Effect of Non-Monetary Rewards on Employee Retention with a Mediating Role of Motivation in the Banking Sector of Pakistan

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Abstract-This study was conducted in the Private corporate Banking sectors of Pakistan to highlight the importance of the non-monetary rewards in terms of their effectiveness as well as efficiency. The purpose of this study was to find out the effects of various non monetary rewards on the employee’s retention along with the mediating role of motivation as well as to what extent the banks are taking care of this source of employee motivation. The various independent dimensions included opportunity for career advancement, development opportunity and recognition. Questionnaire contents were adopted from Paul E. Spector employee recognition program handbook. 253 respondents filled the questionnaire out of 325 respondents from banking employees and the response rate was 77 percent. Non probability sampling was applied and Spss version 16.0 software was used to analyze the data for descriptive and inferential statistics. The results showed that all the variables were significantly correlated to each other and have positive correlations with very high r values. The regression analysis showed that there was a significant relationship among the Independent, Mediating and Dependent Variable.(Baron and Kenny, 1986) method was applied for mediating testing and the results of regression showed that no mediation was taking place in the relationship of independent and dependent variables. This research can be supportive and fruitful for HR managers in banking corporate sector by designing an effective compensation package to retain their competent employees. Management can improve the use of effective non-rewards compensation system during the process of their performance management to motivate their employees.

Index Terms- Opportunity for Career Advancement, Development Opportunity, Recognition, Motivation, Employees Retention

1. INTRODUCTION

1.1 Background of the Study
Awareness regarding rights and duties among employees is enhancing very rapidly day by day with the flourishment of the concept of HR in Pakistan. In Pakistan’s economy the service sector has started to nurture recently therefore among the financial market banking sector is one of the most growing service sector in Pakistan. Services sector is trying to provide quality service to the customer which is the ultimate and definitive goal of banking. Due to exhaustive inflow of multinational banks in Pakistan, introduction of an innovative culture in the banking sector regarding performance based rewards system is being launched. This also has brought higher, increases in income level, employment opportunities, and changes in consumption pattern and consequently there emerges a competitive environment in the service sector industry.

Taken as a whole the triumph for any organization is implied in achieving its strategic objective and goal, this can be achieved while relying and focusing on motivation level of its employees, motivation which is considered as an energetic intrinsic force and drives through our action and conduct. So, most people join those organizations which provide non-monetary rewards which keep them motivated to perform more than their ability to perform. For this purpose incentive programs, while considering them the most attractive schemes to motivate and retain the workforce, are being launched by many organizations. It has been found out through research that many organizations are investing billion of rupees on employees, retention through incentive schemes. To assemble a long lasting alliance and association with an organization, the necessary thing for an employee is that they must be committed with it and [1] generate new thoughts and ideas regarding organizational service. A “McKinsey Quarterly” study established that motivation program must be
launched to motivate employee, therefore almost 70% organizations plane for motivation programmed to motivate their employee [2].

1.2 Non-Monetary Reward

[3] “Total reward” which includes not only monetary incentives and rewards but also employee training and development scheme, career enhancement opportunities, and non financial recognition. Whereas non-monetary gains are concerned, these create influence on employees of organization and in the form of giving more responsibilities, promotion, praise and recognition in front of public [4]. [5]Non-monetary rewards or recognition proves to be a better motivator than money. In this study it was observed that money alone is not the only way to motivate high performance [6] but also preferred by those employees who are well establish and have some sound position [7] and are highly qualified in the organization.

Dzurnain & Stuart [8] recommended that the level of organizational performance in employees can be raised by giving them both monetary and non monetary rewards. Although level of motivation due to rewards is different for different employees, some of them prefer financial rewards over nonmonetary rewards while other prefers non monetary rewards over financial rewards. So if organizations want to retain its employees these must enhance the motivation level of its employees by offering them both types of rewards although some one prefer one type of rewards over other. But in our study, it was also focused and recommended that by using effective and decisive non financial reward system in organization, it can achieve its utmost objectives to the great extent which will also persuade employees, behavior together with his association with his organization [9] to enhance the employee commitment and performance the role of non-financial rewards is very high, he is follower of the notion that “ total reward says that there is more to rewarding people than throwing money at them”.

1.3 Research Problem

In the present era it is noteworthy that due to such existing good economic conditions retention may be lower due to heavy competition and more employment opportunities are available in the market. Although (Kumar and Arora[10] focused that the basic point of issue which is being realized and also dilemma for most of the organization’s administrators and managers is that, the shortage of talented employees and brain drain from their organization. Having efficient and competent staff become the competitive advantage for any organization now. Utmost thing is that existence of organization is possible due to availability of effective and efficient workforce capital. It’s all due to employees are considered to be a significant asset towards the attainment of organizational goals in both the public and the private sector. De-motivated or less motivated employees are probably will insert little bit or no effort in their jobs and show less interest in their performance, and produce low quality work, number of absenteeism will be increased , turnover intention will be increased also. On the other hand, employees who are highly motivated and loyal will perform their work with great zest and zeal, which would likely to be determinant, innovative and competent enough. Bettencourt and Brown [11] observed that for furtherance of employee’s motivation and productivity an effective non financial reward system is necessary which contributes for enhancing commitment and ultimately these employees play an important role in ensuring for delivering service quality.

Ondimu [12] conducted a study at OXFAM (Oxford Committee for Famine Relief ) international , to check the effect of carrier development on employee commitment and retention, they observed that implementation of carrier development program, enhanced employees, willing to work with and retention at OXFAM. Danish & Usman [13] are of the view that on implementation of effective rewards and recognition system within an organization, a favorable working environment is created which motivates employees to get excel form others in their performance. Shujaat & Alam [14] have found and supported in their study that Non-monetary rewards and effective recognition has a significant positive impact on job related motivation level of employees of banks. Before than that, a study conducted by Lock & Latham [15] found that motivation can also be achieved not only by non-financial rewards but also recognition like personal growth, achievement, praise, responsibility etc. In this study it was found that non-financial reward will depict overall fairness in process of reward distribution and will also create perception in mind about reward, which will lead towards employee motivation to carry on work.

Many studies have been conducted on the employee retention and rewards while this under taken study specifies various dimensions of rewards in order to find out the extent to which it influences commitment. It therefore aimed to answer the question: What effect of Non Monetary rewards on employee’s retention in banking sector of Pakistan.

1.4 Research Objectives

This research has the following objectives

- To examine the effect on non monetary rewards on employees retention
To examine the effect of opportunity for career advancement on employees retention
To examine the effect of Development opportunities on employees retention
To examine the effect of recognition on employees retention
To examine the mediating effect of motivation on the relation between non monetary reward and employees retention
To examine the mediating effect of motivation on the relation between opportunity for career advancement and employees retention
To examine the mediating effect of motivation on the relation between development opportunities and employees retention
To examine the mediating effect of motivation on the relation between recognition and employees retention

1.5 Significance of the Study
The findings of this study would be advantageous to promote management of banking sector of Pakistan which will also enhance the ability to gain insight about their concerned organization, that, how the policy makers will come up with well-versed policies and decision making on rewards for keeping and retaining workforce motivating, in their concerned institutions. The longer employee’s retention within an organization, the more valuable they will be in terms of seniority, knowledge and skill
This study will ponder over the importance of maintaining an effective reward system that will bequeath and endow with the preferred results and competitive advantage in the present era of upbringing competitive business environment.

More significantly, the findings of this research will also contribute to the literature on the very interesting and attractive topic on non financial rewards in developing countries. Moreover the findings of this study will be valuable to academicians, who may be able to find a useful research gaps that may stimulate interest in further research in future.

1.6 Research questions
To test the mediating effect of motivation on the relation between non monetary reward and employees retention
To examine effect of motivation on the relation between opportunity for career advancement and employees retention
To evaluate the mediating effect of motivation on the relation between recognition and employees retention
To determine the mediating effect of motivation on the relation between development opportunities and employees retention

2: LITERATURE REVIEW
2.1 Theoretical Foundation
Kilbourn [16] posits that in the perspective of theoretical research, the theoretical interpretation is crucial.

2.1.1 Expectancy Theory of Motivation
According to vroom’s expectancy theory of motivation, there is a strong link between performance and reward, so employees are more likely to be motivated when they perceive and expect that their performance will follow reward [17] which is the strength and attractiveness of individual’s expectation and determines one’s motivational soundness[18]. According to Expectancy Theory performance depends upon high motivation, possession of necessary skills, ability to understand and perform appropriate role [19] and motivation depends on attractiveness and probability of obtaining those rewards [20].

2.1.2 Equity Theory
Equity theory dealt with perspective of organizational justice, where the individuals realize that whether they are being treated fairly at work or not and that influence on level of effort of employees at a given working environment. Marshall et al.,[21] posits that employee not only evaluates the fringe benefit they acquired from their employer but also compare and measures it with employees within organization and outside organization. If he observes imbalance in the input-outcomes ratio he becomes de motivated.

2.2 Non-Monetary Rewards
Farooq and Khan [22] conducted a study on impact of rewards on employee motivation, according to which it was found that there is positive significant relationship between rewards and employee motivation. According to their findings, motivated employees are more enthusiastic and productive in their performance. Not only this, they will perform more than their ability to perform. In contrast to
this study [23] with the linkage of other literature of human resource practices, he has been able to find out that for better performance of employee money is not only a best motivator. This point of confliction has consistency with Maria Paviour on her discussion on very critic topic of employee management. She forced and put stress on the way of rewarding and paying people because it is proved through previous research that larger and better bonuses do not motivate employee. Bonus instead of creating innovation in organization these brings low performance level in employee [24].

2.3 Opportunity for Career Advancement
Since employees ought to have appreciation and recognition for the goal achievable effort he has done. Indeed, even the most experienced and knowledgeable employee desires that he should be notified that he is doing well [25]. Absence of job having no real future opportunity for advancement and promotion chances through pre-eminence or otherwise may bring about disappointment which results in dissatisfaction that simmers in an employee’s mind until he finally leaves [26][27] and that if there are ample opportunities for personal as well as professional growth for him satisfaction level will be increased [28][29] because satisfaction with promotion provides opportunities for personal growth, more responsibilities and increased social status also that Promotional chances reduce turnover intention [30].

2.4 Development Opportunities
Training and development to employees cause widen their abilities and knowledge to perform more efficiently at individual and team level than those employees who do not get self-development training [31]. Career development is a workforce development and well thought out approach which is used to attain individual goals in compliance with organizational needs [32]. Employee development in any establishment cause enhance employee’s morale, confidence, motivation, lowering cost of production by better and economical using organizational resources and decreasing waste Cole et al. [33] in addition he observed that training and development of employees reduce turnover.

2.5 Recognition
Recognition is the exhibition and revelation by appraisal of performance, in the contribution and achievement of an objective which is influential and commanding tool for any organization for motivation and retention of employee [34] such recognition can be formal or informal, expressed or implied. Individuals want to enlighten and celebrate their achievements with others and when this need is satisfied, it works as a tremendous motivator. In the same stream, Mason [35] find out in his study that motivation, retention of employee and recognition is influential and commanding tool for any organization. Recognizing the efforts of highly qualified and talented employees is very convenient and economical tool strategy, so organizations must adopt recognizing policy. [36] Relationship between rewards, recognition and motivation at an insurance company in the Western Cape, indicated towards a study conducted by the US Department of Labor; in which main causes of turnover was highly enlighten. Their Study proposed that almost 47% of employees left their jobs because appreciation was not given to them.

2.6 Motivation
Motivation is the intrinsic force and a psychological phenomenon that drives from the stimulation, direction, and persistence of behavior [37]. Savaneviceni and Stankevicciute [38] find out in his study the basic and utmost factor, which determine intention of employee (both level of manager and non manager) whether he should stay or leave his organization, is motivation. According to Cristescu et al. [39] employee of the organization can be motivated either intrinsically or extrinsically; to the extent of intrinsic factors of motivation are concerned these exhibit relation among different factors of individual behavior and work with his perception, feelings and expectation where as Extrinsic motivations are concerned, these are based on relation among individual with his organization. Any organization can achieve extraordinary performance if their employees are well committed and motivated.[40][41] highlighted that to meet particular objectives organization implements merit pay system to reward employees, which create high influence on motivational level of an employee.

2.7 Employee Retention
According to Cran [42] keeping in view the apparent randomly changing economic situation and employee’s attitude the biggest and prevalent challenge for an organization is to continuously keeping up focus on retention policies and procedures [43] for top talented and valued employees [44] for meeting organizational goal successfully and without whom organization’s strategic mission becomes impossible to achieve and whose replacement is very difficult [45]. Employees are not satisfied they will not retain in that organization rather quit, because retention is combination of mutual harmony among employee and employer which arises without any threat or coercion [46]. Mullins [47] scrutinizes employee retention succinctly by giving self respect to employees while at work. It was stated by Cran [48] that people do not leave their jobs they leave their leaders, so leaders must improve their leadership skill.
2.8 Non-Monetary Rewards and Employee Retention

Organization must focus on those strategies of rewards and recognition due to which motivational level of employee raises, with high rate of employee retention [49]. Correspondingly, Employee retention problem can be solved by adopting various proactive retention policies and procedure [50]. Parry [51] stated in his study that those organizations, who invest money on their employees, save much more and can enhance both employee motivation and employee retention.

2.8 Theoretical Model

3: RESEARCH METHODOLOGY

3.1 Sampling technique

About 325 sets of questionnaires were distributed among the banking employees of different cities and in total 253 responses were obtained. The response rate was 77%. Non-probability sampling techniques have been used for this research through survey samples which is important tool in analyzing data from selected individuals and are widely accepted as a key tool [52] [53]. Five point Likert scale is used ranging from Strongly Dissatisfied to Strongly Satisfied. Questionnaire contents were adopted from [54] and “Employee recognition program handbook” developed by department of human resource management of (Virginia, 2000). To test mediation hypotheses Baron and Kenny, 1986 [55] analysis was used, which was used and cited frequently in the modern psychological literature, according to the Science Citation Index [56].

4: DATA ANALYSIS

4.1 Descriptive Statistics

This part proposed to cover insights with respect to descriptive analysis of the demographic properties of the sample of this study, comprised of 253 respondents among of which 183 male and 70 female respondents. Descriptive analysis incorporates data with regards to gender, age, designation and experience status of the respondents with their Mean value. The various parts of descriptive statistics for this study are discussed in detail below.

The following table provides the Demographic profiles of Respondents

<table>
<thead>
<tr>
<th>Table 4.1</th>
<th>Respondent’s Demographic</th>
<th>Frequency</th>
<th>Percentage</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Male</td>
<td>183</td>
<td>72.3</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>70</td>
<td>27.7</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>253</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>Under 30 years</td>
<td>68</td>
<td>26.9</td>
<td></td>
</tr>
<tr>
<td></td>
<td>30-39</td>
<td>85</td>
<td>33.8</td>
<td></td>
</tr>
<tr>
<td></td>
<td>40-49</td>
<td>100</td>
<td>39.5</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>253</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Designation</td>
<td>General Manager</td>
<td>9</td>
<td>3.6</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Manager</td>
<td>46</td>
<td>18.2</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Deputy Manager</td>
<td>64</td>
<td>25.3</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Assistant Manager</td>
<td>134</td>
<td>53.0</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>253</td>
<td>100</td>
<td>2.95</td>
</tr>
<tr>
<td>Experience</td>
<td>10 years</td>
<td>44</td>
<td>17.4</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Less than 10 years</td>
<td>135</td>
<td>53.4</td>
<td></td>
</tr>
</tbody>
</table>
4.2 Inferential Statistics

For this study inferential statistics was applied which covered many different following areas such as.

The reliability analysis of the variables was performed in SPSS and the outcome was as per the following. The table portrays the under research Cronbach Alpha values for the variables

<table>
<thead>
<tr>
<th>No.</th>
<th>Dimension</th>
<th>No of items</th>
<th>Cronbach alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Opportunity for Career Advancement (OCA)</td>
<td>5</td>
<td>0.898</td>
</tr>
<tr>
<td>2</td>
<td>Development Opportunities (DO)</td>
<td>6</td>
<td>0.911</td>
</tr>
<tr>
<td>3</td>
<td>Recognition (REC)</td>
<td>5</td>
<td>0.945</td>
</tr>
<tr>
<td>4</td>
<td>Motivation (MOT)</td>
<td>6</td>
<td>0.972</td>
</tr>
<tr>
<td>5</td>
<td>Employees Retention (ER)</td>
<td>5</td>
<td>0.933</td>
</tr>
</tbody>
</table>

The results of the reliability analysis demonstrate that every one of the variables for this study have a value of cronbach alpha higher than 0.7 which is essential for any instrument to be a valid for a specific study. Fundamentally cronbach alpha is a measure of internal consistency in a given study.

4.3 Correlation Matrix

The table 4.3 demonstrates the results of correlations and is examined in point of interest underneath.

<table>
<thead>
<tr>
<th>Motivation</th>
<th>Employees Retention</th>
<th>Opportunity for Career Advancement</th>
<th>Development opportunity</th>
<th>Recognition</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.985**</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>.629**</td>
<td>.624**</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>.949**</td>
<td>.948**</td>
<td>.637**</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>.969**</td>
<td>.970**</td>
<td>.608**</td>
<td>.969**</td>
<td>1</td>
</tr>
</tbody>
</table>

The outcomes from the analysis demonstrate that every one of the variables is positively related with one another. There is a positive correlation among different variables and this is in accordance with the hypothesis of this study. Case in point there is that there is a moderate positive correlation among opportunity for career advancement and Motivation with a value of 0.629 which falls in between - 1 and +1. This demonstrates when Opportunity for career advancement increases Motivation will also increase because the significance value for this situation is 0.00 which is under 0.05. There is likewise an exceedingly positive correlation between the relationship of Development opportunity and motivation with a value of 0.949. Likewise a profoundly significant relationship exists among Recognition and Motivation with a value of 0.985. In the same way Motivation and Employees Retention has a high positive significant connection with one another with a value of 0.985. It negates that as motivation increases; Retention additionally tends to increase in a positive course. The correlation among the independent variables and the dependent variables were additionally measured and the outcomes demonstrate that there is a moderate correlation among opportunity for career advancement and Employees Retention with a value of 0.624. Similarly there is likewise a positive correlation among Development Opportunity and Employees Retention with a value of 0.948, there is profoundly correlation among Recognition and Employees Retention with a value of 0.970.

4.4 Regression Analysis

The underneath table demonstrates the results of regression for dependent and independent variables.

<table>
<thead>
<tr>
<th>Model Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>No.</td>
</tr>
<tr>
<td>-----</td>
</tr>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td>4</td>
</tr>
<tr>
<td>5</td>
</tr>
</tbody>
</table>

The outcomes above demonstrate the values of R, R squareR², Adjusted R Square, F- value and the Sig Value which has been derived carefully from the analysis of Variance table (Anova Table). In the model R Value speaks to the basic correlation and for this situation it is 0.978 which is high and it speaks to a high level of correlation. The R² value
or the R Square Value demonstrates the aggregate sum of variation in the dependent variable that can be observed due to the independent variables. By results the change is 0.965 which means that 96.5 percent variation in the dependent variable can be explained by the independent variables. The adjusted R square Value is acquired subsequently by expelling certain variances from the independent variables. The F-value or the F-statistics has a value of 181.04 and the sig (p-value) acquired from the Anova yield is 0.000 which expresses to be good fit of the model. 

Table 4.5 then again explains the standard Error, the t values, the beta values of regression, and the sig (p-values) for testing the hypothesis of our study. The coefficients table is appeared below with examining the detailed of results in point of interest.

Table 4.5

The unstandardized coefficient elaborates the level of difference in dependent variable with an independent variable, while keeping all other independent variable constant. For instance it can be elaborated that by increase in Development Opportunity there is an increase of 0.236 in the level of Employees Retention. Likewise it can be translated that for a comparative increment in the levels of Recognition there is 0.390 level of reduction in employee's retention. Beside from one Independent variable recognition which has a negative B Value all other independent variables have a positive B Value. It can be seen that for all independent variables (p < 0.05). It demonstrates that there is a significant impact of these independent variables on the dependent variable. The regression results demonstrated that p Value < 0.05 which permits us to dismiss the null hypothesis and acknowledge H: 1 which expresses that there exist significant relationships among these two variables of Opportunity for Career Advancement (OCD) and Motivation (MOTV). Development opportunity and motivation had a p Value under 0.05 i.e. p < 0.05 which permitted to acknowledge the substitute hypothesis H: 3 which expressed that “there is a significant relation among Recognition (REC) and Motivation (MOTV)”. Regression was run again to test for H: 4 and p value was again less than 0.05 p < 0.05 which proved the hypothesis i.e “there is significant relationship between Opportunity for career advancement and Retention”. Whose R square value was 0.489 which depicted that 48.9 percent change in dependent variable can be interpreted by Employees Retention (ER). Finally it can be found out that there exist a significant relationship between independent variables and mediator. Once again Regression was applied for testing H:5 i.e, “there is a significant relationship between Motivation and Employees Retention”. The outcomes demonstrated that p < 0.05 which proved H: 5 and rejected the null hypothesis. Regression was again applied to find out the significance level among two variables these are Independent and Dependent variable however this time Mediating Variables was not included. The outcomes demonstrated a significant relation among all Independent and Dependent variables because Independent variables had p < 0.05. So all the hypothesis arranged from H: 6 to H: 9 were accepted, while rejecting Null hypothesis. Finally the outcomes demonstrated that there was a significant relationship between the independent variables and the dependent variable.

Baron and Kenny analysis (1986)

Table 4.6 shows the results of regression for testing the first (H1) assumption.

Table 4.6

In the above table 4.6 Motivations (Mediator) has been kept as the dependent variable while on the other hand opportunity for career advancement as the independent variable. Results from the above table demonstrate that value of p < 0.05, which
demonstrates that there is a significant and positive relation among Opportunities for Career Advancement (OCA) and Motivation (MOTV). In this way first assumption is fully satisfied.

Table 4.8 shows results of Regression for the First (H2) assumption.

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (Constant)</td>
<td>-</td>
<td>2.612</td>
<td>-4.016</td>
<td>.000</td>
</tr>
<tr>
<td>DO</td>
<td>1.351</td>
<td>.127</td>
<td>.671</td>
<td>10.731</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Motivation

In the above table Motivation stays as the dependent variable and Opportunities for Career Advancement is supplanted by Development Opportunity. Results demonstrate that value of \( p < 0.05 \) which demonstrates that relationship is highly significant and positive in this way first part of hypothesis is acknowledged.

Findings of the test are summarized in the table 4.8 which shows results of regression for the First (H3) assumption.

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (Constant)</td>
<td>-</td>
<td>.800</td>
<td>.099</td>
<td>25.171</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Employees Retention

For proving the second presumption Mediating variable Motivation is considered as independent in the box of regression whereas Employee’s Retention is considered as dependent variable. The findings demonstrate that there is a positive and significant relationship among two above said variables Motivation and Employees Retention as \( p < 0.05 \). Hence the second assumption of Baron and Kenny is also proved.

Findings of the test are summarized in the table 4.10 which shows the regression for the third assumption of Baron and Kenny test.

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (Constant)</td>
<td>-.384</td>
<td>.949</td>
<td>-.412</td>
<td>.691</td>
</tr>
<tr>
<td>OCA</td>
<td>.370</td>
<td>.041</td>
<td>.591</td>
<td>10.899</td>
</tr>
<tr>
<td>DO</td>
<td>.417</td>
<td>.067</td>
<td>.452</td>
<td>6.145</td>
</tr>
<tr>
<td>REC</td>
<td>-.478</td>
<td>.086</td>
<td>-5.499</td>
<td>.000</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Employees Retention

The dependent variable Employee’s Retention has a significant impact with all the Independent variables as \( p < 0.05 \) in every one of the cases. Hence, the third assumption that “there is a significant relationship between Independent and Dependent variable” of Baron and Kenny test is also proved after applying its test.

After fulfillment of all the assumption of Baron and Kenny now, Mediation Model will be tried to apply with the help of Regression Analysis. After applying Regression analysis, in case any insignificant results appear by running regression then it would be a complete Mediation otherwise this Mediation Model would be strongly rejected which mean to rejection of hypothesis from H:8 to H:10 and accepting of Null hypothesis. Now after applying Regression analysis we came to this conclusion there is a mediation effect of Motivation (Mediator) on both OCA, DO, REC (Dependent Variable) and Employee Retention (Independent Variable).

Table Findings of the test are summarized in the 4.11 which demonstrates the findings for the first Regression analysis.
As per the findings of the table 4.11 which demonstrates that both variables Motivation (Moderating) and Opportunity for Career Advancement (Independent variable) mutually have significant affect on dependent variable Employee’s Retention and no change can be seen in significance level as $p < 0.05$ which remains as it is. Therefore the hypothesis H:8 will be dismiss for this situation and its null hypothesis will be acknowledged, which states that there is no mediating effect of Motivation on the relationship of Opportunity for Career Advancement and Employees Retention. Table 4.12 shows the results of regression for the mediating analysis.

Table 4.12

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std Error</td>
<td>Beta</td>
<td>t</td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>1.971</td>
<td>.591</td>
<td>-.333</td>
<td>.001</td>
</tr>
<tr>
<td>MOTV</td>
<td>.422</td>
<td>.040</td>
<td>.676</td>
<td>11.018</td>
</tr>
<tr>
<td>OCA</td>
<td>.270</td>
<td>.057</td>
<td>.290</td>
<td>4.799</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Employees Retention

The results of table 4.12 demonstrates that Motivation and Development Opportunity significantly affect Employees Retention and in spite of this fact that there is a little bit difference in the level of significance which is 0.04 so there is no mediating impact of Motivation in the relationship of Development Opportunity and Employees Retention, thus hypothesis H:9 will be rejected, which says “there is a significant relation between Development Opportunity, Motivation and Employees retention” and its null hypothesis will be acknowledged which expresses that there is no mediating impact of Motivation on the relationship of Development Opportunity and Employees Retention.

Table 4.13 demonstrates the consequences of Regression which depicts the mediating impact of Motivation between Recognition and Employees Retention. In spite of revealing higher significance value even then it less than 0.05 this means $p < 0.05$. As compared to previous value of 0.00 it is 0.51 even then mediation is not found out. Therefore the hypothesis H: 10 that “there is significant relationship exist between Motivation, Recognition and Employees Retention” will be dismiss for this situation and its null hypothesis will be acknowledged that is “there is no mediating impact of motivation on the relationship of recognition and employees retention”.

5: CONCLUSION & RECOMMENDATION

5.1 Conclusion

The study comes to this conclusion that Career Development, Development Opportunities offered and Employee Recognition are the devices that administration of any organization can use to motivate and inspire employees in order to achieve organizational goal in a well efficient way. From this study it can be effectively derived that Non Monetary Rewards matters a great deal and ought to be considered by both employers and employees as well.

The findings of this study also concluded that employees who received Non-monetary Rewards were retained at bank while others who did not receive non monitory rewards were not retained on their duties in the institution.

These findings also concentrated that employees of banking sector provide incredible quality services on the basis of rewards honored to them which enhance their level of motivation and Retention. It is therefore presumed that employees give extraordinary worth to the distinctive non-monetary rewards given to them by their managers. Thus, when these rewards are not given, employees tend to express disappointment through non-retention to their jobs.

The discoveries of this study concentrate in these words that “employees who got Non-Monetary Rewards from their Banks on their well performance do not leave their organization as compared to employees who do not get non
monetary rewards are not well committed with their Bank.

5.2 Recommendations
The after all effects and conclusion of this examination could provide advantages to top management and policy maker. The study suggests that since Career Development opportunities affected, Employees, Retention, so every service associations would adopt the policy of bestowing the chances of Career Development to their employees as it positively affects retention, by broadening this examination in different administrative commercial enterprises like Telecom, Hospital, Hotel industry and so on.

The study has investigated the impact of Non Monetary Rewards on Employee Retention with the role of Motivation as mediator in Banking sector of Pakistan to offer a comprehensive detail on the significance of keeping up an effective reward framework that could present an effective output and also will prove to be a competitive advantage in the present era of competition.

5.3 Limitations and Future direction
The accompanying are the limitations which have been experienced during the study,

The study has been made in the territorial jurisdiction of Pakistan; in those capacities this study requires enough care and caution. Time and financial resources were the basic limitations which confined us within the vicinity of the certain cities. Like checking the relationship there is need of time to see the mediating effect of employee engagement because employee engagement is a temporal phenomenon. Also, there are more other non-monetary rewards those could be concentrated in this specific study, different analyst might need to take other variables into account during their study as there are chances of different findings than these findings.

The respondents’ reactions may be based on individual’s biasness their state of mind and inclination towards certain aspect.

Limited geographical location is also a constraint for the analysis. It makes less affirmative generalizability of concluded findings.

References:


[40] Chiu, R. K., Wai-Mei Luk, V., & Li-Ping Tang, T. (2002). Retaining and motivating employees: Compensation preferences in


