Relationship between reward system and turnover intention: The mediating role of organizational commitment.

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Received: 3 March, 2023
Revised: 17 April 2023
Accepted: 14 June 2023

Abstract

The purpose of this study is to investigate the link between reward systems, organizational commitment, and employee turnover intention in Nepal's commercial banking industry. The research employs a quantitative technique as well as a descriptive, correlational research design. Three hundred and eighty structured forms were distributed to full-time workers of six commercial banks, three government-owned institutions, and three private banks. To analyze the data and test the research hypotheses, confirmatory factor analysis and structural equation modeling were utilized.

The study's findings show a negative relationship between reward systems and organizational commitment and employee turnover intention. According to the findings, the correct compensation scheme can increase employee engagement while decreasing the desire to quit. In addition, the study discovers that organizational commitment completely mediates the association between reward schemes and employee turnover intention. This study contributes to the body of knowledge on employee turnover intentions in Nepal's banking industry. The findings underscore the necessity of developing and implementing effective reward systems that can increase employee engagement while decreasing the likelihood of turnover. Organizations may take proactive actions to retain employees and enhance their performance by knowing the variables that drive employee turnover intention.

Key Words: *Reward System, Organizational Commitment, Employee's Turnover Intention*

1. Introduction

The concept of rewards in the workplace typically refers to monetary compensation, benefits, or other incentives assured to the employees for their determinations or high performance (Schultz, 2006). Such rewards are known to increase the likelihood of repeated positive behavior, based on the principles of conditioning (Pavlov, 1927; Skinner, 1953). However, there is another perspective on rewards that relates to an individual's subjective feelings of fairness, pleasure, or desire - this is referred to as the hedonic purpose of rewards (Schultz, 2006). Intrinsic rewards, such as the satisfaction gained from meaningful work, can also be powerful motivators for employees (Deci & Ryan, 2002).

Employee commitment has been identified as a crucial factor in reducing employee turnover intentions (Cho & Park, 2011; Kalidass & Bahron, 2015). Mabaso and Dlamini (2018) define employee's obligation as the psychosomatic attachment an employee has to their employer, which motivates them to put in extra effort voluntarily to attain the form's goals. Employee's commitment is found to be negatively related to employee turnover intention (Kalidass & Bahron, 2015). Personnels who are less faithful towards the firm is probable to consider leaving after weighing the pros and cons (Huselid, 1995).

Employee's turnover intent is the first step towards employee's choice to actually leave a company (Sun & Wang, 2017). This pre-leaving process, also known as "turnover intention," is an important precursor to actual turnover (Oruh et al., 2020). If not managed properly, turnover intentions can lead to turnover, making it essential to understand the factors that influence an employee's willingness to leave their current job (Sheridan et al., 2019). Consequently, it is decisive for employers to recognize the intricacies of employee's turnover intentions toward developing effective strategies that promote employee retention and reduce turnover rates (Ali, 2018).

Employee turnover is a significant challenge for organizations, and turnover rates are often linked to employee engagement. While involuntary turnover can occur due to factors outside an organization's control, voluntary turnover is a concern for many businesses globally, with many experiencing a decline in efficiency due to excessive personnel turnover. Deficient organizational practices are often identified as the primary causes of employee turnover. Previous studies have identified three types of turnover intentions: regulated, uncontrolled, and demographic. Regulated employee turnover denotes to the degree of employee's departure from the firm that is under management control, while uncontrolled turnover is not managed by the organization. The purpose of this study is to look at the relationship between the incentive system,

organizational commitment, and employee turnover intent. The research specifically attempts to conclude the effect of incentive systems on employees' turnover intention, as well as to examine the relationship between the reward system and employee commitment. Furthermore, the study proposes to investigate the impact of employee commitment on turnover intention, as well as to evaluate both the direct and indirect channels that lead to turnover intention.

2. Literature Review

2.1 Reward System

The term "rewards" refers to specific monetary or non-monetary compensation, items, or events that employees receive in exchange for their effort or for having performed well (Schultz, 2006). Brown (2001) suggests that rewards have positive implications for business strategy. According to Malhotra et al. (2007), rewards are any financial or non-financial benefits received by employees as a result of their work with a firm. Three types of rewards have been identified in the literature: extrinsic, intrinsic, and social (Williamson et al., 2009).

The reward system is a critical tool that organizations can use to maintain employees to achieve their stated goals. In the context of the incentive system, as described by Pratheepkanth (2011), it encompasses various organizational processes, including personnel procedures, regulations, and decision-making authorities that are involved in providing remuneration and benefits to employees in exchange for their active engagement and contributions to the company. According to Jiang et al. (2009), rewards refer to the compensation employees receive from the company for their service and commitment. These rewards are not limited to direct financial currencies but also include other forms that can be converted into monetary value. Additionally, rewards can take the form of a comfortable office environment, positive relationships within the organization, opportunities to participate in decision-making processes, the satisfaction of challenging work and a sense of achievement, as well as preferred growth prospects.

Intrinsic motivations are job-related benefits derived from the nature of the work itself, such as accomplishment, variety, challenge, autonomy, responsibility, and personal and professional development (Mottaz, 1985). They come with the work and can boost emotions of self-worth and achievement (Honig-Haftel & Martin, 1993). Intrinsic rewards are generated from the task's content and might include interesting and exciting work, the capacity to control oneself and accept responsibility, possibilities for creativity and skill use, and sufficient performance feedback (Mottaz, 1985).

Similarly, extrinsic incentives refer to the external rewards that are provided by the organization and are not related to the job itself (Sutanto & Gunawan, 2013). These incentives include pay, benefits, job security, promotions, and social environment. Additionally, competitive pay, wage increases, merit-based incentives, and indirect compensation such as compensated time off are some other forms of extrinsic rewards (Mottaz, 1985; Mahaney & Lederer, 2006). These rewards are critical for employee motivation and retention and can help organizations attract and retain talented employees.

Furthermore, Employee satisfaction with management is the extent to which employees are content and emotionally attached to their managers, based on their behavior towards them (Malhotra et al., 2007). Employee-supervisor relationships are key, and managers play an important role in mentoring and appraising the performance of their subordinates (Eisenberger, Huntington, Hutchison, & Sowa, 1986; Mottaz, 1988; Rhoades, Eisenberger, & Armeli, 2001). As a result, when employees are happy with the behavior of their boss, they are more likely to form an emotional commitment to the organization.

Organizational Commitment

Employee commitment is defined as the emotional attachment that indicates the degree of an employee's involvement with an organization, which has consequences for their decision to continue or discontinue their association with the organization. It is a consistent variable over time and includes antecedents such as attraction. Employee commitment is based on the strength of the connection between employees and the organization, indicating the level of confidence and eagerness with which employees devote their efforts to the organization. Organizational commitment refers to employees' attitudes towards the entire organization and is not limited to the job at hand, indicating a strong sense of loyalty to the organization (Meyer & Allen, 1991; Spangoli, 2012).

Meyer and Allen (1984) offered a three-part model of organizational commitment that included emotional, continuous, and normative commitment. Affective commitment refers to the employee's emotional tie to the company, whereas continuation commitment refers to the expenses of quitting the business, and normative commitment refers to the employee's sense of responsibility to stay with the organization. Both personal and organizational variables might have an impact on these components. In organizational research, the model has been frequently used to measure and predict employee commitment (Allen & Meyer, 1990; Meyer & Allen, 1997).

Affective commitment

Affective commitment is passionate affection to the firm characterized by positive feelings and a sense of belonging (Morrow, 1993). Kimura (2013) found that political skill and quality of LMX moderate the relationship between political awareness and affective commitment. Affective commitment is the outcome of a strong identification and participation in the organization, tying one's identity to the firm (Sheldon, 1971; Mowday et al., 1979).

Normative commitment

Normative commitment is considered by the employee feeling of ethical responsibility to be with the firm due to the organization's investments in them, such as education or training, or the employee's adherence to social norms and standards within the firm. Balassiano and Salles (2012) defined normative commitment as "the extent to which workers feel they have a moral duty to stay in the organization." Gelaidan and Ahmad (2013) further added that normative commitment is the result of moral commitments and obligations an employee feels toward the organization.

Continuance commitment

Continuance commitment is the degree to which employee remains with the firm because of the financial costs connected with leaving or due to the absence of better alternatives. This commitment is based on the realization of the significance of being committed to the organization (Balassiano & Salles, 2012). Taing et al. (2011) found that continuance commitment built on favorable financial connections was significantly associated to job behaviors, but continuance commitment based on less work substitutes was adversely associated to work behaviors. Employees are committed to their employers in terms of continuity commitment because of the associated costs when exiting the company (Balassiano & Salles, 2012).

Employee's turnover intention

Turnover intention refers to an employee's mental state or attitude towards leaving an organization (Gnanakkan, 2010). It is considered a predictor of actual turnover, as it is the behavioral goal derived from various organizational, market, and individual factors (Gaertner & Nollen, 1992). Turnover intention is well-defined as likelihood that the employees will quit their present employment and seek other opportunities (Pepe, 2010). Researcher's usage intent as representation for genuine job quit since it is easier to measure (Bigliardi, Petroni, & Dormio, 2005; Mowday, Steers, & Porter, 1979). Employees' intention to leave is influenced by their negative attitudes towards their job and work environment (Shwu-Ru & Ching-Yu, 2010). Intention to leave is the final stage in the decision-making process, in which an employee considers leaving and looks for alternative professions (Tett & Meyer, 1993). The intent to quit the job is

replicated in the individual's judgment and announcement of their wish to quit (Park & Kim, 2009). Turnover intent is demonstrated as a forerunner of genuine job quit in previous research (Griffeth et al., 2000; Kim et al., 2010), making it a crucial element in understanding and managing employee turnover in organizations.

Relationship between reward system and employee's turnover intention

Employee turnover has been a significant challenge for organizations across the world, and various studies have explored the relationship between employee incentives and employee turnover. Atiq and Bhatti (2014) found that cash incentives had a strong relationship with employee turnover across age groups. In response, companies must have precise incentive systems in place that can cater to employees who do not intend to leave their current positions. Similarly, Bigliardi, Petroni, and Ivo Dormio (2005) found that a good mix of incentive types is more significant and that it lies in different age clusters, requiring companies to match the right incentive system based on their age clusters and business environment. Malhotra et al. (2007) suggested that to reduce higher turnover, it is essential to put in place monetary and non-monetary incentive structures, which both promote employee retention and commitment.

Furthermore, Maertz, Griffeth, Campbell, and Allen (2007) found that both intrinsic and extrinsic rewards were adequately valued in the context of a turnover company. Managers should, therefore, hold themselves accountable for maintaining a good compensation system to foster effective relationships with staff and ultimately aid in increasing staff retention. The role of recognition programs in reducing employee turnover is also highlighted by Dessler (2011) and Mosley (2016). Dessler (2011) found that employee performance is fully influenced by recognition, while Mosley (2016) argued that recognition programs can be part of a strategy for companies to be recognized as the "best place to work" in their specific industry. Recognition programs that align with company morals and ethos can reduce employee turnover and retain top talents.

- H1: Intrinsic reward has negative relationship with employee's turnover intention.
- H2: Extrinsic reward has negative relationship with employee's turnover intention.
- H3: Social reward has negative relationship with employee's turnover intention.

Relationship between reward system and organizational commitment

Organizational commitment is a significant factor that influences employee behavior and turnover intention. Intrinsic rewards, which are derived from within oneself, have been found to have a positive relationship with affective commitment (Meyer and

Allen, 1991). Extrinsic rewards, such as salary and benefits, have been linked to continuance commitment, indicating that employees may stay with an organization due to the perceived benefits they receive (Allen and Meyer, 1996). Social rewards, such as recognition and support from colleagues and supervisors, have also been associated with affective commitment (Eisenberger et al., 1986).

Several studies have shown that intrinsic rewards have a significant positive relationship with organizational commitment. Gagné and Deci (2005) discovered, for example, that intrinsic motivation, or the desire to engage in an activity for its inherent delight or satisfaction, is positively related with emotional commitment. Similarly, Deci, Connell, and Ryan (1989) found that self-determined motivation, which is the internal drive to engage in a behavior, is positively related to affective commitment.

Extrinsic rewards have also been found to have an impact on organizational commitment. In particular, compensation has been linked to continuance commitment, which is the perceived cost of leaving an organization (Allen and Meyer, 1996). Moreover, other forms of extrinsic rewards, such as bonuses, promotions, and recognition, have been found to have a positive relationship with affective commitment (Eisenberger et al., 1986; Rhoades and Eisenberger, 2002).

Social rewards, such as recognition, support, and feedback, are also important factors in determining organizational commitment. Specifically, Eisenberger et al. (1986) found that perceived support from supervisors and colleagues was positively associated with affective commitment. Similarly, Lee and Ashford (1996) found that perceived organizational support, which includes social support, is positively related to affective commitment. Moreover, Herzberg (1966) argued that social recognition is a key factor in job satisfaction and organizational commitment.

- H4: There is association among intrinsic reward and affective commitment.
- H5: There is association among extrinsic reward and affective commitment.
- H6: There is association among social reward and affective commitment.
- H7: There is association among intrinsic reward and normative commitment.
- H8: There is association among extrinsic reward and normative commitment.
- H9: There is association among social reward and normative commitment.
- H10: There is affiliation among intrinsic reward and continuance commitment.
- H11: There is affiliation among extrinsic reward and continuance commitment.
- H12: There is affiliation between social reward and continuance commitment.

Association between organizational commitment and employee's turnover intention

Organizational commitment is crucial for retaining employees as it leads to greater job satisfaction and decreased turnover intention (Milgo et al., 2014; Porter et al., 1974). However, excessive competition for promotion may lead to unethical behavior (Kim & Jogaratnam, 2010). Personal relationships, recognition, and assignment can impact the level of commitment (Maxwell & Steele, 2003; Rizwan et al., 2013). Affective commitment is the best predictor of turnover intention, but normative and continuation commitments are also negatively related to turnover intention (Perryer et al., 2010). The social exchange hypothesis explains that employees demonstrate greater affective commitment when their expectations align with organizational support (Haar & Spell, 2004; Rousseau, 1995). Psychosomatic contracts based on reciprocity have a substantial impact on organizational behavior (Garrow, 2004). Unionization can lead to higher turnover intention due to the vulnerability of labor organization (Park et al., 2014). Social maintenance and affective commitment work together in defining the quality of social interaction between the employee and the organization, leading to support or rejection of the association (Rhoades & Eisenberger, 2002).

- H13: There is association among affective commitment and employee's turnover intention.
- H14: There is association among normative commitment and employee's turnover intention.
- H15: There is association among continuance commitment and employee's turnover intention.
- H16: There is a substantial negative effect of reward on employee's turnover intention with organizational commitment as a mediating variable.

The association among reward systems, organization commitment, and employee turnover intention takes the subject of research in the field of human resource management. The objectives of the research is to determine the impact of the reward system on employee turnover intention, analyze the relationship between the reward system and employee commitment, examine the impact of employee commitment on employee turnover intention, and assess the direct and indirect effects on employee turnover intention.

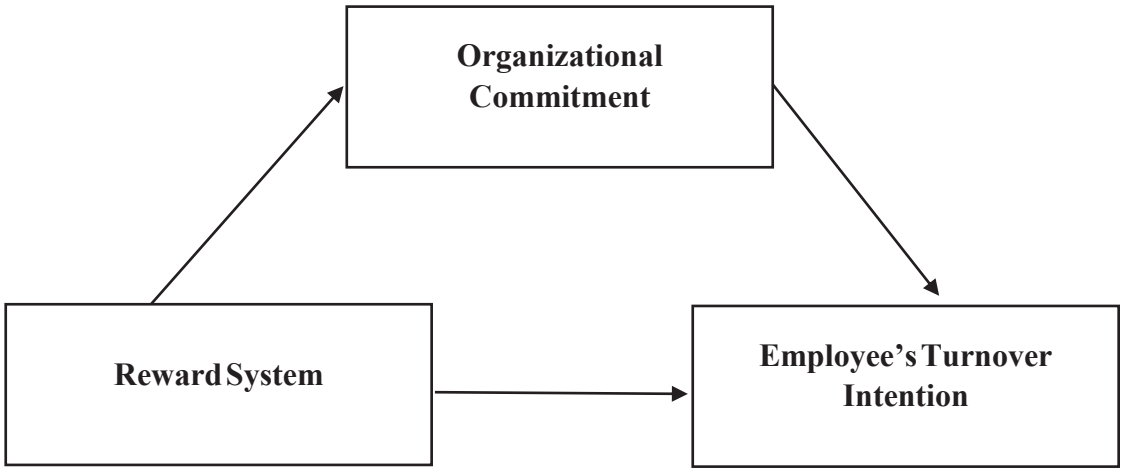


Figure 1: Research Framework: Nazir and Tran 2016, Arianto and Syihabudhin 2018

3. Research Methodology

The study has used descriptive and correlational research design. This study adopted correlational research design to examine the association among reward system, organizational commitment and intention to quit among the employees of commercial bank of Nepal and SPSS AMOS version 26 has been used to analyze the mediating effect of organization commitment between reward system & employee's intention to quit the job n Nepali commercial bank.

The population of the research is the six commercial banks of Nepal. These six banks has similar paid up capital and their profit are also similar. The selection of both government-owned and privately-owned banks based on the similarity of profits allows for a meaningful comparison. Similarly the total employees working in corporate or head offices of these six banks are approximately 1550 out of which 381 are taken as sample of the population through purposive sampling technique. The sampling adequacy has also been observed from the perspective of SEM. Several researchers have advanced some rules-of-thumb for sample size under the Structural Equation Model. Boomsma (1982) argued that a minimum sample size of 100 or 200 is sufficient for data analysis. Bentler & Chou (1987) have argued for five or 10 observations per estimated parameter. Purposive sampling, researchers often believe that they can obtain a representative sample by using a sound judgment, which results in saving time and money (Teddlie & Yu, 2007). This research is based on primary source of data and these data were collected via structure questionnaire were created in Google Docs and which were distributed through email and social media. The

questionnaire was adopted from Chen & Francesco (2003), Rizwan (2014), Eric S. Lindberg & Joakim Lundmark (2015). The research conducted descriptive analysis to know the demographic composition of the respondent's frequency distribution were conducted. Similarly for the inferential statistics has been performed like CFA, reliability analysis, correlation analysis and structured equation modeling were performed to test the hypothesis.

Results and Analysis

The descriptive analysis tables provide a profile of the respondents of the research, which can help to understand the characteristics of the sample. The large number of respondents were male (60.1%), and above 50% of them were from private commercial banks (54.34%). The age profile showed that the majority of the respondents were between 25-35 years (53.5%) and were relatively young. The majority of respondents were also married (54.1%) and had higher education qualifications (57.7%). In terms of job level, most respondents were from entry-level positions (41.7%) and had job tenure of 1-5 years (73%). The monthly income of the respondents showed that most employees received good monthly pay, with 73.2% of the total respondents earning above Nrs 40,000 per month.

Exploratory Factor Analysis (EFA)

Exploratory Factor Analysis can be used to recognize fundamental elements related to a reward system, employee turnover intention, and organizational commitment. EFA can help determine which reward system factors are associated with employee turnover intention and whether organizational commitment shows a mediating role in this relationship.

Table 1: Summated mean of the variables

Variables	N	Mean	SD
Intrinsic reward	381	5.31	1.27
Extrinsic reward	381	4.43	0.60
Social reward	381	5.64	1.07
Affective Commitment	381	5.52	1.29
Normative Commitment	381	5.93	0.93
Continuance Commitment	381	5.83	1.03
Employees Turnover	381	3.52	1.15

Table 2: Sample Adequacy Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.73
Bartlett's Test of Sphericity	Approx. Chi-Square	7668.71
	Df	465
	Sig.	0.00

The Table 3 displays the value Kaiser-Meyer-Olkin Measure of Sampling Adequacy is 0.73. KMO values from 0.7 to 1 specifies the sample is acceptable (Comery and Lee, 1992). So, we can say the sample considered is adequate. Similarly, Bartlett's test of sphericity was 7668.71 and significant.

Table 3: Principal Component Analysis.

Comp	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	6.286	20.276	20.276	6.286	20.276	20.276	4.583	14.783	14.783
2	3.778	12.187	32.464	3.778	12.187	32.464	3.28	10.58	25.364
3	3.451	11.131	43.595	3.451	11.131	43.595	3.136	10.116	35.479
4	2.611	8.422	52.017	2.611	8.422	52.017	2.876	9.278	44.757
5	1.988	6.413	58.431	1.988	6.413	58.431	2.723	8.782	53.54
6	1.667	5.378	63.809	1.667	5.378	63.809	2.342	7.555	61.095
7	1.487	4.797	68.606	1.487	4.797	68.606	2.328	7.511	68.606
8	0.94	3.033	71.638						
9	0.803	2.59	74.229						
10	0.755	2.437	76.666						
11	0.722	2.329	78.995						
12	0.659	2.127	81.122						
13	0.613	1.979	83.1						
14	0.576	1.858	84.958						
15	0.519	1.676	86.634						
16	0.476	1.536	88.17						
17	0.462	1.491	89.661						
18	0.442	1.425	91.086						
19	0.39	1.259	92.345						
20	0.366	1.18	93.525						
21	0.326	1.051	94.576						
22	0.309	0.998	95.574						
23	0.269	0.867	96.442						
24	0.22	0.71	97.151						
25	0.21	0.677	97.828						
26	0.185	0.597	98.425						
27	0.151	0.488	98.914						
28	0.118	0.38	99.294						
29	0.107	0.344	99.638						
30	0.072	0.232	99.87						
31	0.04	0.13	100						

Extraction Method: Principal Component Analysis.

This result displays that the data on 31 items (initial 34 items, three items were rejected in reliability anslysis) is suitable for performing exploratory factor analysis. Later on, the Kaiser criterion suggested extracting seven factors. The seven factors F1, F2, F3, F4, F5, F6 and F7 correspondingly explained or extracted 14.78%, 10.58%, 10.11, 9.27%, 8.78%, 7.55% and 7.51% respectively of the total variance, and altogether they extracted 68.60% of the total variance. Every item is excellently loaded with a single factor since each factor loading is higher than 0.5 (Comery and Lee1992). Moreover, the seven factors extracted around 68.60% of the variance of each item.

Table 4: Determination of Components

	ER	SR	ET	OC	NC	AC	IR
ER4	0.906						
ER1	0.871						
ER5	0.86						
ER3	0.857						
ER2	0.85						
ER6	0.557						
SR2		0.816					
SR1		0.782					
SR4		0.746					
SR3		0.744					
SR5		0.72					
ET5			0.825				
ET4			0.824				
ET3			0.796				
ET2			0.745				
ET1			0.456				
OC7				0.856			
OC6				0.819			
OC8				0.789			
OC5				0.642			
OC11					0.867		
OC12					0.856		
OC9					0.681		
OC10					0.673		
OC2						0.803	
OC4						0.79	
OC3						0.769	
OC1						0.527	
IR2							0.827
IR4							0.817
IR3							0.771
IR1							0.511

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
a. Rotation converged in 6 iterations.

Table 4 shows the rotated component matrix shows the number of components extracted after the explorative factor analysis. For the extraction of components Principal component analysis and Varimax rotation with Kaiser Normalization was used. Altogether 34 items were taken for this research out of which only 31 items were used for further data analysis. Rotated Component Matrix was performed which ascertains what the items represents. According to the analysis, component one has six variables, second and third components has five items each, and the remaining other four components has four items each. All the factors loading are in acceptable level.

Table 5 Reliability Analysis

Factors	Cronbach's Alpha	N
Extrinsic Reward	0.74	4
Social Reward	0.91	6
Employees Turnover Intention	0.82	4
Normative Commitment	0.83	4
Continuance Commitment	0.73	4
Affective Commitment	0.82	4
Intrinsic Reward	0.84	4

Table 5 shows the reliability analysis of the components extracted from the explorative factor analysis. Altogether 31 items were taken for this analysis but one of the item of factor three (ET1: I often think of leaving my job) was removed to increase the reliability of the components. Now for the further analysis only 30 items has been taken. The consistency test (Reliability) is measured by statistical test Cronbach Alpha with the restriction of a flexibility is said to be consistent if the value> 0.600 (Arinto, 2018, Niguse, 2019).

Structural Equation Modelling (SEM)

Structural Equation Modeling is a dominant, multivariate method used gradually in systematic research to experiment and estimate multivariate fundamental associations. In order to achieve the objectives, this study has used Structural Equation Modelling which include following two main steps: Confirmatory Factor Analysis (CFA) has been employed to validate the research model's measurement and acquire an acceptable and adequate model fit; and the acceptable model is then transferred into a comprehensive structural model for examining the hypothesized associations amongst factors in the research model.

Goodness of Fit

In the process of measurement model analysis, the key task is to find out goodness-of-fit measures between the data collection and the hypothesized model. Regarding the cut-off values for the model fit measures, Hair et al. (2014) have suggested the following guidelines. For the CFA model, this study has utilized the theoretical base and tested the items on Exploratory Factor Analysis (EFA) to confirm the group of items related to the construct. Based on the Model fit cutoff criteria most of the measures showed a not acceptable score than recommended ($\chi 2/df = 4.01$; CFI = 0.795; GFI = 0.793; AGFI = 0.752; RMSEA = 0.091; and SRMR = 0.068).

Figure 1: Initial Measurement Model

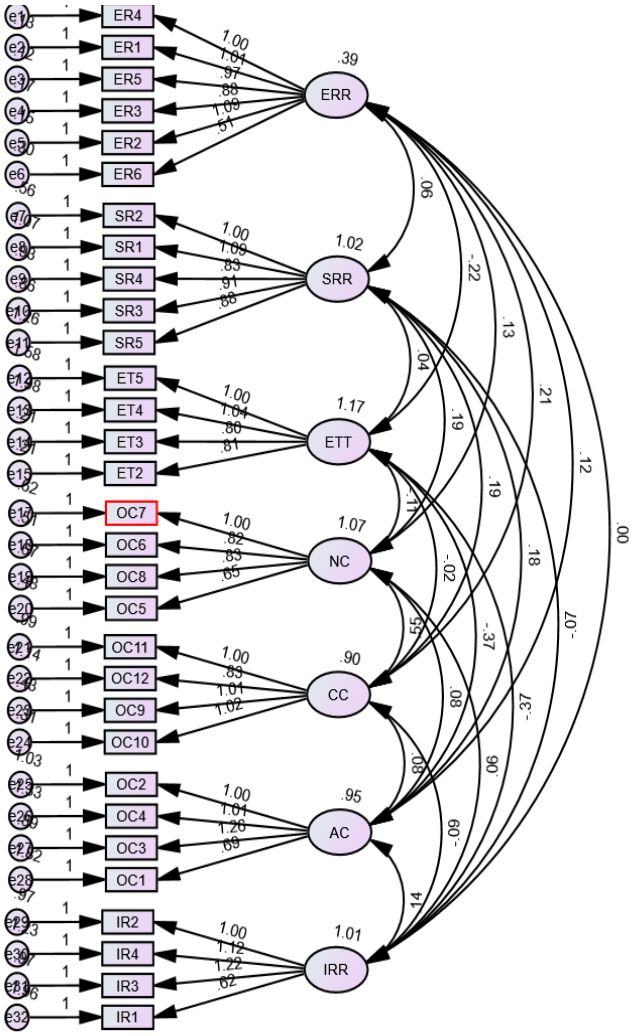


Table 7

Measure	Recommended Value	Initial Measurement Model	Final Measurement Model
$\chi 2$/df	<3	4.01	3.21
CIF	>0.90	0.795	0.88
GIF	>0.90	0.793	0.89
AGFI	>0.80	0.752	0.79
RMSEA	<0.070	0.091	0.076
SRMR	<0.08	0.068	0.064

Note. The values of different measures for initial and final measurement model have been copied from the output table of AMOS 26 software.

Table 9: *Construct Reliability, Convergent and Discriminant Validity*

	CR	AVE	MSV	Max R(H)	ER	SR	ET	NC	CC	AC	IR
ER	0.92	0.65	0.12	0.935	0.805						
SR	0.81	0.52	0.06	0.829	0.123*	0.724					
ET	0.83	0.57	0.12	0.908	-0.343**	0.038	0.753				
NC	0.86	0.56	0.14	0.838	0.188**	0.171**	-0.093	0.745			
CC	0.81	0.53	0.14	0.883	0.337**	0.193**	-0.03	0.581**	0.73		
AC	0.77	0.52	0.07	0.766	0.187**	0.234**	-0.269***	0.113†	0.108†	0.721	
IR	0.79	0.55	0.12	0.785	-0.006	-0.059	0.309***	0.06	-0.082	-0.085	0.74

Figure 2: Final Measurement Model

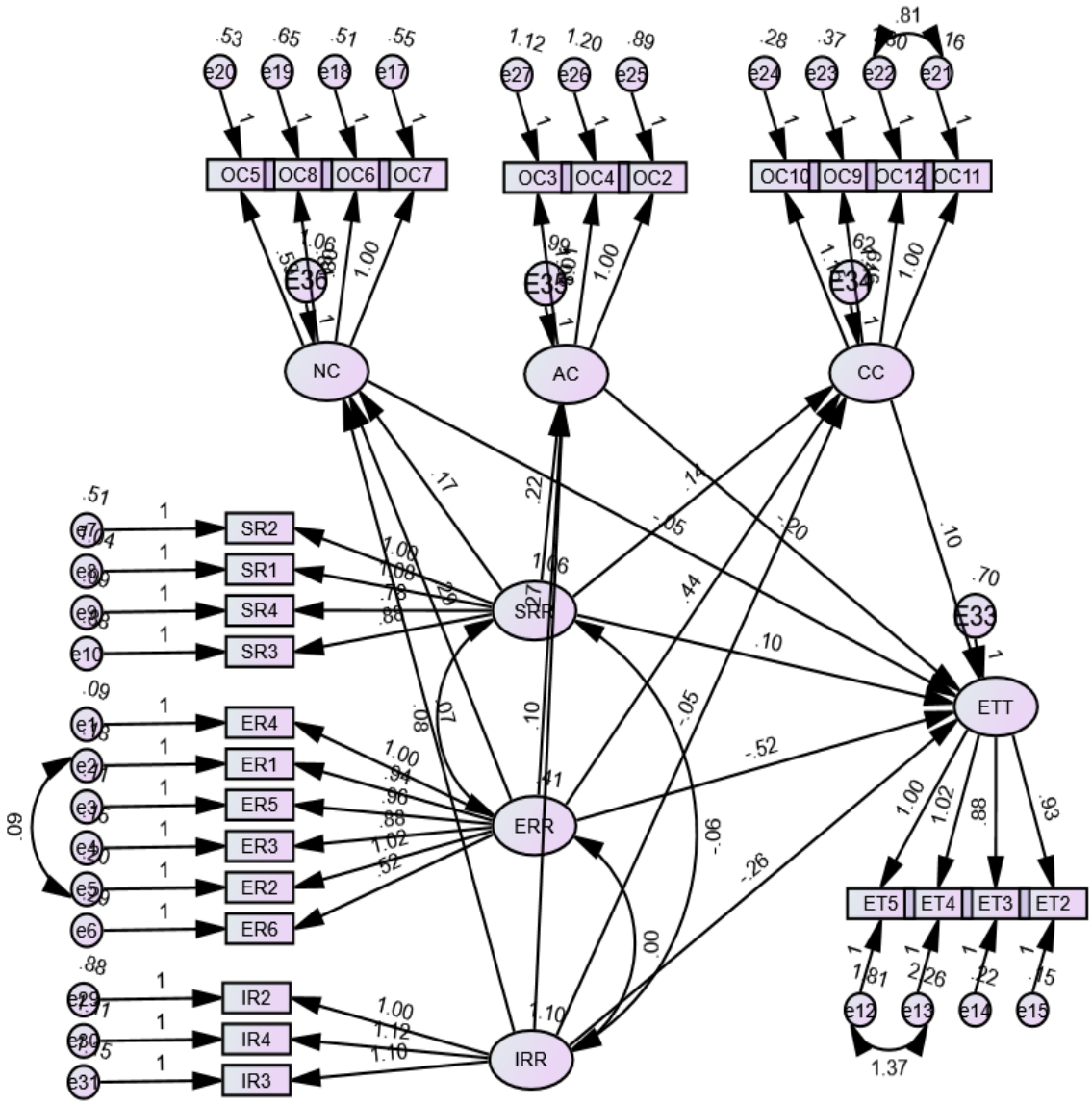
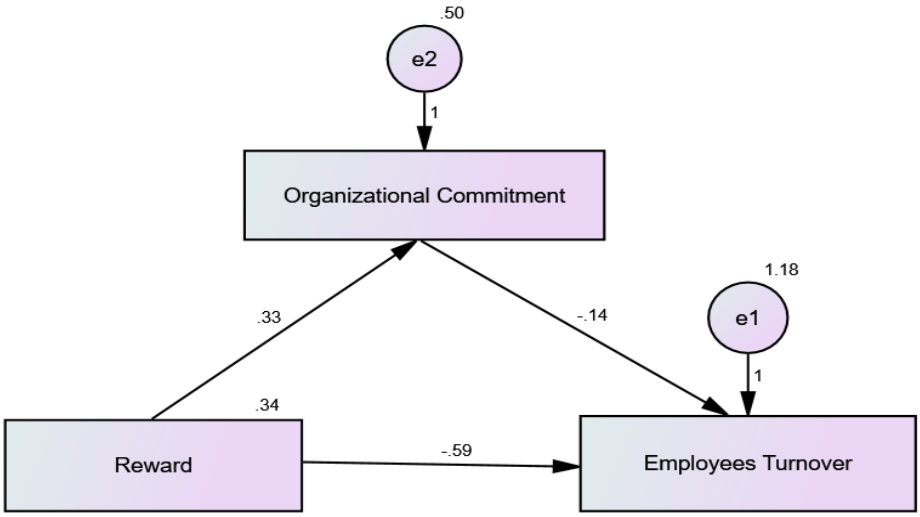


Figure 3: Path Analysis



The bootstrapping approach was employed for the study, which is a non-parametric resampling procedure that examines the variability of the sample data rather than applying parametric assumptions to judge the precision of the estimates (Wood, 2005). To perform bootstrapping 5000 sub sample was used with Bias-corrected confidence interval of 95 which bootstrap sample of n persons with residual errors was drawn randomly with replacement (Hair et al., 2012). Similarly, standardized estimates and indirect, direct and total effect were also performed to calculate the beta and P-value of the variables.

Table 10: Mediation Effect

Path	Beta	LB	UB	P-Value	Result
Direct Effect without Mediation	-0.324	-0.420	-0.217	0.000	Significant
Direct Effect with Mediation	-0.300	-0.397	-0.194	0.000	Significant
Indirect Effect	-0.230	-0.056	0.003	0.074	Not Significant

Goodness of Fit Indices of the Research Model

The researcher used different fit indices to test the goodness of fit of their research model. The Chi square test was the initial measure for the complete model and it showed a good fit with a $\chi 2/df$ ratio of 3.21 ($\chi 2 = 1046.89$, $df = 326$) and a P-value of 0.00. The Comparative Fit Index (CFI) was used as a measure for the whole model and it had a value of 0.880, which is slightly below the recommended value (> 0.90).

However, some researchers have suggested that CFI values greater than 0.85 are acceptable, so this degree of model fit is promising too. Similarly, the normed fit index (NFI) was also used as a measure for the whole model and it had a value of 0.836, which is borderline for good model fit. Some writers have claimed that an NFI of 0.80 is adequate in terms of a more generous perspective. Finally, the root mean square error of approximation (RMSEA) was used as the concluding index for the overall model and it had a value of 0.076, which falls in the fair fit category. RMSEA values less than or equal to 0.08 specify that the data do not under fit the model. Overall, the complete fitness of the proposed research model is acceptable on numerous methods for goodness of fit, with a $\chi 2$= 1046.89, P-value of 0.00, degrees of freedom = 326, $\chi 2$/df =3.21, CFI = 0.880, NFI = 0.836, and RMSEA = 0.076.

Table 10: The Summary of Results for the Direct and Indirect Hypothesized Relationship

DV		IV	Estimate	P-Value	Hypothesis	Result
ET	<---	IR	-0.256	0.00	Ho1	Reject the null hypothesis
ET	<---	ER	-0.516	0.00	Ho2	Reject the null hypothesis
ET	<---	SR	0.098	0.07	Ho3	Fail to reject
AC	<---	IR	0.101	0.12	Ho4	Fail to reject
AC	<---	ER	0.268	0.00	Ho5	Reject the null hypothesis
AC	<---	SR	0.225	0.00	Ho6	Reject the null hypothesis
NC	<---	IR	0.056	0.27	Ho7	Fail to reject
NC	<---	ER	0.231	0.00	Ho8	Reject the null hypothesis
NC	<---	SR	0.141	0.00	Ho9	Reject the null hypothesis
CC	<---	IR	-0.04	0.28	Ho10	Fail to reject
CC	<---	ER	0.343	0.00	Ho11	Reject the null hypothesis
CC	<---	SR	0.11	0.00	Ho12	Reject the null hypothesis
ET	<---	AC	-0.196	0.00	Ho13	Reject the null hypothesis
ET	<---	NC	-0.061	0.32	Ho14	Fail to reject
ET	<---	CC	0.132	0.12	Ho15	Fail to reject

The descriptive statistics of the retained variables showed that intrinsic reward, extrinsic reward, social reward, affective commitment, normative commitment, and

continuance commitment, and employee's turnover intention all had mean values greater than the mid value, with lower standard deviation. The correlation matrix revealed that intrinsic reward, extrinsic reward, and social reward were negatively correlated with employee's turnover intention. Organizational commitment had no correlation with intrinsic reward but had a medium-strong correlation with extrinsic rewards and social rewards, and a negative correlation with employee's turnover intention. Regarding construct validity, the average variance extracted (AVE) was all above 0.5, with a minimum value of 0.52 and a maximum value of 0.65. The construct reliability (CR) was all above 0.7, indicating adequate convergent validity. In terms of model fit, the path analysis had a $\chi 2/df$ ratio of 3.21, a p-value of 0.00, a CFI of 0.880, an NFI of 0.836, and an RMSEA of 0.076, indicating an acceptable model fit.

Finally, the study found that intrinsic reward had a direct impact on employee's turnover intention, but not on organizational commitment. Extrinsic reward had both a direct and partial relationship with employee's turnover intention, mediating through affective commitment. Social reward had no direct effect on employee's intention to leave, but had a partial effect through affective commitment. Employee commitment was negatively influenced by affective commitment, although normative commitment and continuity commitment had no effect on employee desire to resign. Additionally, the study found that there was a full mediation effect of organizational commitment between reward system and employee's turnover intention, with no indirect effect.

Discussions

The finding of this research is organizational commitment has full mediation effect between reward system and employee’s turnover intention. Furthermore, intrinsic reward has direct impact on the employee’s turnover intention however intrinsic reward does not have effect on affective commitment, normative commitment and continuance commitment. Intrinsic reward does not shows any relationship with the three variables of organizational commitment. Similarly, extrinsic reward has direct impact on the employee’s turnover intention and it also have effect on affective commitment, normative commitment and continuance commitment. There is positive and medium relationship between extrinsic reward and all three variables of organizational commitment. However, social reward does not have direct impact on employee’s turnover intention. Social reward has positively statistical significant impact on all three variables of organizational commitment. The findings of this study on the association between intrinsic reward and emotional commitment accord with Nujjoo, A., and Meyer, I. (2012), who argue that non-financial intrinsic reward is minimal associated with affective commitment than money extrinsic reward.

Conclusion

The research shows that organizational commitment fully mediates the relationship between reward system and employee turnover intention. Intrinsic and extrinsic rewards have negative relationships with turnover intention, indicating that better job autonomy, salary, working conditions, and fear of reward/punishment lead to less turnover. Social rewards do not significantly affect turnover intention. Extrinsic and social rewards have positive relationships with affective, normative, and continuance commitments, while intrinsic rewards do not affect affective or normative commitment. Social rewards affect continuance commitment, but intrinsic rewards do not. Affective commitment is inversely related to turnover intention, although normative and continuation commitment are not. Organizational commitment fully mediates the affiliation among reward system and employee turnover intention, meaning that there is no significant indirect effect on employee turnover intention mediated over employee commitment.

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