



**ST. MARY'S UNIVERSITY  
SCHOOL OF GRADUATE STUDIES**

**THE EFFECT OF COMPENSATION SCHEMES ON EMPLOYEES TURNOVER  
INTENTION: THE CASE OF ETHIOPIAN WILDLIFE CONSERVATION  
AUTHORITY**

**BY:  
AMSALE GETAHUN**

**DECEMBER, 2020  
ADDIS ABABA, ETHIOPIA**

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**A THESIS SUBMITTED TO ST. MARY'S UNIVERSITY, SCHOOL OF GRADUATE  
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**DECEMBER, 2020**

**ADDIS ABABA, ETHIOPIA**

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## **DECLARATION**

I, the undersigned, declare that this thesis is my original work, presented under the guidance of Goitom Abraham (Asst. Professor). All sources of materials used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher institution for the purpose of earning any degree.

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**December, 2020**

**ENDORSEMENT**

This thesis has been submitted to St. Mary's University, School of Graduate Studies for examination with my approval as a university advisor.

**Goitom Abraham (Asst. Professor)**

**Advisor**

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**Signature**

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## **LIST OF ACRONYMS**

EWCA- Ethiopian Wildlife Conservation Authority

EFCCC- Environment, Forestry and Climate change

SPSS- Statistical Package for Social Science

HRM- Human Resource Management

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## **ABSTRACT**

*The main purpose of this research is to examine the Effect of Compensation on Turnover intention in the case of Ethiopian wildlife conservation authority. In conducting the study both quantitative and qualitative methods of data analysis were used. The quantitative data were gathered through a questionnaire, and the qualitative data were collected through the administration of the interview. The researcher used a random sampling technique to select the sample respondents for the study. Accordingly, 297 employees were selected from the Head Office of EWCA to participate in this study. Questionnaires were distributed to sample respondents and all questionnaires were returned. Explanatory or causal types and descriptive research designs have been used. Descriptive and inferential statistics were employed to analyze the quantitative data collected. On the other hand, the qualitative data collected through interviews were analyzed qualitatively. Findings showed that both financial and Non-Financial compensations had a positive effect on employee turnover intention. It was recommended that the compensation Schemes should be revised periodically, taking into account the market conditions, the nature of the job, and the employees' desires and needs. Adequate compensation has to be provided and offered to employees based on their performance.*

*Keywords: Compensation Schemes, Turnover Intention*

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# CHAPTER ONE

## INTRODUCTION

### 1.1. Background of the Study

Human Resources are the most important asset of an organization. It is only through people that other resources of an organization are transformed into services or products. Without Human resources, an organization cannot attain intended goals and objectives. This is the main reason why employees are being hired in an organization, they are a key resource, and the success or failure of organizations center on the ability of the employer to attract, retain and reward appropriately talented and competent employee it also clearly recognizes that the primary and most valuable source of competitive advantage is its people. They are the only differentiator that helps the organization to survive, sustain, and attain a competitive advantage. Hence, it could be well understood that people are its biggest expense, or its biggest investment (Sarkar, 2018).

Compensation is one aspect of human resource management that has generated a lot of controversies over the years. This is as a result of its significance in employee motivation and organizational progress it has critical importance to both employees and employers. Compensation plays a major role in attracting new talents. It is considered as the major cost incurred by a business organization. However, today the human resource is considered as human capital and compensation hence does not cost but rather investment (Armstrong, 2010).

According to Popoola & Ayeni (2007), to exist for a long period, organizations have to recognize compensation as a main motivator of employees, as an important tool, and an expense for organizations. Praising employees for achieving their goals is important in maintaining an enjoyable work environment. Recognizing success is critical, and equally important is inspiring employees to work toward achievements. Employees will be inspired by knowing their contributions are valued and that management is confident in their capabilities.

There are two types of compensation financial and non-financial compensation, financial compensation refers to basic salary, house rent allowance, overtime, travel allowance, medical reimbursements, special allowances, bonus, benefits, etc. on the other hand non-financial compensation does not directly involve money and it is usually related to the work itself. It includes achievement, autonomy, promotion, recognition, and the scope of the work (Ivancevich, 2006).

As defined by Armstrong (2006), employee turnover refers to the rate at which an employer gains and losses employees, how long the staff tend to leave and join the organization. Various academics assured that turnover can be classified as voluntary and involuntary. Voluntary turnover refers to when an employee resigns from the organization by his/her own decision and controlled or managed by the organization. On the other hand, involuntary turnover occurs when an employee is forced to quit a job due to different reasons and it cannot be controlled by management.

Researchers suggest that high-quality employees remain with organizations when they experience satisfaction on the job (Gupta & Shaw, 2014). This is on one hand because satisfied employees form a bond with the company and take pride in their organization membership; they believe in the goals and values of the organization. Therefore, these employees display high levels of performance and productivity. On the other hand, dissatisfied employees display characteristics of low productivity, absenteeism, and turnover. These traits are highly costly for an organization's ability, to keep its best asset which is its employees. Therefore, depending on sustainable people-oriented systems like attractive compensation would encourage employees and lead to their satisfaction on the job, to maximize their full potential as well as the success of the organization. (Greene, 2014)

Human resources are an important element in an organization. Organizational performance depends on the condition and behavior of the particular organization's employees. Employees' satisfaction depends on the compensation received; hence unsatisfactory compensation causes low organization commitment and increases turnover intention. High turnover intention causes a bad impact on the organization.

For instance, Weldeyohannes (2016), studied the influence of compensation on turnover intentions of teachers in Tigray and explained that salary satisfaction influences teacher's turnover intention. Another study conducted by Ahmed and Nawaz (2015) entitled the impact of organizational commitment on turnover intention among academics in Pakistan's High Education Institutes, which showed that low organizational commitment is the most important factor causing employees' turnover in Pakistan's High Education Institutes. On the other hand, Seble (2019), emphasized the perception of the employee's towards compensation and benefits schemes in the case of United Bank S.C in Addis Ababa and indicated that employees perceived

the current compensation and benefits as not fair. Hence, employees did not participate in the compensation and benefits decision.

Therefore, this research aims to investigate the effect of compensation schemes on employee turnover intention in the case of Ethiopian wildlife conservation authority (EWCA) and also aims to fill the gap of research. This research paper intends to determine the relationship between compensation schemes and employees' turnover intention at EWCA.

## **1.2. Background of the Organization**

Ethiopian wildlife conservation authority (EWCA) is a governmental organization established in 2000 E.C by proclamation 575/2000 under the Commission of Environment; Forestry and Climate change Commission (EFCCC) given the authority to undertake conservation and sustainable utilization of wildlife in Ethiopia. The company's head office is located in central Addis Ababa, the capital of Ethiopia in the town commonly known as Mexico, while branch offices are located in different parts of the country's regions. (EWCA, 2011). EWCA works closely with national and international stakeholders on wildlife conservation.

The Company is authorized for wildlife management, including wildlife tourism, through the Environment, Forestry and Climate change Commission (EFCCC) which is responsible for developing and promoting the tourism products of Ethiopia within the country and internationally. In performing this role, EFCCC works closely with different national and international stakeholders to publicize the country's tourist attractions and encourage the development of tourism facilities. It licenses and supervises tourist facilities such as park lodges and tour operators and at the same time, it is responsible for promoting and preserving the living, physical and cultural expressions of nature. (ibid)

It ensures that wildlife conservation areas fulfill the international standard so that they can be registered by IUCN and follows up that they are administered following such standards. Also, it represents the government in any international meetings regarding wildlife development, protection, and utility, it ensures the implementation of international agreements to which Ethiopia is a member regarding wildlife resource base and prepares and passes reports to concerned international organizations that work on natural reservation (EWCA strategy, 2019).

### **1.3. Statement of the problem**

Based on various researches, it is well known that compensation is a necessary and most crucial issue in the twenty-first century due to its positive or negative impact on worker's behavior. That is, if workers perceive compensation to be of the good package and adequate, they tend to be motivated, satisfied, and better disposed to increase performance but if otherwise, they may equally showcase a negative attitude on their job and consequently results in low performance, absenteeism, industrial conflicts and high rate of labor turnover (Javed, Balouch& Hassan, 2014; Samuel, 2015).

Employees' Intention to turnover may affect an organization in achieving its objectives, which in turn lead to a reduction in the overall level of innovation, quality of customer service, and a negative psychological effect on the employees that remain in the organization (Ayinde and Adegoroye,2012). "Turnover intention seems to be a reasonable prediction for actual turnover" (Cho and Lewis, 2012).

In today's competitive scenario, competition is becoming more vital and intense. Companies incur direct and indirect expenses which include the cost of advertising, headhunting fees, human resource costs, loss of productivity, new hire training, and customer retention, every time they have to replace an employee. These expenses can add up to anywhere from 30 to 200 percent of a single employee's annual wages or salary, depending on the industry and the job role being filled (Beam, 2009).

To the best of the researcher's knowledge and as per the preliminary investigations conducted, it seems like compensation practices have influenced the turnover intention of Ethiopian wildlife conservation authority (EWCA) employees. Employees were randomly chosen from different departments of the organization to have a focus group discussion (see appendix 1). It revealed that the existing compensation management practice of the company had not been satisfying the needs of most of the employees as they no longer feel the sense of organizational loyalty that once existed. Thus, the current level of job satisfaction at EWCA is quite low. An increasing number of corporate unions and acquisitions have left employees feeling detached from the organization due to a major salary difference among employees. Consequently, employees are more focused on hunting other job opportunities rather than execution thereby hurting the general performance of the company.



EWCA has been unable to emerge from its delays in execution, due to the above-mentioned job satisfaction issues. If this problem is not well addressed from the outset, it will be difficult for the organization to achieve its objectives and realize its vision. Furthermore, no research was conducted at EWCA to address this problem. This research was also done to fill this gap through theoretical discussion and empirical findings.

Hence, this study aimed to fill the missing gap by examining the effect of the compensation schemes on employee turnover intention working in the Ethiopian wildlife conservation authority (EWCA).

#### **1.4. Research questions**

The study tried to answer the following basic research questions:

1. What is the effect of financial compensation variables on employee's turnover intention at the Ethiopian wildlife conservation authority (EWCA)?
2. What is the effect of non-financial compensation variables on employee's turnover intention at the Ethiopian wildlife conservation authority (EWCA)?

#### **1.5. Objective of the study**

##### **1.5.1. General objective**

The general objective of the research was to examine the effect of compensation schemes on employee turnover intention in the case of the Ethiopian wildlife conservation authority (EWCA).

##### **1.5.2. Specific objective**

The specific objectives of the study include to:

- determine to what extent financial compensation variables contribute to employee's turnover intention at Ethiopian wildlife conservation authority (EWCA).
- determine to what extent Non-financial compensation variables contribute to employee's turnover intention at the Ethiopian wildlife conservation authority (EWCA).

### **1.6. Significance of the study**

This study has several significances. It helps the Organization (management and decision-makers) to increase employee job satisfaction and decrease turnover intentions. It gives an understanding of the relationship between the employee's compensation and turnover intention. Based on the findings, recommendations, and conclusion this study helps the management to minimize the negative consequence of employee turnover intention and increasing employees' loyalty, in professional works. It contributes to the Human Resource Management Process and executive management of EWCA for planning and decision making by knowing the real impact of compensation on employee satisfaction. It also allowed the researcher to gain a deep knowledge of the employment management practice of the organization. Furthermore, the study may serve as a reference and base for future researchers who want to conduct detailed further research in areas of the study.

### **1.7. Scope of the study**

The study focused on the effect of the compensation schemes on employee turnover intention among the staff of Ethiopian wildlife conservation authorities (EWCA) by emphasizing the relationship between financial and non-financial compensation on employee turnover. The study would have been more comprehensive if other human resource variables that have relations to employee turnover would have been addressed. Moreover, the study was limited to one of the human resource management functions, compensation practice.

Geographically, the study was limited to the branches located in Addis Ababa and the Head office. It doesn't include other branches. This makes it easier to collect the information required for this research.

### **1.8. Limitation of the Study**

Sufficient records, publications regarding employee compensation schemes were not available in the organization. To overcome the problem, the researcher reviewed different literature and articles. The respondents delayed in filling and returning the given questionnaires and this problem has made its impact on the research report writing process.

Few of the respondents did not fill the questionnaires and have been screened out from the data analysis process. Lack of prior experience in conducting such kind of research has limited the

quality of the research. Even though the researcher faced such challenges data quality and expected a number of the questionnaire were returned successfully.

### **1.9. Organization of the Study**

The research study is organized into five chapters. The first chapter is the introductory chapter which includes: background of the study, the background of the Organization, Statement of the problem, Research Questions, Objectives, Significance of the study, Scope of the study, and Limitation of the study. The second chapter covers a review of related literature. Chapter three dealt with the research Design and Methodology of the study. Chapter four focused on the data analysis, and interpretation through a questionnaire. Finally, chapter five covers the Summary, Conclusion, and Recommendation.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1. Introduction**

In this chapter, a detailed discussion of related literature works about compensation and Turnover intention was presented. The theoretical review, empirical review, and conceptual framework of the study were discussed in detail to support this study.

#### **2.2. Theoretical Literature Review**

##### **2.2.1. Concept of Compensation**

Compensation is one of the Human Resources Management functions that deal with all forms of financial returns and tangible services and benefits employees receive as part of an employment relationship Akter and Moazzam (2016) compensation surrounded by the employee wages and salaries, incentive-payments, bonuses, and commissions. For an organization to achieve its objectives, it needs to attract, motivate, and retain competent employees. This can be done by providing fair and consistent compensation to all employees.

Compensation According to Aswathappa (2014) is the remuneration an employee receives for his or her contribution to the organization. It occupies an important place in the life of an employee, his or her standard of living, status in the society, motivation, loyalty, and productivity depend upon the remuneration employees receives. For the employer too, employee compensation is significant because of its contribution to the cost of production.

Darma and Supriyanto (2007) explain that compensation is defined as the ability and responsibility of a company to contribute to its employees for their achievement of the task and to appreciate their performance. Each organization should strive to improve employee satisfaction by providing a fair and competitive compensation program. High job satisfaction is expected to make employees more loyal to the organization; more motivated in work, feel happy at work, and ultimately will increase productivity.

### **2.2.2. Theories of Compensation:**

Three main theories are used by human resources professionals when developing compensation plans:

**Reinforcement Theory** is similar to that of effective conditioning. If a person is rewarded for a particular behavior, he or she is more likely to perform those actions again. The positive reaction motivates employees to do the same actions again because employees would anticipate getting the same or a similar reward (Fama& Jensen, 1983).

**Equity Theory:** suggests that employees' actions will be changed based on their perception of how they are paid in comparison to their coworkers. For example, if an employee and a colleague work the same number of hours and have the same type of job and a similar level of work experience, one would expect to be paid fairly and about the same salary. However, if he/she discovered that the colleague was paid more, then your productivity will probably decrease so that employee is only working up to the level that is fair based on his/her new perception of compensation.

**Agency Theory:** focuses on the divergent interests and goals of the organization's stakeholders, and the ways that employee compensation can be used to align these interests and goals (Eisenhardt, 1989).

### **2.2.3. Types of Compensation**

To create incentives for employees to achieve the organization's goal, different types of compensation systems are used. By definition, compensation can be understood as the total amount of the financial and non-financial compensation provided to an individual in return for labor.

#### **Financial Compensation**

According to Simamora 2002, cited in Sinambela (2016), Financial compensation is the compensation received by employees in monetary forms includes direct payments plus indirect payment in the form of employee benefits. For a very long period; it was commonly thought that financial incentive was the most powerful motivator. People went to work and did a good job to be paid a fair wage.

There are various ways a company can choose to compensate its employees. According to Aswathappa, 2005, cited by Mary M., Andrew T. and Dennis K. (2015) some financial compensation is:

**Salary:** It is obvious that there is a link between basic salary/pay and job. The range of jobs to be found within any organization will be of differential work to management and will therefore need to be grouped into some kind of grading hierarchy with pay determined by where exactly the individual post sits within it. Pay is the main consideration in an employee-employer relationship because it provides tangible rewards for the employees for their services as well as a source for recognition and livelihood. Thus, if employees are not satisfied enough with their salary, they would develop the intention to leave their current organization, then leave, as cited by (Mary M. et al, 2015).

**Bonus:** Bonus pay is the sum of money employers give to employees beyond their existing wages (Mike Kappel, 2018). When an organization earns profit due to the effort of an individual or group of employees, the organization should appreciate their contribution by giving them additional payment as a bonus or commission. The reason why most organizations prefer the usage of bonuses is that they are an easy way to thank the workers. Bonus can also increase employee morale and motivate workers to reach goals. When employees are happy, the organization is primed to perform better than ever. Extrinsic rewards are always known to have received more value from the employees (Mike Kappel, 2018).

**Benefit:** Employee financial benefits are elements of remuneration given in addition to the various forms of cash payment. They provide a quantifiable value for individual employees, which may be deferred or contingents like a pension scheme, insurance cover, or sick pay, or may provide an immediate benefit like a company car. On the other hand, employee benefits also include elements that are not strictly remuneration, such as annual holidays, (Michael A. and Helen M, 2007).

### **Non-financial compensation**

According to Casio and Namburdi (2010), Non-financial rewards include everything in a work environment that enhances a worker's sense of self-respect and esteem by others that might be safe work conditions, recognition, and appreciation, the opportunity for growth, effective

supervision, and other. Such types of rewards have a great contribution to the success of the organization's retention mechanism.

**Working condition:** An employee spends a lot of time at the workplace, completing tasks of the organization and for the organization. An organization must acknowledge such attribution and reward its employees by providing a comfortable workspace. Comfortable furniture, air-conditioned rooms, the latest models of computers, etc are some factors that contribute to an improved workspace.

**Recognition:** is the perception that members' contributions to the organization are acknowledged, Michael A. (2009). According to Rose (1998), as cited by Michael S. (2004), non-financial recognition is defined as "...a non-cash award given in recognition of a high level of accomplishment or performance such as customer care or support to colleagues, which is not dependent on the achievement of a pre-determined target", Rose (1998). Rose, further states that non-financial recognition has two different forms, called formal and informal as discussed below.

Formal Recognition- structured/scheduled activities or events with specific criteria used to recognize employee contributions (example, Staff Appreciation Awards like an employee of the year).

Informal Recognition- the acknowledgment of day-to-day accomplishments in the workplace through gestures of appreciation, communication, and/or feedback (i.e. thank you, verbal complement at a staff meeting, etc.).

**Promotion:** In the view of (Robbins, 2005), upgrading is the progression of a worker's level or position in an organization's hierarchical order. Advancement in work might be an individual's motivation for a job is well done. Some employees are average performing, while some others are intensely hard-working, because of which they make a huge difference in the organization's status. Such employees can be rewarded by handing them over new responsibilities and duties. Promotion is indirectly related to increment in status, payment, and power.

**Career growth:** People desire to get better and better at something that matters, like working in an organization that has career growth opportunities as most employees want to grow up career-wise and see themselves in a better place than they are striving for.

As cited by Gulsah K. (2014), organizational career growth involves reaching career aims, improving professional skills, and getting promotions and compensation appropriate to those competencies Weng &Hu (2009).

Career growth is the probability that an employee gets a promotion and acquires career development experiences from ascended responsibilities and contender tasks.

#### **2.2.4. Compensation Management**

Compensation management is one of the central pillars of human resources management (HRM). It is important for balancing the work and employee relationship by providing monetary and non-monetary compensation to the employee (Bhattacharyya ,2009). It is also concerned with the formulation and implementation of strategies and policies that aim to compensate people fairly, equitably, and consistently following their value to the organization (Armstrong, 2005). Compensation Management as the name suggests implies having a compensation structure in which the employees who perform better are paid more than the average-performing employees (Hewitt, 2009). This encourages top-performers to work harder and helps to build a competitive atmosphere in the organization. Armstrong (2005) postulate that compensation management is an integral part of the HRM approach to managing people and as such it supports the achievement of business objectives and it is strategic in the sense that it addresses longer-term issues relating to how people should be valued for what they want to achieve; It is therefore integrated with other HRM functions, especially those concerned with human resources development.

Adeniyi (2013) suggests that the fundamental task in human resources management is compensation management. It is a complex task that occurs periodically, demands accuracy, and must not be delayed. Compensation management requires integrating employees' processes and information with business processes and strategies to achieve optimal organizational goals and objectives (Adeniyi, 2013). This can be attributed to the fact that compensation management is an essential tool to integrate individual efforts with strategic business objectives by encouraging employees to do the right things with ever-improving efficiency (Adeniyi, 2013).

In other words, compensation management is a powerful means of focusing attention within an organization. They send clear messages to all employees of the organization informing them about expected attitudes and behaviors (Schell and Solomon, 2007).



### **2.2.5. Objectives of Compensation**

According to (Mahapatro, 2010; Bhattacharay, 2009) provided the following four objectives of compensation as given below:

The first category is equity which may take several forms. It includes income distribution through narrowing of inequalities, increasing the income of lowest-paid employees, protecting real wages (purchasing power), and the concept of equal pay for work of equal values. Even pay differentials based on differences in skills or contribution are all related to the concept of equity.

A second objective is efficiency is reflected in attempts to link a part of wages to productivity or profit, group or individual performance, acquisition, and application of skills, and so on. Arrangement to achieve efficiency may also be seen as being equitable (if they fairly reward performance) or inequitable (if the reward is viewed as unfair).

A third objective is a macro-economic stability through high employments levels and low inflation. For instance, an inordinately high minimum wage would hurt levels of employment, though at what level these consequences would occur is a matter of debate. Although compensation policies influence macro-economic stability and contribute to balanced and sustainable economic development.

The fourth objective is the efficient allocation of labor in the labor market implies that employees will move to wherever they receive a net gain. Such movement may be from one geographical location to another or from one job to another (within or outside an enterprise). The provision or availability of financial incentives causes such movement.

The objective of the compensation is to create a system of rewards that is equitable to employers and employees alike. The desired outcome of the employees is to attract the employees towards the tasks and be motivated to do a good job for the employer. The compensation policy depends on adequate, equitable, balanced, cost-effective, secure, incentive providing and acceptable to the employee are a certain criterion

### **2.2.6. Factor Influencing Compensation**

There are several factors influencing compensation. They can be categorized into (A) external and (B) internal factors

According to Jain and Kaur (2014), External Factors are those factors that are beyond our control. And they can be further classified into:

**i. Labor Market:** Demand and supply of labor influences the fixation of wage and salary. A lower wage is fixed when the labor demands were less than the labor supply. A higher wage will have to be paid when the labor demands more than labor supply it happened as in the case of skilled labor.

**ii. Cost of Living:** This matter is a criterion during periods of rising prices but it is forgotten when prices are stable or falling. When the cost of living in the rise and it is required to be remunerated by payment of dearness allowance, basic pay to continue uninterrupted.

**iii. Labor Unions:** The presence or absence of labor organizations often determine the substantial wages paid to the employees. Employers of non-unionized organizations enjoy the liberty to fix wages and salaries as they want. Because of larger-scale unemployment, these employers hire workers at little or even less than legal minimum wages. An individual non-unionized company maybe pay more to its employees if they want to discourage them from forming one. The employees of strongly unionized companies have no freedom in fixation of wage and salary. They are forced to vintage the pressure of labor representatives in the revision and determination of pay scales.

**iv. Union Influences on Compensation Decisions:** Unions and labor relations laws also influence compensation design. The various labor legislations and court decisions were legitimized the labor movement.

**v. Labor Laws:** We have various labor laws at the central and as well as at the state levels. These legislations are for the protection of employee's interests.

**vi. Society:** Compensation paid to employees is imitated the prices fixed by an organization for their goods and services. The Supreme Court, from its very inception, has had to adjudicate industrial disputes, particularly disputes relating to wages and allied problems of financial concern to the worker- an ethical and social outlook liberally interpreting the spirit of the Constitution.

**vii. The Economy:** the economy has its impact on wage and salary fixation is the state of the economy. While some organizations can thrive in a recession, there is no question that the economy does not affect remuneration decisions.

According to the Bhattacharay (2009), the following are the internal factors that influence compensation:

**i. Business Strategy:** The overall strategy of a company that pursues the determination of employee's compensation. The strategy is to sustain and protect current profit because of the declining fortunes of the company the compensation level needed to be average or even below average.

**ii. Performance Appraisal:** The Performance appraisal helps to reward, compensation hike for the employees who show better performance.

**iii. The Employee:** Several employee-related factors interact to determine his or her remuneration. These include performance, seniority, experience, potential, and even sheer luck.

### **2.2.7. Employee Turnover**

Abassi and Hollman (2000) refer to employee's turnover as the rotation of workers around the labor market between firms, jobs, and occupations; and between the states of employment and unemployment. Labor turnover is the movement of people into and out of the firm (Graham, 1983). In this study, labor turnover is considered to be a movement of employees out of the organization. Armstrong (2006) continues to develop some reasons why employees tend to leave their organizations, some of them look for more pay, better prospects (career move), more security, more opportunity to develop skills, better working conditions, poor relationship, bullying, or harassment, and others. For an organization, employee turnover can have a significant cost. There is the cost of hiring new staff, training new staff, distribution to teamwork, organizing people to cover the work done by people who have left, and so on. It's an issue that organizations like to monitor, and employee turnover is an important piece of data for most organizations. One of the problems was collecting data on turnover is that once employees have left the organization; there is little that can be done to get them back.

## **2.2.8. Types of Employees Turnover**

### **Voluntary Turnover Versa Involuntary Turnover**

According to Mbah and Ikemefuna (2012), voluntary turnover occurs when an employee leaves the employee's own choice and can be caused by several factors. Some of these reasons include better career opportunities, increased compensation, and boredom with current tasks. These may include poor job feedback, job dissatisfaction, unmet job expectations, performance problems, situational constraints, socialization difficulties, greater degrees of job stress, and a lack of career advancement opportunities. voluntary turnover data help employers understand why an employee left, what they could have done about it, what lies ahead for the existing employees, and the impact his or her loss will have on the organization. Organization pay directly influences employee voluntary turnover of the employee to compare to their pay available in other organizations.

Involuntary turnover occurs when an employee is discharged or terminated; reasons can range from poor performance or behavioral issues to budget cuts or structural reorganization. Some factors are, in part, beyond the control of management, such as the death or incapacity of a member of staff (Mbah and Ikemefuna, 2012).

### **Internal Versa External Turnover**

Employee turnover can be classified as either internal or external. It is internal when employees leave their current assignments and take up new roles or positions within the organization. This could bring both positive and negative feelings. The feeling could be positive if the new position brings about increased morale from the change of task and supervisor; alternatively, it could be negative if the new position is project-related or relational disruption like holding brief for a colleague in another location. The effect of this internal turnover may be important as to require monitoring just like the external turnover. Human resource mechanisms such as recruitment policy and succession planning can be used to control internal turnover (Mbah and Ikemefuna, 2012).

### **2.2.9. Cause of Employee Turnover**

Employee turnover occurs due to the unhappiness of an individual employee from the job environment. Being unhappy is not merely the reason in a job, why individuals leave one job for another job. If the employees possess the skills that are in demand, they may be awarded higher pay, better facilities, or job growth prospective. Therefore, it is very important to recognize and know the difference between those employees who leave the job because they are not satisfied with their job and those employees who leave their job for other reasons (Ibrahim, Usman, & Bagudu, 2013). Some of the important factors that contribute to employee turnover are;

#### **Training and Development**

According to Paul (2004), training and development is a function of human resource management concerned with organizational activity aimed at bettering the performance of individuals and groups in organizational settings. It has been known by several names, including "human resource development", and "learning and development. New-hire Induction and staff development are two essential requirements for job preparation that are mandatory for employers.

The preparation for the job starts with recruitment (Bratton, 2003). Those employees who begin their jobs without any form of orientation are most likely unaware of workplace policies and procedures that they can benefit from. Additional training throughout the employment relationship helps the employee to update skills, become more productive, and produce an efficient workforce.

#### **Employee Expectation**

New employees have expectations but when these expectations are not met, they may start withdrawing from work using sick leave, family responsibility leave, and all kinds of excuses (De Vos, Strydom, Fouche, and Delpont, 2007). Employees expect that their performance will correlate with the rewards received from the organization. Employees set expectations about rewards and compensation to be received if certain levels of performance are achieved.

These expectations determine goals or levels of performance for the future. Employees achieving the desired levels of performance expect a certain level of compensation. If employees, see that hard work and superior performance are recognized and rewarded by the organization they will expect such relationship to continue in the future. Therefore, they will set

higher levels of performance expecting higher levels of compensation. If employees see little relationship between performance and rewards, then they may set minimum goals to retain their jobs but will not see the need to excel (Birdi et al., 2008).

### **Job Ownership**

According to Park (2003), employees will be more motivated to do their jobs well if they have ownership of their work. This requires giving employees enough freedom and power to carry out their tasks so that they feel they own the result. As individuals mature in their jobs, the organization should provide them with opportunities for the added responsibility.

### **Lack of Employee Motivation**

Armstrong (2006) contends that motivating employees can be a manager's biggest challenge. Employee motivation is key to the overall effectiveness of an organization. An understanding of the applied psychology within a workplace, also known as organizational behavior, can help achieve a highly motivated workforce. Fair promotion conducted based on performance greatly motivates employees and a key demotivating factor to employees is a failure by the organization management to carry out promotion on basis of performance and merit. But on a deeper level, giving your employees a reason to show up in the morning beyond the promise of a paycheck adds value to their time on the clock, providing a level of fulfillment and engagement that makes working more enjoyable.

### **Work Environment**

This is also one of the main causes of employee turnover. Employees prefer to work in an environment that is suitable for them. They must have the necessary tools to perform their duties. This includes the proper equipment, machinery, and computer technology as well as adequate lighting, workspace, and ergonomically-correct seating. Poor working conditions due to physical elements lead to low productivity and overall job dissatisfaction. The latter, particularly when left unaddressed, leaves employees feeling unappreciated and they ultimately leave (Bratton, 2003). This is the most common reason why they jump from company to company in just a few months. If they find an appropriate work environment in a specific company, they may work in the same organization for several years

### **2.2.10. Relation of Compensation and Turnover intention**

Compensation is a form of payment or reward given to the employee as a result of that person's employment (Dessler, 2009). The turnover intention from the current company can be caused by unsatisfactory salary, high demand by other company, work hour shift, and uncertain work status. A satisfactory or unsatisfactory salary is caused by incompatibility between what someone received compared to others. Satisfaction with compensation will lower the absence rate and employees' turnover intention. Weldeyohannes (2016) also stated that the unsatisfactory salary has an impact on turnover intention. From the explanations above, we can conclude that a satisfactory salary can retain an employee to stay loyal to the company or organization. Compensation for an employee is a form of appreciation given to an employee for their contribution to achieving the company goal. Compensation is also a motivation for employees to work as best as they can. Proper compensation suitable with responsibility will also increase the sense of responsibility for the task given to the employees.

### **2.2.11. Strategies to minimize employee turnover**

To reduce the problem of employee turnover, Gupta (2006) recommends the following step to be taken, proper planning of manpower requirements to avoid redundancy, improvement in recruitment policy and practices, use of proper tests and interviews in the selection of employees, proper orientation and training of employees, better pay and good working conditions, promotion from within and career opportunities, the security of service, impartial transfer and promotion policies, the introduction of incentive plans, introduction of employee welfare schemes, provision of retirement benefits, employee consultation, suggestion, schemes and workers' participation in management, conflict resolution and team-building technique to improve human relation and morale and proper job design and work schedule to match skills with job requirements.

## **2.3 Empirical Literature Review**

Most studies show a positive and considerable relationship between compensation and employee turnover. For instant (Ermiyas, 2017) conducted a study on the assessment of compensation practice and employee turnover intention in a selected private commercial bank in Ethiopia. The study is also trying to determine different types of compensations in practice on bank understudy and analyze the type of compensation that attracts employees more. In conducting the study both

quantitative and qualitative methods were used to gather information. Descriptive statistics data analysis method was applied to analyze quantitative data using SPSS version 20 and qualitative analysis method. The result of this study indicates that there is no equity in the pay system, the reward system does not take into account the qualification and experience of employees, there is no stock option and profit-sharing program and there is no career advancement. On the other hand, employees are happy with assistance for housing, vehicle, personal and staff loans. In general, direct financial compensation is one common cause of turnover and indirect financial compensation and non-financial compensation are less likely to cause a turnover.

Frehiwot (2018) conducted the role of compensation practices on employee satisfaction in the case of BEKEDES Business PLC. The researcher used a case study type of explanatory research design, supported by a quantitative research approach, to investigate the role of compensation practices on employee satisfaction at Desta Garment and a Tasty Food factory, which is part of BEKDES PLC, in Addis Ababa, Ethiopia. From 814 target population, 204 questionnaires were distributed to the sample respondents among two factories. The study finds that the compensation system practiced by Desta Garment and Tasty Food Factory has a positive significant influence on employee satisfaction, therefore, the compensation system plays a major role in employee's satisfaction in both factories but The findings indicate that the respondents are not satisfied with the compensation they received in the Garment and Tasty Food Factory, the researcher recommended the Factory should improve their compensation strategy to boost employees' dedication and commitment to efficiently increase employees' satisfaction, this will improve the sector's image also both factories should promote adequate benefit system to reduce absenteeism and employee turnover.

A work entitled Impact of Compensation and Benefits on Job Satisfaction by (Mabaso and Dlamini, 2017) aimed to investigate the impact of compensation, benefits on job satisfaction among academic staff in higher education institutions in a South African context. The study employed the quantitative research method to investigate the influence of rewards on talent attraction and retention. An explanatory hypothesis-generating approach was employed and a survey design was used to collect data through a semi-structured questionnaire. A sample of 279 academic staff, which was the total population of participants were selected for this study. The results showed a positive and significant effect of compensation on job satisfaction. Moreover, there was no significant effect between benefits and job satisfaction. Therefore, only



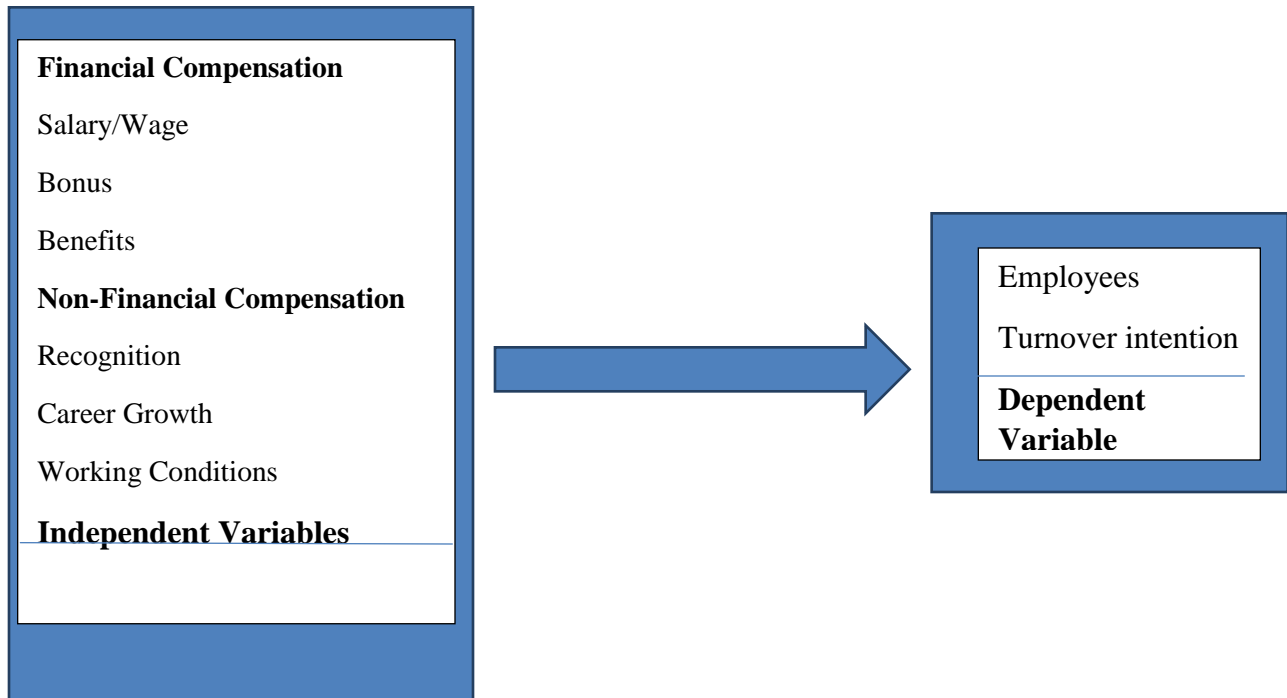
compensation significantly predicted job satisfaction among academic staff. Therefore, higher education institutions must improve their compensation strategy to boost employee's dedication that will enable commitment, while efficiently deliver outstanding results. This will improve research outputs and improve skills within the country.

Chepchumba & Kimutai (2017) aimed to investigate the relationship between employee compensation and employee turnover in small businesses, a case of Safaricom dealers in Eldoret Municipality, Kenya. A descriptive research design was employed and a census of the employees in the dealer shops was used because of the small population. A semi-structured closed-ended questionnaire was used to collect data. The findings were; Salary and commissions are insignificant predictors of employee turnover in small businesses although salary increments are very important in controlling employee turnover. Apart from salary, merit pay, travel/meal/house allowance, and medical allowance were significantly associated with employee turnover. Therefore, Small businesses should improve the working environment, appreciate employees, and provide leadership to control turnover Hiring older employees does not guarantee control over employee turnover. Small businesses should hire tertiary and graduate-level employees over secondary graduates to minimize employee turnover.

#### **2.4. Conceptual Framework**

The conceptual framework of the study will show the dependent variable and independent variable. The dependent variable which is known as the outcome variable is the employee's turnover intention. On the other hand, the independent variables of the study will be classified under financial compensation and non-financial compensation. For this study, both the financial and non-financial compensations will be further classified into base salary, bonus, and benefits (Financial), recognition, career growth, and working condition (Non-Financial).

**Figure 1 Conceptual framework.**



*Source: Researcher's Survey Result (2020)*

## **CHAPTER THREE**

### **RESEARCH DESIGN AND METHODOLOGY**

This chapter dealt with the research design and methodology. It includes the research approach, research design, population and sampling technique, Data type and sources, methods of data collection, data analysis methods.

#### **3.1. Research Design**

According to Aaker, Kumar, and George (2000) research design is intended to provide an appropriate framework for a study. Furthermore, Burns and Bush (2003) categorized research design into three types: exploratory, descriptive, and causal. further describes it as a set of advance decisions that make up the master plan specifying the methods and procedures for collecting and analyzing the needed information.

Hence, to achieve the objectives addressed, this study used explanatory or causal types and descriptive research designs. The major advantage of using descriptive research design is that it provides a relatively complete picture of what is occurring at a given time, based on this the data was summarized using frequencies, percentages, means, and standard deviations, explanatory or causal research design were used in the study to determine the magnitude and to realize the cause and effect between employee's turnover as a dependent variable and compensation practices as independent variables.

#### **3.2. Research Approach**

The research approach was selected based on the research purpose and the nature of the research, the problem area, and the research questions. According to Creswell (2003), there are three basic types of research approaches including quantitative, qualitative, and mixed approach. Qualitative research uses a variety of methods to develop deep understandings of how people perceive their social realities and in consequence, how they act within the social world, Quantitative research gathers data in a numerical form which can be put into categories, in rank order, or measured in units of measurement. This type of data can be used to construct graphs and tables of raw data and finally mixed approach is the combination of the two.

Hence, to achieve the intended objective a mixed approach was used to provide a wide-ranging analysis of the research problem.

### **3.3. Sources of Data**

The data for the study was collected from both primary and secondary sources.

#### **3.3.1 Primary Data**

Primary data was obtained through structured questionnaires and interviews from the respondents, which includes questions in retrieving data and the current status of compensation practice and employee turnover intention.

#### **3.3.2 Secondary Data**

The secondary data were obtained from a review of related literature from published journals, books, related articles, internal records, the internet, and relevant documents (documents related to the study) were extensively reviewed as references. Secondary data was used because it increases understanding and importance of compensation in employee's job satisfaction.

### **3.4 Instrument of Data Collection**

#### **Interview**

The researcher conducted an interview using semi-structured questions with the director-general and HRM department head of the organization for triangulation purposes to seek insight into the case organization's compensation practice and to support the data collected through a questionnaire.

#### **Questionnaire**

A structured questionnaire was used to reach a wide range of respondents and acquire information to examine and explain the relationships between variables. The questions were framed using Likert's Five Scale of measurement ranging from strongly agree to strongly disagree.

### **3.5. Target population, Sampling Technique and Sample Size Determination**

#### **3.5.1. Target Population**

The target population of this study focused on all employees of the Ethiopian wildlife conservation authority, which were found in Addis Ababa (Head office), and its 4 branches. The population size is 1157 employees, which is 280 at headquarter and 877 at branches based on the 2019 semi-annual report of EWCA.

### 3.5.2. Sampling Technique

Sampling techniques can be divided into two types, Probability or Representative Sampling and Non-probability or Judgmental Sampling (Saunders, Lewis and Thornhill, 2007). Probability Sampling is a selection of sampling techniques in which the chance of each case to be selected from the population is known. While Non-Probability Sampling is a selection of sampling techniques in which the chance or probability of each case being selected is not known.

Probability sampling techniques include random, cluster, stratified sampling, and systematic, and the Non-probability sampling techniques also involve purposive, convenience, quota, sequential sampling, etc. To ensure that all the population of interest (employees) have a chance of being selected, random sampling was employed to get varied views from the respondents.

### 3.5.3. Sample Size Determination

Sample size determination is a process of selecting a sufficient portion of the population to generalize the findings. The researcher used the formula for estimating the sample size provided by Taro Yamane (1973).

The sample size determination is applied when the population is finite and the population size is known. Recognized that if the target population is large sampling method with an error of 5% in which the true value of the population estimated and confidence coefficient of 95% in which 95 out of 100 samples will have the true population value within the range of precision. Thus, the sample size determination was determined as follows

$$n = \frac{N}{1 + N(e)^2}$$

Where n = Sample size  
N = Population  
1 = Constant                      N = 1157  
e = Error estimate                e = 5%  
Z = Reliability                      N = 95%

$$n = \frac{1157}{1 + 1157(0.05)^2} \quad n = 297$$

Therefore, by applying the above formula, the calculated sample size was taken among 297. Thus, out of the 1157 employees' questionnaires were distributed to 297 selected respondents. Questionnaires were distributed personally and through their email addresses to the respondents.

### 3.6 Reliability and Validity

#### 3.6.1. Reliability

The reliability of measurements specifies the amount to which it is without bias (error-free) and hence ensures consistent measurement across time and the various items in the instrument; it will have consistent result if repeated over time or if used by two different investigators reliability demonstrates that the operations of a study as the data collection procedures can be repeated with the same results (Sekaran and Bougie, 2010). To assess the reliability and internal consistency of variables Cronbach's alpha was calculated the Cronbach coefficient indicates the consistency of responses to the item in a measure.

**Table 3.1 Reliability test**

Variables	Cronbach's Alpha	N of Items
Salary	0.882	5
Bonus	0.800	2
Benefits	0.932	6
Recognition	0.875	5
Career Growth	0.975	3
Working Condition	0.865	6
Turn Over	0.934	9
<b>Total</b>		<b>36</b>

*Source: Researcher's Survey Result (2020)*

Generally speaking, scales with a coefficient alpha between 0.80 and 0.95 are considered to have very good reliability, and an alpha value between 0.60 and 0.70 indicates fair reliability. When the coefficient alpha is below 0.6, the scale has poor reliability (Cronbach, 2001). Most statistical software packages, such as SPSS, will easily compute coefficient alpha. This coefficient measures the extent to which an instrument yields consistent results. So, by using this reliability test the researcher checked how to fit items in a set are linked to one another. In the study, the researcher showed the results of the reliability test for each variable under study

#### 3.6.2. Validity

Validity is concerned with the degree to which the designed questionnaire and interview items fairly and accurately represented the main variables (dependent and independent) discussed in the literature review. The validity of the instruments used in the study estimated after a pretest.

Experts in the field were consulted about the content of the instruments, the ambiguity of question items, and their relevancy.

### **3.7. Methods of Data Analysis**

Every response was assigned some score based on this overall satisfaction level was determined. Respondents were asked to rate their satisfaction with various aspects of their work along a 5-point Likert-type scale, ranging from 1 = strongly agree to 5 = strongly disagree. The purpose of the 5-point Likert-type scale study is to make the response a true reflection of organization reality rather than an individual opinion. All the questionnaires from the respondents were properly and carefully examined to check on the errors, completeness, and inconsistencies.

Data which was gathered entered the Statistical Package for the Social Sciences (SPSS) version 20 for analysis purpose. This was carried out to ensure that the data from the respondents is accurate, reliable, and consistent.

### **3.8. Data Analysis Technique**

To make this attainable, Descriptive, and Regression data analyses were employed. Descriptive analysis was adapted to analyze the research objectives and research questions through a simple percentage, mean standard deviation, and correlation coefficient. The design was appropriate because of its ability to determine and describe the characteristics of employees, the existing nature of compensation practice, and types at the company. This further enabled the study to analyze the existing practice by comparing it with the theoretical aspects. Furthermore, inferential statistics have been applied.

### **3.9 Ethical Consideration**

While conducting this study ethical considerations were considered. The rights to participate and refuse were addressed to the study subjects, verbal consent from the study subjects was obtained. Confidentiality of the information was guaranteed by not writing their name which helps the identification of study participants to be kept confidential. In addition to that, a respondent's answer was kept in a confidential place and maximum effort has been made to make respondents feel secured.

## CHAPTER FOUR

### DATA ANALYSIS AND INTERPRETATION

The main objective of the study was to examine the effect of compensation schemes on employee turnover intention in the case of the Ethiopian wildlife conservation authority (EWCA). This chapter presents the findings, interpretations of the results, and discussions. As stated under the methodology part, to collect the data from employees, questionnaires were prepared and distributed to EWCA located in Addis Ababa four branches of its offices. In this study, 297 questionnaires were distributed to the respondents and all questionnaires were returned with the help of the organization's management in distributing and collecting the distributed questionnaires.

The questionnaire was structured in a 5-point Likert Scale format. A highly structured question format that allows for the use of closed questions that require the respondent to choose from a predetermined set of responses or scale points. This involves the use of a special rating scale that asks respondents to indicate the extent to which they agree or disagree with a series of mental belief of the statements about a given subject (Strongly Disagree = 1, Disagree = 2, Neutral = 3, Agree=4 and Strongly Agree = 5).

The chapter also discusses the final results and the process through which the results were obtained. To grasp the reliable information, the researcher used statistical methods of analysis, which included a descriptive analysis such as means and standard deviation. The statistical analysis was made through a statistical package for social science (SPSS version of 20.0). Also, tables were presented to understand the analysis easily. Moreover, this research was based on the “Equity Theory” as it is based on a principle that peoples' actions and motivations are guided by fairness and that discrepancies in this fairness in the workplace will spur them to try and redress it.

The first part of the discussion deals with the general profile (Demography) of respondents and the second part of the discussion deal with the analyses of data related to Compensation and Employee turnover intention. The results are presented in the form of tables. The study used both quantitative and qualitative methods.



#### 4.1. Demographic Information of the Respondent

Under this section, the researcher collected information about the general background of the respondents. The researcher collected personal information of respondents like Gender, Age, Marital status, Educational background, Position, and year of service (experience) in the organization and used SPSS to analyze them.

**Table4.1. Demographic characteristics of respondents**

<b>Variables</b>	<b>Category</b>	<b>Frequency</b>	<b>Percentage</b>
Gender	Male	169	56.9
	Female	128	43.1
	Total	297	100
Age	20-30	39	13.1
	31-40	189	63.6
	41-50	39	13.1
	51 and Above	30	10.2
	Total	297	100
Marital Status	Single	180	60.6
	Married	117	39.4
	Total	297	100
Educational Level	Diploma	21	7
	BA/B.Sc.	180	60.5
	Masters or above	96	31.5
	Total	297	100
Working Experience	less than 2 years	21	7.1
	2-5 years	160	53.9
	6-10 years	96	32.3
	above 10 years	20	6.7
	Total	297	100
Current Position	Junior expert	105	35.4
	Senior expert	110	37
	Director	61	20.5
	Other	21	7.1
	Total	297	100
Current Salary	3001-5000	181	60.9
	5001-10000	95	32
	Above 10000	21	7.1
	Total	297	100

***Source: Researcher's Survey Result (2020)***

As indicated in the table above, 169(56.9%) of the respondents were male and 128(43.1%) of the respondents were Female. which indicates that there are more male employees than their female counterparts. Similarly concerning the age of respondent 39(13.1%) of the respondents were between 20-30 years of age, 189(63.6%) of the respondents were in between 31-40 years of age, 39(13.1%) of the respondents were in between 41-50 years of age and 30(10.2 %) of the respondents were above 51. This shows that the company has employees of different groups and the majority can be classified as young adults. This depicts that the majority of the respondent workforce of EWCA is a young adult and within the productive age range. Therefore, they can tap and utilize the energy and enthusiasm and translate it to result by employing an effective compensation scheme within the organization. Otherwise, there could be a risk of losing such a workforce if they are dissatisfied with the existing compensation scheme as such young groups tend to be mobile and keen to explore new opportunities.

With regards to the marital status of the respondents, 180 (60.6%) of respondents are single, whereas 297 respondents 117(39.4%) of respondents are married. This implies that most of the respondents are single.

Concerning educational level, 21(7%) of the respondents were diploma holders, 180(60.5%) of the respondents were first-degree holders and 96(31.5%) respondents are postgraduate (2nd degree) holders. Thus the results show that the vast majority of the surveyed EWCA employees (92%) are 1<sup>st</sup>-degree holders and postgraduate holders. This implies that the organization is running by fairly well-educated persons who offer a productive ground for efficiency, growth, and development in the organization. But this again needs effective human resource management to translate the available potential into concrete results.

In terms of work experience, 21(7.1%) of the respondents were less than 2 years' experience, 160(53.9%) of the respondents work in the company for 2-5 years, and 96(32.3%) the respondent serving for the company 6-10 years and 20(6.7%) of the respondents have been serving for the company for more than 10years. From this result, one can easily note that most of the respondents have a few years' work experience (2 - 5 years), which shows that they are junior level employees. This indicates that the organization, run by young and inexperienced employees. This could also possibly show the high turnover rate of employees.

From the above table, we can see that junior experts constitute 105(35.4%) of the total respondents in the sample. The majority of the respondents are senior experts which accounts for 110(37%) of the sample drawn and 61(20.5%) of the total respondents in the sample were directors. The rest of the respondents were classified under other categories and they account for 21(7.1%) of the total sample size. The percentage of professional employees like experts and officers are larger than other categories. This happened due to the nature of Job.

From the above table we can also see respondents' salary can be classified into three, 3001-5000, 5001-10000, and above 10000 and 181(60%), 95(32%), 21(7.1%) respectively. This implies most of the Respondents are less paid as compared to the top paid staff member of the organization. The unpaid employee has less motivation in their performance. (Azeri, 2011)

#### 4.2. Descriptive Analysis of Data related to Compensation and Turnover intention

This section of the chapter puts the results for the descriptive analysis and interprets them accordingly. Descriptive statistics, which include mean and standard deviation, were presented to illustrate the level of agreement of the respondents with their implications. The responses of the respondents for the variables indicated below were measured on a five-point Likert's scale with 1= strongly disagree, 2= disagree, 3 = neutral, 4= agree and 5= strongly agree. But while interpreting the results of mean and standard deviation the scales were reassigned as follows to make the interpretation easy and clear. 1-1.8= Strongly Disagree, 1.81–2.6 = Disagree, 2.6 –3.4= Neutral, 3.4 –4.20= Agree and 4.2 –5 = Strongly Agree (Best, 1977, as cited by Birhanu, 2017)

##### A. Financial Compensation

**Table4.2. Respondents opinion on issues related to Salary**

		N	Mean	Std. Deviation
1	I feel I am being paid a fair salary amount for the work I do	297	1.61	0.754
2	My annual salary raises(Increment) is Satisfactory	297	1.87	1.054
3	The amount of pay that I receive is competitive with similar jobs in the industry	297	1.92	1.035
4	My salary is compatible with my job and I am satisfied with my current pay	297	1.66	0.473
5	My basic pay is well balanced compared to other employees in the company.	297	1.55	0.498
	Valid N (listwise)	297		
	Grand Mean		1.72	

**Source: Researcher's Survey Result (2020)**

From the above table, we can see that, I feel I am being paid a fair salary amount for the work I do has scored a mean and standard deviation of (1.61 and 0.754), my annual salary raises (Increment) is Satisfactory has scored a mean and standard deviation of (1.87 and 1.054), the amount of pay that I receive is competitive with similar jobs in the industry has scored a mean and standard deviation of (1.92 and 1.035), My salary is compatible with my job and I am satisfied with my current pay has scored a mean and standard deviation of (1.66 and 0.473), my basic pay is well balanced compared to other employees in the company has scored a mean and standard deviation of (1.55 and 0.498).

The above Grand mean shows that, the respondents fall under the strongly disagree scale concerning the Salary schemes of EWCA. This implies that the majority of the employees were not satisfied with the salary schemes of the company.

**Table4.3. Respondents opinion on issues related to Bonus**

		N	Mean	Std. Deviation
1	I receive bones concerning my effort	297	1.62	.486
2	I feel satisfied with the bones schemes of the EWCA	297	1.53	.500
	Valid N (listwise)	297		
	Grand Mean		1.57	

**Source: Researcher's Survey Result (2020)**

As shown from the table above, I receive bones concerning my effort has scored a mean and standard deviation of (1.62 and 0.486), I feel satisfied with the bones schemes of the EWCA has scored a mean and standard deviation of (1.53 and 0.500).

The above Grand mean shows that, the respondents fall under the strongly disagree scale concerning the Bonus schemes of EWCA. This implies that the majority of the employees were not satisfied with the bonus schemes of the company.

**Table4.4. Respondents opinion on issues related to Benefits**

No		N	Mean	Std. Deviation
1	I am satisfied with the educational benefit I receive	297	1.85	.514
2	I am satisfied with the life insurance benefit of the company	297	1.73	.577
3	I am satisfied with the medical expense benefit	297	1.55	.498
4	The benefits we receive are as good as most other organizations offer.	297	1.62	.610
5	I am satisfied with the overall benefits I receive from the company	297	1.50	.621
6	In general financial compensation affects me much more than non-financial compensation	297	1.62	.610
	Valid N (listwise)	297		
	Grand Mean		1.64	

*Source: Researcher's Survey Result (2020)*

As it is observed from the table above, I am satisfied with the educational benefit I receive has scored a mean and standard deviation of (1.85 and 0.514), I am satisfied with the life insurance benefit of the company has scored a mean and standard deviation of (1.73 and 0.577), I am satisfied with the medical expense benefit has scored a mean and standard deviation of (1.55 and 0.498), The benefits we receive are as good as most other organizations offer has scored a mean and standard deviation of (1.62 and 0.610), I am satisfied with the overall benefits I receive from the company has scored a mean and standard deviation of (1.50 and 0.621), In general, financial compensation affects me much more than non-financial compensation has scored a mean and standard deviation of (1.62 and 0.610).

The above Grand mean shows that, the respondents fall under the strongly disagree scale to the Benefit schemes of EWCA. This implies that the majority of the employees were not satisfied with the benefit schemes of the company

## B. Non-Financial compensation

**Table4.5. Respondents opinion on issues related to Recognition**

No		N	Mean	Std. Deviation
1	I am given a written appreciation letter for my good work.	297	1.46	.499
2	I feel that my work is valued and appreciated by the organization	297	3.01	1.420
3	I usually acquire acknowledgment for the work done by me	297	2.45	1.168
4	I receive feedback on making progress	297	1.68	.467
5	I am praised regularly for my good work	297	2.44	1.028
	Valid N (listwise)	297		
	Grand Mean		2.21	

*Source: Researcher's Survey Result (2020)*

From the above table, we can see that, I am given a written appreciation letter for my good work has scored a mean and standard deviation of (1.46 and 0.499), I feel that my work is valued and appreciated by the organization has scored a mean and standard deviation of (3.01 and 1.420), I usually acquire acknowledgment for the work done by me has scored a mean and standard deviation of (2.45 and 1.168), I receive feedback on making progress has scored a mean and standard deviation of (1.68 and 0.467), I am praised regularly for my good work has scored a mean and standard deviation of (2.44 and 1.028).

The above Grand mean shows that the respondents fall under the disagree scale for the recognition schemes of EWCA. This implies that the majority of the employees were not satisfied with the benefit schemes of the company.

**Table4.6. Respondents opinion on issues related to career growth**

		N	Mean	Std. Deviation
1	My Present job provides me with good opportunities to develop my career goals	297	2.96	1.047
2	My present job encourages me to accumulate richer work experience	297	2.93	1.359
3	I believe I have a good opportunity for personal development and growth in EWCA	297	3.02	.978
	Valid N (listwise)	297		
	Grand Mean		2.97	

*Source: Researcher's Survey Result (2020)*

From the above table, we can see that, My Present job provides me with good opportunities to develop my career goals has scored a mean and standard deviation of (2.96 and 1.047), My present job encourages me to accumulate richer work experience has scored a mean and standard deviation of (2.93 and 1.359 I believe I have a good opportunity for personal development and growth in EWCA has scored a mean and standard deviation of (3.02 and 0.978).

The above Grand mean shows that the respondents fall under the neutral scale. This implies that the majority of the employees were neither satisfied nor dissatisfied by the career growth of the company

**Table4.7. Respondents opinion on issues related to work conditions**

		N	Mean	Std. Deviation
1	My working hours are reasonable	297	3.66	1.116
2	When I have questions or concerns my supervisor can address them	297	3.82	1.000
3	I have good communication with my co-workers	297	3.79	.965
4	The level of support that I receive from my supervisor in performing my work is good	297	3.53	.923
5	In general non-financial compensation affects me more than financial compensation	297	2.57	.496
	Valid N (listwise)	297		
	Grand Mean		3.47	

*Source: Researcher's Survey Result (2020)*

From the above table, we can see that, My working hours are reasonable has scored a mean and standard deviation of (3.66 and 1.116), When I have questions or concerns my supervisor can

address them has scored a mean and standard deviation of (3.82 and 1.000), I have good communication with my co-workers has scored a mean and standard deviation of (3.79 and 0.965), The level of support that I receive from my supervisor in performing my work is good has scored a mean and standard deviation of (3.53 and 0.923), In general, non-financial compensation affects me more than financial compensation has scored a mean and standard deviation of (2.57 and 0.496).

The above Grand mean shows that the respondents fall under the agree with scale for the work condition schemes of EWCA. This implies that the majority of the employees were satisfied with the benefit schemes of the company.

### C. Turnover intention

**Table4.8 Respondents opinion on issues related to Turnover intention**

		N	Mean	Std. Deviation
1	I often think about quitting my present job	297	3.82	1.035
2	I will leave EWCA as soon as I get a new job	297	3.97	1.114
3	The main reason that pushes me to leave my job is unsatisfied salary	297	4.13	.697
4	The main reason that attracts me to switch to a new job is more financial benefits	297	4.41	.545
5	The main reason that attracts me to switch to a new job is an unsatisfied bonus	297	4.43	.548
6	The main cause that attracts me to switch to a new job is less recognition for the work I do	297	3.97	1.114
7	The main factor that attracts me to switch to a new job is better career advancement	297	4.13	.697
8	the main element that draws me to switch to a new job is the availability of a better life-work balance or less workload	297	4.41	.545
9	The main factor that influences me to switch to the new job is the work condition of the organization	297	4.43	.548
	Valid N (listwise)	297		
	Grand Mean		4.19	

*Source: Researcher's Survey Result (2020)*

From the above table, we can see that, I often think about quitting my present job has scored a mean and standard deviation of (3.82 and 1.035), I will leave EWCA as soon as i get a new job has scored a mean and standard deviation of (3.97 and 1.114), The main reason that pushes me to



leave my job is unsatisfied salary scored a mean and standard deviation of (4.13 and 0.697), The main reason that attract me to switch to a new job is more financial benefits has scored a mean and standard deviation of (4.41 and 0.545), The main reason that attracts me to switch to a new job is an unsatisfied bonus has scored a mean and standard deviation of (4.43 and 0.548), The main cause that attracts me to switch to a new job is less recognition for the work i do scored a mean and standard deviation of (3.97 and 1.114), The main factor that attracts me to switch to a new job is better career advancement has scored a mean and standard deviation of (4.13 and 0.697), The main element that draws me to switch to a new job is the availability of a better life-work balance or less workload has scored a mean and standard deviation of (4.41 and 0.545), The main factor that influence me to switch to new job is the work condition of the organization has scored a mean and standard deviation of (4.43 and 0.548).

The above Grand mean shows that the respondents fall under the agree scale for Turn over intention in EWCA. This implies that the majority of the employees were unsatisfied with the financial and non-financial compensation scheme of the company.

### 4.3. Correlations

Correlation analysis is a useful way of determining relationships among variables. Hence, Pearson’s Correlation has been calculated to determine the relationships between Salary, Bonus, Benefits, Recognition Career Growth, and Working Conditions with Turnover intention

Correlations								
		Turnover	Salary	Benefit	Bones	Work condition	Recognition	Career Growth
Pearson Correlation	Turnover	1.000						
	Salary	.971	1.000					
	Benefit	.811	.802	1.000				
	Bones	.812	.797	.943	1.000			
	Wok condition	.719	.688	.939	.910	1.000		
	Recognition	.888	.836	.812	.794	.755	1.000	
	Career Growth	.665	.645	.887	.853	.947	.654	1.000

Source: Researcher’s Survey Result (2020)

The above correlation matrix shows that all of the independent has a strong and positive significant correlation with the dependent variable Turnover intention. A significant correlation existed between Salary and employee turnover intention ( $r=0.971$ ,  $P<0.01$ ). The correlation analysis indicates that there is a positive correlation between benefit and employee turnover intention ( $r=0.811$ ,  $P<0.01$ ). Bonus has a significant and positive relationship with employee turnover intention ( $r=0.812$ ,  $P<0.01$ ). The correlation analysis indicated that the work condition has a positive and significant relationship with employee turnover intention ( $r=0.719$ ,  $P<0.01$ ). The correlation analysis indicated that recognition has a positive and significant relationship with employee turnover intention ( $r=0.888$ ,  $P<0.01$ ). A significant and positive relationship existed between career growth and employee turnover intention ( $r=0.665$ ,  $P<0.01$ ).

This implies that an increase or decrease in salary, bonus, benefit, career growth, recognition, and working conditions are associated with similar changes in employees' turnover intention

#### 4.4. Regression Analysis

This subsection presents the result for the effect of compensation on employee's Turnover intention based on the data collected from the Ethiopian Wildlife Conservation Authority by using the regression model and the beta result of the model.

##### Model Summary<sup>b</sup>

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.951 <sup>a</sup>	.904	.903	2.28546	.482

a. Predictors: (Constant), Career Growth, Salary, Recognition, Bones, Benefit, wok condition

b. Dependent Variable: Turnover intention

ANOVA <sup>a</sup>						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	39619.407	6	6603.235	1264.185	.000 <sup>b</sup>
	Residual	1514.761	290	5.223		
	Total	41134.168	296			

a. Dependent Variable: Turnover intention

b. Predictors: (Constant), Career Growth, Salary, Recognition, Bones, Benefit, wok condition

### Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1.070	.684		-1.564	.009
	Salary	1.334	.044	.762	3.403	.000
	Benefit	.224	.080	.129	2.791	.004
	Bonus	.369	.213	.063	1.731	.000
	Wok condition	.001	.109	.000	.005	.004
	Recognition	.487	.045	.267	1.808	.000
	Career Growth	.181	.116	.059	1.560	.001

a. Dependent Variable: Turnover intention

As indicated in the summary of regression in the above table, for the regression between compensation and employee turnover intention, the value of R and R<sup>2</sup> for the model has been derived.

For this simple linear regression, the R has a value of 0.951. The predictor variables were Salary, Bonus, Benefit, Career Growth, Recognition, and Working Condition. Hence, this value represented the Magnitude between all of the independent (Salary, Bonus, Benefit, Career Growth, Recognition, and Working Condition) and the dependent variable (Turn over) and the value indicated the existence of strong and positive relations between the variables.

The R square of 0.904 on the other hand, indicated that Salary, Bonus, Benefit, Career Growth, Recognition, and Working Condition well explained the variance in employee turnover intention as an R<sup>2</sup> value summarizes the proportion of variance in the dependent variable explainable by the collective set of the predictors; in this case, the independent variables were Salary, Bonus, Benefit, Career Growth, Recognition, and Working Condition which tells that these independent variables can account for 90% of the variation in employee turnover intention. In other words, if the researcher tries to explain why some employee turnover was more than others in the study company, it can be looked at the variation in employee job satisfaction from different sources.

There might be many factors that could explain this variation, but as per the model indicated which included salary, bonus, benefit, career growth, recognition, and working condition; it

could explain 90% of the variation. This means that only 10% of the variation in employee turnover is explained by variables other than variables explained here. Therefore, there must also be other variables that influenced the employee's turnover intention.

The most important part of the ANOVA table is the F-ratio and the associated significance value of that F-ratio. For this data, F-ratio was 1264.185, which was significant as  $p < 0.05$  ( $P = 0.000$ ). This result tells that there was less than a 5% chance that an F-ratio this large would happen. Therefore, it can be said that the regression model results are a significantly better predictor of the turnover intention of the employee than if it was used the mean value of turnover intention of the employee.

In short, the regression model overall predicts Turnover significantly, as well as the ANOVA, tells whether the model, overall, results in a significantly good degree of prediction of the outcome variable.

In this simple case, there were six variables in the model- salary, benefit, bonus, career growth, recognition, and working condition, so it can be inferred that these variables were a good predictor of the turnover intention of employees.

The beta coefficient ( $\beta_1$ ) for un-standardized regression weight was 1.334, 0.224, 0.369, 0.001, 0.487, 0.181 with significant P-value at 0.05 significance level showing that Salary, Bonus, Benefit, Career Growth, Recognition, and Working Condition were significantly affecting turnover Intention of the company.

It also shows the slope of the regression line representing the change in the outcome associated with a unit change in the predictor. Therefore, if Salary, Bonus, Benefit, Career Growth, Recognition, and Working Condition were increased by one measurable unit, and then the model predicted that less employee turnover in the company happens thus, the outcome variable was increasing by the beta coefficient value.

#### **4.5. Results of the qualitative analysis**

The researcher made an interview with the human resource and top-level managers of the company under study (see appendix III), for triangulation purposes all of the interviewees agreed that their organization is facing a turnover of experienced staff.

Interviewees were asked questions about whether or not the compensation policy of the organization is serving its purpose, and they replied that their company has a compensation

policy and rewards its employees as per governmental law since it is a governmental organization but the existing compensation management is not satisfying their employees since there is high need of experienced workforce in the market, as a result, other organizations are offering different benefits packages to retain their experienced and qualified staffs and attract potential workforce. Interviewees agree that their organization is not responding to the change in compensation practice in the industry especially with basic salary due to this they are losing their employees.

They also believe that the current compensation practice is not sufficient in retaining qualified employees as compared to other competitors in the industry; therefore, revising the compensation policy is a must to decrease the turnover rate.

Interviewees also replied that their organization does not take exit interview every time an employee leaves even though they knew the exit interview allows them an opportunity to ask if there are any open issues of which they need to be aware but not having the exit interview leave the organization not knowing the areas that can help to improve staff retention of the organization

According to the interviewees, the organization uses various mechanisms like, educational growth, career growth, and proper work condition, but they all believe that the current compensation strategy set by the organization; especially concerning direct financial compensation (basic salary) is below what others are paying in the industry. But with benefits related to indirect financial compensation and non-financial compensation, the benefit is nearly the same with other governmental organizations.

Moreover, they have said that their organization is undertaking a study on the salary of employees and planned to provide their employees with a better benefits package that is equal to or more than what the industry is offering.

To sum up, though the interview result says the compensation scheme needs to be reviewed, the professional employees of the organization are not satisfied at all. They argue that the need for improvement not only salary but also the non-financial compensation practices, which will be further explained below per each independent variable.

## CHAPTER FIVE

### SUMMARY, CONCLUSION, AND RECOMMENDATIONS

This chapter deals with the summary of findings, conclusion, and recommendations. For the study literature was reviewed and qualitative and quantitative data were collected through questionnaires which were filled by the professional and managerial employee. The data collected through the questionnaire were presented, analyzed, interpreted, and discussed using statistical package for social science (SPSS) version 20. Thus, based on the analysis the following findings were written, the conclusion was drawn, and recommendations forwarded for the practitioners EWCA employee and management, and the researchers who are interested to conduct the study in-depth

#### 5.1. Summary of the Findings

- The grand mean for salary 1.72 showed that the respondents fall under the strongly disagree scale, indicating that employees were not satisfied with the salary schemes of the company.
- The grand mean for bonus 1.57 showed that the respondents fall under the strongly disagree scale indicating that employees were not satisfied with the bonus schemes of the company.
- The grand mean for benefits 1.64 showed that the respondents fall under the strongly disagree scale indicating that employees were not satisfied with the Benefit schemes of the company.
- The grand mean for recognition 2.21 showed that the respondents fall under the disagree scale, indicating that employees were dissatisfied with the Recognition schemes of the company.
- The grand mean for career growth 2.97 showed that the respondents fall under the neutral scale indicating that employees were neither satisfied nor dissatisfied with career growth given to them in the organization.
- With regards to working conditions, the grand mean of 3.47 showed that the respondents fall under the agree scale indicating that employees were satisfied with the working conditions in the company.
- The grand mean for Turn over intention 4.19 showed that the respondents fall under the agree scale indicating that employees were unsatisfied with their financial and non-financial compensation and they have the intention of turnover.

- The significance level of salary with a B-value of 1.334 and a sig value of 0.000 which is less than .05 and hence salary does significantly affect employee satisfaction, leading to turnover intention.
- The significance level of benefit with a B-value of 0.224 and a sig value of 0.004 which is less than .05 and hence bonus significantly affects employee satisfaction, leading to turnover intention.
- The significance level of bonus with a B-value of 0.369 with a sig value of 0.000 which is less than .05 and hence benefit significantly affects employee satisfaction, leading to turnover intention.
- The significance level of recognition with a B-value of 0.487 is with a sig value of 0.000 which is less than .05 and hence it significantly affects employee satisfaction, leading to turnover intention.
- The significance level of career growth with a B-value of 0.181 and sig value of 0.001 is less than .05 hence it does significantly affect employee satisfaction, leading to turnover intention.
- The significance level of working conditions with a B-value of 0.001 and a sig value of 0.004 which is less than .05 hence it significantly affects employee satisfaction, leading to turnover intention.

## **5.2. Discussion**

The main purpose of the study was to examine the effect of compensation schemes on employee turnover intention in the case of the Ethiopian wildlife conservation authority (EWCA). To achieve the objective of the study,

Employees were asked different questions related to financial compensation, and the grand mean for each of the variables (i.e. salary, bonus, and benefit) indicated that the respondents fall under the strongly disagree scale, indicating that majority of the employees were not satisfied with the financial compensation schemes of the company, the respondents also confirmed that the amount of financial compensation schemes they receive is not equivalent to others performing similar duties in other company, thus, the respondents feel that the company does not pay well with the experience, responsibility, and qualification they have, Hence, majority of employees feel that the current salary and benefit being offered by the company is not adequate to cope with the ongoing cost of living.

With regards to the non-financial compensation, the result revealed that the grand mean for recognition proved that the respondent fall under the disagree scale, which indicated that employees were dissatisfied with the recognition schemes due to several reasons that differed among the respondents related to work that has been well-done and frequently mentioned reason was employees don't get praise from their boss up on accomplishing a task. The analysis for career growth indicated that the grand mean falls under the neutral scale which shows that employees were neither satisfied nor dissatisfied with career growth given to them in the organization. On the other hand, with regards to working conditions, the grand mean demonstrated that the respondents fall under the agree scale indicating that employees were satisfied with the working conditions in the company.

The dependent variable, turnover intention, showed that the respondents fall under the agree scale indicating that employees were unsatisfied with their financial and non-financial compensation and they have the intention of turnover.

Correlation Coefficient was computed to determine the relationships: the relationship between the different dimensions of the compensation variables and employee's turnover intention. Regarding the relationship of the identified independent variable (salary, bonus, benefit, recognition, career growth, work condition) and the dependent (Turn over intention) their relationship using the coefficient of value; it was found a high degree of a positive and statistically significant relationship between independent and dependent variable. Both financial and non-financial compensation have a high degree of a positive relationship with employee turnover intention. The beta coefficient ( $\beta_1$ ) for un-standardized regression weight for salary, benefit, bonus, work condition, recognition, and career growth respectively were 1.334, 0.224, 0.369, 0.001, 0.487, 0.181 with sig values 0.000, 0.004, 0.000, 0.004, 0.000, 0.001 which is less than significant P-value at 0.05 significance level showing were significantly affecting turnover Intention of the company.

In general, the study finding indicates that both financial and non-financial variables affect employee turnover intention. The existence of best compensation practices the less employee turnover intention and the higher the improvement of the organization's performance.



### **5.3 Conclusion**

Based on the major findings of the study, the researcher can conclude the following main points.

The finding indicates that most of the respondent employees are male. Thus, we can conclude that in the organization there is low representation and participation of female employees. Regarding the age, the majority of the respondents are young adults compared to the majority so we can conclude that most of the employees are in the productive age range and which offers the EWCA great potential to tap and utilize. Regarding educational level, most of the respondents are BA degree holders, followed by MA holders. This shows that the EWCA staffed with a high literacy level which is good for the competitive advantage. Most of the respondents have 1 to 5 years of work experience. Therefore, we can conclude that there is an insufficient number of experienced or expertise employees who facilitate the organization in this competitive industries in Ethiopia also there are low skill and capacity sharing practices from the experienced employee. Most of the employees are single in marital status, which shows employees might lack responsibility and stability.

As it was stated in the previous chapters, the objective of this study was to examine the Effect of Compensation on Employee Turnover intention with the specific predictors Financial and Non-Financial compensation variables. Specifically, Salary, Bonus, Benefit, Career Growth, Recognition, and Working Condition respectively

Conclusion regarding EWCA compensation practices:

Financial Compensation variables like Salary, Bonus, and Benefits have been assessed and it was found out that all financial compensation is a major factor affecting employee's turnover intention at EWCA. This indicates that improving the practices of Salary, Bonus, and Benefits needs attention from the company side.

And with regards to the Non-financial Compensation variables; recognition, career growth, and working conditions it was found that each variable had its impact in affecting employee turnover intention.

With regards to the practices of compensation in EWCA, the majority of the employees were not satisfied with the compensation schemes, this might lead to a problem of employee turnover and employees not giving it all to the company. Plus, they would not consider the company as the best of all possible organizations for which to work. This hurts the overall performance of the

company and even achieving its intended goals. The researcher, therefore, concludes from the findings that both financial and non-financial compensations have a significant impact to influence employee turnover intention in EWCA.

### **5.3. Recommendations**

Based on the findings of this study, there are recommendations forwarded for better improvement to decrease employees' Turnover at EWCA.

- To decrease the turnover intention level of employees, the company should redesign its compensation structures based on the inflation rate and market condition, and hence the highest influential factor for job satisfaction will be controlled. Furthermore, compensations should be distributed based on the contribution of employees to minimize turnovers since employees who are satisfied with their salary have a positive effect on organizations performance and productivity.
- The management should carefully plan, implement, and maintain the bonus schemes of the organization, to increase employee satisfaction and minimize turnover intention. Since bonuses are considered to motivate employees and create more satisfaction within the employee's state of mind and make them perform well.
- With regards to recognition, the Management should take measures like acknowledging employees for doing something good and promoting them or even using techniques like job enlargement, job enrichment, and job rotation within the hierarchy as per their experience and effective work are done, by motivating and boost employees.
- EWCA should create job satisfaction in the workplace by offering a positive work condition. A positive working condition shows that the organization's willingness to go the extra mile to provide for employees 'needs.
- With regards to responsibility, EWCA management should grant its employees additional authority and with their activities, make them in charge of their respective duties and give them job freedom to perform and fulfill their duty.
- EWCA is recommended to conduct a constant satisfaction survey on a semiannually and annually basis on the satisfaction level of employees about the compensation that they are

gained from the organization. Because the output enables the EWCA to adjust it to create best compensation practices and works on it for those who need improvement.

- Concerning exit interviews, the management should use feedback from an exit interview. Because exit interviews help to better the organization and boost employee engagement for the current workforce by learning from potential mistakes or looking for opportunities that can be fixed.
- Additionally, though the level of appreciation by the staff towards career growth is natural, it doesn't mean that the organization needs to just keep this practice as it is. It also needs to become proactive in designing and implementing career development programs for its employees. It is the best thing they can do to decrease employee turnover intention. Although it is employees' responsibility to plan their career in today's turbulent and terrifically ambiguous world of work it is the employers' responsibility to provide them with opportunities to achieve their ambitions. EWCA needs to create that environment and culture for continuous learning and support their employees by motivating and rewarding them.

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# APPENDICES

**Appendix I**  
**ST. MARY'S UNIVERSITY**  
**SCHOOL OF GRADUATE STUDIES**  
**MBA PROGRAM**

The following Preliminary interview questions are designed to collect information from different departments of employees regarding “The Effect of Compensation Practice on Employee Turnover Intention in Ethiopian wildlife conservation authority” as an academic requirement for a General MBA degree.

1. what is your perception of your organization compensation scheme
2. Are you satisfied with the compensation scheme of your organization
3. Are you satisfied with the financial compensation practice
4. Are you satisfied with the non-financial compensation practice
5. What is the level of turnover intention in your organization

**Appendix II**  
**ST. MARY'S UNIVERSITY**  
**SCHOOL OF GRADUATE STUDIES**  
**MBA PROGRAM**

**Research Questionnaire to be filled by Employees of Ethiopian wildlife conservation authority**

Dear respondent,

The purpose of this questionnaire will be to collect primary data for the study on “The effect of compensation scheme on employees turn over in the case of Ethiopian wildlife conservation authority (EWCA)” as an academic requirement for a General MBA degree. So, kindly take a few minutes to fill the questionnaire and be objective while completing your answers I assure you that your response to the questionnaire will be treated with the utmost confidentiality.

General instructions

- No need to write your name
- Please complete the following questions to reflect your opinions as accurately as possible and to answer factual questions to the best of your knowledge and at your earliest possible time.
- Please checkmark (√) the box that best corresponds to your answer for each question below
- If you have any question, please contact Amsale Getahun Mobile No +251920009154  
Email address [Agetahun2@gmail.com](mailto:Agetahun2@gmail.com)

**Part I: Background of the Respondents**

1. Gender

Male  Female

2. Age Group

20-30  31-40  41-50  Above

3. Marital Status

Single

Married

Divorced

4. Education Background

Diploma

BA Degree

Masters or above

5. Work Experience in EWCA

Less than two years

2-5 years

6-10 years

above 10 years

6. Your current position

Junior Expert

senior Expert

Director

Other, specify\_\_\_\_\_

7. Your Current salary earnings

Below Birr 3,000

from Birr 3,001-5000 Birr

from Birr 5,001 to 10,000

Above 10,000

**Part II: Compensation and Employee turnover intention**

The following questions are prepared on a 5 five-point Likert Scale. If the item indicated strongly matches with your response choose strongly agree (1) and if you completely disagree with the item choose strongly disagree (5). This is to know how you feel about the compensation system of the Ethiopian wildlife conservation authority (EWCA). Be honest and give a true picture of your feelings.

Please check (√) or Circle that applies and answer the open-ended question under each heading.

**Instruction:** Please indicate the extent to which you either agree or disagree with the following statements

**1= Strongly Agree 2= Agree 3=Neutral 4=Disagree 5=Strongly Disagree**

## A. Financial Compensation

No.	Item	Strongly Agree (1)	Agree (2)	Neutral (3)	Disagree (4)	Strongly Disagree (5)
<b>A1. Salary/Wage</b>						
1.	I feel I am being paid a fair salary amount for the work I do.	1	2	3	4	5
2.	My annual salary raise (increment) is satisfactory.	1	2	3	4	5
3.	The amount of pay that I receive is competitive with similar jobs in the industry.	1	2	3	4	5
4.	My salary is compatible with my job and I am satisfied with my current pay.	1	2	3	4	5
5.	My basic pay is well balanced compared to other employees in the company.	1	2	3	4	5
<b>A2. Bonus</b>						
1.	I receive bones concerning my effort	1	2	3	4	5
2.	I feel satisfied with the bonus schemes of the EWCA.	1	2	3	4	5
<b>A3. Benefits</b>						
1.	I am satisfied with the educational benefits I receive	1	2	3	4	5
2.	I am satisfied with the life insurance benefit of the company	1	2	3	4	5
3.	I am satisfied with the medical expense benefits	1	2	3	4	5
4.	The benefits we receive are as good as most other organizations offer.	1	2	3	4	5
5.	I am satisfied with the overall benefits I receive from the company	1	2	3	4	5
6.	In General financial compensation affects me much more than non-financial compensation	1	2	3	4	5

## B. Non-Financial Compensation

No.	Item	Strongly Agree (1)	Agree (2)	Neutral (3)	Disagree (4)	Strongly Disagree (5)
<b>B1. Recognition</b>						
1.	I am given a written application letter for my good work	1	2	3	4	5
2.	I feel that my work is valued and appreciated by the organization	1	2	3	4	5
3.	I usually acquire acknowledgment for the work done by me	1	2	3	4	5
4.	I receive feedback on making progress	1	2	3	4	5
5.	I am praised regularly for my good work	1	2	3	4	5
<b>B2. Career Growth</b>						
1.	My present job provides me with good opportunities to develop my career goals.	1	2	3	4	5
2.	My present job encourages me to accumulate richer work experiences	1	2	3	4	5
3.	I believe I have a good opportunity for personal development and growth in EWCA.	1	2	3	4	5
<b>B3. Working Conditions</b>						
1.	My job is enjoyable	1	2	3	4	5
2.	Company rules and procedures are conducive for work	1	2	3	4	5
3.	There is no work under load in my current job	1	2	3	4	5
4.	There is no work overload in my current job	1	2	3	4	5
5.	I am generally satisfied with the overall working conditions of the company	1	2	3	4	5
6.	Generally, non –financial compensation affects me more than Financial compensation	1	2	3	4	5

### C. Turn over Intention

No.	Item	Strongly Agree (1)	Agree (2)	Neutral (3)	Disagree (4)	Strongly Disagree (5)
1	I often think about quitting my present job	1	2	3	4	5
2.	I will leave EWCA as soon as I get a new job.	1	2	3	4	5
3.	The main reason that pushes me to leave my job is unsatisfied salary	1	2	3	4	5
4.	The main reason that attracts me to switch to a new job is more financial benefits and other better opportunity	1	2	3	4	5
5.	The main reason that attracts me to switch to a new job is an unsatisfied bonus scheme	1	2	3	4	5
6.	The main cause that attracts me to switch to a new job is more respect and values or recognition	1	2	3	4	5
7.	The main factor that attracts me to switch to a new job is better career advancement	1	2	3	4	5
8.	The main element that draws me to switch to a new job is the availability of a better life-work balance or less workload	1	2	3	4	5
9.	The main factor that influences me to switch to the new job is the work condition	1	2	3	4	5

Adopted from: Birhane Demeke (2017)

**Thank you for your support in completing this Questionnaire!!!**

**Appendix III**  
**ST.MARRY'S UNIVERSITY**  
**SCHOOL OF GRADUATE STUDIES**  
**MBA PROGRAM**

**Interview Questions to be answered by HR Managers/Compensation and Benefits  
Managers of Ethiopian wildlife conservation authority**

The following interview questions are designed to collect information from HR officials regarding “The Effect of Compensation Practice on Employee Turnover Intention in Ethiopian wildlife conservation authority” as an academic requirement for a General MBA degree.

**List of Interview Questions:**

1. Do you think the compensation practice in your organization is serving its purpose?
2. Do you think the current compensation is sufficient?
3. How does the compensation in your organization affecting your employee motivation level?
4. Do you think the current compensation of EWCA is capable of retaining qualified employees?
5. What are the mechanisms of your organization used to retain its experienced and qualified employees?
6. Does your organization make an exit interview, when employees resign?
7. Does your organization use the information obtained from the exit interview?