe8r forms of compensation such as a comfortable office, favorable interpersonal relationships, access to decision-making involvement, challenges, and a sense of achievement, and preferable growth opportunities.

Armstrong (2007) states that the overall objective of a reward practice is to reward people fairly, equitably, and consistently in accordance with their value to the organization in order to further the achievement of the organization's strategic goals. Trevor (2001) highlights the aims of a reward practice, which include attracting and retaining staff of sufficient caliber to meet the needs of the organization, providing motivation to employees to perform at their best, recognizing the relative differences and value of each job and worker, and enabling employees to feel part of the success of the organization.

According to Armstrong (2016), reward management is not just about financial rewards such as pay and employee benefits. It also includes non-financial rewards that are essential for motivating and retaining employees. These non-financial rewards include recognition, learning and development opportunities, and increased job responsibility. Armstrong explains that a reward practice consists of interrelated processes and practices that ensure effective reward management, which benefits both the organization and its employees.

The financial rewards, as stated by Armstrong (2016), include pay and employee benefits. On the other hand, non-financial rewards consist of recognition, work environment, job design, and opportunities for development. These non-financial rewards are considered intrinsic rewards, which are essential for motivating employees and increasing their job satisfaction.

#### 2.1.1.1 Types of Reward

Rewards are an important aspect of motivation and can be classified into different types based on their nature and function. Here are some of the most commonly recognized types of rewards: There are rewards that come from within an individual and are based on personal satisfaction, enjoyment, and interest (Deci & Ryan, 2000). Intrinsic rewards are often associated with activities that bring pleasure, joy, and a sense of accomplishment. Examples of intrinsic rewards include the feeling of satisfaction from completing a challenging task, the joy of learning a new skill, or the sense of accomplishment from helping others. There are rewards that come from outside of an individual and are often associated with external factors such as money, recognition, or praise (Kohn, 1993). Extrinsic rewards are often used to motivate people to perform tasks that they might not find inherently rewarding. Examples of extrinsic rewards include bonuses, promotions, or public recognition.

Social Rewards: These are rewards that come from social interactions and relationships. Social rewards can be positive, such as praise, recognition, or affection, or negative, such as criticism, rejection, or isolation (Cialdini ,2009). Social rewards play an important role in shaping behavior, especially in group settings.

Moral Rewards: These are rewards that are based on an individual's personal values and beliefs. Moral rewards are often associated with feelings of rightness, justice, and fairness (Turiel ,1983). Examples of moral rewards include the feeling of satisfaction from helping others, the sense of duty fulfilled, or the feeling of fairness and justice.

#### 2.1.2 Employee turnover

Turnover, also known as employee turnover or staff turnover, refers to the rate at which employees leave a company and need to be replaced in a given time period to the average number of workers (Ongori, 2007). It's a key metric that can have significant consequences for a business's productivity, profitability, and overall success. According to (Kazi and Sadeh ,2011), employee turnover refers to the movement of workers within the labor market, encompassing transitions between firms, and jobs as well as shifts between being employed and unemployed.

Employee turnover is a significant concern for organizations due to its financial implications and impact on overall performance. Various factors contribute to employee turnover.

These factors may include job dissatisfaction, lack of growth opportunities, inadequate compensation, poor work-life balance, ineffective leadership, and organizational culture (Society for human resource management, 2021).

According to a study conducted by the society for human resource management (SHRM ,2021), employee turnover can cost a company between 50-60 % of an employee's annual salary depending on the position and level of expertise. This cost includes expenses related to recruiting, interviewing, hiring, and training new employees. High turnover rates can also have a negative impact on team morale, productivity, and customer satisfaction.

#### 2.1.2.1 Employee turnover intention

According to (Arshadi, 2013), employee turnover intention is a conscious decision made by employees who are seeking new job opportunities outside of their current organization. Employee turnover intention is often driven by the feeling that their current job does not meet their ambitions and expectation. Despite the significance of employee turnover intention, the fundamental issues leading to it are often neglected. The concept and measures of employee turnover intention have remained largely unchanged over the years, with little attention being paid to the specific factors that influence employees' intention to leave their current job (Zeffane, 2017).

Employee turnover intention is the predisposition of employees to leave their current jobs and seek employment elsewhere and also it represents an employee's mindset and intention to voluntarily quit their job (Mobley,1982). It is an important concept for organizations to understand as it can help identify potential turnover risks and take proactive measures to retain valuable employees. According to (Mobley,1982),organizations can execute strategies to address turnover intention and improve employee retention. These strategies may include enhancing job satisfaction through providing opportunities for growth and advancement and fostering a positive work environment.

Employee turnover intention is often driven by the absence of job satisfaction and the desire for better opportunities, when employees are not satisfied with their job, they are more likely to seek alternative employment opportunities, which can result in the loss of skilled and experienced employees for the organization (Long, 2012).

#### 2.1.2.2 Types of Turnover

Firstly, turnover can be classified into two main categories: voluntary and involuntary turnover. Voluntary turnover occurs when employees choose to leave their jobs, while involuntary turnover happens when employees are forced to leave their jobs, usually due to layoffs or dismissal (March, 1958).

Furthermore, turnover can also be classified into functional and dysfunctional turnover. Functional turnover refers to the departure of employees who are not contributing to the organization's goals, while dysfunctional turnover refers to the departure of employees who are valuable to the organization(Chew, 2008).

Another way to classify turnover is by the level of employee tenure. Research has shown that employees with shorter tenure are more likely to leave their jobs, and this type of turnover is known as "early turnover." (Samuel, 2009)In addition, turnover can also be classified into "quits" and "lays." Quits refer to employees who leave their jobs voluntarily, while lays refer to employees who are forced to leave their jobs due to layoffs or downsizing(March, 1958)

Lastly, turnover can also be classified into "intentional" and "unintentional" turnover. Intentional turnover refers to employees who deliberately choose to leave their jobs, while unintentional turnover refers to employees who leave their jobs due to unforeseen circumstances, such as a change in management or a merger (Chew, 2008).

#### 2.1.2.3 Causes of Turnover

There are several reasons why employees might choose to leave a company, but the one that relates this study is Low pay or benefits: Poor management or leadership: Employees may leave a company if they feel that their manager or supervisor is ineffective, unsupportive, or difficult to work with. According to a survey by Gallup, poor management is the number one reason why employees quit their jobs, cited by 75% of respondents(Gallup, 2017).

Lack of opportunities for growth and development: Employees who feel that they are not learning or growing in their roles may seek opportunities elsewhere. A study by LinkedIn found that 94% of employees say that they would stay with their current employer if they were offered opportunities for growth and development (LinkedIn, 2018). Poor work-life balance: Employees who feel overworked, undervalued, or unable to balance their work and personal lives may choose to leave a company.

A survey by Glassdoor found that 60% of employees say that work-life balance is an important factor in their job search(Glassdoor, 2019).

Unsatisfying work environment: Employees may leave a company if they don't find the work environment conducive to productivity, creativity, or overall well-being. A study by Harvard Business Review found that employees who work in environments with natural elements, such as plants or natural light, are 15% more likely to be satisfied with their jobs (Harvard Business Review, 2019). Low pay or benefits: Employees who feel that they are not being fairly compensated for their work may seek better-paying jobs elsewhere. A survey by the Society for Human Resource Management found that 75% of employees would consider leaving their current job for a raise of 10% or more (Society for Human Resource Management, 2020).

## 2.1.2.4 The Effect of employee turnover on an organization

Turnover can have a significant impact on a company's productivity, profitability, and overall success. Here are some of the ways in which turnover can affect a company: Increased recruitment and training costs: When employees leave a company, it can be costly to recruit and train new employees.

According to a study by the Society for Human Resource Management, the cost of replacing an employee can range from 50% to 200% of the employee's annual salary (Society for Human Resource Management, 2018).

Turnover can lead to reduced productivity as remaining employees may need to take on additional workloads or cover for absent colleagues. A study by the National Bureau of Economic Research found that turnover can lead to a 20% to 30% decrease in productivity among remaining employees (National Bureau of Economic Research, 2017). Loss of institutional knowledge: When employees leave a company, they take their knowledge and experience with them. This can be particularly problematic if the departing employees are in key positions or have specialized skills. A study by the Harvard Business Review found that the loss of institutional knowledge can be a significant consequence of turnover (Harvard Business Review, 2019).

Negative impact on morale: Turnover can also have a negative impact on the morale of remaining employees. If employees feel that their colleagues are leaving due to poor management or working conditions, it can create a negative work environment and lead to

further turnover. A survey by Gallup found that 77% of employees who are considering leaving their job cite "lack of respect" as the reason (Gallup, 2017).

Impact on customer service: Turnover can also affect a company's ability to provide quality customer service. If employees are leaving, it can lead to a lack of continuity in customer relationships and a decrease in customer satisfaction. A study by the International Customer Service Institute found that 89% of customers who experience a positive interaction with a company will return for future purchases (International Customer Service Institute, 2018).

# **2.1.3 Theory on Reward Management Practices**

## 2.1.3.1 Reinforcement theory

Reinforcement theory is a theory that studies the relationship between behavior and its consequences. It analyzes how rewards and punishments can change or modify an employee's behavior on the job. The theory is based on the idea that behavior that is positively reinforced tends to be repeated, while behavior that is not reinforced tends not to be repeated (Samson& Daft, 2002).

There are four types of reinforcement tools: positive reinforcement, avoidance learning, punishment, and extinction (Samson and Daft, 2002). Positive reinforcement is when an employee is rewarded with a pleasant consequence following desired behavior. Avoidance learning is when an employee learns to behave in a desired manner to avoid an unpleasant outcome. Punishment is when an employee experiences an unpleasant outcome following undesired behavior. Extinction is when a positive reward is taken away, leading to a decline in the reinforcement of the undesired behavior.

The frequency of reinforcement is important in reducing the time needed for an employee to learn the desired behavior. There are five main types of reinforcement schedules: continuous reinforcement and four types of partial reinforcement (Samson and Daft, 2002). Continuous reinforcement refers to the reinforcement of every occurrence of the desired behavior, while partial reinforcement schedules are more effective for maintaining behavior over extended time periods. Partial reinforcement schedules include fixed-interval schedule, fixed-ratio schedule, variable-interval schedule, and variable-ratio schedule. Fixed-interval schedule rewards employees at specified time intervals, while fixed-ratio schedule rewards employees after a specified number of desired behaviors.

Reinforcement theory has important implications for motivating employees. It shows that behaviors that are positively reinforced are likely to be repeated, while behaviors that are negatively reinforced are not likely to be repeated. By reinforcing employees each time they perform a desired behavior, it is possible to motivate them to repeat that behavior.

Non-monetary incentives, such as verbal recognition, feedback, letter of appreciation, public praise, celebration of a work-related success, or tangible non-monetary incentives like a gift certificate, plague, or job-related non-monetary incentives like training opportunity, time-off, job enrichment, etc. can be used to positively reinforce desired behaviors (Nelson, 2001).

Positive reinforcement is a powerful motivator, as it provides employees with a positive outcome for their desired behavior. This can include non-monetary incentives, such as verbal recognition, feedback, or public praise, as well as monetary incentives like bonuses or extra pay .The advantage of non-monetary incentives is that they can be used to reinforce desired behaviors in a timely manner, following the behavior. Positive reinforcement is much more effective when it comes shortly after the desired behavior is displayed . While a positive feedback, a pat on the back, or a simple "thank-you" can accomplish this immediately, a monetary incentive like a bonus would take much longer time to award, thus, to reinforce the desired behavior. Therefore, non-monetary incentives are necessary to reinforce the desired behaviors of employees in a timely manner and motivate them to repeat those actions (Stajkovic & Luthans ,1997). According to reinforcement theory, the consequences of behavior can significantly impact the likelihood of that behavior occurring again in the future (Samson & Daft, 2002).

The researcher will use reinforcement theory in this study. Because reinforcement theory can be a valuable framework to study the effect of reward management practices on employee turnover intention as it focuses on how rewards and punishment influence behavior .This theory suggests that employees are motivated by the consequences of their action specifically the rewards they receive .

Also this reinforcement theory can guide the design of effective reward practices that align with organizational goals and values and generate practical insights and recommendations by identifying the type of rewards that are more effective in improving employee retention (Vroom, 1964).

#### 2.1.4 The Effect of Reward Management Practices on Turnover Intention

#### 2.1.4.1 The effect of Remuneration on turnover intention

Remuneration refers to the financial and non-financial rewards that employees receive in exchange for their work. It includes salary, wages, bonuses, benefits, and other forms of compensation. Remuneration plays a crucial role in shaping employees' turnover intentions, which refer to their willingness to leave their current job and seek employment elsewhere (Muhammad ,2016).

Numerous studies have investigated the relationship between remuneration and turnover intentions. For instance, According to a study by the Society for Human Resource Management (SHRM), employees who are satisfied with their compensation and benefits are less likely to leave their organization.

The study found that 71% of employees who were satisfied with their compensation had no plans to leave their organization, compared to 47% of those who were dissatisfied with their compensation (SHRM, 2019). Another study published in the Journal of Business Research found that there is a negative relationship between remuneration and turnover intentions. The study surveyed 200 employees and found that employees who were paid higher wages and received better benefits were less likely to have turnover intentions (Khan et al., 2017).

A study published in the International Journal of Management and Enterprise Development found that remuneration was the most important factor influencing turnover intentions among a sample of 200 employees in the UK. The study found that employees who were dissatisfied with their remuneration were more likely to have turnover intentions (Adegoke et al., 2015).

#### 2.1.4.2 The effect of cash incentives on turnover intention

Cash incentives refer to monetary rewards or bonuses given to employees in exchange for their performance, effort, or achievement of specific goals. These incentives are often used to motivate employees and improve their productivity, as they provide a direct financial benefit to the employee (Farnham & Patterson, 2017).

Research has shown that cash incentives can have a positive impact on employee motivation, performance and retention. For instance, According to a study by Gattiker and Morgeson (2018), cash incentives were found to be a significant predictor of employee motivation and employee retention, as they provide a tangible reward for employees' efforts.

Homburg and plant (2009) indicated that cash incentives have strong relationship against employee turnover and recommended incentive schemes in place to enhance employee retention and commitment as well as reduce high turnover intention since high frequency of turnover has a huge effect on overall company achievements.

### 2.1.4.3 The effect of promotion on turnover intention

Promotion refers to the advancement of an employee to a higher position or role within an organization. It is often accompanied by increased responsibilities, higher pay, and greater opportunities for growth and development (Gellatly & Peters, 2016). Promotion can be seen as a positive factor that reduces turnover intentions. When employees are promoted, they may feel a sense of accomplishment, recognition, and increased job satisfaction. This, in turn, can lead to higher levels of commitment and loyalty to the organization (Meyer et al, 2002).

When employees are promoted within organization, they feel valued and recognized for their hard work, which can increase their job satisfaction and commitment to the company. This, in turn, reduces their intention to leave the organization (Bauer et al.,2007).

#### 2.1.4.4 The effect of recognition on turnover intention

Recognition is a crucial element in the workplace that can positively affect employee engagement, loyalty, and retention. Recognition involves giving positive feedback to employees based on their performance or results, often through formal means such as awards, bonuses, or other forms of acknowledgment (Maertz et al., 2007).

According to Donnell (2008), recognition plays a pivotal role in positively affecting employee retention. Employees who feel genuinely recognized for their efforts are more likely to stay with the company. Donnell (2008) found that companies that prioritize recognition as part of their strategy are in a better position to keep workers engaged and are less likely to experience high turnover rates.

#### 2.1.4.5 The effect of work condition on turnover intention

According to Bezuidenhout (1994), working conditions refers to "the interaction of an employee with the physical work environment". Working conditions include physical conditions such as working tools, equipment, materials, and schedules. Psychological conditions include work pressure and stress, and physical layout refers to a clean and comfortable environment. Working conditions are created by the interaction of employee

with their organizational climate, and includes psychological as well as physical working conditions.

A study by Schaufeli (2004) has found that employees who experience unfavorable work conditions are more likely to feel stressed, burned out and dissatisfied with their jobs, leading to a higher likelihood of wanting to leave their current organization. Another study by Bakker(2005) showed the importance of providing favorable work conditions such as manageable job demands, sufficient job resources, and supportive work environments, in order to reduce turnover intention among employees.

#### 2.2 Empirical Literature

Appropriate, timely, and effective reward enhances employees' motivation and retention which in turn leads to improved commitment as well as achievement of organizational goals (Akafo,2015). According to the 2007 annual review of Chartered Institute of Personnel Development (CIPD), alignment of reward management practices with personnel needs creates employee satisfaction which leads to higher productivity and organizational Commitment leading to intention to stay. This in turn assists the organization towards a2chieving its goals. It was also pointed out that reward management attracts and retains high quality employees (Fransson, 2008). This means that for an organization to attract and retain talented employees, it must offer attractive and appropriate rewards.

Centre for Effective Organizations in its (2008) report again observes that the ability of an organization to attract and retain employees depends mostly on its rewards. This is due to the fact that good rewards lead to high level of employee satisfaction which in turn leads to low turnover. Employees are satisfied with their jobs in organizations that provide competitive rewards and this makes them to want to stay in the same organizations thereby leading to high levels of employee retention (Armstrong M. &., 2007).

Reward management aims at defining the right behaviors and outcomes by outlining expectations through contingent pay schemes and performance management. Reward can be used to drive the right behaviors and outcomes in an organization. Employees are motivated to adopt the right form of behavior with the belief that performance will lead to better rewards. Employee rewards may be looked at as total reward which refers to the compensation which an employee receives from an organization for rendering his or her services. It includes all the financial and nonfinancial benefits that are given by an organization to its employees (Manas, 2003).

Another similar study conducted to determine the impact of reward and recognition on job satisfaction and motivation of employees from both private and public sectors organizations in Pakistan found that rewards and recognition were positively related with motivation. They concluded that effective rewards management leads to increased employee motivation and commitment (Malik, 2010).

Prior to the work of March and Simon, research on best practices in reward system factors was fragmented and had not led to an effective blend of practices that could improve organizational commitment and intention to stay (March, 1958). Additionally, most studies on turnover were conducted in the Western world (Samuel, 2009), leaving a gap in understanding of employee turnover intention in Africa and specifically in Ethiopia.

The first formal turnover intention model, named the process model of turnover, which focuses on the cognitive processes involved in an employee's decision to leave the organization. This study is one attaining most attention from researchers by far. According to the statement of March and Simon, perceived ease of movement, which means the evaluation of perceived substitution or opportunity and perceived desirability of movement, which is affected for situation by job satisfaction, are the two major factors that lead to turnover decisions (Morrell, Loan, & Wilkinson, 2001).

Although March and Simon's model has been developed for several years, some gaps still exist. First, Methodologically, it is March and Simon 's reliance on self-report measures to asses turnover intention. Self-report measures are subjective and may be influenced by various biases ,such as social desirability bias. Second, many important factors that affect the turnover intention, such as reward system factors were not present fully.

Third, in terms of timeliness, March and Simon 's model was developed several decades ago. Since then, the work place dynamics and employee attitudes have evolved significantly. The model may not fully capture the complexities of turnover intention in the modern work place.

On the other hand, in St, Mary university, several students conducted research studies as part of their master's degree requirements. While many of these studies focused on the effect of reward system on employee satisfaction and performance, there was a noticeable shortage of research on the effect of reward management practices on employee turnover intention in St, Mary university. The researcher recognized that employees turnover intention is a critical aspect of employee behavior and can have significant implications for organizational success.

However, the specific effect of reward management practices on turnover intention had not been extensively studied.

These gaps in the existing literature motivated the researcher to investigate the relationship between reward management practices and turnover intention. Therefore, to address this gap, the researcher design a study to examine the effect of reward management practices on employee turnover intention by including important components of reward practice and employ organized methodology as well as analyze the collected data using appropriate statistical techniques to determine the relationship between reward practices and turnover intention in the current modern work place.

## 2.3 Conceptual Framework

The purpose of this study was to investigate the relationship between the reward practices and employee turnover intention. The study investigated the effect of various independent variables, including remuneration, cash incentives ,promotion , recognition and work condition on the dependent variable of turnover intention.

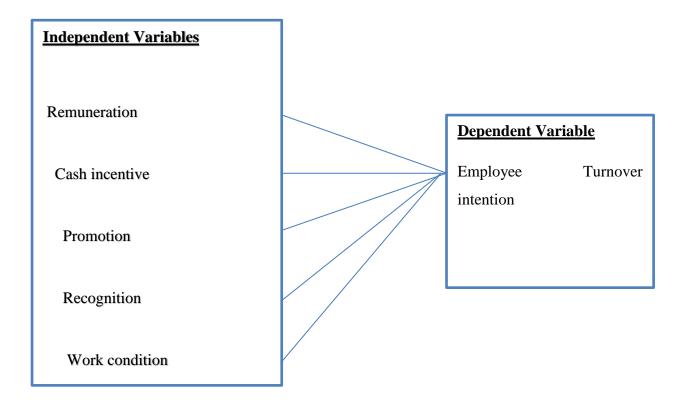


Figure 1 Conceptual framework model adopted from (Mendis ,2017)

#### **CHAPTER THREE**

#### 3 RESEARCH METHODOLOGY

#### 3.1 Research Design

Explanatory research was utilized because this design helps to examine the relationship between the dependent and independent variables and determine the cause and effect of these variables as it attempts to investigate the effect of reward practices on turnover intentions. Additionally, descriptive design was employed because it allows to summarize the demographic characteristics of the respondents and assess their perception of the independent variables as it enables the researcher to describe the state of affairs as they exist.

### 3.2 Research approach

A quantitative approach was utilized to investigate the effect of reward practices on employee turnover intention because it allows collecting numerical data through structured questionnaires to assess the extent of the effect and statistical analysis to determine the strength of the relationship. A quantitative approach is well-suited to investigate the effect of reward system on employee turnover intentions because it allows for generalization of findings to a larger population and provide statistical evidence of the effect.

#### 3.3 Population Sampling techniques and sample size

In this study, the total target population was the operation of Abebe Bikila health center employees including management. The total population was 202. In determination of sample size there are three criteria which are very important to gather the required data from sample respondents. These include the level of precision, the level of confidence of risk and the degree of variability in the attribution being measured that enable the researcher to determine appropriate sample size (Miauous and Mickener, 1976). Therefore, by considering these issues, the sample size to collect data for this research was the census of the health center because the total population number was too small to take sample from.

#### 3.4 Data sources and Type

The data for this research was collected from all employees of the center. Quantitative data type was used. Primary and secondary data were gathered and both primary and secondary sources of data were utilized. Primary data was obtained through questionnaires and observations, while secondary data was gathered from human resource management's report.

#### 3.5 Data collection tools

In this study, data was collected by distributing structured questionnaires to employees of Abebe Bikila health center. The purpose of using structured questionnaires is because of the direct response and feedback from the respondents that can be collected in short period of time and in an easier manner.

### 3.6 Methods of data analysis and interpretation

Mainly, the collected data of descriptive statistics was analyzed with some use of Statistical Package for the Social Sciences (SPSS). The statistical analyses was computed including correlation and multiple regression analysis. Correlation analysis was implemented because it allows to establish if there is a relationship between the dependent and independent variables, as well as to determine the strength of any existing relationship. Multiple regression analysis, on the other hand was also implemented because it enables to determine the value of the dependent variable with respect to any value of the independent variables.

#### 3.7 Reliability and validity of instruments

## 3.7.1 Reliability

Reliability refers to the consistency with which an instrument can be interpreted across different situations. According to Hair et al. (2007), reliability is the degree to which a variable or set of variables consistently measures what it is intended to measure. Thus, reliable data is replicable; the study can be repeated and will yield same findings (Sapsford, 1999). The reliability of the instrument was tested using Cronbach's alpha value. A value of cronbach's alpha above 0.70 could be used as a reasonable test of reliability.

To meet the consistency reliability of instrument, the questionnaire was first distributed to 25 respondents and the cronbach's alpha value for each variable were above 0.70, therefore, the instrument is reliable. The Cronbach's alpha results are shown in the following table.

Table 3.1 Reliability test result

NO	Reward Management Practices	Cronbach's
		Alpha Value
1	Remuneration	0.857
2	Cash incentive	0.785
3	Promotion	0.747
4	Recognition	0.709
5	Work Condition	0.704
6	Turnover Intention	0.855

# 3.7.2 Validity

According to Kothari (2004), validity is the most important criterion in research and refers to the degree to which an instrument accurately measures what it is designed to measure. In order to establish content validity, the research instrument must cover all relevant items or domains comprehensively. In order to check the validity of this study, the questionnaire was evaluated by Advisor to make sure that the items in all parts were relevant and appropriate to examine the effect of reward practices on employee turnover intention in Abebe Bkila health center.

#### 3.8 Ethical consideration

The researcher was guided by an ethical code when conducting the research study. The researcher also handled with confidentiality all the information that would be acquired from the organization for the purpose of the study. To ensure the safety and well-being of all participants in this research, the researcher took necessary precautions. This includes obtaining permission from the health center and informing them about the purpose and goals of the study. The participation of respondents was entirely voluntary, and the researcher adhered to ethical principles of confidentiality to protect the privacy of the participants.

# **CHAPTER FOUR**

# 4. DATA PRESENTATION, DISCUSSION & INTERPRETATION

Chapter Four presents the data analysis and key findings from the research study. This includes both descriptive and inferential statistical analyses that provide insights into the various aspects explored through the survey. The chapter begins by outlining the demographic and general information of the survey participants of Abebe Bikila Health Center. It then dig into an in-depth analysis of the data using descriptive statistics to examine research objectives related to the effect of reward management practices on employees turnover intention in the case of abebe bikila health center. Furthermore, inferential statistical techniques including correlation, regression, and ANOVA are utilized to establish and quantify the relationships between significant variables. The objective analysis presented in this chapter provides crucial insights that inform the discussion, conclusions, and recommendations outlined in the subsequent sections of the thesis.

During the data collection 202 questionnaires distributed, only 190 questionnaires fully filled. 4 questionnaires not returned and 8 not filled correctly. Therefore, those 190 questionnaires has taken to analysis. The response rate was 94.06%.

#### 4.1. Demographic and General Information

The demographic characteristics of the respondents constitute the gender, age, position, educational qualification, work experience and salary of the respondents and the results are tabulated here under.

**Table 4.1Personal Data** 

Variables		Gender		Total
		Male	Female	
	20-29 years	39	75	114
1 1	30-39 years	10	39	49
1. Age	40-49 years	18	9	27
	Total	67	123	190
	Non- clerical	9	28	37
	Clerical	20	47	67
2.position	Supervisory	0	29	29
	Health professional	38	19	57
	Total	67	123	190
	High school	9	28	37
	Diploma	0	38	38
3.Qualificatio n	BA	58	47	105
	MA and Above	0	10	10
	Total	67	123	190
	1/2 -2 years	0	29	29
4.experience	3-5 years	67	85	152
4.experience	More than 5 years	0	9	9
	Total	67	123	190
	4 000-6000 birr	0	37	37
	8-10000birr	30	48	78
5.Salary	12-14000birr	28	38	66
	more than 14000 birr	9	0	9
	Total	67	123	190

The first section of the cross tabulation table 4.1 focuses on the distribution of respondents based on age and gender. It reveals that out of a total of 190 respondents, 114 (60%) fall within the age group of 20-29 years, while 49 (25.8%) are aged between 30-39 years. The remaining 27 (14.2%) respondents belong to the 40-49 years age group. In terms of gender, 67 (35.3%) respondents identify as male, while 123 (64.7%) identify as female.

Also table 4.1, Moving on to the distribution of respondents based on their positions, the table shows that out of the total 190 respondents, 37 (19.5%) hold Non-clerical positions, while 67 (35.3%) hold Clerical positions. Additionally, 29 (15.3%) respondents are in Supervisory roles, and 57 (30%) respondents are Health professionals.

The table 4.1 also provides insights into the distribution of respondents according to their qualifications. Among the 190 respondents, 37 (19.5%) have a High school qualification, while 38 (20%) hold a Diploma. Furthermore, 105 (55.3%) respondents have a Bachelor's degree (BA), and 10 (5.3%) respondents possess a Master's degree or higher (MA and Above).

Lastly, the table 4.1 presents information on the distribution of respondents based on their years of experience and corresponding salary ranges. In terms of experience, 29 (15.3%) respondents have 1/2 - 2 years of experience, while the majority, 152 (80%), have 3-5 years of experience. Only 9 (4.7%) respondents reported having more than 5 years of experience. Regarding salary, 37 (19.5%) respondents receive a salary range of 4,000-6,000 birr, 78 (41.1%) fall into the 8-10,000 birr range, 66 (34.7%) have a salary range of 12-14,000 birr, and 9 (4.7%) respondents earn more than 14,000 birr. These distributions provide valuable insights into the characteristics of the respondents, allowing for a better understanding of the demographics, positions, qualifications, experience, and salary ranges among the participants.

#### 4.2. Descriptive Analysis of Responses

# **4.2.1 Remuneration practices**

The results of the survey on remuneration practices are presented in the table below. The respondents' perceptions of the health center's remuneration practices were measured using a 5-point Likert scale, ranging from 1 (Strongly Disagree) to 5 (Strongly Agree).

**Table 4.2 Remuneration Practices** 

N	Statement	<b>~</b>	4)			_		u
0		Strongly	Disagree	Neutral	Agree	Strongly agree		Std. Deviation
		Str	Dis	Se	Ag	Str	_	Dev
		f(%)	f(%)	f(%)	f(%)	f(%)	mean	Std.
1	The health centre pays me	57(30%)	39(20.5	66(34.7	19(1	9(4.7%)	2.39	1.15
	proportionally good salary.		%)	%)	0%)			
2	My salary is satisfactory in	134(70.5	56(29.5	0	0	0	1.3	0.46
	relation to my needs.	%)	%)					
3	The Remuneration scale	66(34.7	69(36.3	55(28.9	0	0	1.94	0.8
	motivates me to stay in the	%)	%)	%)				
	centre.							
4	OThe new I massive is intermelly	10(5.3%	28(14.7	20/147	50/2	65(34.2	3.74	1.22
4	2The pay I receive is internally equal with my colleague who is	10(3.3%	28(14.7 %)	28(14.7 %)	59(3 1.1	%)	3.74	1.22
	having the same experience and	,	70)	70)	%)	70)		
	similar duties.				,			
5	The amount of basic pay I	58(30.5	40(21.1	37(19.5	37(1	18(9.5	2.56	1.35
	receive is fair relative to the	%)	%)	%)	9.5	%)		
	industry's average.				%)			
6	Remuneration increment is	105(55.	76(40%	0	9(4.	0	1.54	0.73
	made within a	3%)	)		7%)			
	reasonable/logical time period							
7	Remuneration increment is	113(59.	57(30%	20(10.5	0	0	1.51	0.68
	made based on my work	5%)	)	%)				
	performance evaluation results.							
		ı		ove	erall mo	ean score	2.14	0.913
	G (2024)							

Source:-own survey(2024)

Table 4.2 shows ,the overall mean score of the remuneration practices was 2.14, indicating a disagreement perception of the respondents towards the health center's remuneration practices.

Table 4.2 Statement 1 concerning the health center pays me proportionally good salary, The majority of the respondents (30%) strongly disagreed, while 20.5% disagreed, and 34.7% were neutral. Only 10% agreed, and 4.7% strongly agreed. This suggests that most respondents did not perceive their salary as proportionally good.

Table 4.2 Statement 2 My salary is satisfactory in relation to my needs, An overwhelming majority of the respondents (70.5%) strongly disagreed, while 29.5% disagreed. This indicates that most respondents were not satisfied with their salary in relation to their needs.

Table 4.2 Statement 3: The Remuneration scale motivates me to stay in the centre. The majority of the respondents (34.7%) disagreed, while 36.3% were neutral, and 28.9% agreed. This suggests that the remuneration scale did not motivate most respondents to stay in the center.

Table 4.2 Statement 4: indicates the pay employee receive is internally equal with my colleague who is having the same experience and similar duties, The majority of the respondents (34.2%) strongly agreed, while 31.1% agreed, and 28.9% were neutral. This indicates that most respondents perceived their pay as internally equal with their colleagues.

Table 4.2 shows the Statement 5, The amount of basic pay employee receive is fair relative to the industry's average. The majority of the respondents (30.5%) disagreed, while 21.1% were neutral, and 19.5% agreed. This suggests that most respondents did not perceive their basic pay as fair relative to the industry's average.

Table 4.2 shows Statement 6, Remuneration increment is made within a reasonable/logical ti2me period, The majority of the respondents (55.3%) strongly disagreed, while 40% disagreed, and 4.7% agreed. This indicates that most respondents did not perceive remuneration increments as being made within a reasonable time period.

Table 4.2 Statement 7: Remuneration increment is made based on my work performance evaluation results, The majority of the respondents (59.5%) strongly disagreed, while 30% disagreed, and 10.5% were neutral. This suggests that most respondents did not perceive remuneration increments as being based on their work performance evaluation results.

The findings suggest that the respondents were not satisfied with the health center's remuneration practices, particularly with regard to the salary, remuneration scale, and remuneration increment.

The results are consistent with previous studies that have shown that unsatisfactory remuneration practices can lead to employee turnover intention ( Armstrong, M. 2012, Milkovich, G. T., & Newman, J. M. 2013). The lack of internal equity and fairness in remuneration practices can also contribute to employee dissatisfaction and turnover intention.

In conclusion, the findings of this study suggest that the health center's remuneration practices are not satisfactory to the employees, which can lead to employee turnover intention. The health center should consider revising its remuneration practices to ensure that they are fair, equitable, and based on work performance evaluation results.

#### 4.2.2 Cash incentives practice

**Table 4. 3 Cash Incentives practice** 

N	Statement							
О		Strongly disagree	Disagree	Neutral	Agree	Strongly		viation
		f(%)	f(%)	f( %)	f( %)	f(%)	mean	Std. Deviation
1	The centre provides cash incentives for achieving specific targets.	105(55	85(44. 7%)	0	0	0	1.45	0.5
2	The criteria for earning cash incentives are clearly communicated to employees	75(39. 5%)	115(60 .5%)				1.6	0.49
3	The amount of cash incentives is fair and commensurate with the level of achievement.	113(5 9.5%)	77(40. 5%)				1.40	0.4 9
4	The centre offers cash incentives on regular bases for exceptional achievements.	86(45. 3%)	104(54 .7%)				1.55	0.5
			(	overal	l mea	n score	1.5	0.49

Source:-own survey(2024

As table 4.3 results indicate that the majority of respondents (55.3%) strongly disagree that the centre provides cash incentives for achieving specific targets (M = 1.45, SD = 0.5). This suggests that the respondents do not perceive the centre as providing cash incentives for achieving specific targets. This finding is consistent with the literature, which suggests that the lack of clear performance-based incentives can lead to decreased employee motivation and increased turnover intention (Armstrong, 2012; Milkovich & Newman, 2013).

Table 4.3 Regarding the clarity of criteria for earning cash incentives, 60.5% of respondents disagree that the criteria are clearly communicated to employees (M = 1.6, SD = 0.49). This implies that the respondents do not believe that the centre effectively communicates the criteria for earning cash incentives. Effective communication of incentive criteria is crucial, as unclear expectations can contribute to job dissatisfaction and turnover (Aguinis, Joo, & Gottfredson, 2013).

Table 4.3 point out in terms of the fairness of cash incentives, 59.5% of respondents strongly disagree that the amount of cash incentives is fair and commensurate with the level of achievement (M = 1.40, SD = 0.49). This suggests that the respondents do not perceive the cash incentives as fair and commensurate with the level of achievement. Perceived fairness in reward distribution is a key factor in employee retention, as unfair incentives can lead to decreased job satisfaction and increased turnover intention (Cropanzano, Bowen, & Gilliland, 2007).

Finally, in table 4.3 shows 54.7% of respondents disagree that the centre offers cash incentives on a regular basis for exceptional achievements (M = 1.55, SD = 0.5). This implies that the respondents do not believe that the centre regularly provides cash incentives for exceptional achievements. Consistent recognition and reward for exceptional performance can enhance employee engagement and commitment (Dewhurst, Guthridge, & Mohr, 2009).

The overall mean score for cash incentives is 1.51 (SD = 0.49), indicating that respondents generally disagree with the statements regarding cash incentives. The findings suggest that the respondents do not perceive the centre as providing effective cash incentives practices. This is consistent with previous research that suggests that unclear criteria, unfair incentives, and lack of regular recognition can lead to demotivation and decreased job satisfaction (Armstrong, 2012; Milkovich & Newman, 2013; Cropanzano et al., 2007).

The findings of this study suggest that the centre's cash incentives practices are not effective in motivating employees. The centre should consider revising its cash incentives practices to provide clearer criteria, fairer incentives, and regular recognition for exceptional achievements, as supported by the existing literature (Aguinis et al., 2013; Dewhurst et al., 2009).

In conclusion, the results indicate that the centre's cash incentives practices are not perceived as effective by the respondents. This highlights the need for the centre to re-evaluate and improve its cash incentives practices to enhance employee motivation and job satisfaction.

#### 4.2.3 Promotion Practices

**Table 4. 4 Promotion practices** 

N	Statement	L 50	50	H		C.		
o		Stron gly disag	Disag	Neutr al	Agre e	Stron gly		on
		f(%)	f(%)	f(%)	f(%)	f(%)	an	Std. Deviation
		1(/0)	1(,0)	1(,0)	1(,0)	1(/0)	mean	Std.
1	I have clear understanding about	85	95	10			1.6	0.59
	the centre's promotion policy.	(44.7%)	(50%)	(5.3)				
		(44.770)	(3070)	(3.3)				
2	I am 2motivated by the	78	93	10	9		1.78	0.92
	promotion policy and procedures	(41.1%)	(48.9%)	(5.3%)	(4.7%)			
	of the centre	(71.1/0)	(40.770)	(3.370)	(4.770)			
3	I have a chance to be promoted	84	30	40	18	18	2.24	1.35
	equally like my colleagues who			(24.45.)				
	have same experience and duties	(44.2%)	(15.8%)	(21.1%)	(9.5%)	(9.5%		
	nave same experience and daties					)		
4	The health centre's promotion	19	28	19	39	85	3.75	1.41
	practices strongly consider the	(100()	(1.4.50()	(10)	(20.5	<del>.</del> .		
	level of my performance.	(10%)	(14.7%)	(10)	(20.5	(44.7		
	10.01 of my performance.				%)	%)		
5	Promotion is carried out fairly	124	28	38			1.75	1.18
	and transparently in the centre.	(57.004)	/d 4 = 0/3	(2004)				
		(65.3%)	(14.7%)	(20%)				
	overall mean score						2.22	1.09

Table 4.4 The results indicate that a significant proportion of respondents strongly disagree or disagree with the statements describing the center's promotion scheme. Specifically, 44.7% of respondents strongly disagree and 50% of respondents disagree that they have a clear understanding of the center's promotion policy (M = 1.6, SD = 0.59). This suggests that a majority of the respondents do not perceive the promotion policy as clear and transparent. This finding is consistent with the literature, which suggests that unclear promotion policies can lead to decreased employee motivation and job satisfaction (Armstrong, 2012).

Furthermore, 41.1% of respondents strongly disagree and 48.9% of respondents disagree that they are motivated by the promotion policy and procedures of the center (M = 1.78, SD = 0.92). This implies that the respondents do not feel motivated by the promotion practices in place. This implies that the respondents do not perceive the centre's promotion policy as motivating. Effective promotion policies can enhance employee motivation and job satisfaction (Milkovich & Newman, 2013).

In terms of equal opportunities for promotion, 44.2% of respondents strongly disagree and 15.8% of respondents disagree that they have an equal chance of being promoted compared to their colleagues with the same experience and duties (M = 2.24, SD = 1.35). This indicates that the respondents perceive a lack of fairness and equal opportunities in the promotion process. This suggests that the respondents do not perceive the centre as providing equal promotion opportunities. Fair and transparent promotion practices are crucial for employee motivation and job satisfaction (Cropanzano et al., 2007).

Table 4.4 Regarding the consideration of performance in promotion practices, 10% of respondents strongly disagree and 14.7% of respondents disagree that the health center's promotion practices strongly consider their level of performance (M = 3.75, SD = 1.41). This suggests that a significant proportion of respondents do not believe that their performance is adequately recognized and rewarded in the promotion process.

Furthermore, 65.3% of respondents strongly disagree and 14.7% of respondents disagree that promotion is carried out fairly and transparently in the center (M = 1.75, SD = 1.18). This implies that the respondents perceive a lack of fairness and transparency in the promotion practices of the center.

The overall mean score for the promotion statements is (M=2.22,SD= 1.09), indicating that respondents generally disagree with the statements describing the center's promotion scheme.

The findings suggest that the respondents do not perceive the center's promotion practices as effective and fair. This is consistent with previous research that highlights the importance of clear promotion policies, motivation, equal opportunities, performance consideration, and fairness in promoting employee satisfaction and retention.

In conclusion, the results indicate that the center's promotion scheme is not perceived positively by the respondents. This calls for a reevaluation and improvement of the promotion practices to enhance employee motivation, satisfaction, and perceptions of fairness. The findings of this study suggest that the center's promotion scheme is perceived negatively by the respondents. The center should consider revising its promotion policies and procedures to provide clearer communication, enhance motivation, ensure equal opportunities, consider performance, and promote fairness, as supported by the existing literature .

#### **4.2.4 Recognition Practices**

**Table 4.5 Recognition** 

N o	Statement	Strongly disagree	(%) Disagree	Neutral (%)	(%)) Agree	%) Strongly	mean	Std. Deviation
1	There are proper and timely basis recognition practices.	29(15.3 %)	123(6 4.7%)	20(1 0.5 %)	18(9 .5%)		2.14	0.79
2	The centre regularly recognizes my individual excellence.	59(31.1 %)	95(50 %)	18(9 .5%)	18(9 .5%)		1.97	0.88
3	I receive constructive/positive feedback about my work.	49(25.8 %)	114(6 0%)	27(1 4.2 %)			1.88	0.62
4	I am fairly recognized for my good performance.	123(64. 7%)	67(35. 3%)				1.35	0.48
5	I usually get credited for my achievement.	65(34.2 %)	115(6 0.5%)				1.71	0.56
				overa	ll mean	score	1.81	0.67

The results indicate that the majority of respondents (64.7%) disagree that there are proper and timely basis recognition practices in the centre (M = 2.14, SD = 0.79). This suggests that the respondents do not perceive the centre as having effective recognition practices. This finding is consistent with the literature, which suggests that lack of recognition can lead to decreased job satisfaction and increased turnover intention (Eisenberger et al., 1986).

Regarding the recognition of individual excellence, 50% of respondents disagree that the centre regularly recognizes their individual excellence (M = 1.97, SD = 0.88). This implies that the respondents do not believe that the centre values their individual contributions. This finding is supported by the literature, which suggests that lack of recognition can lead to decreased motivation and increased turnover intention (Amabile, 1993).

In terms of constructive feedback, 60% of respondents disagree that they receive constructive/positive feedback about their work (M = 1.88, SD = 0.62). This suggests that the respondents do not perceive the centre as providing regular feedback on their performance. This finding is consistent with the literature, which suggests that lack of feedback can lead to decreased job satisfaction and increased turnover intention (Kluger & DeNisi, 1996).

Regarding fair recognition for good performance, 64.7% of respondents strongly disagree that they are fairly recognized for their good performance (M = 1.35, SD = 0.48). This implies that the respondents do not perceive the centre as recognizing their good performance fairly. This finding is supported by the literature, which suggests that unfair recognition practices can lead to decreased job satisfaction and increased turnover intention (Colquitt, 2001).

Finally, 60.5% of respondents disagree that they usually get credited for their achievements (M = 1.71, SD = 0.56). This suggests that the respondents do not perceive the centre as recognizing their achievements. This finding is consistent with the literature, which suggests that lack of recognition can lead to decreased motivation and increased turnover intention (Amabile, 1993).

The overall mean score for recognition practices is 1.81 (SD = 0.67), indicating that respondents generally disagree with the statements regarding recognition practices.

The findings suggest that the respondents do not perceive the centre as providing effective recognition practices. This is consistent with previous research that suggests that lack of recognition, lack of feedback, and unfair recognition practices can lead to decreased job satisfaction and increased turnover intention (Eisenberger et al., 1986; Amabile, 1993; Kluger & DeNisi, 1996; Colquitt, 2001).

In conclusion, the results indicate that the centre's recognition practices are not perceived as effective by the respondents. This highlights the need for the centre to re-evaluate and improve its recognition practices to enhance employee motivation and job satisfaction.

# **4.2.5** Work Condition of the Company

**Table 4. 6 Work Condition** 

N	Statement							
0	Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly	r.	Std. Deviation
		f(%)	f(%)	f(%)	f(%)	f(%)	mean	Std.
1	My working place is ergonomically convenient.	18(9.5%)	57(30%)	106(55. 8%)	9(4.7%)		2.56	0.73
2	The working hours are convenient for me.		27(14.2 %)	38(20%)	67(35.3 %)	58(30.5 %)	3.82	1.02
3	I have never overworked.	64(33.7%)	126(66.3 %)				1.66	0.47
4	I have smooth and positive work relationship with coworkers.	20(10.5%)	9(4.7%)	38(20%)	56(29.5 %)	67(35.3 %)	3.74	1.27
5	Basic tools and other resources are sufficiently available.	86(45.3%)	67(35.3 %)	37(19.5 %)			1.74	0.76
6	Open discussion is encouraged at my work place.	10(5.3%)		10(5.3 %)	124(65.3 %)	46(24.2 %)	4.03	0.88
7	The centre has implemented appropriate safety & health policy	28(14.7%)	105(55.3 %)	39(20.5 %)	18(9.5%)		2.25	0.89
					overall m	ean score	2.82	0.86

Source:-own survey(2024)

Table 4.6 The results indicate that the majority of respondents have a neutral or positive perception of the work condition at Abebe Bikila Health Center. Specifically, 55.8% of respondents agree that their working place is ergonomically convenient (M = 2.56, SD = 0.73), suggesting that the respondents generally find their workspace comfortable.

Table 4.6 express in terms of working hours, 30.5% of respondents agree that the working hours are convenient for them (M = 3.82, SD = 1.02), indicating that a significant proportion of respondents are satisfied with their working hours. However, 33.7% of respondents strongly disagree that they have never overworked (M = 1.66, SD = 0.47), suggesting that a significant proportion of respondents feel over worked. Table 4.6 Regarding work relationships, 35.3% of respondents agree that they have smooth and positive work relationships with co-workers (M = 3.74, SD = 1.27), indicating that a significant proportion of respondents have positive relationships with their colleagues.

As in table 4.6 shows In terms of resources, 45.3% of respondents strongly disagree that basic tools and other resources are sufficiently available (M = 1.74, SD = 0.76), suggesting that a significant proportion of respondents feel that resources are inadequate. Table 4.6 Furthermore, 65.3% of respondents agree that open discussion is encouraged at their workplace (M = 4.03, SD = 0.88), indicating that a significant proportion of respondents feel that open discussion is valued.

Finally, 55.3% of respondents agree that the center has implemented appropriate safety and health policies (M = 2.25, SD = 0.89), suggesting that a significant proportion of respondents are satisfied with the center's safety and health policies. The overall mean score for the work condition statements is 2.82 (SD = 0.86), indicating that respondents generally have a neutral or positive perception of the work condition at Abebe Bikila Health Center.

The findings suggest that the respondents have a mixed perception of the work condition at Abebe Bikila Health Center. While a significant proportion of respondents are satisfied with their workspace, working hours, and work relationships, others feel overworked and lack sufficient resources. This is consistent with previous research that highlights the importance of a positive work environment in enhancing employee motivation, job satisfaction, and reducing turnover intention (Hackman & Oldham, 1976; Herzberg, 1966).

The lack of resources and feelings of overwork can contribute to feelings of demotivation and dissatisfaction among employees. In contrast, open discussion and positive work relationships can enhance employee motivation and job satisfaction. In conclusion, the results indicate that the work condition at Abebe Bikila Health Center is a mixed bag, with both positive and negative aspects. The center should consider addressing the negative aspects, such as resource inadequacy and overwork, to enhance employee motivation, job satisfaction, and retention. The findings of this study suggest that the work condition at Abebe Bikila Health Center has both positive and negative aspects. The center should consider improving resource availability and addressing feelings of overwork to enhance employee motivation, job satisfaction, and retention.

#### **4.3 Turnover Intention**

**Table 4.7 Turnover Intention** 

N o	Statement	Strong ly disagr	Disagr ee	Neutra 1	Agree	Strong 1y		on
		th S V in S	f(%)	f(%)	f(%)	ty y	mean	Std. Deviation
1	I would accept an offer with similar pay from another organization.	87(45.8%	39(20.5%)	45(23.7 %)	19(10%)		1.98	1.05
2	I would accept another job offer with less workload.			9(4.7%)	86(45.3%	95(50%)	4.45	0.59
3	I often seriously consider leaving my current job.			19(10%)	76(40%)	95(50%)	4.45	0.67
4	I am currently looking for a new job in some other centre.			9(4.7%)	77(40.5%	104(54. 7%)	4.50	0.59
5	I still work in the centre only because of the current tight job market.		10(5.3%)		66(34.7%	114(60 %)	4.49	0.75
					overall m	ean score	3.97	0.73

The results indicate that the majority of respondents have a strong intention to leave the center. Specifically, 45.8% of respondents strongly disagree that they would accept an offer with similar pay from another organization (M = 1.98, SD = 1.05). This suggests that the respondents are actively seeking better job opportunities.

Furthermore, 45.3% of respondents agree and 50% strongly agree that they would accept another job offer with less workload (M = 4.45, SD = 0.59). This implies that the respondents are dissatisfied with their current workload and are willing to leave for a job with a better work-life balance.

Regarding their intention to leave, 40% of respondents agree and 50% strongly agree that they often seriously consider leaving their current job (M = 4.45, SD = 0.67). This indicates that the respondents have a strong desire to leave the center.

Additionally, 40.5% of respondents agree and 54.7% strongly agree that they are currently looking for a new job in some other center (M = 4.50, SD = 0.59). This suggests that the respondents are actively engaged in the job market and are seeking opportunities outside the center.

Finally, 34.7% of respondents agree and 60% strongly agree that they still work in the center only because of the current tight job market (M = 4.49, SD = 0.75). This implies that the respondents are staying in their current positions primarily due to the limited job opportunities available, rather than out of a desire to remain at the center.

The overall mean score for the turnover intention statements is 3.97 (SD = 0.73), indicating that respondents generally have a strong intention to leave the center.

The findings suggest that the respondents have a high turnover intention, which is consistent with previous research that emphasizes the negative impact of ineffective reward management practices on employee retention (Ramlall, 2004; Kwenin et al., 2013).

Ineffective reward management practices, such as inadequate compensation, poor recognition, and lack of career development opportunities, can contribute to decreased employee motivation and increased turnover intention (Chung & D'Annunzio-Green, 2018; Ramlall, 2004).

The respondents' dissatisfaction with their current workload and desire to seek better job opportunities outside the center indicate that the center's reward management practices are not meeting their expectations.

Moreover, the respondents' intention to stay in the center due to the limited job market rather than a strong desire to remain suggests that the center may face challenges in retaining its employees, when the external job market improves.

In conclusion, the results indicate that the center's reward management practices are not effective in motivating and retaining employees, which is reflected in the respondents' strong turnover intention. The center should consider revising its reward management practices, such as improving compensation, recognition, and career development opportunities, to enhance employee motivation and retention, as supported by the existing literature (Ramlall, 2004; Kwenin et al., 2013).

# **4.4 Correlation Analysis**

Table 4. 8 correlation

	Correlation	S							
		Remunerat ion	Cash	promotion	Recognitio n	Work condition	Employee	Turnover	intention
tion	Pearson Correlation	1							
ınera	Sig. (2-tailed)	.000							
Remuneration	N	190							
Cash incentive	Pearson Correlation	.537**	1						
ince	Sig. (2-tailed)	.000							
Cash	N	190	190						
	Pearson Correlation	.555**	.030	1					
promotion	Sig. (2-tailed)	.000	.679						
prom	N	190	190	190					
uc	Pearson Correlation	.388**	.258**	.701**	1**				
Recognition	Sig. (2-tailed)	.000	.000	.000					
Reco	N	190	190	190	190				
ų,	Pearson Correlation	.342**	.400**	.392**	.167**	1**			
di8tic	Sig. (2-tailed)	.000	.000	.000	.021				
Work 8condi8tion	N	190	190	190	190	190			
	Pearson Correlation	.007	.024	.203**	.345	.114		1	1**
Employee turnover intention	Sig. (2-tailed)	.919	.746	.005	.000	.117			
Employe turnover intention	N	190	190	190	190	190			

<sup>\*\*.</sup> Correlation is significant at the 0.01 level (2-tailed).

<sup>\*.</sup> Correlation is significant at the 0.05 level (2-tailed).

Table 4.8 presents the correlations among the variables: Remuneration, Cash incentive, Promotion, Recognition, Work condition, and Employee Turnover intention. The correlation coefficients and their significance levels are provided.

The correlation between Remuneration and Cash incentive is significant and moderately strong (r = .537, p < .01). This suggests a positive relationship between these variables, indicating that higher levels of remuneration are associated with higher levels of cash incentives.

The correlation between Remuneration and Promotion is also significant and moderately strong (r = .555, p < .01). This indicates a positive relationship between these variables, suggesting that higher levels of remuneration are associated with higher levels of promotion opportunities.

Furthermore, the correlation between Remuneration and Recognition is significant and weak (r = .388, p < .01). This implies a positive relationship between these variables, indicating that higher levels of remuneration are associated with slightly better levels of recognition.

The correlation between Remuneration and Work condition is significant and weak (r = .342, p < .01). This suggests a positive relationship between these variables, indicating that higher levels of rem8uneration are associated with slightly better work conditions.

Moreover, the correlation between Cash incentive and Recognition is significant and weak (r = .258, p < .01). This indicates a positive relationship between these variables, suggesting that higher levels of cash incentives are associated with higher levels of recognition.

The correlation between Cash incentive and Work condition is also significant and weak (r = .400, p < .01). This implies a positive relationship between these variables, indicating that higher levels of cash incentives are associated with slightly better work conditions.

Additionally, the correlation between Promotion and Recognition is significant and moderately strong (r = .701, p < .01). This suggests a positive relationship between these variables, indicating that higher levels of promotion opportunities are associated with higher levels of recognition.

The correlation between Promotion and Work condition is significant and weak (r = .392, p < .01). This implies a positive relationship between these variables, suggesting that higher levels of promotion opportunities are associated with slightly better work conditions.

Furthermore, the correlation between Recognition and Work condition is significant and weak (r = .167, p < .05). This indicates a positive relationship between these variables, suggesting that higher levels of recognition are associated with slightly better work conditions.

Finally, the correlation between Work condition and Employee Turnover intention is significant and weak (r = .114, p > .05). This implies a positive relationship between these variables, suggesting that slightly better work conditions are associated with slightly higher levels of turnover intention, although the relationship is not statistically significant.

Table 4.8 discusses the findings indicate various correlations among the variables. Remuneration is positively correlated with Cash incentive, Promotion, Recognition, and Work condition, suggesting that higher levels of remuneration are associated with higher levels of these variables. This aligns with previous research that emphasizes the importance of compensation and reward management in employee motivation and retention (Ramlall, 2004; Kwenin et al., 2013).

Additionally, Cash incentive is negatively correlated with Recognition, indicating that higher levels of cash incentives are associated with lower levels of recognition. This suggests that a sole focus on monetary rewards may not adequately address employees' need for recognition and appreciation in the workplace.

Moreover, Promotion is positively correlated with Recognition and Work condition, implying that higher levels of promotion opportunities are associated with higher levels of recognition and slightly better work conditions. This highlights the role of career development and advancement opportunities in enhancing employee satisfaction and engagement (Chung & D'Annunzio-Green, 2018).

Furthermore, Recognition is positively correlated with Work condition, suggesting that higher levels of recognition are associated with slightly better work conditions. This underscores the importance of creating a supportive and appreciative work environment to foster employee well-being and job satisfaction.

However, the correlation between Work condition and Employee Turnover intention is not statistically significant, indicating that the relationship between these variables is weak. This suggests that slightly better work conditions may not have a substantial impact on reducing turnover intention. Other factors, such as compensation, career development, and job satisfaction, may play a more significant role in influencing turnover intention in this context.

As table 4.8 Summarizes, the correlation matrix reveals significant relationships among the variables. Remuneration, Cash incentive, Promotion, and Recognition are positively correlated with each other, indicating that higher levels of these variables tend to coexist. Work condition shows weak positive correlations with Remuneration, Cash incentive, Promotion, and Recognition. The relationship between Work condition and Employee Turnover intention is weak and not statistically significant.

The results suggest that a comprehensive approach to reward management, encompassing both monetary and non-monetary rewards, is crucial in addressing employee turnover intention. Improving compensation, promotion opportunities, recognition, and work conditions may contribute to enhancing employee satisfaction and reducing turnover intention. However, it is important to note that the specific strength and nature of these relationships may vary depending on the organizational context and individual factors.

#### 4.5 Regression analysis

#### 4.5.1 Assumption tests

The correlation analysis is used to measure the direction and strength of association between the Dependent variable and the independent variables. It does not show the extent of influence of the Independent variables on the dependent one. It is the regression analysis that helps measure the Extent of influence of covariates on the dependent one. Regression analysis tells the effect of Independent variables on the dependent variable. To make an inference and conclusion based on a given regression result first need to assure that the result satisfies all the classical linear Regression model assumptions.

As such before proceeding to regression analysis it is mandatory to make classical linear regression assumption tests which include the linearity test; the normality test, the perfect Multi collinearity test. The section that follows elucidates the results of linear regression assumption tests.

#### 4.5.1.1. Normality Test

One of the test should be done before conduct regression analysis is normality test over the dependent variable.it is a graphical method for assessing the normality of residuals in a regression analysis.

The Q-Q plot: The Q-Q plot is a graphical tool used to assess whether the observed data follow a specific theoretical distribution, such as the normal distribution. In the context of regression analysis, the standardized residuals are typically plotted on the y-axis against the theoretical quantiles of the normal distribution on the x-axis. As for the type of normality test conducted, it would typically involve assessing the normality of the residuals using statistical tests such as the Shapiro-Wilk test, Kolmogorov-Smirnov test, Anderson-Darling test, or Lilliefors test. These tests evaluate whether the residuals deviate significantly from a normal distribution.

So, to clarify, the Q-Q plot provides a visual assessment of normality, while the normality test (e.g., Shapiro-Wilk test) provides a formal statistical evaluation of the normality assumption. Both approaches can be used in combination to thoroughly assess the normality of residuals in regression analysis. For this study Normal Q-Q plot is used. The following graph shows the data is distributed normally.

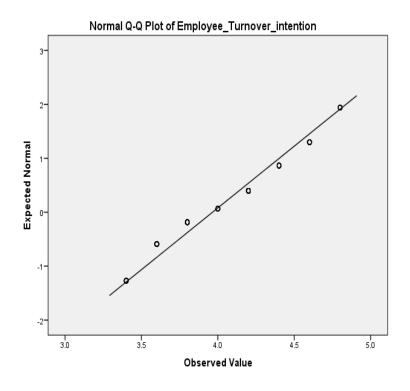


Figure 4. 1 Normal Q-Q plot

# 4.5.1.2. Linearity Test

In multiple linear regressions, the first assumption to be tested is the linearity of the relationship between independent and dependent variables. That is, linearity means the relationship between dependent and independent variables is to be linear which means a relationship characterized by a straight line. Linearity allows the researcher to predict the dependent variable based on one or more several independent variables. The assumption was checked through a scatter plot by looking at whether the two variables approximately form a straight line. Linearity holds when the scatter plot trend along the 45degree straight line. As it can be seen in figure 4.1 the scatter plot tends to trend along the aforementioned line. Therefore, the linear relationship between the dependent (Employee turnover intention) and independent (promotion, Cash incentive, Work condition, Recognition, and Remuneration) variables was confirmed through the scatter plot (Figure 4.2).

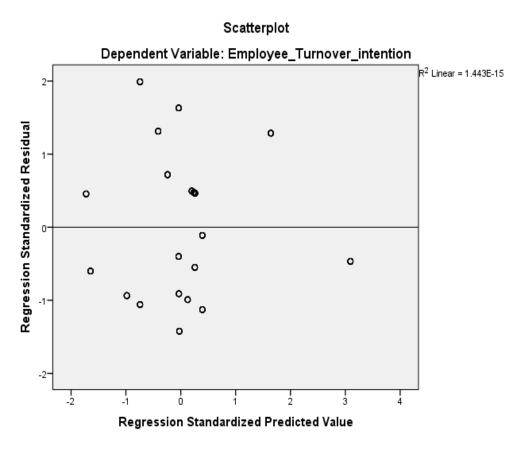


Figure 4. 2 Scatterplot

4.5.1.3. Multi co-linearity Test

To 8 assess multi co-linearity in a multiple regression model, we typically examine the

Variance Inflation Factor (VIF) and the Tolerance values for each predictor variable. The

Multi co-linearity Test table includes the Tolerance and VIF (Variance Inflation Factor)

values for each predictor variable.

The guidelines for interpreting these values are as follows:

1. Tolerance:

1. Tolerance values range from 0 to 1.

2. A tolerance value less than 0.1 is generally considered problematic and

indicates severe multi co-linearity.

3. Tolerance values close to 1 suggest little or no multi co-linearity.

2. Variance Inflation Factor (VIF):

1. VIF is the reciprocal of Tolerance (VIF = 1/Tolerance).

2. VIF values greater than 10 are often considered problematic and indicate

severe multi co -linearity.

3. VIF values below 5 or even 3 are generally considered acceptable.

Examining the output:

• Work condition: Tolerance = 0.648, VIF = 1.544

• Recognition: Tolerance = 0.408, VIF = 2.451

• Remuneration: Tolerance = 0.333, VIF = 3.003

• Cash incentive: Tolerance = 0.361, VIF = 2.768

promotion: Tolerance = 0.346, VIF = 2.893

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# Multi co-linearity Test table

		Coefficient	Sa				
Model		Co-linearity	Co-linearity Statistics				
		Tolerance	VIF				
	(Constant)			2.019			
	Work condition	.648	1.544				
1	Recognition	.408	2.451				
1	Remuneration	.333	3.003				
	Cash incentive	.361	2.768				
promotion		.346	2.893				
a. Pre	dictors: (Constant), prom	notion, Cash incentive, V	Work condition, Red	cognition,			

a. Predictors: (Constant), promotion, Cash incentive, Work condition, Recognition, Remuneration

None of the predictor variables have a Tolerance value less than 0.1 or a VIF value greater than 10, which suggests that there is no severe multi co-linearity issue among the predictor variables. Durbin-Watson statistic test our residuals are (un correlated) are independents. Durbin-watson range from 0 to 4, we want this to close to 2. or the value less than 1 (value <1) and greater than 3 (value >3) are cause analysis invalid. In this study, the Durbin-Watson statistic of 2.019 suggests that there is no significant autocorrelation among the residuals, which is desirable (Durbin & Watson, 1971).

b. Dependent Variable: Employee Turnover intention

# 4.5.2 Model Testing

Table 4. 9 Model Summary

	Model Summary										
Model			Adjuste		Change Statistics						
		Square		of the Estimate	R Square Change	F Change	dfl	df2	Sig. F Change		
1	.792a	.627	.617	.88430	.627	61.900	5	184	.000		
a. Pre	. Predictors: (Constant), Work condition, Recognition, Remuneration, Cash incentive,										

a. Predictors: (Constant), Work condition, Recognition, Remuneration, Cash incentive, promotion

b. Dependent Variable: Employee Turnover intention

The model summary table (Table 4.9) presents the results of the multiple regression analysis. The R-squared value (R Square) is 0.627, indicating that the independent variables (Work condition, Recognition, Remuneration, Cash incentive, and Promotion) explain 62.7% of the variance in the dependent variable, Employee Turnover intention. The adjusted R-squared value of 0.617 suggests that the model accounts for 61.7% of the variance in the dependent variable, after adjusting for the number of predictors in the model.

The F-change statistic of 61.9 with a corresponding p-value of .000 indicates that the addition of the independent variables significantly improves the model's ability to predict the dependent variable, Employee Turnover intention.

Table 4. 10 ANOVA

			<b>ANOVA</b> <sup>a</sup>			
Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	242.014	5	48.405	61.900	.000 <sup>b</sup>
1	Residual	143.896	184	.782		
	Total	385.910	189			

a. Dependent Variable: Employee Turnover intention

The ANOVA table 4.10 shows the overall significance of the regression model. The F-statistic is 61.9 with a corresponding p-value of .000, which is less than the commonly used significance level of 0.05. This indicates that the model, as a whole, is statistically significant and can significantly predict the dependent variable, Employee Turnover intention.

Table 4. 11 Coefficients<sup>a</sup>

		C	coefficients <sup>a</sup>			
Model		Unstand Coeffi		Standardized Coefficients	t	Sig.
		В	Std. Error	Beta		
	(Constant)	0.851	0.283		3.001	0.003
	Remuneration	-0.744	0.153	-0.306	-4.876	0.001
1	Cash-incentive	-0.227	0.093	-0.225	-2.440	0.016
1	promotion	-0.227	0.096	-0.208	-2.360	0.019
	Work condition	-0.023	0.136	-0.012	-0.166	0.028
	Recognition	-0.418	0.164	-0.160	-2.554	0.011
a. Dep	endent Variable: Em	ployee Turnov	er intention			

b. Predictors: (Constant), Work condition, Recognition, Remuneration, Cash incentive, promotion

The coefficients table 4.11 provides information about the individual predictors and their relationship with the dependent variable, Employee Turnover intention. Also the table displays the unstandardized regression coefficients (B), the standard errors associated with those coefficients (Std. Error), the standardized regression coefficients (Beta), the t-statistics (t), and the corresponding significance levels (Sig.) for each predictor variable in the model.

The constant value (0.851) represents the value of the dependent variable (Employee Turnover intention) when all the independent variables are equal to zero. This value is statistically significant (p = 0.003) at the conventional 0.05 significance level.

Remuneration has a significant negative effect on employee turnover intention. For each unit increase in remuneration, turnover intention decreases by 0.744 units. This effect is statistically significant (p=0.001).

Cash incentives also significantly reduce employee turnover intention. Each unit increase in cash incentive reduces turnover intention by 0.227 units. The value of (p=0.016) indicates that the effect is statistically significant.

The opportunity for promotion significantly decreases turnover intention. Each unit increase in promotion opportunities reduces turnover intention by 0.227 units. This is statistically si8gnificant based on the value (p=0.019).

Work condition has a small but statistically significant effect on turnover intention. Each unit increase in work condition reduces turnover intention by 0.023 units.

Recognition significantly (p=0.011) reduces turnover intention. Each unit increase in recognition lowers turnover intention by 0.418 units.

Based on the provided coefficient table, the equation representing the relationship between the independent variables and employee turnover intention can be described as follows:

Employee Turnover intention = b0 - b1(Remuneration) - b2(Cash incentive) - b3(Promotion) - b4(Work condition) - b5(Recognition)

#### Where:

b0 is the intercept or constant term= 0.851

b1 = -0.744, b2 = -0.227; b3 = -0.227; b4 = -0.023; b5 = -0.418

Employee Turnover intention =y

b0=constant(0);Remuneration=x1;Cash\_incentive=x2;Promotion=x3;

Recognition=x4,Work\_condition=x5

Y=0.851-0.744(X1)-0.227(X2)-0.227(X3)-0.023(X4)-0.418(X5)

These coefficients indicate the estimated effects or weights of each independent variable on the dependent variable (Employee Turnover intention). The sign (positive or negative) of each coefficient denotes the direction of the relationship, while the magnitude represents the strength of the relationship.

The results of this study provide valuable insights into the relationship between reward management practices and employee turnover intention at Abebe Bikila Health Center. The findings underscore the importance of a comprehensive and balanced approach to reward management system in order to effectively address employee retention and reduce turnover intention.

#### 4.6 Hypothesis Testing

The sign of the coefficients explained whether the linear dependence is direct or inverse. By this very comparison, this final section of the chapter is devoted to accept or reject each of our hypothesis.

#### Hypothesis 1: Remuneration has a negative and significant effect on TI

The coefficient of Remuneration was -0.744 and the model relies the most on the level of remuneration to predict turnover intention. first the negative sign tells us that remuneration and turnover intention are inversely related, as remuneration increases in the center ,the rate of employees' intention to leave the center decreases. So hypothesis one is accepted.

# Hypothesis 2: Cash incentive has a negative and significant effect on TI

The value of coefficient of cash incentive is scaled in the model by -0.227.this implied that good and fair cash incentives help to curb the extent of turnover intention. Therefore, Hypothesis 3 is accepted.

#### Hypothesis 3: promotion has a negative and significant effect on TI

Looking at the coefficient of promotion in the model ,-0.227,there is indeed a negative dependence of turnover intention on promotion. That means, if there is high promotional opportunities, the number of employees that are intending to leave the centre will reduce. Therefore, the third hypothesis is accepted.

# Hypothesis 4: Recognition has a negative and significant effect on TI

The corresponding coefficient of recognition in the model above is -0.418 which indicates higher level of recognition practice results lower intention of turnover. So hypothesis 4 that stated the negative and significant effect of recognition on TI is accepted.

### Hypothesis 5: Work condition has a negative and significant effect on TI

The coefficient of work condition in the model is -0.023 which indicated the negative effect of work condition on turnover intention. In other words, a good and comfortable work condition helps to reduce the extent of turnover intention. This makes the last hypothesis to be accepted.

#### **DISCUSSION**

Remuneration has a large negative effect on employee turnover intention. The effect is highly statistically significant, indicating that higher remuneration substantially decreases turnover intention. Among all the factors, remuneration has the most substantial effect, affirming its critical role in retaining employees. This finding is consistent with the existing literature that emphasizes the importance of competitive compensation in retaining employees (Ramlall, 2004; Kwenin et al., 2013).

The Cash Incentives have a moderate negative impact on employee turnover intention. The effect is statistically significant, showing that providing cash incentives effectively reduces turnover intention, though the effect is less substantial compared to remuneration and recognition. This aligns with the notion that a balanced approach to reward management, including both monetary and non-monetary rewards, is essential for employee satisfaction and retention (Chung & D'Annunzio-Green, 2018).

Promotion opportunities also have a moderate negative impact on employee turnover intention. The effect is statistically significant, indicating that the availability of promotion opportunities reduces turnover intention. This highlights the importance of career advancement opportunities in employee retention. This finding lines up with some previous research that has highlighted the importance of career development opportunities in reducing turnover intention (Hackman & Oldham, 1976).

Work Condition has a small negative impact on employee turnover intention. The effect is statistically significant, but the actual decrease in turnover intention for each unit increase in work condition is quite modest.

Recognition has a more substantial negative impact on employee turnover intention. The effect is both statistically significant and of greater magnitude compared to work condition, indicating it is an important factor in reducing turnover intention.

#### CHAPTER FIVE

#### 5 SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

# 5.1. Summary of major findings

The study's major findings revealed that there is a significant dissatisfaction among employees at the Abebe Bikila Health Centre regarding the remuneration practices that stem from several key factors as, there is a prevalent perception that the salary levels are disproportionate and inadequate in relation to the employees' needs and this suggests that the remuneration packages fail to meet the financial and living requirements of the workforce, potentially hindering their motivation and overall job satisfaction. Also the remuneration scale is perceived as lacking the necessary incentives to motivate employees effectively which could potentially impact employee productivity, engagement, and organizational performance, as remuneration plays a crucial role in shaping employee behaviour and attitudes towards their work. The study found out that there is ineffective cash incentive practices employed at the health centre, which are marred by several critical issues that made the employees to have intention to quite their job and seek employment somewhere else.

The research also found out that there is significant dissatisfaction and concerns surrounding the promotional opportunities and practices at the health centre, including the lack of clear criteria and transparency in the promotion process and limited opportunities for career advancement as a significant challenge. The study also revealed that the centre is not offering a satisfying and regular recognition practices which made the employees to have a strong desire to leave there current job and join other organization. The research found that the centres work condition is more or less satisfying and convenient for employees.

In addition, the study found that the regression model deployed indicated 61.7 % of employees turnover intention emanates from unsatisfying and unfair practice of rewards provided by the centre.

#### **5.2** Conclusion of the study

The comprehensive study conducted on the remuneration, cash incentive, and promotion practices at the Abebe Bikila Health Center has unveiled significant shortcomings that have profoundly affected employee motivation and retention. The findings paint a concerning picture, highlighting the urgent need for strategic interventions to address these issues and mitigate the detrimental effects on organizational effectiveness and service delivery.

The study's conclusions underscore that the current remuneration system fails to align with employees' financial needs and lacks the necessary motivational incentives.

Furthermore, the cash incentive practices are marred by ambiguity in criteria communication, perceptions of unfairness, and a disconnect from performance targets. These deficiencies have contributed to a demotivated workforce, eroding employee engagement and compromising organizational performance. Moreover, the promotional opportunities and practices at the health center have been found to be inadequate, with concerns revolving around a lack of transparency, perceived biases, and limited avenues for career advancement. These factors have fostered a sense of inequity and stifled professional growth, potentially leading to the exodus of talented individuals and exacerbating employee turnover intentions.

The confluence of these issues has created an environment un conducive to retaining a motivated and committed workforce, posing significant risks to the health center's ability to deliver quality healthcare services effectively. The findings serve as a clarion call for immediate action, necessitating a comprehensive overhaul of the remuneration, incentive, and promotion systems to align with best practices and industry standards.

Addressing these critical challenges through evidence-based interventions, such as implementing transparent and equitable remuneration scales, revamping cash incentive programs to reward performance, and establishing clear and unbiased promotion criteria, is paramount. By doing so, the Abebe Bikila Health Center can foster a motivated, engaged, and high-performing workforce, ultimately enhancing patient care and fulfilling its mission of providing exceptional healthcare services to the community.

#### 5.3 Recommendations of the study

Based on the findings of the study, several recommendations can be made to enhance Abebe Bikila Health Center.

#### 1. Remuneration Practices:

- Conduct a comprehensive review of the current remuneration packages to ensure they are competitive, equitable, and meet the financial needs of employees.
- Implement a performance-based remuneration system that provides clear incentives for employees to strive for excellence and align their efforts with organizational goals.
- Enhance transparency and fairness in the implementation of remuneration increments by establishing clear criteria tied to meaningful performance evaluations.

# 2. Cash Incentive Practices:

- Design and implement cash incentive programs that are tied to specific performance targets and goals to motivate employees and drive a performance-driven culture.
- Ensure clear and transparent communication of incentive criteria to avoid confusion and foster trust among employees.
- Regularly review and adjust the amount of cash incentives awarded to employees to maintain fairness and equity across the workforce.

#### 3. Promotional Opportunities:

- Establish clear and transparent criteria for promotions to provide employees with a roadmap for career advancement and growth.
- Address biases and unfairness in promotion decisions by implementing structured evaluation processes and involving multiple decision-makers.
- Create more opportunities for career development and advancement to retain talent and foster employee motivation and engagement.

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# **APPENDICES**

# Appendix A. Questionnaire

# The Effect of Reward Management Practices on Employee Turnover Intention

(To be filled by Employees of Abebe Bikila Health Centre)

Dear respected participant,

This questionnaire is designed to collect information about reward management Practice and turnover intention of the centre. The information shall be used as a primary data in the case of research which will be conducted for the partial requirement of completing a Master of Business Administration (MBA) at St, mary's University. Turnover intention of key personnel is a major Human Resource Management challenge facing most Organizations of Ethiopia. This study will help to identify many issues, which could affect an individual's decision to stay with an employer. This study will help shape future reward management practices in Abebe Bikila Health centre and assist in the development of an effective employee retention mechanism for the centre. I would like to request your cooperation in completing the attached questionnaire which has four pages only including this. The questions seek your opinion regarding the centre's reward management practices in relation to turnover intention issues. There is no right or wrong answer; I simply want your honest opinion. The survey will take a maximum of ten minutes. If you have any question regarding this, please feel free to contact me through meronadugnaambessa@gmail.com Please be informed that this questionnaire does not require you to personally identify yourself. Your information will remain anonymous and confidential and the data will only be reported in an aggregated form. Thank you in advance for your participation in this study. Your contribution is highly appreciated.

PERSONAL DATA
1. Gender: Male Female
2. Age range: 20-29 30-39 40-49 50 and above
3. Position: Non-clerical Clerical Supervisory Health professional
4. Qualification: High school Diploma BA MA and above
5. Experience: 1/2-2 3-5 >5 years
6. Salary range: 4-6,000 7-9,000 10-12,000 >12,000
The following statements relate to the way in which you perceive the reward management practices within the health centre. For each statement, you are kindly asked to mark an X in the box that best describes your response.
1= strongly disagree
2= disagree
3= neutral
4=agree
5=strongly agree
I. REMUNERATION
How accurately do the following statements describe the centre's 1 2 3 4 5 remuneration practice?
The health centre pays me proportionally good salary.
2 My salary is satisfactory in relation to my needs.
The Remuneration scale motivates me to stay in the centre.

The pay I receive is internally equal with my colleague who is having

The amount of basic pay I receive is fair relative to the industry's

Remuneration increment is made within a reasonable/logical time

Remuneration increment is made based on my work performance

the same experience and similar duties.

average.

period

evaluation results.

# II. CASH INCENTIVES

	How accurately do the following statements describe the centre's cash incentives practice?	1	2	3	4	5
1	The centre provides cash incentives for achieving specific targets.					
2	The criteria for earning cash incentives are clearly communicated to employees					
3	The amount of cash incentives is fair and commensurate with the level of achievement.					
4	The centre offers cash incentives on regular bases for exceptional achievements.					

# III. PROMOTION

	How accurately do the following statements describe the centre's promotion scheme?	1	2	3	4	5
1	I have clear understanding about the centre's promotion policy.					
2	I am motivated by the promotion policy and procedures of the centre.					
3	I have a chance to be promoted equally like my colleagues who have same experience and duties.					
4	The health centre's promotion practices strongly consider the level of my performance.					
5	Promotion is carried out fairly and transparently in the centre.					

# IV. RECOGNITION

	How accurately do the following statements describe the centre's recognition practice?	1	2	3	4	5
1	There are proper and timely basis recognition practices.					
2	The centre regularly recognizes my individual excellence.					
3	I receive constructive/positive feedback about my work.					
4	I am fairly recognized for my good performance.					
5	I usually get credited for my achievement.					

# V. WORK CONDITION

	How accurately do the following statements describe the centre's work condition?	1	2	3	4	5
1	My working place is ergonomically convenient.					
2	The working hours are convenient for me.					
3	I have never overworked.					
4	I have smooth and positive work relationship with co-workers.					
5	Basic tools and other resources are sufficiently available.					
6	Open discussion is encouraged at my work place.					
7	The centre has implemented appropriate safety & health policy					

# VI. TURNOVER INTENTION

	What are your plans for staying within the centre?	1	2	3	4	5
1	I would accept an offer with similar pay from another organization.					
2	I would accept another job offer with less workload.					
3	I often seriously consider leaving my current job.					
4	I am currently looking for a new job in some other centre.					
5	I still work in the centre only because of the current tight job market.					

# **B.1. Demographic Categorization of the Respondents**

Variables		Gender		Total
		Male	Female	
	20-29 years	39	75	114
2 Ago	30-39 years	10	39	49
2. Age	40-49 years	18	9	27
	Total	67	123	190
	Non- clerical	9	28	37
	Clerical	20	47	67
2.position	Supervisory	0	29	29
	Health professional	38	19	57
	Total	67	123	190
	High school	9	28	37
	Diploma	0	38	38
3.Qualificatio n	BA	58	47	105
	MA and Above	0	10	10
	Total	67	123	190
	1/2 -2 years	0	29	29
4.experience	3-5 years	67	85	152
4.experience	More than 5 years	0	9	9
	Total	67	123	190
	4 000-6000 birr	0	37	37
	7-9000birr	30	48	78
5.Salary	10-12000birr	28	38	66
	more than 12000 birr	9	0	9
	Total	67	123	190

#### **B.2 Data Analysis Results on Reward Management Practices**

#### **B.2.1 Remuneration Practices**

The results of the survey suggest that the respondents were not satisfied with the health center's remuneration practices, particularly with regard to the salary, remuneration scale, and remuneration increment. The results are consistent with previous studies that have shown that unsatisfactory remuneration practices can lead to employee turnover intention (Armstrong, M. 2012, Milkovich, G. T., & Newman, J. M. 2013). The lack of internal equity and fairness in remuneration practices can also contribute to employee dissatisfaction and turnover intention. In conclusion, the findings suggest that the health center's remuneration practices are not satisfactory to the employees, which can lead to employee turnover intention. The health center should consider revising its remuneration practices to ensure that they are fair, equitable, and based on work performance evaluation results.

#### **B.2.2 Cash Incentive Practices**

The findings suggest that the respondents do not perceive the centre as providing effective cash incentives practices. This is consistent with previous research that suggests that unclear criteria, unfair incentives, and lack of regular recognition can lead to demotivation and decreased job satisfaction (Armstrong, 2012; Milkovich & Newman, 2013; Cropanzano et al., 2007).

The results indicate that the centre's cash incentives practices are not perceived as effective by the respondents. This highlights the need for the centre to re-evaluate and improve its cash incentives practices to enhance employee motivation and job satisfaction. The findings of this study suggest that the centre's cash incentives practices are not effective in motivating employees. The centre should consider revising its cash incentives practices to provide clearer criteria, fairer incentives, and regular recognition for exceptional achievements, as supported by the existing literature (Aguinis et al., 2013; Dewhurst et al., 2009).

#### **B.2.3 Promotion Practices**

The results of the survey suggest that the respondents do not perceive the center's promotion practices as effective and fair. This is consistent with previous research that highlights the importance of clear promotion policies, motivation, equal opportunities, performance consideration, and fairness in promoting employee satisfaction and retention.

Generally, the results indicate that the center's promotion scheme is not perceived positively by the respondents. This calls for a reevaluation and improvement of the promotion practices to enhance employee motivation, satisfaction, and perceptions of fairness. The findings of this study suggest that the center's promotion scheme is perceived negatively by the respondents. The center should consider revising its promotion policies and procedures to provide clearer communication, enhance motivation, ensure equal opportunities, consider performance, and promote fairness, as supported by the existing literature.

### **B.2.4 Recognition practices**

The findings suggest that the respondents do not perceive the centre as providing effective recognition practices. This is consistent with previous research that suggests that lack of recognition, lack of feedback, and unfair recognition practices can lead to decreased job satisfaction and increased turnover intention (Eisenberger et al., 1986; Amabile, 1993; Kluger & DeNisi, 1996; Colquitt, 2001).

The results indicate that the centre's recognition practices are not perceived as effective by the respondents. This highlights the need for the centre to re-evaluate and improve its recognition practices to enhance employee motivation and job satisfaction.

#### **B.2.5** Work Condition of the Centre

The findings suggest that the respondents have a mixed perception of the work condition at Abebe Bikila Health Center. While a significant proportion of respondents are satisfied with their workspace, working hours, and work relationships, others feel overworked and lack sufficient resources. This is consistent with previous research that highlights the importance of a positive work environment in enhancing employee motivation, job satisfaction, and reducing turnover intention (Hackman & Oldham, 1976; Herzberg, 1966).

The lack of resources and feelings of overwork can contribute to feelings of demotivation and dissatisfaction among employees. In contrast, open discussion and positive work relationships can enhance employee motivation and job satisfaction. In conclusion, the results indicate that the work condition at Abebe Bikila Health Center is a mixed bag, with both positive and negative aspects. The center should consider addressing the negative aspects, such as resource inadequacy and overwork, to enhance employee motivation, job satisfaction, and retention.

#### **B.3** Survey results of Turnover intention

Ineffective reward management practices, such as inadequate compensation, poor recognition, and lack of career development opportunities, can contribute to decreased employee motivation and increased turnover intention (Chung & D'Annunzio-Green, 2018; Ramlall, 2004). The respondents' dissatisfaction with their current workload and desire to seek better job opportunities outside the center indicate that the center's reward management practices are not meeting their expectations.

Moreover, the respondents' intention to stay in the the center due to the limited job market rather than a strong desire to remain suggests that the center may face challenges in retaining its employees, when the external job market improves.

In conclusion, the results indicate that the center's reward management practices are not effective in motivating and retaining employees, which is reflected in the respondents' strong turnover intention.

# **B.4 Regression Analysis Result**

Table 4.9.Model Summary									
Model	R	R	Adjuste		Change Statistics				
		Square	d R	of the		I		1	ı
			Square	Estimate	R Square Change	F Change	1Hb	df2	Sig. F Change
1	.792a	.627	.617	.88430	.627	61.900	5	184	.000
a. Predi	a. Predictors: (Constant), Work condition, Recognition, Remuneration, Cash incentive, promotion								

b. Dependent Variable: Employee Turnover intention

# **B.5 ANOVA**

	ANOVA <sup>a</sup>											
Model		Sum of Squares	df	Mean Square	F	Sig.						
	Regression	242.014	5	48.405	61.900	.000 <sup>b</sup>						
1	Residual	143.896	184	.782								
	Total	385.910	189									

a. Dependent Variable: Employee Turnover intention

b. Predictors: (Constant), Work condition, Recognition, Remuneration, Cash incentive, promotion