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ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE MA PROGRAM IN HUMAN RESOURCE MANAGEMENT

Factors Affecting Employee Retention in the Banking Industry: The Case of Selected Private Commercial Banks in Ethiopia

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**A Thesis Submitted to Addis Ababa University School of Commerce in Partial
Fulfillment of the Requirement for a Degree in Master of Arts in
Human Resource Management**

Advisor: Solomon Markos (PHD)

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Addis Ababa**

Declaration

I, **Mulu Haddis Tedla**, MA student in Human Resource Management (HRM), declare that the research project titled, **Factors Affecting Employee Retention in the Banking Industry: The Case of Selected Private Commercial Banks in Ethiopia**: is my original work under the guidance and supervision of the research Advisor. It has not been submitted for any degree in any university. All cited documents have been acknowledged dually.

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Ms. Mulu Haddis Tedla, has conducted the thesis titled, **Factors Affecting Employee Retention in the Banking Industry: The Case of Selected Private Commercial Banks in Ethiopia**: under my supervision and guidance. I therefore certify that this project is her original & genuine work.

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Place : Addis Ababa, Ethiopia

ADDIS ABABA UNIVERSITY
School of Commerce

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The Case of Selected Private Commercial Banks in Ethiopia**

By: Mulu Haddis Tedla

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Abstract

This study examines factors affecting employee retention focusing on private commercial banks in Ethiopia. The banking sector runs huge finance and employs thousands of work force. The literature review and the primary data analysis indicated that employee stability challenges are highly affecting the banking industry. With increase in the number of new banks, bank branches, financial institutions and the dynamic changes in the business environment; a fierce competition for labor is continue to challenge employee retention capacity of the banks. In situations like this, retaining existing employees is very crucial. As the primary purpose of the study is identifying and analyzing the major factors that affect employee retention ability; the contributions, associations and significance of compensation, training, career development, work-life balance and work environment were studied. The study adopted a mixed research approach and explanatory research design. A total of 283 employees from Awash, Wegagen and Lion Bank have participated in the study. A self-administered questionnaire & interview were used to collect primary data and it is analyzed using descriptive and inferential statistics. According to the statistical analysis findings, compensation & work-life balance highly determine employee retention ability of the banks under study and this factors demonstrated higher significance, contribution, positive relationship. Hence, hypothesis in relation to this factors were also accepted. On top of this, career development, work-life balance & work environment revealed significant positive relationship with employee retention and the tested hypotheses in relation to these factors were accepted too. The major findings of the descriptive analysis has established that majority of respondents do not have an intention to stay with the banks. This indicated the banks employee turnover will continue to increase, whereas, the banks did not realized or prepared to mitigate this challenges. Therefore, it is recommended that, in order for the banks to respond the deteriorating employee intention to stay, they need to reconsider their understanding, practice and develop comprehensive employee retention policy. Reviews of the banks compensation package (salary, pay and benefit), improvements on the work-life balance programs, fairness of career development practices and enhanced work environment are also recommended.

Key Words – *Employee Retention, compensation, training, career development, work-life balance, work environment.*

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Employees are the most vital & dynamic resource that determine the success of every organization (Armstrong, 2009; Robert & John, 2010; Daniel, 2010). It is obvious that, this vital resource, employees, play the greatest role in attaining the organization's mission. Retaining this vital resource or the ability to gain employees good will to stay longer is an essential component to a healthy organization (Lockwood, 2006; Robert & John, 2010; Kossivi et.al., 2016). This ability overarches all other aspects of human resource functions. It reflects the organization's willingness & effort in meeting employees' expectations. This effort therefore creates a positive work environment that strengthens employees' commitment, sense of belongingness and increase company morale (Piyali, Rachita, Jagdamba & Shadman, 2013).

Organizations spend much of their time and efforts in searching and hiring competent employees. However, this effort will be wasted if they are not retained for longer. Likewise, employee retention is by far efficient than recruiting, orienting and training a replacements of the same quality. This is because, time and money is invested to equip the new employees with the necessary skills in order to bringing them up to the existing employees (Haider, Amran, Chaudhry, Rosman, Omair, Alamzeb, Ahmed, Shaheryar & Fariha, 2015; Kossivi, Xu, Kalgora, 2016). When they leave after all these efforts, the organization will be left at complete loss and the organization will be forced to redo the whole process again. On top of this, the importance of employee retention is emphasized with the costs of the departing employees and with the shortage of skilled labor around the world (Daryl & Phil, 2005; Chandranshu & Ruchi, 2012). This holds true with all positions regardless of the skill requirement. Especially, when the position involves customer interaction, employee retention has a positive impact (Hinkin & Tracey 2000).

Researchers also agreed on employee retention importance as globalization, high local/international competition, increase in knowledge work and frequent advancement in technology impose many challenges to all countries (Dary & Phil, 2005; Chandranshu

& Ruchi, 2012; Hussin et.al, 2016; Kossivi et.al, 2016). In such change, employee retention can serve the organization as a means of preventing loss of talent, knowledge and loyal customers. However, in this fast growing & highly changing environment satisfying the sensitive issues of retaining best carrier oriented employee becomes a shared challenge (Dary & Phil, 2005; Hussin, Ale, Hassana & Hassan, 2016; Kossivi et.al, 2016). Employee retention will be more challenging with the absence of a valid, up-to-date insight & understanding of the factors that are affecting it.

Retaining an employee for a maximum period takes various measures into consideration (Ans & Annelies, 2008; Haider et.al, 2015). This begins with the understanding of the different sort of reasons that arise from the employee and the job. In this case, organizations have to note the varying reasons behind their employees' decision to stay or leave whereas; if they fail to adopt & cope up in time, they will end up with huge problem (Daniel, 2010; Ednah & Geoffrey, 2017). Thus, organizations have to sense the departure of significant number of employees and alert with the presence of unresolved problem that need to be traced and addressed. In line with this, the proposed study intends to identify the factors that affect employee retention in the private commercial banking industry taking the trends of Awash, Wegagen & Lion Bank.

The Ethiopian private commercial banking industry has started in the year 1994 with one of the banks in this study, Awash Bank and others, including Wegagen & Lion, continue joining the industry following its footsteps (National Bank of Ethiopia, NBE). Currently, it reached 18 and these banks invest billions and hire thousands of employees opt to lead the market (NBE). However, the major players of the industry face high competition over the skilled labor with the increase in number of new banks and their expansion plan (The Ethiopian Business Review, 2014). These emergence and increase in number turned out to be a curse and a blessing to the banking industry and the financial sector (Ekra & Mary, 2016). The Ethiopian Business Review (2014), report underlines, the competition for skilled labor become fierce and continue to highly challenging the industry. In order to mitigate these fierce challenge, the banks need to identify the factors behind their staff instability, developed and practiced an improved

retention scheme. Doing so, the banks can create a favored environment where competent employees devoted to stay longer and be preferred employer. To this end, the study attempts to uncover the factors affecting employee retention of the private commercial banking industry focusing on three banks, Awash, Wegagen & Lion Bank.

1.2 Statement of the Problem

Human capital is a strategic resource essential to the survival as well as the success of every organization (Armstrong, 2009; Robert & John, 2010). The ability to retain this capital is crucial; yet it has become a major challenge to many (Dary & Phil, 2005; Chandranshu & Ruchi, 2012). Especially with the dynamic nature of the resources and the business environment, the inability to retain employees exposes the organization to high staff turnover and related losses. Such as: losses in productivity, slips in schedule, loss of corporate knowledge, loss of talent, corporate secret, profitability, loyal clients and the opportunity costs (Raymond, 2008; Armstrong, 2009; Robert & John, 2010).

The departing staff will also take valuable knowledge and expertise gained through their stay. Similarly, they also take their experience, expertise and established relationships with various stakeholders (Ekra & Mary, 2016; Piyali et. al., 2013). All this losses are highly affecting the organization. Further to the mentioned losses, the organization also suffer from direct financial costs that include paperwork/time exit Interview, recruiting replacement, on boarding, training new employee, temporary workers cost or overtime for workers who fill the gap, etc. (Robert & John, 2010). All the aforementioned challenges have become a universal threat to which Ethiopia is not an exception as witnessed with the banking industry and various stakeholders' staff mobility challenges.

Accordingly, the Ethiopian Business Review (2014) reported, the increase in number of new banks and financial institutions joining the business sector is threatening the sector's major players with a fierce competition for labor. The report continued to emphasize on the competitive nature of the staff retentions challenge that the banking industry's is experiencing. The report has also noted that staff retention challenges are

continuing being a major threat to the banking industry. The banks three years (2015-2017) employee turnover data and the preliminary interview with the studied banks' Human Resource Department heads reinforce the fact that employee retention challenges are imposing a continuing threat. According to the reviewed employee turnover data, the functional staff turnover rate showed an increasing trend with an average rate of 7.6% or 295 employees. This number would have been eliminated or reduced, if the reasons behind this turnover have been studied, identified and recommendations has been adopted and implemented. However, failing to do so the banks are scarifying and losing a lot.

To see the severity of the banks' staff retention challenges; it is sufficient to taking one aspect of the loss i.e. cost. For instance, a 10 years old study conducted by Yared (2007), has calculated the average staff replacement cost per employee as ETB 6,740.00. Obviously, by now, this cost has increased but for the sake of reflecting the severity, if an increase of 50% is considered, the replacement cost per employee reached to ETB 10,110. This cost needlessly escalates the organization's expenses. This analysis makes it easy to note how staff retention challenges are critical and costly even before including all other aspects of losses i.e. non-financial or non-quantifiable losses. Therefore, investigating the factors behind staff retention challenges is worthy to the banks reputation.

1.3 Research Question

This research addresses the following key research questions:

- What is the current staff retention policy and or practice at Awash, Wegagen & Lion Banks?
- What are the determinant factors that affect the banks' employee retention?
- To what extent selected human resource factors (compensation, training, career development, work-life balance, and work environment) influence the banks' employee retention.

1.4 Objectives of the study

1.4.1 General Objective

The general objective of the study is to identify the factors that affect the employee retention of the private commercial banking industry and analyze their triggered influence focusing on the trends of Awash, Wegagen and Lion Bank.

1.4.2 Specific Objective

This research intends to attain the following specific objectives:

1. To investigate the private commercial banks, Awash, Wegagen & Lion staff retention policy and or practice.
2. To identify the major human resource factors that are affecting the banks' employee retention.
3. To determine the influence of selected human resource factors: compensation, training, career development, work-life balance, and work environment on employee retention.

1.5 Definitions of Key Terminologies

The key terms in this study holds the following conceptual or operational definition.

Employees Retention: is an employer's effort to retain talented employees by developing good policies to the achievement of the organizational goals (Chowdhury & Nazmul, 2017)

Functional Turnover: separation of potential employees for a reason that the organization could restrain deploying different mechanisms. (Operational Definition)

Compensation is the primary financial and tangible reward received in the form of pay, incentives, and benefits (Armstrong, 2009).

Training is an investment on building and developing employees' skills; all practices that have a potential to improve people's capability.(Chandrashu & Ruchi, 2012).

Career Development: is a system, which is organized and planned effort of achieving a balance between the individual career needs and the organization's workforce requirements (Atif et.al., 2014; Biju, 2015)

Work-life Balance are practices concerned with providing scopes for employees to balance their job or work responsibilities with their personal responsibilities and interests outside work (Ekra & Mary, 2016).

1.6 Significance of the Study

Primarily the study is meant to be shared with banks considered in the study, other interested private and government owned banks and emerging financial institutions such as the insurance sector. The specific significance of the study can be summarized as follows: The study and the findings will help the banks to rethink on issues related to long-term retention of staff. It will enabled them to identify properly the factors that contribute to staff retention and the necessary measures that they should take. Thirdly, the study and the findings can also be used by the banking sector as an input to support future similar studies. Finally, as such studies have not been widely carried out in the past, this study will add to the reference materials for similar studies.

1.7 Scope of the Study

The study targets Awash, Wegagen & Lion Bank employees. In consideration of the quality, geographically reachability and manageability concerns, the studied samples were drawn from these banks Head Offices & Main Branches residing in Addis Ababa. These parts of the banks include all sort of positions that make-up the banks. Emphasis was also given to the professional employees as their longer stay and availability highly matters to the banks' success. Besides, in order to have an updated in-sight on the status of the banks employee retention, three years data (2015-2017) was accessed.

Further to the above-mentioned considerations, the study has focused on the extent of the practical contribution and effects of selected HR factors: compensation, training, career development, work-life balance, and work environment on the employee retention. The reason behind this selection was that, many studies considered these HR factors as a major determinants of staff decision to stay or leave. However, the findings of these studies' were highly contradicting and fragmented. Thus, selecting and studying these factors will establish a clear understanding of their significance and or relationship with employee retention.

Assumptions:

The study mainly focused on perceptions. It also has observed the following assumptions for comprehensive analysis, interpretation & recommendation. Similarity of the regulatory body of private banks i.e. National bank of Ethiopia and the regulations that governs their actions. Similarity of the labor market that the banks all go and the labor law that governs them. Similarity of their service & service modality, their basic facilities and their salary scale more or less are similar

1.8 Organization of the Study

The study includes five major chapters. The first chapter includes the background of the study, statements of the problem, objective of the study, the research questions, the research hypothesis, definitions of terms, significant, scope and organization of the study. The second chapter reviews the theoretical and empirical aspects of all available related researches on staff retention from within and out of country. The third chapter discusses the research design & approach, the sources of data & the data collection methods used in the study, the target population and the sample design used to determine the sample size, method of data analysis tools, validity and ethical considerations. The fourth chapter deals with the analysis and presentation of the study. Finally, the fifth chapter of the study covers the conclusions and the recommendations.

CHAPTER TWO: LITERATURE REVIEW

This part of the study reviewed all available and related literatures on the factors that affect employee retention from both theoretical and empirical angle. This part also portrays the conceptual framework that guides the study.

2.1 Theoretical Review

Employees are the most vital, dynamic and complex resource who determine the success & survival of every organization (Armstrong, 2009; Robert & John, 2010; Daniel, 2010). They are the assets that make or break the organization and termed as the life-blood of an organization (Kossivi et.al, 2016). Retaining this resource or gaining the employees' goodwill to stay longer is essential for the long-term growth of the organization (Chandrashu & Ruchi, 2012). The suggestion of the most prominent & powerful businesspersons emphasized this view. Bill-Gates of Microsoft says, "Take over 20 best people and virtually overnight we become a mediocre company." Alfred Sloan of General Motors strengthen this by saying, "take my assets, leave my people and in five years I will have it all back" (Biju, 2015).

Studies have also concluded that due to the expertise, knowledge, skills & experience; talented work force is considered as a high worth to the organizations (Mita et. al., 2014; Asma, Shagufta & Tabinda, 2015). In order to get the most out of the employees and keep the organization healthy it is unquestionable that an organization has to be able to retain them. If so, what is employee retention?

Different researchers describe retention as an employer's effort to retain their talented employees through developing good policies for the achievement of the organizational goals (Chowdhury & Nazmul, 2017). Bidisha & Mukulesh (2013) argue that employee retention is a process in which employees are encouraged to remain with the organization for a maximum period i.e. until the completion of the project. Mita et.al, (2014) regarded employee retention as a technique adopted by businesses to maintain an effective workforce and at the same time to meet operational requirements. Thus,

employee retention is the responsibility of an organization to keep potential employees for the reason that they will probably contribute to the firm to reach its destination (Kossivi et.al, 2016). In summary, employee retention is an effort by a business to maintain a working environment, which supports the current workforce to remain with the company. Although many other researchers describe employee retention, almost all circled around and agreed with keeping these valuable assets, i.e., employees for a maximum period to the organization long-term wellbeing.

2.1.1 Why Employee Retention?

According to different studies, the why of the employee retention is addressed from differing angles, though they agree on its importance for the success and long-run-wellbeing of the organization. Accordingly for Piyali et. al. (2013) the ability to retain human capital is a crucial factor for an organization's success and creates a positive work environment that strengthens employees' commitment to the organization, their sense of belongingness and increase company morale. Haider et. al. (2015); Kossivi et.al, (2016), argued that retaining an employee is much more efficient than recruiting, training and orienting a replacement of the same quality because every organization invests time and money to equip the newly joined employees with the necessary skills to make them ready and productive as the existing ones. When these employees leave then the organization will be left at a complete loss and forced to redo all over again.

Employee retention has positive impact regardless to the position's skill requirement whether high level or not; especially, when the position involves customer interaction (Hinkin & Tracey, 2000). If an organization fails to adopt & cope up with the retention issues in time, it will end up with huge problem (Daniel, 2010). Robert & John, 2010; Hussin et. al., 2016; Dary & Phil, (2005), emphasized the importance aligning it with the costs of departing employees and the shortage of skilled labor around the world. Lockwood, (2006) builds-up on this; that retention ability serves the organization as a means of preventing loss of talent, knowledge, customers and or clients who are loyal to the organization.

2.1.2 The How of the Employee Retention?

The above arguments take us to studies that claim the need for pointing out the critical factors resulted in employees departure and the need for deploying proper retention measures (Chowdhury & Nazmul, 2017; Piyali et. al., 2013). This implies, to retain employees, the organization has to first figure-out, understand and address the issues associated with the identified factors. According to (Ans & Annelies, 2008; Haider et.al, 2015; Janet et. al., 2015); the ability to retain employees overarch all other aspects of human resource functions through which the organization shows its capacity and effort in satisfying & retaining its valuable employees and or prevents them from leaving.

Other studies claim that employee retention is affected by different factors and understanding them will assist to improve the organization ability to restrain, and or nullify all related costs/losses (Armstrong, 2009; Robert & John, 2010). Retaining an employee for a maximum period takes various measures into consideration (Ans & Annelies, 2008; Haider et.al, 2015; Janet et. al., 2015). This begins with the understanding of the different sort of reasons, which arises from both the employee and the job itself. The actual reasons that people stay or leave vary and the actions that the organization takes to strengthen the possibility of retaining employees differ depending on the circumstances (Robert & John, 2010).

Accordingly, researchers agreed on the use of retention assessment and metrics to trace the factors that are affecting the organization's retention scheme or retaining capacity. Robert & John (2010), Mita et.al. (2014) suggested the use of employee surveys to diagnose the needs or preference of employees and to understand whether the organization's retention scheme is accepted or negatively viewed. The other means suggested is, to use exit interview and or contact ex-employees regularly, especially the valuable contributors, to get the reasons for their departing and to get information on how to improve company's retention efforts. First-year turnover/retention evaluations were also suggested to gives a clue on the most likely staying employees i.e. employee who stays for a year are likely to continue; with positive retention beyond the first year.

These same writers, Robert & John, (2010); Mita et.al. (2014), claim that the identification of the retention factors and implementation of improvement is not an end; rather, it has to be backed with a continuous evaluation and follow-up. Tracking of intervention results and adjustment of intervention efforts such as pilot programs to test the effect of the intervention before applying them to the entire organization; should also be part of the evaluation & follow-up. On top of this, the actions to deal with retention issues have to be custom tailored to each organization. Thus customizing, interventions to each individual organization, demands a study and identify that specific organization's retention problems with the factors that are affecting its retention ability.

2.2 Factors Affecting Employee Retention

Significant numbers of employees leaving the organization might be an indication/symptom for a presence of a problem where the organization needs to investigate the factors and take action. Accordingly, different studies come up with the exploration of the different factors. For instance, Robert & John (2010), Mita et.al., (2014) disclose the prevalent myths and realities that facilitates employee retention lays on human resource and management factors. This are clearly established goals, effective management, positive organizational views, organizational politics, managerial favoritism, quality of organizational leadership, work relationships, job and work-life balance, rewards & compensation, benefits, performance, career training and development, employer policies and practices.

Other researchers: Ing-Chung, Hao-Chieh & Chih-Hsun, (2006); Ans & Annelies, (2008); Bidisha & Mukulesh, (2013); Piyali et. al., (2013); Sharon & Hlanganipai, (2014); Haider et. al., (2015); Chowdhury & Nazmul, (2017), similarly pointed out various factors: recruitment, compensation, job security, training & development program, promotion & opportunity for growth, supervisor support, work environment, best career growth opportunities, recognition, autonomy, communication and company justice etc. as influencing factors.

It could be observed that researchers has come-up with the various employee retention-influencing factors although their influence varying from high to low. This implies that there is no agreement in fixing a right mix of human resource practices as to how to keep an employee loyal to the organization. This is also depends on the employer's emphasis and choice of factors that best suits her/his organization; yet, all begins with recruitment to create a strong committed work force with a real task to retain them. (Mita et. al., 2014). Therefore, to have a broader understanding, this study attempts to review selected HR factors: compensation, training, career development, work-life balance and work environment in detail and frame their contributions towards employee retention.

Compensation

The primary financial reward is regarded as compensation, tangible reward, received in the form of pay, incentives, and benefits (Armstrong, 2009). In other words, compensation is rewarding employees through pay, incentives, and benefits for performing the organizational work. Compensation is a determinant factor for employees to choose to work between organizations they often cite better pay or benefits as the reason for leaving one employer for another (Robert & John, 2010). The relation between compensation and retention is the subject to many studies yet differ on their findings; for some, it strongly influences employees' decision to stay while for others it does not directly influence or is of little impact.

Sharon & Hlanganipai, (2014); Haider et. al., (2015) put forth that monetary pay/compensation as the primary factor to retain employees. More specifically, Robert & John (2010) recognize compensation as one of the key leading human resource practices with a positive relationship to retention. Compensation is also considered as employee retention technique, a motivator and one of the key factors to attract and retain exceptional performers and or those who acquire unique & crucial skill to the organization (Mita et. al., 2014).

In addition to the above claims, Piyali et. al., (2013); Ednah & Geoffrey, (2017); Ing-Chung et. al., (2006); each of them come up with different points as to how compensation boosts retention capabilities: well-organized pay system: skill-based or

merit-based, pay rise, transparency of pay decisions, performance related pay, extrinsic rewards (amount of pay and other benefits), effective wage, long period improved compensation coupled with quality of work.

To the contrary, High House, Filip & Evan (2003) argued that money may attract employees but it is not a warranty to keep them. It satisfies yet insufficient to retain employees; they also argue that money could not be not considered as primary retention factor. They underline that organizations, apart from offering high compensation or pay based retention strategy, they can be able to have & implement very good employee retention strategy. They also recommend that pay only or high pay package is not sufficient guarantee to bring and or retain employee although low pay package could be a drive for workers to leave the organization (High House et.al., 2003)

They further point out that high salaries are not essential for an intention to stay but “good” and “fair” salaries are the ones that have strong correlation. They also underline that, as long as the compensation is competitive, financial rewards are not the primary factor in retention. Similarly, Kossivi et. al., (2016), add, compensation couldn’t be considered as a retaining factor, even though it has a potential to create dissatisfaction and or being a reason for employee’s departure if it lacks fairness and equity.

In general, the studies contradict in recognizing compensation as a key/primary factor of employee retention. For some it is recognized as essential factor for retention while for the others it has little to do with retention. This contradiction leaves a gap on consideration of compensation’s contribution towards retention. Thus, it is logical to clarify this gap by studying the practical aspect focusing on the trends of organizations like the private banking commercial industry.

Training

Armstrong (2009) defines training as the use of systematic and planned instruction activities to promote learning. It focuses on learning related to present job (Raymond 2008). Training is an investment on building and developing employees’ skills; all

practices that have a potential to improve people's capability has greater returns and considered as investments in human capital (Chandrashu & Ruchi, 2012). Training is considered as a key practice in human resource management that determines employee retention. Khawaja & Nadeem (2013) assert that training is a sign of organization's commitment to employees and a reflection of its value adding based strategy. Accordingly training assists to lower turnover and considered as important factor in employee retention. On top of this, it allow to cope with the rapidly changing and fast-paced emerging technologies, keeping skills fresh and staying current has to be a priority (Atif, Nawaz & Faiq, 2014; Ekra & Mary, 2016).

Studies show that, high growth of an organization is dependent employee's capability; training is meant to improve employees' capability and performance (Khawaja & Nadeem, 2013). Organizations, therefore has to provide comprehensive training programs to attain their competitive advantage. Good training practice lets both employees & organizations achieve their goals and boost the rate of retention (Chandrashu & Ruchi, 2012; Khawaja & Nadeem, 2013).

To the contrary, Atif et.al., (2014) argue that once the staff get trained and acquire the necessary skill, they will demand for higher pay, which costs to the organization and or start to search for another opportunity to switch demanding better pay. Thus, studies like this one's doubt training's contribution towards staff retention claiming the possibility of motivating turnover. Once again, it logical to sort-out this contradiction investigating the factor's influence and relationship with employee retention.

Career Development

Development is growth or realization of a person's ability, through conscious or unconscious learning and in many aspects, it indicates the growth and movement by the learner; it focuses on learning for growth of the individual's future job (Raymond, 2008). Atif et.al., (2014); Biju (2015) assert that career opportunities and development is a process of movements that an individual makes to achieve his career plan. It consists activities undertaken by the employee and the organization to meet career aspirations

and job requirements According to them, career development is a system, which is organized and planned effort of achieving a balance between the individual career needs and the organization's workforce requirements.

Researchers claims that lack of career growth and development opportunities as one of the reasons for high employee turnover (Mita et. al., 2014; Janet et.al., 2015; Biju, 2015). According to them, career development is one of the most important factors that has to be considered and or recommended for reducing employee attrition; thus providing wider career development opportunities makes the employees to stay longer and enhances their loyalty to the firm. Lockwood (2006) further adds that employees' decision to stay or leave is related to the career possibilities and how they can become better prepared to move to other opportunities.

Likewise, Biju (2015) suggests, employees, who feel that they have higher chance of promotion within are the ones that most likely to stay with the organization. This same researcher extended, promotion opportunities will not only give the employees a sense of appreciation and gratitude but also influence their decision stay or leave. Chandranshu & Ruchi (2012) also argue that career development goes beyond employees feeling that their employers are investing in them; but also it helped them to manage their lives too. Similarly, a study concludes that in order to get the utmost efforts of employees, organizations have to provide the best career growth opportunities to their employees (Janet, et.al, 2015; Biju 2015).

Work-Life Balance

According to Ekra & Mary (2016), work-life balance practices are concerned with providing scope for employees to balance their job/work responsibilities with their personal responsibilities and interests outside work. In other words, the concept of work-life balance is about the employees' achievement of a satisfactory equilibrium between work and non-work activities. This implies that, they could reconcile the competing demands of their work and home while meeting both needs.

Work-life balance has a direct relation with the employee's decision to stay or leave the organization (Mita et. al., 2014). These recommendations include the need for norms on working hours, role models at the workplace, flexi work hour's arrangements, effective talent acquisition and training practices (Ekra & Mary, 2016; Mita et. al., 2014). They also observed that stress and its various components like emotional exhaustion and job burnout are the major causes of high employee turnover. To minimize this, there should be a healthy balance between an individual's work and his personal life.

Researchers suggested that family-friendly work-life balance policies will assist to enhance and facilitate flexible working such as: working from home, part time work, compressed working weeks, annualized job hours sharing, term-time only working and flextime. (Ekra & Mary, 2016; Mita et. al., 2014). This increases employees focus, motivation and commitment at work while meeting both employer expectations and family responsibilities, so that stress levels & turnover intentions will be reduced and mentally healthy workforce maintained.

For Biju (2015), work-life policies are mechanisms for proper balancing between personal life and demands of the work like late hours, frequent travel and quick transfers, which are costly and unfavorable quality of work life to both psychologically and socially. Armstrong (2009), recommends that in today's competitive environment the employee's choice for reduced hour schedules is not simply a matter of scheduling. It involves redesigning work arrangements such as treating individual work arrangement requests separately while considering group requests too. On top of this, organizations has to develop a culture that encourages employees to come up with such requests.

Work Environment

Daryl & Phil, (2005), Biju (2015), Kossivi et.al., (2016), suggest a conducive work environment becomes an essential factor in employee retention because employees expect an environment, where they can demonstrate their abilities. According to them, conducive work environment as a flexible atmosphere with adequate resources and working experience is enjoyable. Thus, if working environment is inferior lacking all

basic facilities like: proper lighting, working space, ventilation, open space, restroom, furniture, drinking water and refreshment, employees will not tolerate the hassle for a long (Daryl & Phil, 2005; Singh, 2008). In addition to the facilities, bad boss create a hostile working environment that forces the employees to leave their job.

2.3 Empirical Review and Research Gap

Over the years, staff turnover was the focus of many studies, unlike employee retention. This is quite common in the case of Ethiopia. Due to the availability and turnovers inverse relationship with staff retention, this part of the review considered studies on staff turnover. This is because overcoming staff turnover challenges is a reflection of the organization's employee retaining ability and vice-versa. As it is stated by Janet et, al., (2015) identifying the root cause of employee turnover is a good approach for the dilemma of retaining employees. Meanwhile, available studies on staff retention are also reviewed empirically.

A thesis titled the effect of human resource practice's on staff turnover of Birhan International Bank S.C. evaluates the Bank's employee intent to leave. The findings of this study established strong relationship between an intention to stay and challenging employment assignment. The researcher also noted that career opportunities' high positive influence on the decision to stay and minimized turnover intention (Beletshachew, 2017).

Similarly, a survey on employee turnover of Oromia Water Works Design and Supervision Enterprise concluded that better working condition to be the major reason for employee to stay with the Enterprise (Aman, 2015). For MA thesis on The Effect of Reward Practice on Employees' Turnover Intention, on Metals Industry Development Institute (MIDI); working environment was the one that showed more significant and statistically meaningful relationship than other predictors do. In other words, an improvement on the working environment will decrease employee's turnover intention. (Fanaye, 2017).

Looking in to studies conducted in other countries; Mary (2009), in her master's thesis on factors affecting recruitment and retention of qualified national staff in post conflict countries INGO workers in South Sudan reveals the highly positive influence of favorable employment terms (salaries & benefits), conditions of service and role clarity on employee retention. Another MBA thesis on the University of Nairobi; established that the use of performance results for career growth as a major factor to determine employee retention. Meanwhile, the support for staff career growth, employee promotions by merit, clear definition of employee career path, staff mentorship, coaching programs and succession planning practices also influenced staff retention (Harrison, 2012).

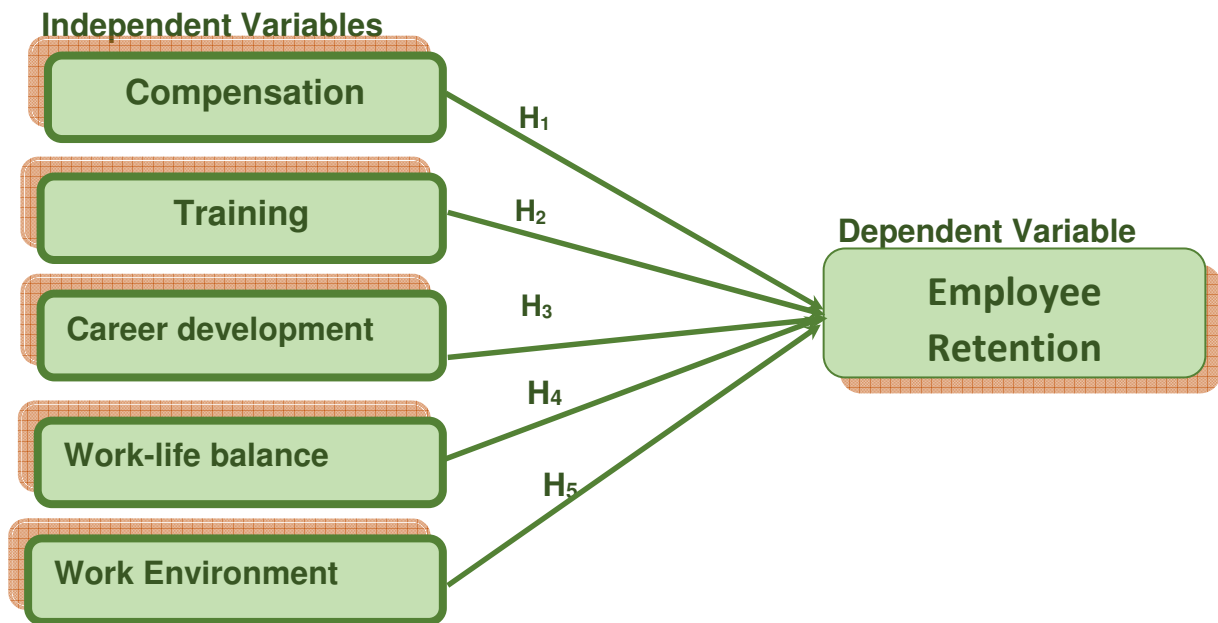
The findings of a thesis conducted on retention of staff in Pakistan Karachi Bank, showed a high contribution and strong relationship between employee motivation and employees retention (Atif et.al., 2014). Whereas employees training and employee development showed weak relationship with employees retention. It also concludes that both variables do not predict employee retention of the banking sector.

In general, unlike the few in country studies, researches of other countries tried their best to reveal & forwarded various significant findings in the area of employee retention. Yet, the conclusions on the factors contribution towards employee retention was contradicting or fragmented. They fail to propose an effective mix or proved blend of employee retention factors, practices/trends. Bringing this to the Ethiopian context, where few or no studies on shelf, conducting a study in one of the major financial sector, banking, is essential to determine the factors that influence employee retention. To back-up this gap, this study therefore, investigate and put forth its findings on employee retention focusing on the country's private banking sector.

2.4 Conceptual Framework

Taking the above discussion in to account, a self-developed conceptual framework is used to illustrate the theoretical constructs of the involved concepts. Accordingly, the figure below portrays the study's conceptual framework depicting the dependent and independent variables that make-up the basis of the study.

Figure 2.1. *The Conceptual Frame Work*



Source: *Developed by the Researcher based on the literatures reviewed in the study*

2.5 Research Hypothesis

The study tests:

- H₁:** There is a significant positive relationship between compensation and employee retention.
- H₂:** There is a significant positive relationship between training and employee retention
- H₃:** There is a significant positive relationship between career development and employee retention.
- H₄:** There is a significant positive relationship between work-life-balance and employee retention.
- H₅:** There is a significant positive relationship between work environment and employee retention.

CHAPTER THREE: RESEARCH METHODOLOGY

This part of the study discusses the research design, approach, data sources, methods of data collection, target population, sampling design, validity test, ethical considerations, methods of data analysis and presentation.

3.1 Research Design and Approach

This study has adopted explanatory research design, as it appeared to be more appropriate and efficient in yielding maximal information. It has served as a master plan to specify the methods and procedures for collecting and analyzing the needed information and ensuring its relevance for solving a problem (Kothari, 1984, Mark, Philip and Adrian, 2009).

Concerning the research approach, this study uses a mixed research approach i.e. quantitative & qualitative. The quantitative approach assisted in the systematic and scientific investigation of the determinants quantitative properties, phenomena, their relationships, measuring the fundamental connection between the empirical observation and mathematical expression of attributes (Mark, Philip and Adrian, 2009). The qualitative approach enriches the quantitative facts by explaining the in-depth meaning of the constructed factors and the intimate relationship with the researched situational constraints that shape the enquiry (Kothari, 1984; Mark, Philip and Adrian, 2009).

3.2 Data Sources

To investigate the factors that affect staff retention and to come up with comprehensive findings, this study has accessed both primary and secondary data sources. The primary data were collected from the survey participants and key informants i.e. from Human Resource Heads. For an enhanced view, secondary data was also considered reviewing all available related sources including: published literatures, annual reports, company policy, Journal articles, case studies, related reports, research papers, related online information and other related documents on staff retention.

3.3 Methods of Data Collection

Primary data was gathered using questioner & interview. The data collection was a self-administered where employees' response were collected using questioner, while key informants/concerned officials views were obtained through interview.

The major instrument used to collect primary data was structured questionnaire. It was adopted from previous scholars with minor modification to improve the accuracy, the validity and reliability issues of the instrument (Christine, 2013; Teseena and Soeters, 2006, as cited by Sharon & Hlanganipai, 2014; Dockel, 2006; and Mobley et. al, 1978; cited by Asma, 2015, Ekra & Mary, 2016). The questioner was framed in a clear manner to enable the respondents understanding and ease of answering it. It includes both closed and open-ended questions arranged in a logical manner. The biographical and occupational section was used to capture the respondents' demographic characteristics. To allow consistency and ease of answering, the study questioner used a 5-point Likert scale: 1 = strongly disagree, 2 = disagree, 3 = neither agree nor disagree, 4 = agree, 5= strongly agree. The open-ended questions were also included to get the respondents' additional view on the study topic.

3.4 Target Population and Sampling Design

3.4.1 Target Population

The population of this study comprises Awash, Wegagen and Lion Bank Head Offices & Addis Ababa main branch employees. This consideration is worthy that, both parts of the banks' comprise all sorts of positions that make-up the banks. On top of this, the banks' policies, procedures & practices is applied consistently/uniformly, throughout the functional units regardless of the geographic settings.

In line with this, the study frames a target population of 970 employees from these parts of the banks. This frame excludes the top managements perceiving their involvement in decision-making and enforcement of the findings implementation. Furthermore, it excludes employees, who hold positions with possibilities of outsourcing, high availability and less significance as drivers, guards, messengers and cleaners.

3.4.2 Sampling Design

To determine the parameters or characteristics of the larger population and draw suitable sample, this study has deployed stratified random sampling. Accordingly, the study's population was divided into sub-populations, called 'stratum' that are more homogeneous individually than the total population (Zikmund, Barry & Mitch, 2009; Mark et. al, 2009). Due to this, the samples selected from each stratum constitutes precise and accurate representative (Mark et. al., 2009). This sampling technique suits this study as its population include homogeneous groups of employees in their parts.

Given the target population of 970 employees; the sampling technique, stratified random sampling and determination of the strata; the study has adopted; $n = \frac{N}{1 + N(e^2)}$ where: n =Sample Size, N =Population, e =Margin of Error, 95% confidence level and 5% standard of error to appropriately determine the sample size (Mark et. al., 2009).

$$N=970, e=5\%; n = \frac{N}{1 + N(e^2)}; n = \frac{970}{1 + 970(.05^2)} = 283$$

Thus, the study comprised 283 employees as the sample and each stratum size is determined per proportion multiplying each stratum with the total sample size (n) and dividing it with the target population (N) and presented as follows:

Table 3.1: The study's sample frame & proportion

Strata	Total # of employees	Sample size	% Sample proportion
Awash Bank			
Head Office	488	142	50%
Main Branch	23	7	2%
Sub-Total	511	149	53%
Wegagen Bank			
Head Office	213	62	22%
Main Branch	26	8	3%
Sub-Total	239	70	25%
Lion Bank			
Head Office	200	58	21%
Main Branch	20	6	2%
Sub-Total	220	64	23%
Grand Total	970	283	100%

Source: Primary Data 2018

Accordingly, out of the total 283 employees: 149 employees from Awash Bank, 70 employees from Wegagen Bank and 64 employees from Lion bank, were considered as the sample of the study.

3.5 Methods of Data Analysis

According to Zikumend, et.al, (2009), the data analysis tool has to be dependent on the data type, whether qualitative or quantitative or both. Likewise, the study used both qualitative & quantitative data analysis. To align the collected data with the themes of the respective research questions and objectives; the collected data was edited, coded, sorted, analyzed, interpreted, summarized and presented in a meaningful manner.

To elaborate this further, the collected questionnaires were edited for completeness and consistency, coded to allow grouping in different categories and sorted per relevance then analyzed using Statistical Package for the Social Sciences, SPSS version 21. To allow understanding and data comparison, the summarized data were presented using descriptive statistics: frequencies, percentages, mean, mode, standard deviations and tables. To enrich the findings with explanation, comparison, logical and factual interpretation; the data obtained through interview and secondary sources were analyzed qualitatively.

Furthermore, person's correlation is computed using a linear multiple regression analysis & test the identified factors/ variables quantitative contribution, association and or relationship. Finally, major findings and associated results were interpreted and presented.

3.6 Validity and Reliability

A comprehensive measurement must fulfil the tests of validity and reliability; validity is the most critical criterion that indicates the degree to which an instrument measures what it is supposed to measure (Kothari, 1984). To ensure this, the study's advisor has evaluated and verified the instrument's content appropriateness and the measurement's scale; peers also has commented.

Concerning the reliability, as Zikmund, et.al, (2009), the measure of internal consistency; a pilot test was conducted distributing 30 questionnaires to the selected sample employees and analyzed using SPSS version 21. As indicated in the below table the reliability ratio, the Cronbach's alpha, for the pilot test reveals that the questionnaire has acceptable reliability i.e. $\alpha = 0.87$.

Table 3.2: *The Cronbach's Alpha result*

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.870	.896	30

Source: Own Survey 2018

Cronbach's alpha reliability coefficient normally ranges between 0 and 1. George and Mallery (2003), as cited by Joseph A. Gliem & Rosemary (2003), confirm that Cronbach's alpha i.e. $\alpha > 0.9$ – Excellent, $\alpha > 0.8$ – Good, $\alpha > 0.7$ – Acceptable, $\alpha > 0.6$ – Questionable, $\alpha > 0.5$ – Poor, and $\alpha < 0.5$ – Unacceptable". The closer Cronbach's alpha is to one/1, the greater the internal consistency of the items in the scale. Accordingly, the pilot test result, an alpha of .87, shows the instrument's internal consistency as good and reasonable to the objectives of the study.

3.7 Ethical Considerations

This study has observed all ethical considerations. It dually acknowledged all cited information in both the body and the reference section. In other words, no review/accessed document is used without acknowledging the sources. Concerning the questioner respondents': their consent was requested to ascertain their voluntary participation. Full description of the study, the purpose/intention, confidentiality and privacy protection is highlighted with a brief cover letter beforehand. In addition to this, the survey is kept anonymous/nameless.

CHAPTER FOUR: DATA ANALYSIS AND INTERPRETATION

This chapter deals with the analysis the collected data of from the three private commercial banks: Awash, Wegagen & Lion Bank Head offices and their main Branches in Addis Ababa, Ethiopia. The collected data were analyzed quantitatively using SPSS version 21 and qualitatively. The survey major findings and associated results were interpreted and presented in light of the research questions and objectives.

4.1 Response Rate

The study sample has considered a total of 283 employees from three private commercial banks head office and main branches in Addis Ababa; where, 149 employees from Awash, 70 from Wegagen and 64 from Lion banks of were considered. Out of the distributed two hundred eighty three questionnaires, 234 were fully completed and returned back. This makes up 83% of response rate; this was achieved through a continuous in person visits and reminders. According to Zikmund, et.al, (2009), a response rate of 50% is acceptable and adequate for analysis as well as for reporting. Hence, the response rate of 83% is by far higher than the established acceptable rate. Out of the remaining 17% questionnaires, 8% were partly or wrongly completed while the 9% was not returned so both were not considered in further processes.

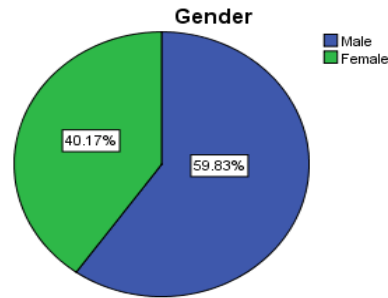
4.2 Respondents' Demographic Characteristics

The demographic distribution of the respondents' sought the gender composition, age groups, educational background and stay/work experience of the respondents. The outcome is therefore presented with graphs and discussed as follows:

Gender of Respondents

As demonstrated in figure 4.1, the study findings on the gender composition of the respondents established, approximately 60% male and 40% females respondents participated in the survey.

Figure 4.1: Graphical representation gender of the respondents'

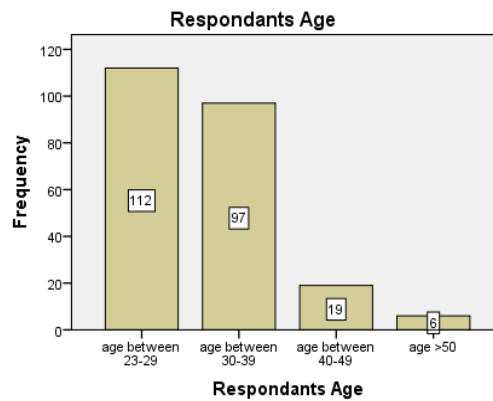


Source: Own Survey 2018

Age of respondents

The age of the respondents were categorized under four ranges. As depicted in the graph the below, majority, 89.4%, of the respondents' fall between age group of 23-39. The remaining 10.6% accounted for the age groups of 40 and above.

Figure 4.2: Graphical representation of the ages of respondents'

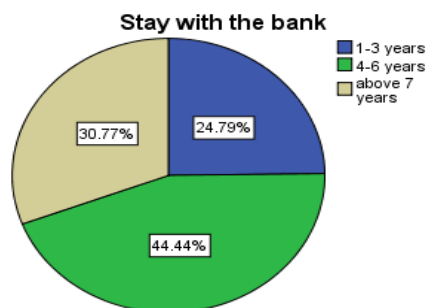


Source: Own Survey 2018

Respondents stay/work experience with the banks

The respondents' experience/stay within the banks, 24% showed a stay of 1-3 years, 44% of them stayed between 4-6 years while the 30% of them stayed above 7 years.

Figure 4.3: Graphical representation of the respondents' stay with the bank

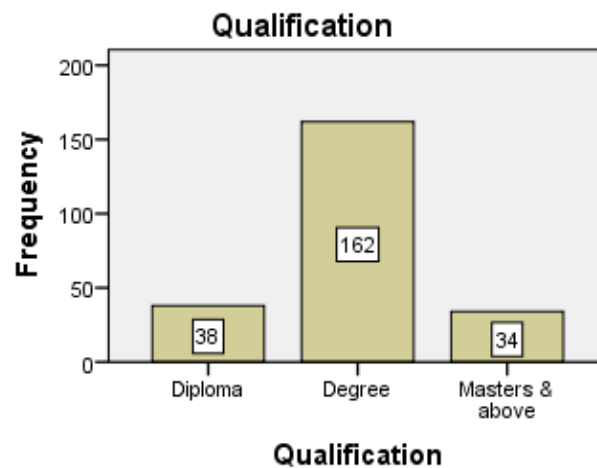


Source: Own Survey 2018

Respondents qualification/Education Level

In relation to qualification, the larger number of respondents' were above degree level i.e. 74% out of which first-degree holders stand at 69%. This fits the purpose of the study as it is concerned with the professionals. It also involves 16% diploma holders. Here it is good to note that most of the top managements were not included, as they will be the users of the findings/outcomes of the study.

Figure: 4.4 Graphical representation qualification of the respondents'



Source: Own Survey 2018

In general, looking in to the demographic statistics of the respondents, the work force comprises with slightly larger number of male and youth employees while majority of the respondents represented undergraduates and above. On top of this, the result showed that quite a number of employees leaving before reaching their third year i.e. there are employees, who are not staying beyond three years.

4.3 Staff Rretention Practice in Awash, Wegagen & Lion Bank

The interview and open-ended questions part of the survey revealed that employee retention do not seem to get much attention of the banks' decision makers but the challenges for employee retention are continuing. Employee retention strategy, policy or program are not in place or developed. Employee retention rate is not known or calculated. The reason behind the bank's employee stay or leave was not assessed or identified. Employee retention assessment/metrics, or employee needs surveys are

either partially done or not conducted. The reasons for first year turnover was not assessed or identified. Information such as employee turnover and exit interviews are used to fulfil procedure such as reporting. As identification by itself is not an end, reviews of the findings, continuous evaluation, follow-up, tracking of intervention results and adjustment of the intervention efforts have not taken place. In addition to this, compensation/salary difference is believed to be the main reason for turnover. Whereas, replacement is the one practiced to respond turnover, which, is very costly.

Concerning the employee retention factors, the responses of both the key informants and the respondents acknowledged the influence of all human resource practices. According to the findings, factors such as the competition for labor, promotion options, job rotation, team building events, organizational structure, work procedure, acknowledging contributions were among the suggested factors to affect the banks' employee retention.

4.4 Descriptive Analysis of Employee Retention Factors

In line with the study's objective, this part of the study discusses the findings of the descriptive and inferential statistics.

4.4.1 Analysis of the Mean and Standard Deviation Results

The extent at which the sample group in average agreed or disagree with the raised statements was analyzed using the mean results. Low mean implied that majority of the respondents disagree while, higher mean value indicates their agreement. Accordingly, the perceptions of the respondents were captured using a five-point Likert scale (1- Strongly Disagree, 2- Disagree, 3 – Neither Agree nor Disagree, 4 – Agree and 5 - Strongly Agree) and interpreted in accordance with the below detailed Zaidatol et. al., (2012), mean scores degree.

- Mean = 1.00 – 2.33 → Low,
- Mean= 2.34 – 3.67 → Moderate and
- Mean = 3.68 – 5 → High

Standard deviation was also used to show the variability of measurements from the mean (average). The higher standard deviation indicates a wider distribution of the scores from the mean. This distribution indicates more heterogeneous or dissimilar spread of scores on a scale. Whereas, if the value is lower, it indicates a narrower distribution with more similar or homogeneous spread of scores around the mean (Mark et.al., 2009). Accordingly, employees intention to stay and their perception towards the studied independent variables are analyzed with the mean & standard deviation results as follows.

Table 4.1: Mean and Standard Deviation Results of the Respondents' Perception

Summary Descriptive Statistics

	Mean	Std. Deviation	Conclusion on the Mean & Std. Deviation
I. Intention to Stay/Employee Retention			
I will work with this bank until retirement	2.63	1.109	Moderate with high Std. Deviation
I love the bank, I feel I belong here and no reason will change my decision	2.79	1.055	Moderate with high Std. Deviation
I will still choose to work in this bank although I got other offers	2.71	1.128	Moderate with high Std. Deviation
Aggregate value	2.71	1.10	Moderate with high Std. Deviation
II. Compensation: Pay/Salary, Benefit			
I believe the salary & benefit schema has enabled the bank to retain employees	3.55	.893	Moderate with low Std. Deviation
The bank offers high salary compared to other banks and or other industries	3.30	.873	Moderate with low Std. Deviation
Salary and benefit increase or decrease doesn't affect my decision to work with the bank	2.64	1.015	Moderate with high Std. Deviation
Aggregate mean	3.16	0.93	Moderate with low Std. Deviation
III. Training			
The bank training programs are relevant with my job	3.94	.659	High with low Std. Deviation
Training is provided on on-going bases (during changes in work system or technology) well planned and with qualified trainers.	3.69	.819	High with low Std. Deviation
The training delivered build excellent skills & give us confidence so that I want to work with the bank for a longer period	3.70	.789	High with low Std. Deviation
Aggregate value	3.78	0.76	High with low Std. Deviation
IV. Career Development			
The bank offers career oriented staff development programs to all staff equally	3.00	.800	Moderate with low Std. Deviation
The bank's staff development programs create high feeling of valued	3.29	.788	Moderate with low Std. Deviation

Internal staff are first priority in case of vacant higher positions/promotion so that I want to work with the bank longer	3.66	.841	Moderate with low Std. Deviation
Aggregate value	3.32	0.81	Moderate with low Std. Deviation
V. Work Life Balance			
The bank's working hours are in perfect balance with my personal life	3.32	1.087	Moderate with high Std. Deviation
My work load is reasonable and it doesn't affect my personal life	3.38	1.094	Moderate with high Std. Deviation
I enjoyed working with this bank and I believe I will continue working for longer years	3.18	.952	Moderate with low Std. Deviation
Aggregate value	3.29	1.04	Moderate with high Std. Deviation
VI. Work Environment			
The work environment is conducive with adequate equipment, supplies and facility for my work	3.88	.758	High with low Std. Deviation
Employees treated fairly, my expectations are met (I get adequate support, there is open communication, participation in decision-making is highly encouraged)	3.59	.754	Moderate with low Std. Deviation
There is high cooperation between peers	4.37	.913	High with low Std. Deviation
Aggregate value	3.95	0.81	High with low Std. Deviation

Source: Own Survey 2018

As indicated in the table above, the findings on employees retention or intention to stay showed an aggregate mean value of 2.71, a moderate score with a standard deviation of >1. This results established that the respondents are not sure that they love the banks' or feel that they belong there or want to stay longer with the banks. The standard deviation value indicated high i.e. that the participants' responses are heterogeneous and widely spread from the mean.

As indicated in Table 4.1, the aggregate mean value of the second variable, compensation showed 3.16, a moderate score indicating that the respondents neutral perception towards to the statements raised. They disagreed that the banks pay higher salaries compared to other banks so they do not believe that the compensation, salary/pay/benefits, schemes enabled the banks to retain employees. The standard deviation value i.e. <1, showed a lower spread of responses among the observations.

As per Table 4.1, Training showed high aggregate mean result, 3.8, indicating that the respondents have positive response towards training. The standard deviation for this factor showed <1 indicating the scores deviation from the mean is low. Accordingly, the

findings on training showed that majority of the respondents are pleased with the banks training, i.e. they valued the training delivered, agreed that the trainings are well planned and conducted by a qualified trainers. They have also agreed that the trainings offered are very relevant, provided on on-going bases and during changes in work system or technology. They also perceived that the trainings delivered build excellent skills & give them confidence so they do not consider this factor to affect or change their decision to stay.

According to Table 4.1, the aggregate mean value for career development fall under moderate score 3.32 indicating that the respondents have neutral response to the statements raised. Accordingly, the respondents disagree with the career development programs fairness or the consideration that internal staff being first priority when vacant higher positions/promotion arises. Hence, they perceived this program did not create feeling of valued and they do not intend to work with the banks for longer. The standard deviation for this factor showed a low value <1 , indicating similar perception among respondents.

The aggregate mean for work life balance in Table 4.1 established moderate value, 3.29, with neutral responses towards the raised statements. The respondents agreed that working hours are not in balance with their personal life. The workload is not reasonable and it affected their personal life so they are not sure to work with the banks for longer. The standard deviation showed high, >1 , indicating a widely spread or heterogeneous perceptions.

As per Table 4.1, the banks' work environment revealed an average mean score, 3.9, that the respondents have desirable response to the raised statements. It indicated their satisfaction with the banks' work environment. Availability of conducive environment with adequate equipment, supplies, facility for their work and high cooperation between peers. Whereas, their perception on how fair employees treated, if their expectations fulfilled, getting adequate support, open communication, participation in decision-making is highly encouraged moderate with a mean value of 3.59. The standard deviation of these factors was of < 1 indicating a low deviation with a more homogeneous perceptions among the participants.

4.4.2 Analysis of Retention Factor/s per the Degree of Influence

Part - IV of the survey, has requested respondents to rank the factor that most influence their intention to stay/employee retention among the studied factors/independent variables: compensation, training, career development, work-life balance and work environment. Accordingly, their order of preference ranked work environment and compensation as the most influencing factor. Whereas, the number of respondents who ranked work environment first exceeds compensation's as shown and discussed in the table below.

Table 4.2: Factors Ranking Results

	Frequency	Percent	Rank	Remark
Valid Work Environment	112	47.9	1 st	• Majority respondents' rank it first
Compensation	83	35.5	2 nd	• relatively ranked 1 st by few so sated 2 nd ,
Career Development	85	36.3	3 rd	• Relatively many of respondents rank it 3 rd
Work-Life Balance	72	30.8	4 th	• Ranked 3 rd by few so re-re-ranked 4 th
Training	82	35.0	5 th	• Ranked 4 th but re-ranked 5 th
			N 234	
			Missing 0	

Source: Own Survey 2018

Consequently, in order to make the meaningful interpretation, Table 4.6 presented the readjusted ranking results. As a result, work environment has kept its rank, first, scoring a higher frequency of 47% than compensation which goes second by 35%. Similarly, career development kept its rank third and work life balance re-ranked 4th with 36.3% and 30.5% respectively. Training was re-ranked as fifth with 35% to affect their decision to stay and work. Thus, the respondents' perception established, among the other factors, changes on work environment & compensation to highly affect their decision to stay with the banks and or work with the banks for a longer period.

4.4.3 Analysis of the Inferential Statistics Results

One of the primary objectives of this study was examine the relationship between employee retention and selected human resource factors compensation, training, career development, work-life balance and work environment. To this end, inferential statistics i.e. correlation and regression analysis, have been considered and the results are interpreted as follows.

4.4.3.1 Analysis of Factors Correlation Results

In order to confirm the relationship between the variables, this study used one of the basic and useful measure of association i.e. correlation analysis. The magnitude (intensity of relationship -1 to +1) and the direction of the relationships (+ve/-ve) is examined using the Persons correlation coefficient (Mark et.al., 2009). Likewise, the significance level, p-value, is labeled as “Sig.” in the SPSS output and helped to statistically determine the significance of the results during a hypothesis test. If the significance value is less than 0.05 ($p < 0.05$) then the relationship is statistically significant. If the significance value is greater than 0.05 ($p > 0.05$) then the relationship is not statistically significant.

Table 4.3: Correlation results

		Intention to stay	Compensation	Training	Career development	Work-life balance	Work environment
Intention to stay	Pearson Correlation	1					
Compensation	Pearson Correlation	.445**					
Training	Pearson Correlation	.343**	.229**				
Career development	Pearson Correlation	.469**	.354**	.489**			
Work-life balance	Pearson Correlation	.558**	.302**	.379**	.505**		
Work environment	Pearson Correlation	.270**	.448**	.439**	.406**	.377**	1

** . Correlation is significant at the 0.01 level (1-tailed).

N = 234

Sig. (1-tailed) = 0

Source: Own Survey 2018

4.4.3.2 Analysis of the Regression Results

The study used regression analysis to measure the relative strength and determine statistical significance between the independent variables (compensation, training career development, work-life balance and work environment) and the dependent variable (employee retention) exclusively focusing on the trends of Awash, Wegagen & Lion banks (Mark et.al., 2009). In order to scrutinize the significant effect of the independent variables on the dependent variable multiple linear regression analysis was employed. This is because the study comprises one dependent variable and two or more independent variables (Kothari 1984). Meanwhile, it is mandatory to confirm the model's adequacy and fitness form a statistical perspective before running the

regression analysis. To this end, multicollinearity, the overall statistical acceptability or significance, linearity and normality was tested.

Multicollinearity verifies that the independent variables are not highly correlated with each other, tested using VIF/Variance Inflation Factor and tolerance. If the results of VIF are below 10 and the tolerance value greater than 0.1 then there is no possibility of multicollinearity among this variables (Hair et al., 2006). As presented in the table below, the collinearity statistics results (VIF<10 and Tolerance >0.01), the dependent variables are not prone to this assumption so that regression analysis can be conducted.

Table 4.4: Multicollinearity Diagnosis

Coefficients ^a							
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	.756	.379		1.995	.047		
Compensation	.433	.083	.300	5.215	.000	.756	1.323
Training	.160	.099	.098	1.615	.108	.680	1.471
Career development	.251	.097	.167	2.600	.010	.606	1.649
Work-life balance	.423	.065	.392	6.541	.000	.694	1.441
Work environment	.187	.094	.123	1.985	.048	.653	1.532

In addition, the overall statistical acceptability or significance of the model was proved as indicated in the below ANOVA table. The ANOVA helped to determine the model's significance in predicting the dependent variable, staff retention. The findings established a significant value .000, i.e. $p < .005$ inferring that the model is significant. This reveals that the variation explained by this model is not because of a chance.

Table 4.5: The Model Significance Diagnosis

ANOVA ^a					
Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	99.440	5	19.888	34.513	.000 ^b
Residual	131.383	228	.576		
Total	230.823	233			

a. Dependent Variable: Intention to stay

b. Predictors: (Constant), Work environment, Work-life balance, Compensation, Training , Career development

In addition to the multicollinearity and the overall statistical acceptability or significance, both linearity and normality were tested and proved that the model fits for conducting multiple linear regression (refer annex). Following these, regression analysis was conducted, the regression model summary showed, how much of the variance in the dependent variable employee retention is accounted by the independent variables (compensation, training, career development, work-life balance, work environment).

Table 4.6: The Regression Analysis Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.716 ^a	.513	.479	.718

Source: Own Survey 2018

Likewise, R, the coefficient of multiple correlation, in the above table showed the degree of association that the selected factors (compensation, training, career development, work-life balance, work environment) have with employee retention/intention to stay have i.e. 0.716. In addition, the R square, the coefficient of determination, established that the extent to which changes in the dependent variable could be explained by the change in the independent variables. Similarly, 51% of the variation in the dependent variable, employee retention, is explained by the independent variables (compensation, training, career development, work-life balance, work environment). Thus, the model proved to fit and adequately predict the relationship between the variables.

Table 4.7: The regression analysis results

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.756	.379		1.995	.047
	Compensation	.433	.083	.300	5.215	.000
	Training	.160	.099	.098	1.615	.108
	Career development	.251	.097	.167	2.600	.010
	Work-life balance	.423	.065	.392	6.541	.000
	Work environment	.187	.094	.123	1.985	.048

Source: Own Survey 2018

The regression coefficients in the above table demonstrates that the relative extent of the influence that each independent variable has on the dependent variable and through which the most contributing predictor/dependent variable is revealed. Accordingly, unstandardized beta coefficient was considered to explain the strength of each predictor/independent variable influence on the criterion employee retention.

Accordingly, the beta value of each independent variable in the above table established that compensation, $\beta = 0.43$ with $P < 0.05$; training $\beta = 0.18$ with $P > 0.05$; career development $\beta = 0.25$ with $P < 0.05$; work-life balance $\beta = 0.42$ with $P < 0.05$ and work environment $\beta = 0.19$ with $P < 0.05$.

Among the tested predictors, the compensation's beta coefficients indicated statistically meaningfully & more significant predictor of employee retention. Work-life balance followed with a closer significant result. Thus, a certain change on compensation (salary/pay/benefit) will increase or decrease the banks' employee retention or their employees' intention to stay, by 43%. In addition, a certain change on work-life balance will increase or decrease the banks employee retention or their intention to stay by 42%. Hence, the overall result established that compensation & work-life balance to have the greater rate of influence than the other predictors considered in this study.

Furthermore, the correlation results in Table, 4-3, has indicated a positive significant relationship between the dependent variable, employee retention and independent variables compensation, career development, work-life balance & work environment. Based on the correlation & regression analysis, the hypotheses related to these independent variables with $p < 0.05$ were accepted. However, the hypothesis in relation to training is rejected as the significance level is weak, $\text{Sig.}(p) = 0.108$ where is $P > 0.05$. The hypotheses tests are further analyzed in the Table 4.8 below.

Table 4.8 Summary of the Research Hypotheses Results

Hypothesis	Result	Remark
H₁ There is a significantly positive relationship between compensation and employee retention.	<ul style="list-style-type: none"> • $r=0.445$ & $P<0.01$ • $\beta=0.43$ & $P<0.05$ 	<ul style="list-style-type: none"> • There is +ve relationship • The relationship is significant <p>Thus, H₁, is accepted</p>
H₂ There is a significantly positive relationship between training and employee retention.	<ul style="list-style-type: none"> • $r=0.343$ & $P<0.01$ • $\beta=0.160$ & $P>0.05$ 	<ul style="list-style-type: none"> • There is +ve relationship • The relationship is insignificant <p>Thus, H₂, is rejected</p>
H₃ There is a significantly positive relationship between career development and employee retention.	<ul style="list-style-type: none"> • $r=0.469$ & $P<0.01$ • $\beta=0.25$ & $P<0.05$ 	<ul style="list-style-type: none"> • There is +ve relationship • The relationship is significant <p>H₃, is accepted</p>
H₄ There is a significantly positive relationship between work-life balance and employee retention.	<ul style="list-style-type: none"> • $r=0.558$ & $P<0.01$ • $\beta=0.42$ & $P<0.05$ 	<ul style="list-style-type: none"> • There is +ve relationship • The relationship is significant <p>H₄, is accepted</p>
H₅ There is a significantly positive relationship between work environment and employee retention.	<ul style="list-style-type: none"> • $r=0.270$ & $P<0.01$ • $\beta=0.187$ & $P<0.05$ 	<ul style="list-style-type: none"> • There is +ve relationship • The relationship is significant <p>H₅, is accepted</p>

In general, the overall hypothesis testing results established that among the tested independent variables; compensation, career development, work-life balance and work environment to have strong positive significance/influence towards the banks employee retention or the employees' intention to stay. In other words, these factors highly determine the dependent variable where a change or an improvement in each variable/factor to highly affect or increase or decrease the banks employee retention capacity.

CHAPTER FIVE:

FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary of Major Findings

The purpose of this study is to identify the factors that are affecting employee retention and to measure the extent of their effect on employee retention. To this end, the study has considered selected human resource factors, compensation, training, career development, work-life balance and work environment of selected private commercial banks (Awash, Wegagen and Lion bank). To explore the findings, the study has adopted a mixed research approach and explanatory research design. Accordingly, the data was gathered using interview and structured questioner. The collected data was analyzed qualitatively and quantitatively. This section therefore, summarizes and presents the core points and major findings as follows:

- The response rate proved adequate and acceptable, (i.e. 83%) to analyze and report the findings. The demographic mix of the respondents also confirmed the study's purpose the majority accounted from educated (first-degree holders), young & productive work force with age group between 23-39.
- The aggregate mean score for employees' intention to stay indicated a low score of 2.71, indicating that the majority of the respondents disagree to stay with the banks for longer periods. The standard deviation result is high, $P > 0.1$, indicating the wide spread scores from the mean (varying perceptions).
- The aggregate mean score for work environment & training showed high, (3.7 and 3.9 respectively) indicating that majority of the respondents are in agreement with the statements raised and pleased with the provisions of both factors. Whereas, one item for work environment (mean 3.59) and for the rest of the studied factors: compensation (3.16), career development (3.32) and work-life balance (3.29) showed an aggregate mean moderate score indicating that majority of respondents are marginally in agreement with the raised statements.

While the aggregate standard deviation for compensation, training, career development and development & work environment showed low (<0.1) similar perception among respondents whereas, work-life balance showed high >0.1 , which is varying perception.

- The studied employee retention predictors/factors established a correlation with the person coefficients $P < 0.01$ and r value between 0.270 to 0.558 indicating their positive relationship with employee retention/intention to stay.
- Based on the results of ANOVA F statistics value .000 i.e. $P < 0.05$ verified the model used as significant for regression analysis. Accordingly, the collinearity statistics, the tolerance value >0.1 and VIF value <10 asserted that there is no possibility of multicollinearity. The linearity test also confirm the viability of the model.
- The regression model summary result has established, 51.3% of the variation on employee retention/intention to stay is explained by compensation, training, career development, work-life balance and work environment.
- Based on the unstandardized coefficients, compensation established the most contributing factor with $\beta = 0.433$ and followed by work-life balance $\beta = 0.423$ in predicting employee retention of the banks'
- The statistical significance, relationship of the correlation analysis and the regression analysis results established the presence of strongly positive relationship between employee retention and the independent variables; compensation, career development, work-life balance and work environment. Thus, the study hypotheses: H_1 , H_3 , H_4 and H_5 are accepted. To the contrary, H_2 , the hypothesis in relation to training is rejected as the significance level is low, 0.108, which is $P > 0.05$.

- In addition to the studied predictors', job rotation, promotion, teambuilding events, organizational structure, work procedure, acknowledging contributions were among the suggested factors to affect their decision to stay with the banks.
- The interview results with the key informants' i.e. the banks Human Resource Heads, revealed that employee retention did not get the necessary attention as it deems. Although there are moves by one of the banks (Wegagen) also almost no action seemed to be taken to address employee retention challenges.
- In relation to the factors, the decision makers believed that all human resource factors to have an influence on employee retention. Among these, they consider compensation (salary, pay and benefit) to be key/primary influencing factor. In addition to this, they also believed that external factors such as competition for labor in the industry to affect their employee retention.
- Concerning the employees' intention to stay, the findings of the descriptive statistics showed that majority of the respondents do not have an intention to stay. This implies that employee turnover will increase and continue to threat the banks.

5.2 Conclusions

The main purpose of the study was to identify and examine the influence of the employee retention factors taking trends of the private commercial banks (Awash, Wegagen & Lion Bank) in Ethiopia. The study found out that majority of the respondents do not have an intention to stay. This implies, employee turnover will continue to increase. However, the banks neither realized the challenges nor prepared to mitigate them with proper employee retention schemes.

Out of the studied factors, compensation & work-life balance demonstrated higher contribution, significance and relationship with the banks employees' decision to stay. This established that a change on both factors would highly improve, increase or

decrease the capacity of the banks' employee retention. The remaining predictors: career development, work environment and training are categorized base on their significance from medium to least. Moreover, factors such as job rotation, promotion, team-building events, organizational structure, work procedure, acknowledging contributions and the competition for staff believed to affect employee retention of the banks. The regression analysis result also uncovered that 48.7% of the variance in employee retention is to be explained by other factors than the factors examined under this study.

Therefore, it can be concluded that, in order for the banks to have an improved employee retention, they need to reconsider their understanding and practice of their employee retention. Furthermore, improving compensation (salary, pay, benefits), crafting family friendly work life balance policy along with career development, work environment with fair treatment, adequate support, open communication, participation in decision-making, cooperation between peers could contribute to stabilize the banks' staff mobility and maintain their employee retention capacity. In line with this, other factors such as job rotation, promotion, teambuilding events, organizational structure, work procedure, acknowledging contributions and the competition for skilled staff could be the area where the banks needed to focus.

5.3 Recommendations

Although there are no hard and fast blend of practices to keep employee loyal and or committed, an organization has to adopt & cope up with the employee retention issues in time, otherwise it will end up with huge problem (Daniel, 2010). According to one of the major findings of this study, most of the respondents' have no intention to stay and this signal the bank's employee retention is at stake. This lack of intention to stay may lead to high turnover and frequent employee changes, which in turn deteriorates the banks service quality, credibility, integrity or dependability. Therefore, to tackle these challenges, it is advisable for the banks to consider the following recommendations.

- As the dynamic and vital nature of human resource calls for a special attention, the banks' decision makers should realize the highly deteriorating status of their employees' intention to stay and exert high effort to change the situation.
- The banks should focus on establishing a clear understanding and consideration on the studied factors (compensation, work environment, career development, work-life balance and training).
- The banks need to design appropriate employee retention strategy/policy and procedures, which provide improved compensation, greater career development opportunities, treats every employee equally and fairly, balances both work and family life, reduce stress and maintain a mentally healthy workforce.
- The banks need to continually assess and improve the existing trends, enhance the work environment, work-life balance, increase compensation, and establish a better system.
- The banks should regularly measure employee retention and employee turnover rate to serve as a benchmark in further improvement processes.
- The banks needed further follow-up to trace the actual reasons behind their employee decision to stay or leave using employee retention matrix and or need assessment to strengthen their employee-retention strategies. Similarly, they need to adopt and incorporate changes by continuously amending their employee retention policy, procedure and practices to enhance a positive work environment, company morale, increase employees' commitment and strengthen a sense of belongingness.
- As per the findings of this study, 48.7% the variance on employee retention is accounted by other factors than the studied ones and this may fall on the factors suggested by the respondents. Hence, it is recommended that the banks to conduct further studies to explore more determinant factors for an improved mix. Similar studies could also be carried out in similar or different industries.

In general, adopting the significant predictors compensation & work environment jointly with the aforementioned recommendations, the banks would be able to change the current scenario and improve their employees' intention to stay and or their retention.

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Annexes

The Study Questionnaire

ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE HUMAN RESOURCE MANAGEMENT MASTERS PROGRAM

Factors Affecting Employee Retention in the Banking industry: The Case of Selected Private Commercial Banks

Dear Esteemed Participant,

I, a student researcher, at Addis Ababa University School of Commerce in Addis Ababa, Ethiopia, kindly invite you to participate in responding the enclosed master's thesis survey questionnaire.

The questionnaire is designed to collect information on factors affecting employee retention at Awash/Wegagen/Lion bank. The collected information will be regarded as a primary data for the academic thesis as a partial fulfillment of a Degree in Master of Arts in Human Resource Management.

Your participation in this research project is voluntary. You may decline responding, or leave any questions blank that you do not wish to answer. There are no known risks to your participation and or your responses and it will remain confidential and anonymous. The researcher & the research advisor will only access your responses in this questionnaire.

Thus, if you agree, please answer each question, it may take you 10-15 minutes to complete. If you have any question kindly contact the researcher per the contact detail provided below.

Your participation & cooperation is highly valued.

Sincerely yours,

Researcher: Mulu Haddis,
Mobile: 0911 484608,
Email: mulu20012002@yahoo.com

Advisor: Solomon Markos (PHD),
Email- solomonmarkos5@yahoo.com

Personal Data

1. Gender : ☐ Male ☐ Female
2. Age between : ☐ 23-29 ☐ 30-39 ☐ 40-49 ☐ ≥50
3. Position : ☐ Clerical ☐ Supervisory ☐ Managerial
4. Qualification : ☐ Diploma ☐ Degree ☐ Masters & above
5. Experience (in years): ☐ 1 - 3 ☐ 4 - 6 ☐ above 7 years

PART 1: Close Ended Questions

Please mark (✓) in the box of your preferred choice

- 1 → Strongly Disagree
 2 → Disagree
 3 → Neither Agree nor Disagree
 4 → Agree
 5 → Strongly Agree

1. Intention to stay						
		1	2	3	4	5
➤	What is the employees' decision on staying longer with the organization?					
1	I will work with this bank until retirement					
2	I love the bank, I feel I belong here and no reason will change my decision					
3	I will still choose to work in this bank although I got other offers					
2. Factors Affecting Employee Retention						
I. Compensation (Salary/Pay/Benefits)						
➤	Does the Bank's salary/pay and benefits affect employee decision to stay?	1	2	3	4	5
1	I believe the salary & benefit schema has enabled the bank to retain employees					
2	The bank offers high salary compared to other banks and or other industries					
3	Salary and benefit increase or decrease doesn't affect my decision to work with the bank					
II. Training						
➤	How far employee training is affecting staff retention?	1	2	3	4	5
1	The bank training programs are relevant with my job					
2	Training is provided on on-going bases (during changes in work system or technology) well planned and with qualified trainers.					
3	The trainings delivered build excellent skills & give us confidence so that I want to work with the bank for a longer period					
III. Career Development						
➤	How far career development affects staff retention?	1	2	3	4	5
1	The bank offers career oriented staff development programs to all staff equally					
2	The bank's staff development programs create high feeling of valued					
3	Internal staff are first priority in case of vacant higher positions/promotion so that I want to work with the bank longer					

IV. Work-Life Balance										
➤ How far work-life balance affects staff retention?						1	2	3	4	5
1	The bank's working hours are in perfect balance with my personal life									
2	My work load is reasonable and it doesn't affect my personal life									
3	I enjoyed working with this bank and I believe I will continue working for longer years.									
V. Work Environment										
➤ How far the bank's work-environment affects staff retention?						1	2	3	4	5
1	The work environment is conducive with adequate equipment, supplies and facility for my work									
2	Employees treated fairly, my expectations are met (I get adequate support, there is open communication, participation in decision-making is highly encouraged).									
3	There is high cooperation between peers,									
Which one of the factors highly affect your decision to stay/work longer in this bank?										
Please rank them in order of your preference						1 st	2 nd	3 rd	4 th	5 th
1	Compensation (salary/pay, benefit package)									
2	Training offered									
3	Career Development programs									
4	Work-life balance/balance between work and home life									
5	Work environment/conducive work environment									

PART 2: Comments and Suggestions

- Is there any other factor that makes you feel valued working with this bank?
.....
.....
.....
- If you get a chance to improve or change the Bank's employee retention scheme, what do you do, what you will change or which factor/s do you improve? How?
.....
.....
.....
- Please share any suggestions or comments in the space provided below.
.....
.....

Interview Questions

This structured interview questions to the key informants.

Background questions

1. Brief, about your background. (Education, previous work experience)
2. For how long have you been working with Awash/Wegagen/Lion?
3. Which post do you have?

Main Questions

1. Does the bank has employee retention program/strategy/policy?
2. How effective is it?
3. Have you measured staff retention rate and turnover rate?
4. How do you identify staff retention factors?
5. Have you conducted an exit Interview? Ex-employee interview/discussion, etc and how frequently is it revised and included with the scheme to improve staff retention?
6. Which identified factors highly affect the bank's staff retention?
7. How does the bank's compensation, training, career development, work environment work life balance affect the bank's staff retention?
8. Please forward any other comment/suggestion on staff retention.

Many Blessings!

SPSS Output

Reliability

Scale: ALL VARIABLES

Case Processing Summary

	N	%
Valid	30	100.0
Cases Excluded ^a	0	.0
Total	30	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.870	.896	30

Item Statistics

	Mean	Std. Deviation	N
Stay with the bank	2.0000	.78784	30
I will work with this bank until retirement	2.8000	1.18613	30
I love the bank, I feel I belong here and no reason will change my decision	2.9667	1.09807	30
I will still choose to work in this bank although I got other offers	2.9000	1.06188	30
I believe the salary & benefit schema has enabled the bank to retain employees	3.5000	1.00858	30
The bank offers high salary compared to other banks and or other industries	3.3000	.70221	30
Salary and benefit increase or decrease doesn't affect my decision to work with the bank	2.5000	1.13715	30
The bank training programs are relevant with my job	4.0333	.41384	30
Training is provided on on-going bases (during changes in work system or technology) well planned and with qualified trainers.	4.1000	.71197	30
The training delivered build excellent skills & give us confidence so that I want to work with the bank for a longer period	3.8667	.81931	30
The bank offers career oriented staff development programs to all staff equally	3.1000	.88474	30
The bank's staff development programs create high feeling of valued	3.4000	.67466	30
Internal staff are first priority in case of vacant higher positions/promotion so that I want to work with the bank longer	3.9333	.90719	30

The bank's working hours are in perfect balance with my personal life	3.2667	1.01483	30
My work load is reasonable and it doesn't affect my personal life	3.1667	.94989	30
I enjoyed working with this bank and I believe I will continue working for longer years	3.4000	.93218	30
The work environment is conducive with adequate equipment, supplies and facility for my work	3.6667	.99424	30
Employees treated fairly, my expectations are met (I get adequate support, there is open communication, participation in decision-making is highly encouraged)	3.5667	.77385	30
There is high cooperation between peers	4.1333	.93710	30
Compensation ranked	2.3000	1.57896	30
Training ranked	3.4000	1.22051	30
Career Development ranked	3.5667	.97143	30
Work Life Balance Ranked	3.5000	.97379	30
Work Environment Ranked	2.6667	1.39786	30
Average result of intention to stay/What is the employees' decision on staying longer with the organization?	2.8889	1.04068	30
Average result of compensation/Does the Bank's salary/pay and benefits affect employee decision to stay?	4.0000	.56731	30
Average result on training /How far employee training is affecting staff retention?	4.0000	.56731	30
Average result on career development/How far career development affects staff retention?	3.4778	.66484	30
Average result on work life balance/How far work-life balance affects staff retention?	3.2778	.81218	30
Average result on work environment/How far the bank's work-environment affects staff retention?	3.7889	.65789	30

Summary Item Statistics

	Mean	Minimum	Maximum	Range	Maximum / Minimum	Variance	N of Items
Item Means	3.349	2.000	4.133	2.133	2.067	.298	30
Item Variances	.898	.171	2.493	2.322	14.557	.244	30
Inter-Item Covariances	.163	-.828	1.138	1.966	-1.375	.060	30
Inter-Item Correlations	.222	-.519	1.000	1.519	-1.926	.074	30

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
100.4667	168.909	12.99649	30

Ranking/Mode

the Mode

		Career Development	Work Life Balance	Work Environment	Compensation	Training
N	Valid	234	234	234	234	234
	Missing	0	0	0	0	0
Mode		3	3	1	1	4 ^a

Regression

P-Plot

Model Description

Model Name	MOD_1
1	Compensation
2	Training
Series or Sequence 3	Career development
4	Work-life balance
5	Work environment
Transformation	None
Non-Seasonal Differencing	0
Seasonal Differencing	0
Length of Seasonal Period	No periodicity
Standardization	Not applied
Type	Normal
Distribution Location	estimated
Scale	estimated
Fractional Rank Estimation Method	Blom's
Rank Assigned to Ties	Mean rank of tied values

Applying the model specifications from MOD_1

Case Processing Summary

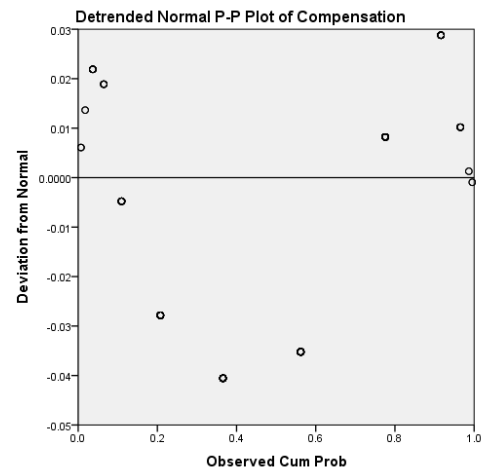
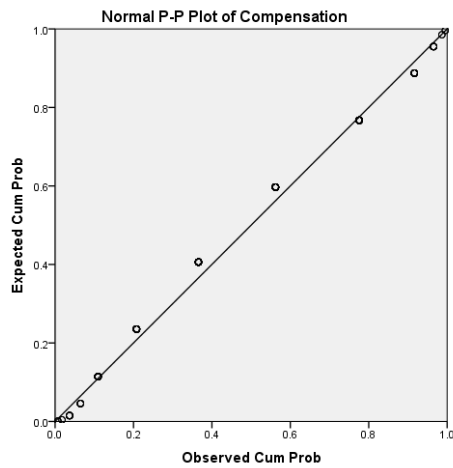
	Compensation	Training	Career development	Work-life balance	Work environmen t
Series or Sequence Length	234	234	234	234	234
User-Missing	0	0	0	0	0
System-Missing	0	0	0	0	0
Number of Missing Values in the Plot					

The cases are unweighted.

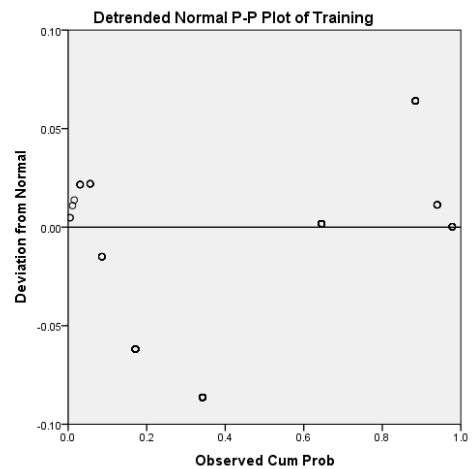
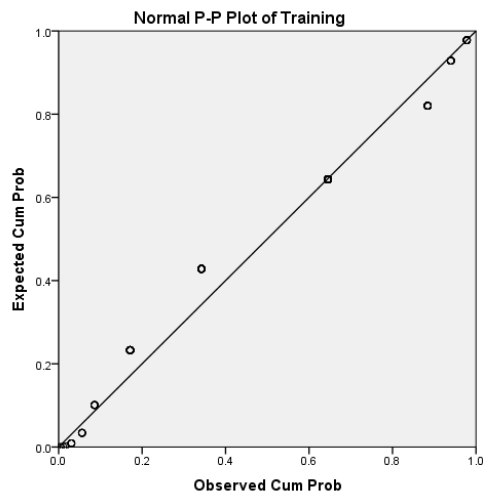
Estimated Distribution Parameters

		Compensation	Training	Career development	Work-life balance	Work environment
Normal Distribution	Location	3.1638	3.7764	3.3234	3.2949	3.9487
	Scale	.68934	.60819	.66048	.92336	.65383

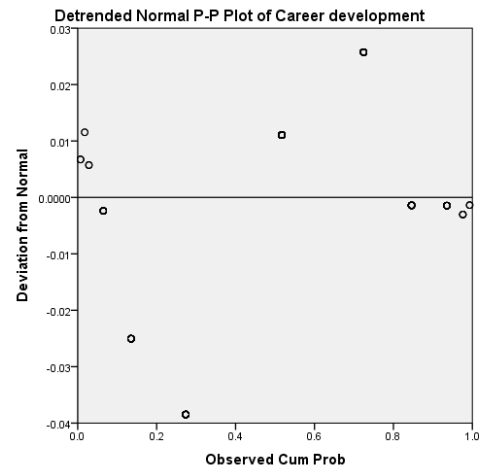
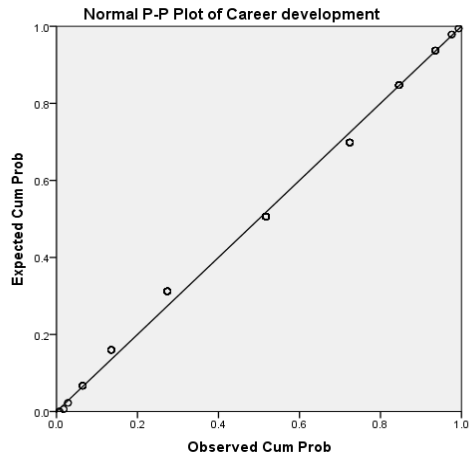
Compensation



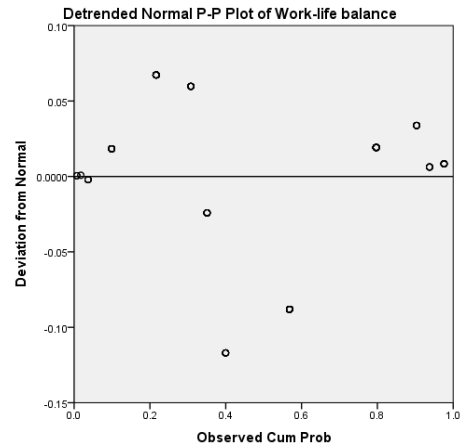
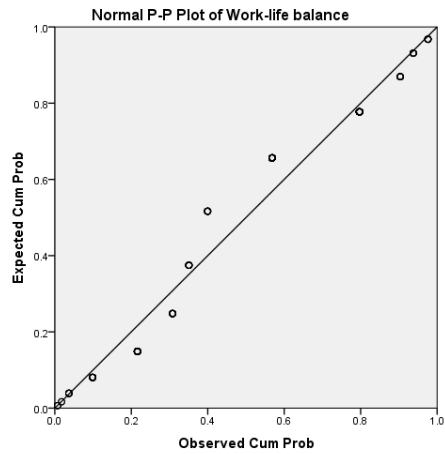
Training



Career development



Work-life Balance



Multicollinearity Test

Descriptive Statistics

	Mean	Std. Deviation	N
Intention to stay	2.7080	.99532	234
Compensation	3.1638	.68934	234
Training	3.7764	.60819	234
Career development	3.3234	.66048	234
Work-life balance	3.2949	.92336	234
Work environment	3.9487	.65383	234

Correlations							
		Intention to stay	Compensation	Training	Career development	Work-life balance	Work environ ment
Pearson Correlation	Intention to stay	1.000	.445	.343	.469	.558	.270
	Compensation	.445	1.000	.229	.354	.302	.448
	Training	.343	.229	1.000	.489	.379	.439
	Career development	.469	.354	.489	1.000	.505	.406
	Work-life balance	.558	.302	.379	.505	1.000	.377
	Work environment	.270	.448	.439	.406	.377	1.000
	Intention to stay	.	.000	.000	.000	.000	.000
Sig. (1-tailed)	Compensation	.000	.	.000	.000	.000	.000
	Training	.000	.000	.	.000	.000	.000
	Career development	.000	.000	.000	.	.000	.000
	Work-life balance	.000	.000	.000	.000	.	.000
	Work environment	.000	.000	.000	.000	.000	.
	Intention to stay	.234	.234	.234	.234	.234	.234
	Compensation	.234	.234	.234	.234	.234	.234
N	Training	.234	.234	.234	.234	.234	.234
	Career development	.234	.234	.234	.234	.234	.234
	Work-life balance	.234	.234	.234	.234	.234	.234
	Work environment	.234	.234	.234	.234	.234	.234
	Intention to stay	.234	.234	.234	.234	.234	.234

Model Summary ^b									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.716 ^a	.513	.479	.718	.431	34.513	5	228	.000

a. Predictors: (Constant), Work environment, Work-life balance, Compensation, Training , Career development

b. Dependent Variable: Intention to stay

Collinearity Diagnostics^a

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions					
				(Constant)	Compensation	Training	Career development	Work-life balance	Work environment
1	1	5.878	1.000	.00	.00	.00	.00	.00	.00
	2	.047	11.128	.03	.08	.01	.00	.80	.01
	3	.030	13.907	.04	.72	.12	.04	.05	.00
	4	.019	17.411	.07	.03	.01	.84	.12	.12
	5	.013	21.128	.26	.09	.10	.05	.02	.86
	6	.012	22.422	.61	.08	.77	.06	.01	.00

a. Dependent Variable: Intention to stay

Residuals Statistics^a

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	.7533	4.6443	2.7080	.65328	234
Residual	1.99581	1.91559	.00000	.75092	234
Std. Predicted Value	2.992	2.964	.000	1.000	234
Std. Residual	2.629	2.523	.000	.989	234

a. Dependent Variable: Intention to stay