



**The Influence of Job Satisfaction and Work-Life-Balance on Employee Retention in Ethiopian Small & Mid-Size Enterprises: The Role of Work-Life Balance as a Moderator Variable in Bole Sub-City Administration**

Prepared By:

Yonus Fantahun Ahmed (GSR/1693/16)

College of Business & Economics

Addis Ababa University

Addis Ababa, Ethiopia

May 30,2025

Advisor: Desalegn Amlaku (PhD)

**Addis Ababa University**  
**College of Business and Economics**  
**Masters of Business Administration (Regular Program)**

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**By**

**Yonus Fantahun Ahmed**

**Advisor: Desalegn Amlaku (PhD)**

**A Thesis Submitted to the Graduates Programs of Addis Ababa University in  
Partial Fulfillment of the Requirements for the Award of the Degree of  
Masters of Art in Business Administration**



**Addis Ababa University**

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**Addis Ababa University**  
**College of Business & Economics**  
**Masters of Business Administration**

**DECLARATION**

I, **YONUS FANTAHUN AHMED**, holding the identification number **GSR/1693/16** hereby declare that the thesis /Project work/entitled “**The Influence of Job Satisfaction and Work-Life-Balance on Employee Retention in Ethiopian Small & Mid-Size Enterprises: The Role of Work-Life Balance as a Moderator Variable in Bole Sub-City Administration**” submitted to the College of Business & Economics, Addis Ababa University, for the Award of the Degree of Masters of Business Administration is based on my original research work carried out by me myself under the supervision and guidance of Desalegn Amlaku (PhD). I declare that this study is my original work and has not been submitted earlier in full or in a part there, for the award of other similar degree, Diploma, Fellowship, Associateship or any other similar titles to this or any other University or Institutions.


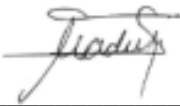

Yonus Fantahun Ahmed		<u>30/05/2025</u>
<b>Name of Candidate</b>	<b>Signature</b>	<b>Date</b>
Desalegn Amlaku (PhD)		<u>30/05/2025</u>
<b>Name of Advisor</b>	<b>Signature</b>	<b>Date</b>

**Addis Ababa Ethiopia**  
**Email: [yonusfantahun@gmail.com](mailto:yonusfantahun@gmail.com)**  
**Phone No.: +251940626997**

**Addis Ababa University**  
**College of Business and Economics**  
**Masters of Business Administration (Regular Program)**  
**Graduate Studies Approval**

This is to certify that the thesis prepared by **Yonus Fantahun Ahmed** entitled; “**The Influence of Job Satisfaction and Work-Life-Balance on Employee Retention in Ethiopian Small & Mid-Size Enterprises: The Role of Work-Life Balance as a Moderator Variable in Bole Sub-City Administration**” in partial fulfillment of the requirements for the Award of the Degree of Master of Arts in Business Administration, is with the regulation of the university and accepted standards with respect to originality.

As Members of the Thesis Committee for Yonus Fantahun, We Approve the Attached Thesis

Desalegn Amlaku (PhD)		<u>19/06/2025</u>
<b>Name of Advisor</b>	<b>Signature</b>	<b>Date</b>
Tewodros Wuihb (PhD)		<u>19/06/2025</u>
<b>Internal Examiner</b>	<b>Signature</b>	<b>Date</b>
Saleamlak Mola (PhD)		<u>19/06/2025</u>
<b>External Examiner</b>	<b>Signature</b>	<b>Date</b>

## **Dedication**

To my late father who I lost while doing this thesis, I dedicate this thesis work to you. Babye you always supported me, cherished me and guided me during my academia studies and in life overall. Even though you're not here with me today to witness this huge milestone, your spirit will always live with me. Not only your spirit, your countless advices, your priceless insights and your valueless inspirations that shaped my academia passion and pursuit of knowledge, will live long too. May your soul rest in heaven. Babye, I love you!

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## Abstract

This study analyzes the causes of employee retention in Ethiopian Small and Medium Enterprises (SMEs), focusing on Job Satisfaction (JS) and Work-Life Balance (WLB) within the Bole Sub-City Administration. Using a mixed-methods approach, it incorporates qualitative insights from semi-structured interviews and quantitative data from structured questionnaires completed by 279 employees. The study employs a stratified sample and validates scales with Cronbach's Alpha (JS: 0.95; WLB: 0.92; Employee Retention: 0.96) to ensure reliability. Key findings reveal strong positive correlations: JS and Employee Retention ( $r=0.719$ ), WLB and Employee Retention ( $r=0.901$ ), and JS and WLB ( $r=0.760$ ). Regression analysis confirms both JS ( $\beta=0.110$ ,  $p=0.043$ ) and WLB ( $\beta=1.063$ ,  $p=0.000$ ) as significant predictors of retention, explaining 81.5% of variance ( $R^2=0.815$ ), while WLB's moderating role between JS and Employee Retention is statistically insignificant ( $p=0.438$ ), indicating independent effects. The study highlights that younger employees (60.57% aged 21–36) prioritize flexibility and career growth, with demographic factors such as gender (60.22% male) and educational attainment (53.76% bachelor's degree holders) affecting tailored retention strategies. It addresses gaps in the literature regarding Ethiopia's labor attributes in SMEs and enhances understanding of the relationships between job satisfaction, work-life balance, and employee retention, emphasizing the influence of organizational, cultural, and economic factors on employee experiences. The strong correlations among these variables challenge the empirical gap and provide recommendations for organizations seeking to improve employee satisfaction and retention, thereby strengthening the theoretical base of employee retention relationships.

*Keywords: Job Satisfaction, Work-Life Balance, Employee Retention, Ethiopian SMEs, Mixed-Methods, Strategic HRM.*

## **Acronyms**

- JS: Job Satisfaction
- WLB: Work-Life Balance
- ER: Employee Retention
- SMEs: Small and Medium Sized Enterprises

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## **CHAPTER ONE**

### **INTRODUCTION**

#### **1. Introduction**

With an emphasis on the context of small and medium-sized businesses (SMEs) in Ethiopia, this chapter provides the study's background. The problem statement is presented, emphasizing the difficulties these businesses have keeping their workforces. The relationships between work-life balance, employee retention, and job satisfaction are examined through the formulation of fundamental research questions. The objectives of the study aim to analyze these relationships while considering demographic variations. Key terminology is explained to ensure clarity throughout the investigation. The relevance of the study is highlighted, stressing its potential to inform successful human resource strategies for SME managers and policymakers. Only Ethiopian SMEs are included in the scope, which acknowledges certain contextual considerations and addresses the study's shortcomings. Finally, the organization of the research is outlined, detailing the structure of the literature review, methodology, empirical analysis and recommendations.

#### **1.1 Background of the Study**

Keeping employees is one of the persistent issues that managers deal with, especially in reference to Small and Medium Enterprises (SMEs) in developing countries. Retaining employees is a lot more than maintaining organizational stability. As Shaw et al., (2013) affirms, it is critical for an organization's knowledge retention, business continuity, and competitive advantage, among others. In Ethiopia, where SMEs account for roughly over 90% of business and are the prime drivers of employment opportunities and poverty reduction, the effects of high employee turnover is very critical. Many SMEs suffer from high employee turnover for various reasons, most importantly their lack of resources. Economically speaking, SMEs have little to no financial agility to support constant hiring and retraining (Cascio & Boudreau, 2016).

Through the prism of human capital theory, which argues that retention of skilled and experienced workers is crucial for sustained organizational performance (Becker, 1964), retention of employees assumes greater significance. In the case of Ethiopian SMEs, the loss of skilled workers triggers a

detrimental chain reaction which includes, but is not limited to, disruption of business operational workflows, loss of valuable knowledge assets, and decline in the quality of customer service (Dess & Shaw, 2001). Because of the usually thin organizational structures within the SME sector, the relatively greater impact that the loss of an individual employee has on organizational performance overshadows all other considerations.

Academic research on retention factors has identified two key factors that are deserving of specific investigation in the Ethiopian SME environment. Job satisfaction, which is the affective evaluation employees make of their work experiences (Locke, 1976), is negatively associated with turnover intentions in various cultural settings (Griffeth et al., 2000). Satisfaction drivers such as fair payment, recognition and promotion opportunities, were particularly relevant among Ethiopian SMEs (Mekonnen & Tadesse, 2020).

Work-life balance (Greenhaus & Allen, 2011) is an increasingly important retention factor for both academics who are interested in working and those who engage in practical activities. Ethiopia's cultural setting, which involves significant family responsibilities and social norms, presents particular obstacles to effective work-life balance and may result in increased turnover (Tadesse & Abebe, 2022). The Job Demands-Resources model (Bakker & Demerouti, 2007) provides evidence for the theoretical basis of retention factors by suggesting that job satisfaction and work-life balance are crucial resources to counter turnover intentions.

How retention factors depend on each other suggests a complex, linked relationship. This working together shows that managers in Ethiopian SMEs need to use connected plans that deal with many parts of the employee experience at the same time. This study adds to existing knowledge by looking at these relationships in Ethiopian SMEs. This area has not been studied much, and economic limits and cultural differences create special problems for keeping staff.

The necessity for rigorous examination of determinants of retention in Ethiopian SMEs is based on the theoretical and the practical perspective. Theoretically, the study contributes to increasing our understanding of how mature influence retention factors work in developing economy environments that have distinctive cultural and institutional features. In practical terms, the results have important implications for skill development for sustainability and growth of SMEs, offering

evidence-based direction for managers wishing to align their human resources practices. The significance of SMEs on the growth and employment creation agenda for Ethiopia implies that any gains from the improved retention strategies might accrue in terms of macroeconomic stability and growth.

## **1.2 Statement of the Problem**

Employee retention is a pressing issue for Ethiopian SMEs, posing significant economic challenges. High turnover rates lead to replacement costs estimated between 30-50% of annual salaries for professional staff, resulting in a loss of institutional knowledge that takes 12-18 months to rebuild for each departing expert.

The theoretical foundations for understanding employee retention are rooted in social exchange theory (Blau, 1964) and conservation of resources theory (Hobfoll, 1989). However, caution is warranted when applying these Western theories to different cultural contexts. Social exchange theory suggests that the resources employees invest in their jobs influence their retention. Similarly, conservation of resources theory highlights how the loss of psychological resources can lead to job departure. Yet, in the Ethiopian labor market, these models are limited by unique factors: 68% of jobs in SMEs are informal, 42% of professionals prioritize family over career growth, and only 9% of SMEs have dedicated human resources departments. These elements contribute to distinct retention challenges.

Three critical gaps emerge when examining employee retention in this context. First, the unique cultural and economic environment of Ethiopia modifies conventional retention factors, highlighting the need for a contextual understanding. Second, there is a lack of data on how key retention factors interact within Ethiopian SMEs. Existing research often analyzes job satisfaction and work-life balance in isolation, leaving local managers uncertain about which aspects to prioritize. Third, demographic differences complicate retention strategies, as younger employees tend to prioritize different job qualities than older workers, and traditional gender roles present specific challenges that standard policies do not adequately address.

These research gaps have substantial implications for both academic inquiry and practical management. The dominant retention models were developed in different cultural and economic

settings, which may not accurately reflect the Ethiopian SME environment. Current empirical research offers limited insights into the complex relationships among cultural, economic, and generational factors. The researcher's personal experience in this context emphasizes the need for tailored retention strategies specific to Ethiopia's workplace environment. This research seeks to address these gaps through a detailed analysis of retention practices in Ethiopian SMEs, contributing to both theoretical advancements and practical solutions relevant to the sector.

### **1.3 Research Questions**

1. What's the relationship that exists between employee retention (ER) and job satisfaction (JS) in Ethiopian SMEs?
2. What's the relationship that exists between employee retention (ER) and work-life balance (WLB) in Ethiopian SMEs?
3. How does Work Life Balance (WLB) play in Ethiopian SMEs to moderate Employee Retention (ER) with Job Satisfaction (JS)?

### **1.4 Objectives**

The study will be designed to include both general and particular objectives in order to achieve the goals of the research being conducted.

#### **1.4.1 General Objectives**

The general objective of this research is investigating the elements that affect employee retention in Ethiopian SMEs, with an emphasis on the functions of work-life balance and job satisfaction.

#### **1.4.2 Specific Objective**

The Specific objectives of this research are:

1. To identify influencing elements for Ethiopian SMEs, explore the relationship between JS and ER in Ethiopian SMEs.
2. Explore the relationship between WLB and ER in Ethiopian SMEs

3. Investigate the moderating effect of WLB on the relationship between ER and JS in Ethiopian SMEs.

## **1.5 Significance of the Study**

Employee retention is also a problem for firms around the world because it has a significant impact on productivity, organizational stability, and overall company success. For Ethiopia specifically, the challenges and opportunities that SMEs face make this topic particularly relevant. Conducting research into factors influencing employee turnover by examining demographics such as gender, age, education level, experience level, along with job satisfaction and work-life balance, this study contributes to context-specific knowledge.

### **1.5.1 Demographic Contribution**

The current research on employee retention has largely neglected to study the impact of demographic demographics, especially in developing countries, such as Ethiopia; much of the existing body of knowledge focuses on Western settings, leaving a significant gap in understanding how demographic characteristics, including gender, age, educational attainment, and experience level, influence retention strategies. Speaking about retention strategies, gender dynamics are very essential as well. Research have shown that male and female counterparts my share different motivations and expectations of their work environment hence affecting their commitment.

### **1.5.2 Empirical Contribution**

There have been many researches about employee retention strategies. However, the impact of work life balance and job satisfaction on employee retention in case of Small and medium sized enterprises has been minimal. With this being said, this very research focuses on filling the gap by synthesizing different relationship dynamics among the variables and their impact on retention outcomes.

Job Satisfaction: As main explanatory of employee retention and outcome for intrinsic and extrinsic rewards, was examined empirically to contribute to what's unknown and to enhance what's known.

Work-Life Balance: Nowadays, the labor market is extremely competitive and it's essential that workers find balance and integration between work obligations and personal life as retention strategy and satisfaction erasure. This study examined these dynamics in trying to understand how work life balance affect employee retention within Ethiopian SMEs. The goal of this research is to provide nuanced empirical evidence in regards of contributions of work lie balance and job satisfaction on employee retention in Ethiopian SMEs.

### **1.5.3 Contextual Contribution**

This study will examine those macro-organizational factors which impact employee turnover in Ethiopia during its transition from an agrarian society to an industrialized one; how globalization interplays with local cultural norms affecting employee expectations and aspirations, by incorporating both demographic and contextual elements into retention frameworks.

The purpose of this paper is therefore to contribute substantially to both the body of knowledge and empirical evidence on employee retention in SMEs in Ethiopia, particularly regarding job satisfaction, work-life balance and demographic factors, through the development of a comprehensive model of employee turnover that can be applied with effectiveness to organizations operating within the specific context of the developing region.

### **1.6 Scope of the Study**

The researcher's investigation centers upon the Bole Sub-City Administration located in Addis Ababa Ethiopia. The study examines the influence of work-life balance together with job satisfaction on employee retention within small and medium-sized enterprises (SMEs).

This study investigates multiple sectors such as Information Technology, Manufacturing Wholesale and Services to deliver an extensive analysis of workforce patterns within these industries. The study examined these primary dimensions to enable comprehensive analysis:

The Employee Characteristics dimension examines demographic variables including age, gender, educational background, and work experience among employees in selected SMEs.

The investigation explored how frequently job satisfaction occurred alongside the assessment of work-life balance program effectiveness within corporate structures.

Retention Indicators: Researchers assessed employee retention rates together with elements causing turnover and factors influencing organizational commitment.

The study examined employee experiences and perceptions within their work environment and organizational culture by considering broader contextual factors. This investigation's temporal parameters were delineated to span from February 5th through April 1st in the year 2025. This time frame aimed to generate an understanding of the modern patterns and obstacles that Small and Medium Enterprises face when trying to keep their workforce.

Through explicit parameter definition the study maintained a focused examination of Employee Retention factors in Bole Sub-City SMEs by intentionally omitting unrelated variables and geographical areas to preserve research manageability.

## **1.7 Definition of Terms**

**Job Satisfaction:** The contentment employees feel toward their jobs is what we define as job satisfaction, and it influences their commitment and performance. In work-related activities or evaluation of one's work, satisfaction with the outcome is what Locke (1976) defined as job satisfaction. It indicates how much an individual is happy with his/her job and this is influenced by several factors such as the working conditions, relationship with colleagues, and prospects for promotion.

**Work-Life Balance:** The phrase “work-life balance” is attributed to balancing personal and professional commitments. It may be defined as the employees’ ability to efficiently balance their personal and professional commitments. Work-life balance is achieved when an individual can satisfy the requirements of both family and job without sacrificing either, according to Greenhaus and Allen (2011). This equilibrium is critical for workers’ overall job satisfaction and happiness.

**Employee Retention:** Employee retention is a company's ability to keep its staff over time. One of the most important aspects of organizational performance is excessive turnover since it can lead in higher expenses and interruptions. According Hom and Griffeth (1995), a number of variables, including job satisfaction, organizational commitment, and perceived employer support, influence employee retention. Popular retention strategies include enhancing work happiness and creating a favorable environment.

**Small and Medium Enterprises (SMEs):** Typically classified according to employee count, invested capital, and annual turnover, small and medium enterprises (SMEs) are defined as companies whose personnel count falls below specific levels. Contributing to innovation, jobs, and general economic growth, SMEs are crucial in economic development. Compared with bigger businesses, their qualities sometimes include a more unstructured setup and a closer management-employees connection.

### **1.8 Limitations of the Study**

This study aims to explore the relationships between Job Satisfaction (JS), Work-Life Balance (WLB), and Employee Retention (ER) in Ethiopian SMEs, but several limitations should be noted. The cross-sectional design restricts the ability to infer causal relationships, necessitating longitudinal studies for a deeper understanding. The focus on Bole Sub-city may limit the generalizability of findings to other regions, as the sample may not fully represent the diversity of SMEs across Ethiopia. Additionally, reliance on self-reported data could introduce biases, as participants may provide socially desirable responses. The complexity of interactions among JS, WLB, and ER suggests that further moderating or mediating factors, such as organizational culture and employee engagement, should be examined. Lastly, external factors like economic changes may influence employee perceptions during the study period, potentially affecting the results. Addressing these limitations in future research is essential for validating and expanding upon these findings.

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

This thesis is divided into five chapters, each of which focuses on a different aspect of the relationship between employee retention, work-life balance, and job satisfaction.

**Chapter 1: Introduction** – By providing a summary of the research setting and pointing out gaps in the body of current literature, this chapter has set the stage for the investigation. It provided an overview of the research's goal, main research questions, theoretical framework, contextual significance, and definitions of the major terms.

**Chapter 2: Literature Review** – This chapter conducted a thorough analysis of pertinent literature, concentrating on ideas and empirical research pertaining to employee retention, work-life balance, and job satisfaction. It lays the groundwork for this research by highlighting what is already known and pointing out areas that need more study.

**Chapter 3: Methodology** – The methodological framework, data collection methods, and analytical methodologies used in the study were all covered in length in this chapter. It seeks to make clear the methodology of the study and the reasoning behind the selected approaches.

**Chapter 4: Data Analysis and Presentation** – The results of the analysis of the gathered data are presented in this chapter. It provides a thorough explanation of how the main ideas interact within the framework of the research by methodically examining the themes and patterns that surface.

**Chapter 5: Summary of Findings, Conclusions & Recommendation** – The key study findings are summarized in this chapter together with their theoretical and practical ramifications. It provides insights into the ways in which the identified ideas impact one another and ties the findings back to the study objectives.

## **CHAPTER TWO**

### **LITREATURE REVIEW**

#### **2 Introduction**

This chapter deals with marking thorough analysis of the thesis in regards of employee retention emphasizing on job satisfaction and work-life balance in Ethiopian SMEs. This chapter is categorized into three sections. First, this chapter lays out the foundation of theoretical literature and fundamental ideas, compiled works and theories in regards of job satisfaction and work-life balance and employee retention and maneuvering through their effects. Afterwards, this chapter

delves into the empirical evidence synthesizing key findings from different literatures and use the identified gaps as backdrop as well as to create room for contribution. After that, to develop a model that reflects the relationships of job satisfaction, work-life balance and employee retention, conceptual framework incorporating theoretical foundations with empirical data was used. Finally, based on the synthesized theoretical evaluations and empirical findings, hypotheses were developed while wrapping up this chapter.

## **2.1 Definition and Concept of Small and Medium Sized Enterprises**

Many of “Small and Medium Enterprises” are lot in definitions and differ based on different circumstances like structure, capital and etc. SMEs are most of the time defined by different metrics or factors such as investment levels, sales volume, or employee count while the main categorization remains number of employees/ According to Storey (1994), these companies employee around 0 to 250 employees

SME’s usually encounter difficulties when it comes to employee/ or talent retention. Many researches were conducted to evaluate workforce stability on SMEs without universal or standardized definitions. Hence, to tackle this issue, standardized definitions for SMEs had been benchmarked according contexts to improve employee retention and to make business sustainable.

Small and Micro Enterprise Development Strategy in Ethiopia defines SMEs in four categories: micro enterprises (1-4 employees). Small enterprises (5-19 employees), medium enterprises (20-99 employees), and large enterprises (100+ employees).

Since SME’s don’t have the similar capacity like large enterprises when it comes to resources and benefits, they struggle with retaining employees in the harsh competitive labor market landscape. This problem is further aggravated by the high turnover rates that are observed in smaller enterprises, justified by employees demanding more lucrative compensation benefits packages and creating room for career progression.

This study uses the Ethiopian government’s classification of SMEs detention which focuses on prioritizing asset size and employment level (FDRE, 2011).

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**Table 2.1: SME Levels according to Capital Size and Employee Count**

<b>Business Indicator</b>	<b>Sector</b>	<b>Labor</b>	<b>Capital Level</b>
<b>Micro</b>	Manufacturing	≤ 5	≤ 100,000.00 Birr
	Service	≤ 5	≤ 50,000.00
<b>Small</b>	Manufacturing	6 to 30	≤ 1,500,000.00
	Service	6 to 30	≤ 500,000.00
<b>Medium</b>	Manufacturing	31 to 100	1,500,001 to 20,000,000
	Service	31 to 100	≥ 500,000.00 to 3,000,000.00

*Source: (FDRE, 2011) adopted*

## **2.2 Theoretical Literature**

### **2.2.1 Job Satisfaction**

Literatures advocate that both intrinsic and extrinsic factors affect job satisfaction. The essentiality of their work, perceived opportunities for personal development and recognition from managers and workers are benchmarked as source of intrinsic factor for employees. Studies has reflected that a sense of ownership and rewards significantly boost job satisfaction showing the importance of these internal rewards in enhancing engagement and motivation (Harter, Schmidt, & Hayes, 2002).

Maslow's Hierarchy of Needs (1943) further elucidates the factors influencing job satisfaction. According to this theory, individuals are motivated to satisfy their basic needs before addressing higher-level psychological and self-fulfillment needs. In the workplace context, when organizations effectively meet these needs, such as belongingness through supportive team dynamics and esteem through recognition, employees are likely to experience heightened job satisfaction (Maslow, 1943).

Additionally, employee's perception of their jobs is highly shaped by extrinsic factors like compensation, benefits, and working environment. Comprehensive compensation and benefit packages are usually connected to higher level of job satisfactions simply put because it meets the employee's basic needs and expectations. Moreover, work environment has a great effect role in shaping employee's job satisfaction. An enterprise with a positive work culture, characterized by open communication, cooperation and trust, enhance the sense of belonging and amplifies

employee's satisfaction (Schneider & Reichers, 1983). Conversely, a poor work conditions may signify dissatisfaction and a greater desire to leave.

Employees perception about their jobs can be vary from one employee to the other. Among the things that shape employee's perception about their jobs are, personality traits, beliefs and life circumstances.

Job satisfaction affects more than just your health; it also has a big effect on how the organization works. Organ (1988) says that happy workers are more likely to do things that are good for the workplace, like helping others. On the other hand, unhappy employees may miss work, be less productive, and leave more often, which shows how important it is for businesses to make sure their employees are happy at work (Griffeth et al., 2000).

A review of the literature makes it evident that work satisfaction is a complex, multifaceted idea that is influenced by many different factors. These factors must be understood to aim for business improvement and employee well-being. By enhancing a positive working culture and efficiently elucidating intrinsic and extrinsic demands, enterprises can enhance job satisfaction, which at the end of the day enhance employee retention and organizational performance.

#### **2.2.1.1 Fair and Competitive Environment**

One of the most important components of job satisfaction is a work environment where employees can compete fairly. Employees fully contribute and participate when they feel their workplace is fair. However, researches indicate that a lot of companies usually fail to consider this factor, leading to employee discontent and dissatisfaction.

#### **2.2.1.2 Psychological Support and Positive Work Environment**

Psychological support and positive work environment complement reduced workplace stress leading to an overall boost in employee's satisfaction. When employers value and support their employees, employees are more likely to be engaged and committed. Such encouraging working conditions may be enhanced by activities that demonstrates a company's compassion to its employee's well-being.

Moreover, psychological support among employees can be enhanced by creating an atmosphere at work that encourages collaboration and open communication. An environment where employees feel comfortable discussing their challenges and seeking assistance will make employees more likely to be happy and engaged at work. Hence, enterprises that foster psychological support and a healthy workplace should see lower employee turnover and higher levels of job satisfaction.

### **2.2.1.3 Promotional Opportunities**

Job satisfaction can be enhanced by reflecting promotional opportunities which is a crucial factor in career advancement among employees. Enterprises that always support professional advancement and provide opportunities for professional boost employee's satisfaction jointly boosting their commitment to developing internal talent.

Moreover, providing mentorship, career progression resources and training programs boost employee's advancement in their careers. Studies showed that enterprises that invest in employee's development encounter a boost in employee motivation & engagement.

### **2.2.1.4 Comprehensive Benefits Package**

An attractive benefits package which includes monetary and non-monetary rewards is very important. Benefits like competitive salaries, training opportunities, retirement plans and paid leave are valued by employees. These factors enhance the overall job experience and enhance organizational commitment to its employees.

Moreover, benefits packages that are well crafted has huge effect on retaining employees. According to studies, enterprises that give good benefits are usually perceived as more desirable employers, which can be very essential in retaining top talent in labor market that's is very dynamic. Additionally, employees who manifest that their employers care about their well-being will be very likely to be engaged and devoted hence reducing turnover rates.

### **2.2.1.5 Supervisor Support**

It's very essential to consider the impact of managers have on subordinates/employee's satisfaction. Supervisor are usually the leading people that engage with employees first and usually

have a huge effect on how employees perceive their jobs. Studies show that high level of job satisfaction and employee engagement are correlated with supportive supervisory engagement. Employees feel wanted and aspired when supervisor give positive directions, appreciation and reprimands (Sonnentag, 2003).

Moreover, smooth supervisor and employee communication leads to problem solving and contributes the perception of community within the enterprise. Employees are likely to create an emotional bridge with their jobs and the organizational as whole when they perceive their supervisors are encouraging. Hence leading to lower turnover rates and high job satisfaction.

#### **2.2.1.6 Positive Coworker Relationships**

When employees have a positive coworker relationship, this dynamic lead to job satisfaction. Some studies refer that there's a poor correlation between job satisfaction and coworker dynamics (Haq, 2020).

#### **2.2.1.7 Job Characteristics**

Job characteristics including skill variety, task identity, task significance, autonomy and feedback are very essential in affecting job satisfaction. These factors provide a sense of purpose in job, which increases satisfaction levels, according to Hackman and Oldham's job characteristics model (Hackman & Oldham 1976).

Moreover, autonomy enable employees to choose how to their responsibilities which leads to motivational enhancement and satisfaction. When employees perceive that they are empowered to make decisions and apply creativity to their works, they will be satisfied with their jobs. Hence, enterprises should maneuver to enhance such jobs that consist such qualities to improve overall job satisfaction.

#### **2.2.2 Work Life Balance**

The "work-life balance" term refers to an extent which employees maneuver their personal and professional time. Greenhaus and Allen (2011) express WLB as a degree to which employees can efficiently manage their personal and professional time without any need in compromising their productivity or their sanity.

Work-life balance is crucial for fulfilling employees' higher-level needs as described by Maslow. The ability to manage personal and professional responsibilities directly impacts employees' sense of belonging and esteem, ultimately enhancing their overall satisfaction with their jobs (Maslow, 1943). By promoting a supportive work environment that allows for flexible arrangements and personal time, organizations can help employees meet these needs, which is essential for reducing turnover rates and fostering commitment to the organization (Greenhaus & Allen, 2011).

Studies and organizations have started to recognize the essentiality of work-life balance. A lifestyle that is balanced has been connected to several merits, like increased job satisfaction, less stress and much more enhanced general well-being in accordance to studies (Thompson & Prottas, 2006). These findings highlight the essentiality of work-life balance for employee's general performance and productivity as well as their sanity.

Turnover rates and employee retention are usually low in enterprises that advocate for a positive work-life balance (Deery, 2008).

Additionally, enhancing employee productivity necessitates work-life balance. Higher rates of engagements and devotions to their enterprise are likely to be reflected by employees who are supported in balancing personal and professional life (Hill et al., 2001).

This literature also signifies the importance of flexible work schedules in enhancing work-life balance. Employee's ability to manage their work commitment can be positively boosted by enabling remote working initiative. Studies shows that companies that give such flexibility reflect low employee turnover and low burnouts (Kossek & Ozeki, 1998). Moreover, flexible work is also associated with high rate of job satisfaction and organizational commitment, per Allen et al. (2013).

Additionally, work-life balance affects organizational culture and climate in addition to employees. In a fast-paced competitive labor market, structured work-life balance focused culture can enhance and establish an enterprise an employer of choice (Kelliher & Anderson, 2010).

### **2.2.2.1 Flexible Work Arrangements**

Flexible work schedules include hybrid models, flexible hours, and remote work among several other choices that have lately become very well-known. These plans let staff members choose

when and where to work, therefore enabling them to fit their responsibilities to match their personal schedules.

The rising need for flexible work environments highlights the value of flexible work schedules. Reduced employee turnover and increased job satisfaction have been linked to flexible work schedules (Thompson & Prottas, 2005). There are several factors connecting flexible labor with job satisfaction. One of these elements is more freedom since flexible work schedules let staff members more control over their calendars, therefore increasing motivation and job satisfaction (Hill et al., 2001). Additionally, telecommuting eliminates or significantly reduces commute time, which is a common source of stress. Employees' general well-being can be enhanced by working from home or selecting flexible scheduling, which allows them to recover important time that could be spent with their families or on hobbies (Mokhtarian & Salomon, 2001).

Enhancing overall job satisfaction also requires flexible work schedules. Studies show that such arrangements accommodate employees' diverse needs and lifestyles, which boosts employee engagement and commitment to their work (Bakker et al., 2008). When competing for top talent in a competitive labor market, companies that offer flexible work arrangements are often viewed as more desirable employers.

Flexible work arrangements benefit individuals by catering to their personal needs, but they also have significant advantages for businesses, including improved job satisfaction, a lower chance of employee turnover, and the ability to attract and retain talent. As the workforce continues to evolve, the importance of these agreements in fostering a healthy work-life balance cannot be overstated.

#### **2.2.2.2 Job Sharing**

Using this innovative flexible work arrangement known as job sharing, two employees categorize the responsibilities of a single full-time position. Using this strategy helps businesses keep important employees who might choose for part-time employment because of familial responsibilities or events.

An important advantage of job-sharing arrangements is that they permit organizations to retain talented employees who may be contemplating leaving the organization due to personal matters, such as caring for children or elderly family members. Retaining employees is significant to organizations because it decreases the costs associated with recruiting and training new employees.

In addition, it has been documented that job sharing enhances employees' job satisfaction. Due to the flexibility that is built into this arrangement, individuals may be in a better position to manage their working hours, which allows them greater scope to manage their personal time and responsibilities and their working time and responsibilities. For example, Kelliher and Anderson (2010) showed that employees who shared a job were more satisfied with their jobs than employees who did not share jobs. As a result of this greater satisfaction, employee motivation and engagement increase, which ultimately benefits organizational performance and effectiveness.

Furthermore, job sharing creates a positive work atmosphere that increases workers' dedication to the company. Employees are more likely to acquire a deep feeling of commitment to their company when they believe their personal needs are recognized and met. When workers feel appreciated, they are more inclined to go above and above in their jobs, which benefits the organization's objectives.

Additionally, combining jobs helps people have a better work-life balance. Splitting up the duties of a full-time job gives workers more scheduling flexibility, enabling them to take care of personal obligations without sacrificing work obligations. Work-life balance is essential for employee happiness and well-being, according to Allen et al. (2013). Companies that encourage work sharing are more appealing to potential employees since they are frequently seen as more employee-friendly.

Finally, the cooperation that comes with work sharing makes it possible to use a variety of viewpoints and abilities in a single position. When two people work together, they can use their different talents and backgrounds to improve team creativity and problem-solving. According to Kelliher and Anderson (2010), this cooperation results in creative solutions and enhanced decision-making procedures. A dynamic work environment that promotes ongoing learning and growth is created by job sharers exchanging ideas.

In addition to promoting work-life balance, job sharing is a beneficial flexible work arrangement that improves organizational performance, employee retention, and satisfaction. Adopting job sharing will be crucial for developing a responsive and engaged staff as businesses continue to adjust to the changing workforce.

### **2.2.2.3 Organizational Support**

The tools and guidelines that businesses offer to help workers manage their work-life balance are referred to as organizational assistance. Programs like health initiatives, flexible work schedules, childcare services, and parental leave are all part of this support (Thompson & Prottas, 2006). Organizations may greatly increase employee engagement, job satisfaction, and retention rates by cultivating an atmosphere that puts employee well-being first.

Organizational support refers to how employees perceive their employer to take value in their work and care for their welfare. Eisenberger et al. (1986) first discussed the notion of perceived organizational support or "POS", which states that when employees feel their employer supports them in a positive manner, they are more likely to develop positive attitudes and behaviors in return. This perspective speaks to the importance of the existence of policies and procedures to cultivate a positive workplace culture.

Assorted endeavors of support made by organizations can be grouped into categories. For example, parental leave laws encourage a reasonable work-life balance by allowing individuals to attend to family obligations during leave time. Daycare options allow working parents to attend to their work obligations without worrying about childcare supervision during the workday. Wellness initiatives that support the employee's overall well-being (Thompson & Prottas, 2006) include work-life balance training, exercise classes, and mental health services. Wellness initiatives improve the general workplace culture and display the organization's commitment to employee well-being.

Studies show that if employees are happy, they feel the company supports them better. When a firm is helpful, workers report feeling more loyal and satisfied with their job. This was found by Rau and Hyland in a 2002 study. If a company puts money into policies and resources to help

employees, it will likely make workers feel satisfied and engaged. Moreover, happy workers often stay with a company, which can reduce how often workers leave.

The company's help is key in making workers feel devoted. When workers think that the company genuinely takes care of them, it's more likely they will have strong feelings for it. A study by Rhoades and Eisenberger in 2002 connects this devotion to better work and wanting to stick around. Feeling appreciated and motivated makes workers work even harder, helping the company meet its targets.

Rhoades and Eisenberger in 2002 found that when workers feel appreciated and have reasons to stay at their job, they usually do better work. This makes the whole team reach their goals faster. It's really important for companies to have happy and dedicated workers who don't want to leave. They should support their employees with policies that make balancing life and work easy.

Research makes it clear that the way employees see their organization's support can mean the difference between just liking their jobs and loving them so much they'd never want to leave. So, it's on the employers to make employee support their number one priority. This makes their team not just dedicated, but determined to navigate today's complex job scene.

#### **2.2.2.4 Work Leave Initiatives**

Work leave initiatives are very important at retaining employees since it enables the employees to take personal time off without getting worry at consequences. These initiatives contain of sick leave, parental leave as well as most importantly, annual leave. For instance, Nigeria's Labor Act obliges some sort of policies that are very important at maintaining employee's morale and productivity. Enterprises that are good at implementing such policies often realize an increment in employee commitment since employees perceive how valued they are and supported. (Isaacs et al., 2017).

Work leave program is a very essential component when it comes encouraging a good corporate culture that enhances employee's well-being and sanity. Enterprises can boost workforce engagement by enabling employees to manage personal commitments without tackling their work responsibilities.

### **2.2.3 Employee Retention**

For businesses to be competitive in today's harsh business environment, they must focus on Employee retention. It defines the procedures, policies and even strategies to make employees engaged and committed as well as to keep them in a longer term. Since a very high employee turnover rate can lead to institutional knowledge degradation, significant costs for recruitment and training.

The study also shows that it's very essential to create a supportive work condition. According to Rhoades & Eisenberger, 2002), employees who perceive that they are valued and supported are likely to stay with their employers. This perceived organizational support is very essential for boosting job satisfaction and loyalty, eventually leading to reduction in turnover intentions.

Retention is also boosted by leadership influence. Bigger retention rates have been correlated with transformational leadership, which is a type of leadership which motivate and inspires employees (Bass & Avolio, 1994). One of the essential factors of employee retention is the environment that efficient leaders create, where employees feel valued and supported.

Moreover, retention is also explained by enterprise culture. Big levels of job satisfaction can emanate from a good working condition that support diversity (O'Reilly & Chatman, 1996). Employees are also likely to stay with companies with strong work culture since it contributes to purpose and belonging perception towards the employees.

Employee retention is a sophisticated matter that demands a thorough approach. Enterprises can be able to enhance overall employee's satisfaction and loyalty by adopting successful programs like culture, leadership and support, which will at the end of they result in a substantiable success.

#### **2.2.3.1 Effective Communication**

Effective communication is important in laying out the foundation work environment where employees feel valued, supported and informed. Employees can raise their voice, blow the whistle without any fear of retaliation in enterprises that value transparent communication since it enhances trust and honesty. Policies, procedures and way of working that support communication and give employees a chance to voice their thoughts and opinions, like a regular feedback

mechanism, health checkup and stay interviews, are especially beneficial (Armstrong, 2007). Enhanced job satisfaction and retention are the implicated results of effective two-way communication, which also fosters employee engagement and amplifies loyalty to the company. Enterprises can create a strong and unified workforce that pioneers overall performance and success by giving it all in effective communication models.

### **2.2.3.2 Organizational Culture**

Since it helps the overall working conditions and employee's perception about their environment, organizational culture has a very big impact on retention intentions. A culture that aims for creativity and cooperation creates a good working environment that make employees dedicate more towards their job and organization. Cultures that are strong lead to longer employee retentions because employees believe and perceive that their values are divided among the employer, according to Sheridan (1992).

### **2.2.3.3 Training and Development**

Training and development expenditures are essential for staff retention. Opportunities for ongoing learning not only improve workers' abilities but also show how dedicated the company is to their professional development. Prioritizing training initiatives shows staff members that their growth is important and that they are appreciated. According to research, organizations that prioritize training develop more devoted employees, which enhances output, increases job satisfaction, and lowers turnover (Griffeth et al., 2000). Continuous professional growth increases the likelihood that workers will feel inspired and in control of their jobs, which promotes an innovative and flexible culture. Organizations may develop a devoted staff that supports long-term performance and a favorable corporate culture by implementing strong training programs.

### **2.2.3.4 Onboarding**

Retaining employees requires efficient onboarding procedures. The culture of the company, employment expectations, and connections with coworkers are all facilitated by a well-designed onboarding program. According to research, companies that implement thorough onboarding procedures have improved retention rates from new hires since these initiatives ease transitions and lessen feelings of loneliness (Bauer, 2010). Businesses that engage in onboarding increase

job satisfaction and encourage new hires to stay on the job for a long time. A satisfying onboarding process may boost loyalty, productivity, and engagement, which will strengthen the organization's values and mission and eventually result in a more stable staff.

### **2.2.3.5 Employee Engagement**

A key element of retention is employee engagement, which reflects the sentimental attachment that staff members feel to their company. The success of the company as a whole is greatly impacted by engaged workers, who are also more driven and devoted. Research indicates that involvement is linked to several positive outcomes, including improved customer service and higher levels of job satisfaction (Harter, Schmidt, & Hayes, 2002). Employee retention rates are generally higher for companies that actively promote engagement through opportunities for feedback, meaningful work, and appreciation. Kahn (1990) introduced the concept of personal involvement at work, stressing the importance of safety, meaningfulness, and availability. Employee commitment to their positions and the company is higher when they believe their work has purpose.

Employee commitment may also be significantly increased by involving them in decision-making processes. Saks (2006) emphasized that when employees have a voice in creating policies or procedures, they develop a stronger bond with the organization. This engagement increases motivation and boosts retention rates by fostering a sense of accountability and ownership. Recognition also has a big impact on engagement; Gallup (2013) states that motivated workers are more likely to feel valued. Formal awards and informal acknowledgments are only two examples of the many ways that recognition may foster a culture where workers feel appreciated and strengthen their emotional engagement.

To improve involvement, professional development opportunities are crucial. Higher levels of satisfaction are reported by workers who have access to career growth, mentoring, and training (Noe, 2017). Businesses that support their workers' growth not only improve their abilities but also show that they care about their long-term success, which boosts employee loyalty and lowers turnover.

In conclusion, increasing retention requires cultivating employee engagement. A work environment that fosters emotional commitment is produced by organizations that place a high value on meaningful work, recognition, participation in decision-making, and professional growth. Higher productivity, loyalty, and overall organizational success follow from this. Businesses may create a committed workforce that supports long-term success and a healthy culture by putting engagement-promoting tactics into practice.

#### **2.2.3.6 Geographical Location**

Organizations must take into account cultural fit and community integration in their recruiting strategies since attracting and keeping talent in distant areas has special obstacles (Haslam McKenzie & Stehlik, 2005). Studies refer that employee search for sense of belonging to the organization and shared values between their personal values and their organization (Kristof-Brown, Zimmerman, & Johnson, 2005). Employees are likely to be satisfied with their jobs and stay with an organization over longer term when they like they belong to that organization (Holtom et al. 2008).

### **2.3 Theoretical Framework**

This theoretical framework elaborates about the relationship dynamics between job satisfaction, work-life balance and employee retention in Ethiopian Small & Midsize Enterprises in case of Bole Sub-City Administration in Addis Ababa, Ethiopia. By studying the relevant theories, this foundational framework gives insights towards a comprehensive understanding of how these factors interact to affect employee retention.

#### **2.3.1 Job Satisfaction and Employee Retention**

There are many dimensions in job satisfaction that are validated by different theoretical frameworks. For instance, Karasek's (1979) job demand-control model signifies that little control where high job demands can lead to huge stress and adverse impact on job satisfaction. However, flexible work initiative programs can boost satisfaction by assisting employees balancing of their personal and professional commitments.

Maslow's Hierarchy of Needs (1943) serves as a crucial theoretical underpinning in understanding the relationship between job satisfaction and employee retention. According to this framework, individuals are motivated to fulfill lower-level needs, such as physiological and safety needs before seeking to satisfy higher-level needs, including belongingness, esteem, and self-actualization. In the workplace, organizations that address these needs by fostering a supportive environment and offering recognition are likely to see higher levels of job satisfaction among employees. This increased satisfaction, in turn, positively influences employee retention, as satisfied employees are more inclined to remain with their organizations (Maslow, 1943).

Another essential factor in job satisfaction is equal treatment. The organizational justice theory, was introduced by Greenberg (1990), signified the importance of procedural and distributive justice in the workplace and showed that treating employees fairly enhances commitment and job satisfaction.

Equal treatment is another crucial element of job satisfaction. The Organizational Justice Theory, introduced by Greenberg (1990), highlights the importance of justice in the workplace and demonstrates that treating people fairly boosts commitment and job satisfaction.

Job satisfaction also depends on psychological support and having fun at work. According to the Stress-Buffering Hypothesis, social support can lessen the negative effects of stress and increase work satisfaction (Cohen & Wills, 1985). Furthermore, Deci and Ryan's (2000) Self-Determination Theory highlights the need of psychological support in meeting intrinsic requirements, which raises job satisfaction even further. These ideas demonstrate the positive effects that supportive work environments have on employee retention and well-being.

Opportunities for advancement are crucial to preserving employment happiness. According to Career Development Theory, maintaining motivation and work satisfaction requires chances for advancement and professional development (Super, 1990). According to these frameworks, companies that want to improve employee retention and happiness must provide clear career paths.

Another important factor in work happiness is a comprehensive benefits package. According to the Total Reward Model, a comprehensive benefits package that includes non-cash incentives has a big impact on employee happiness (WorldatWork, 2007). Benefits are classified by Herzberg's

Two-Factor Theory as hygiene factors that, although they prevent unhappiness, do not always increase contentment unless they are significant (Herzberg, 1959). This emphasizes how crucial it is to offer worthwhile perks in order to promote employee retention and work happiness.

Relationships at work are essential to job fulfillment. Positive interpersonal interactions at work foster job happiness through reciprocity and trust, according to Blau's (1964) Social Exchange Theory. Employee happiness and performance are greatly impacted by collaborative connections, which are further highlighted by teamwork theory (Hackman & Oldham, 1976). According to these views, building solid bonds between coworkers can improve job satisfaction and promote retention.

Lastly, work happiness is significantly impacted by job features. Key work factors that affect employee motivation and satisfaction include autonomy, feedback, task identity, task relevance, and skill variation, according to Hackman and Oldham's (1976) work Characteristics Model. Furthermore, according to the Job Crafting Theory, workers may actively modify their job's features to improve happiness and engagement (Wrzesniewski & Dutton, 2001). This suggests that giving workers the freedom to customize their jobs might increase retention and job happiness. Based on this framework, the researcher posits:

**Hypothesis (1):** Job satisfaction positively influences employee retention.

*Higher levels of job satisfaction lead to increased employee retention as satisfied employees are more likely to remain in their positions.*

### **2.3.2 Work-Life Balance and Employee Retention**

Work-life balance has also a huge significant impact of retention intentions of employees. Many theoretical frameworks laid the foundation and explained its components. Employees play lots of roles and having a flexible work program allows them to efficiently manage multiple responsibilities in accordance to role theory model developed by Kahn et al. in 1964.

The concept of work-life balance is closely linked to Maslow's Hierarchy of Needs, particularly in how it enables employees to manage their personal and professional responsibilities. A supportive work environment that facilitates work-life balance allows employees to satisfy their

belongingness and esteem needs, which are essential for overall job satisfaction and retention. By providing flexible work arrangements and promoting a culture that values personal time, organizations can enhance their employees' overall satisfaction and reduce turnover intentions (Maslow, 1943)

Job sharing is a mechanism or means of achieving a work-life balance as posited in social exchange theory, which explains that inverse or reciprocal connection at work boost job satisfaction (Blau, 1974). Job sharing can be viewed as an organizational support system that fortifies these relationships. Additionally, job sharing can improve job attributes like task diversity and autonomy, which would raise job satisfaction, in accordance with Hackman and Oldham's (1976) Job Characteristics Theory. This increased level of satisfaction brought about by job-sharing arrangements may help with employee retention.

Several theories provide a robust framework for understanding the dynamics of work-life balance and its impact on employee retention. Role Theory, developed by Kahn et al. (1964), asserts that individuals navigate multiple roles, and effective management of these roles is crucial for overall well-being. Employees who successfully balance their work and personal responsibilities are likely to experience reduced stress and increased job satisfaction, which positively influences their intention to remain with the organization.

The concept of work-life integration emphasizes how important it is to balance obligations on both a personal and professional level. The Work-Family Border Theory, developed by Clark (2000), suggests that work-life integration fosters a supportive environment and highlights the flexibility between the work and family spheres. Additionally, people put a lot of effort into acquiring and protecting their resources, and a good work-life balance aids in resource management and stress reduction, according to Hobfoll's (1989) Conservation of Resources Theory. These concepts demonstrate how work-life balance may increase employee satisfaction and retention.

Promoting work-life balance requires the organization's support. Employees who feel their employer is supporting them are more likely to act and think positively, according to Eisenberger et al.'s (1986) Perceived Organizational Support Theory. One way this assistance could manifest is through flexible work arrangements. Additionally, Tajfel and Turner's (1979) Social Identity

Theory states that employees take some of their identity from their employer and that encouraging actions that boost loyalty and commitment help retain employees.

In order to promote work-life balance and support employees with their family responsibilities, work leave initiatives are essential. Family-Systems Theory emphasizes the importance of work leave policies by highlighting the interdependence of work and family obligations (McCubbin & Patterson, 1983). Furthermore, role theory states that these actions reduce role conflict by helping employees balance their obligations to their families and their jobs (Kahn et al., 1964). According to these principles, work leave policies that are effective can improve employee retention and job satisfaction.

Workplace informal support further improves work-life balance. According to the Social Support Theory, coworker and supervisor support can mitigate the negative impacts of stress and enhance wellbeing and job satisfaction (Cohen & Wills, 1985). Goleman's (1995) Emotional Intelligence Theory emphasizes the value of interpersonal skills in relationship management, which are essential for creating unofficial support systems. Employee retention may be greatly impacted by such encouraging work conditions.

It is impossible to ignore how important technology is to work-life balance. According to the theory of technological determinism, technology influences both individual and social behaviors, altering work-life balance by increasing flexibility and perhaps erasing boundaries (Marx, 1994). According to these findings, technology may help people manage their personal and professional lives, but it can also pose problems that companies must deal with in order to retain their workforce.

Lastly, work-life balance and job advancement are tightly related. According to professional growth Theory, professional advancement is influenced by how well one manages work-life conflicts, underscoring the significance of self-concept in career growth (Super, 1990). According to the social capital theory, networks and connections offer resources that help people grow in their careers, and social capital is fostered in supportive work settings (Bourdieu, 1986). According to these beliefs, companies that promote work-life balance can improve employee retention and

career advancement. Based on this framework, the researcher posits:  
**Hypothesis (2):** Work-life balance positively influences employee retention.

*Employees who experience a favorable work-life balance are more likely to stay with their organization, as it enhances their overall satisfaction and reduces stress*

**Hypothesis (3):** Work-life balance moderates the relationship between job satisfaction and employee retention.

*The positive impact of job satisfaction on employee retention is stronger for employees with higher work-life balance.*

### **2.3.3 Employee Retention**

For businesses looking to keep a steady and driven staff, employee retention is a major challenge. Realistic Job Previews (RJPs) are one of the theoretical frameworks that help explain the elements that affect retention. Organizations may improve employee acculturation and retention rates by establishing reasonable expectations.

Another important element affecting employee retention is effective communication. According to Giles and Ogay's (2006) Communication Accommodation Theory, people modify their communication methods to provide room for others, which promotes trust and clarity in relationships. Effective communication improves management-employee relationships, lowers miscommunication, and eventually boosts retention. Establishing a friendly workplace that motivates staff to stay dedicated requires open and transparent communication channels.

Employee retention is also greatly influenced by rewards and recognition. According to Adams' (1965) Equity Theory, workers evaluate their level of job satisfaction by comparing their perceived fairness in rewards to that of their peers. Employee motivation and loyalty to the company are increased when they believe that acknowledgment is fair and significant, which raises retention rates. Employee loyalty and turnover are likely to increase for companies that use transparent and equitable compensation schemes.

Employee retention and organizational commitment are inextricably intertwined. Three elements of organizational commitment were distinguished by Meyer and Allen (1991): emotional, continuance, and normative. One factor that has a significant impact on retention is affective commitment, or an employee's emotional bond with the company. Because they relate to the organization's objectives and core principles, workers who have a deep emotional bond with their job are more likely to stick around.

Employee retention is also greatly impacted by job features. Five fundamental job dimensions—skill diversity, task identity, task importance, autonomy, and feedback—that affect intrinsic motivation and job satisfaction are identified by Hackman and Oldham's (1976) Job Characteristics Model. Employees are more likely to feel satisfied with their positions when they are created with these factors in mind, and this has a favorable impact on their decision to stay with the company.

This theoretical framework incorporates a number of hypotheses about employee retention, work-life balance, and job satisfaction. Organizations in Bole Sub-City Administration, Addis Ababa, may create plans to improve employee retention by knowing how these constructions interact, which will eventually benefit the staff and the company. The suggested theories will direct empirical study and serve as a basis for further studies in this field.

## **2.4 Empirical Review**

### **2.4.1 Job Satisfaction and Employee Retention**

More people are realizing how important job satisfaction is in influencing employee retention across a range of industries. Businesses need to understand this connection if they want to keep a consistent and devoted workforce (George & Jones, 2002). This empirical analysis synthesizes data from multiple studies to shed light on the relationship between job satisfaction and employee retention, emphasizing the importance of attending to employees' needs and expectations at work.

Research indicates a strong correlation between job satisfaction and employee retention. For example, Biason (2020) highlights that satisfied employees in their jobs are likely to stay with employers. According to this study as well, which used descriptive research model, job satisfaction and employee retention rates are positively correlated (Biason, 2020). Additional studies supported

this finding by showed that satisfied employees are also likely to be loyal as well as complemented by lower turnover and absenteeism (George & Jones, 2002).

Job characteristic's model as posited by Hackman and Oldham's (1976), signified key job factors that impact job satisfaction and retention, including skill variety, task identity, task significance, autonomy and feedback. Their study signified those jobs designed with these lucrative factors enhances employee's satisfaction eventually leading to enhancement in retention intention.

Pay and benefits are key components of job satisfaction. Biason (2020) found that when employees feel their pay is fair, they are more likely to report being satisfied with their jobs. The Equity Theory, first presented by Adams in 1965, holds that workers assess their level of job satisfaction by contrasting their contributions and results with those of others. Fair compensation policies are crucial since a perceived mismatch can cause discontent and attrition.

Employee happiness is greatly impacted by the type of the work content. The idea of "job crafting," which enables workers to mold their positions to improve personal meaning and fulfillment, is examined by Wrzesniewski and Dutton (2001). This tactic highlights how crucial it is for companies to give employees control over how their jobs are designed.

Opportunities for career advancement are a major factor in determining job satisfaction. Research shows that workers are more satisfied and are more likely to stick with their company if they see clear career advancement paths (Biason, 2020). According to WorldatWork (2007), companies with strong career development initiatives had reduced employee turnover rates, highlighting the importance of advancement possibilities for retaining staff.

Job happiness is also significantly influenced by the caliber of connections at work. Fostering a supportive atmosphere requires positive connections with coworkers and managers (Beam, 2009). Tajfel and Turner (1986) address social identity theory, emphasizing how group dynamics may affect employee happiness and retention, while Cohen and Wills (1985) underline the importance of social support in reducing job stress and improving job satisfaction.

Employee retention is directly impacted by work satisfaction, according to empirical data. According to Mowday, Porter, and Steers (1982), contented workers are less likely to quit their

occupations and are more likely to show organizational commitment. For example, Tett and Meyer's (1993) meta-analysis revealed that one of the best indicators of intentions to leave is work satisfaction. Deci and Ryan (2000) also support the Self-Determination Theory, which holds that relatedness, competence, and autonomy are basic psychological demands that influence job satisfaction and motivation. Retention rates are likely to be greater for organizations that meet these criteria.

#### **2.4.2 Work-Life Balance and Employee Retention**

Many organizations nowadays are recognizing the essentiality of work-life balance. Enterprises that desire to develop cutting edge workforce and reduce turnover must understand how work-life balance and retention go hand in hand (Greenhaus & Allen, 2011). In order to reflect focus on these relationship between work-life balance and employee retention, this empirical analysis examines data from different researches, showing the importance of incorporating supportive working conditions.

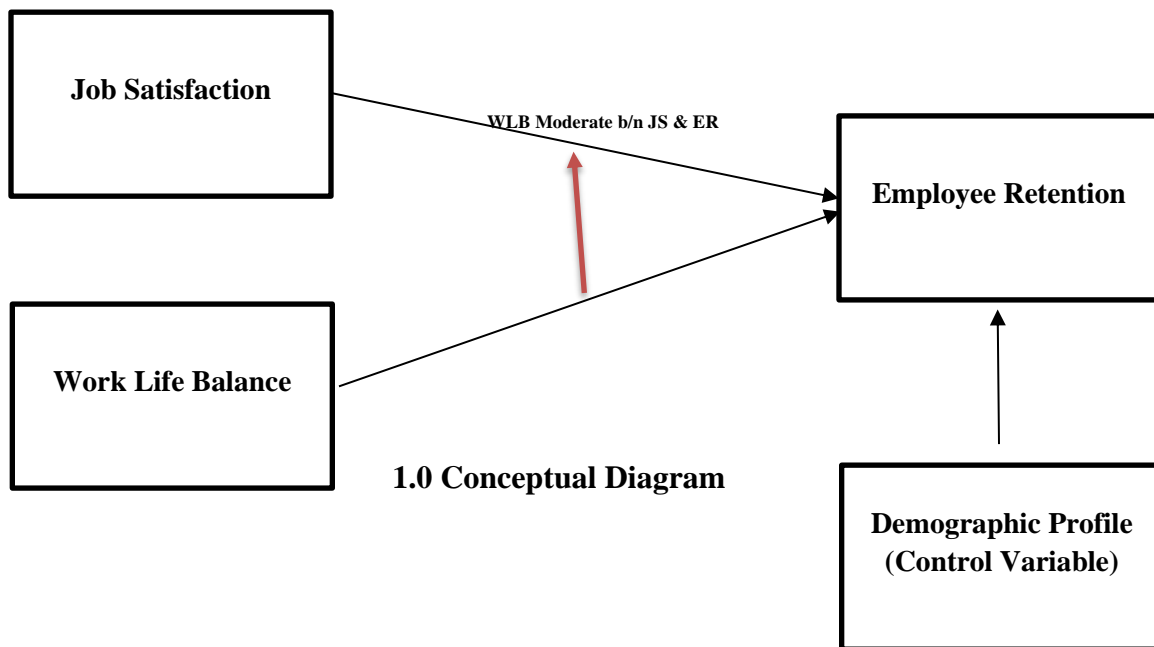
Organizational support also promotes work-life balance. According to a study by Döckel (2003), employees feel more engaged to their organizations when they perceive that their organization support their work-life activities. This sense of support can reduce turnover intentions and enhance job satisfaction and serve as an effective barrier against job stress (Thomson & Prottas, 2006).

Conversely, a factor that contribute a negative significance towards work-life balance is job fatigue. Schaufeli and Bakker (2004) laid out that high levels of job burnout were correlated with bigger turnover intentions. Employee retention and burnout are highly correlated, claim Hashim et al., (2022). This shows that to improve work-life balance and retain employees, organizations should manage job fatigue and burnout.

### **2.5 Conceptual Framework**

The conceptual framework for this study elaborates the dynamics relationships of job satisfaction, work-life balance and employee retention in Ethiopian SMEs in the case of Bole Sub-City Administration in Addis Ababa, Ethiopia. By inculcating different type of theoretical foundations and empirical findings, this framework by far, shows how these factors interact to impact employee retention. To complement the framework on contemporary study, the thesis used complemented

framework by Shuck et al., (2017). This framework posited that efficient work-life balance programs lead to boosting job satisfaction, as employees who are supported in both of their personal lives and professional careers are likely to show fulfillment in their jobs. Consequently, this boosted job satisfaction eventually leads to high rates of employee retention with the understanding of satisfied employees are less inclined to leave their organizations.



## 2.6 Research Hypotheses

**Hypothesis 1: Job satisfaction positively and significantly influences employee retention.**

*Ho: Job satisfaction does not positively and significantly influence employee retention.*

*Ha: Job satisfaction positively and significantly influence employee retention.*

**Hypothesis 2: Work-life balance positively influences employee retention.**

*Ho: Work-life balance does not positively influence employee retention.*

*Ha: Work-life balance positively influences employee retention.*

**Hypothesis 3: Work-life balance moderates the relationship between job satisfaction and employee retention.**

*Ho:* Work-life balance does not moderate the relationship between job satisfaction and employee retention.

*Ha:* Work-life balance moderates the relationship between job satisfaction and employee retention.

## CHAPTER THREE

### RESEARCH METHODOLOGY

#### 3 Introduction

A research study's methodology is crucial because it describes the methodical way in which the research questions and hypotheses are addressed. A discussion of the research design, including the particular kind used for the study, opens the chapter. The research methodology is next covered, including the steps used to carry out the investigation. The target population, sample size, and sampling techniques are described in depth in the population and sample sections. The chapter then goes on to explain the data gathering techniques that were employed to get information. After that, it defines important words related to the research and goes into operationalization and measurement. The methods for analyzing the gathered data are described in the data analysis section. To make sure the measuring tools are useful, the chapter also evaluates their validity and reliability. Eventually, ethical consideration is addressed, signifying how essential it is to conduct this thesis responsibly and in an ethical way. By structuring this chapter accordingly, the thesis aims to give a clear framework of methodologies for understanding the factors impacting employee retention in a nuanced way.

#### 3.1 Research Design

In this very research, an explanatory design was used in synthesizing the overall work. This method made it possible to identify and investigate the relationship between work-life balance, job satisfaction and employee retention in Ethiopian SMEs. The explanatory design aims to clarify the relationship between variables and nuance the underlying cause of these interactions (Saunders, Lewis, & Thornhill, 2009).

This design is perfectly fit for nuancing the real impacts of job satisfaction and work-life balance on employee retention because it elucidates the real casual correlations. Within the context of Ethiopian SMEs, this design helps in achieving the objective of understanding how these elements interact and impact retention (Creswell & Creswell, 2007).

### **3.2 Research Approach**

To provide a triangulated data from multiple sources, this study will use mixed research approach focusing on primarily on quantitative data with minimal qualitative data. This way made it simple to fully understand how management and employees perceive the impact of job satisfaction and work-life balance on employee retention.

The primary method of gathering and synthesizing data will be quantitative method. Quantitative method is referred to as findings for statistical computation and synthesized analysis that make it possible to establish correlations between factors (Creswell & Creswell, 2017). Input from a representative sample were gathered using standardizes scale, providing that the findings can be used to generalize the larger group of employees of small and midsize enterprises.

Qualitative method was collected in addition to quantitative data using semi-structured interviews. Even though it won't be detailed as quantitative method, it enabled a room for deeper investigation of employee perceptions regarding the variables affecting employee retention. It addressed the "why" and "how" of the observed relationships, enabling laying out reliable results with context and depth.

### **3.3 Population and Sample Determination**

The population consist of two groups as reference of categorization. The first is a categorization based on region or sub-city to incorporate the general image. The second categorization is based on the sector they operate in to cover the spatial dynamics.

Table 3.1 exhibits that 36,353 SMEs are registered in the entire thesis region. SMEs are the target place for this survey focusing on how job satisfaction and work-life balance affect employee retention within the workforce. SMEs distribution by sectors and sub-city is displayed in the table below.

**Table 3.1 Population SME Distribution by Sector at the Sub-City Level**

No.	Name of Sub-Cities	Number of SMEs by the Sectors					Total
		Manufacturing	Construction	Trade	Service	Urban Agriculture	
1	Yeka	1,088	1,787	1,256	701	216	<b>5,048</b>
2	Nifas-Silk Lafto	1,452	1,527	1,082	781	213	<b>5,055</b>
3	Lideta	387	371	547	324	39	<b>1,668</b>
4	Kolfie	1,943	851	934	525	234	<b>4,487</b>
5	Kirkos	671	573	1,034	932	80	<b>3,290</b>
6	Gulale	1,517	1,016	1,098	442	85	<b>4,158</b>
7	Bole	930	1,327	630	411	126	<b>3,424</b>
8	Akaki-Kaliti	855	950	443	428	155	<b>2,831</b>
9	Addis-Ketema	895	421	369	322	19	<b>2,026</b>
10	Arada	766	702	2,098	773	27	<b>4,366</b>
<b>Total</b>	<b>10,504</b>	<b>9,525</b>	<b>9,525</b>	<b>9,491</b>	<b>5,639</b>	<b>1,194</b>	<b>36,353</b>

(Source: 2021 JCEDB)

### 3.4 Sample Size & Sample Technique

This research synthesizes the effect of job satisfaction and work-life balance on employee retention in small and medium size enterprises in Bole Sub-city, Addis Ababa, Ethiopia, incorporating stratified sampling.

The research's target population consist of 3,424 SMEs from five sectors namely manufacturing (930), construction (1,327), commerce (630), services (411), and urban agriculture (126). In order to determine the appropriate sample size, Cochran's formula was used which is designed to determine small sizes for known populations. The formula is expressed as the following:

$$n = \frac{n_0}{1 + \left(\frac{n_0-1}{N}\right)}$$

Where:

- $n$  = adjusted sample size
- $n_0$  = initial sample size calculated using Cochran's formula for proportionate stratified sampling
- $N$  = total population size

The initial sample size  $n_0$  was calculated using the formula:

$$n_0 = \frac{Z^2 \cdot p \cdot (1 - p)}{E^2}$$

Where:

$Z$  = Z-value is the desired confidence level (1.96 for 95% confidence)

$p$  = is estimated proportion (0.5 for maximum variability)

$E$  = is margin of error (0.05)

Around 346 SMEs were identified to be the total sample size after computation. The five proportionate strata were then given a proportionate share of this total sample size.

**Table 3.2 Sample Size based on sector: Bole Sub-city, SMEs**

No	Sector	Sample
1	Manufacturing	83
2	Construction	128
3	Trade	57
4	Service	37
5	Urban Agriculture	11

This method enabled for a thorough synthetization of the ways in which job satisfaction and work-life balance impacted employee retention in different SMEs by also making in consideration for the sectors as represented in the sample. To provide reliable results and useful information driven from the findings on the dynamics of employee retention in Ethiopia, stratified sampling was used allowing cross-sector comparisons (Bryman, 2016; Creswell, 2014).

### **3.5 Data Source and Collection Methods**

The source of data that used for this study was primary method. According to standardized scales and structured questionnaire, essential subjects like job satisfaction, work-life balance and employee retention were incorporated. By adopting the best standardized scales tailored to these specific factors, the researcher aimed to collect relevant and targeted data that was used to address the study's objectives effectively. Responses were collected through electronic forms to allow larger audience reach and to secure confidentiality and to ease filling with questionnaires were distributed as well based on desire.

All things remaining constant, these approaches ensured that key findings were reliable and aligned with the research's objectives eventually leading to more nuanced understanding of the factors affecting employee retention in this context.

### **3.6 Data Analysis Method**

The collected data for this study was evaluated using both quantitative and qualitative methods. The quantitative data was used to different analytical techniques such as descriptive and inferential analysis while the overall analysis was conducted by the latest version of STATA, V.17.MP. Moreover, the variables were evaluated using Likert scales, which efficiently capture opinions on an ordinal scale later converted to continuous variable for analytical purpose. (Carifio & Perla, 2007).

To enhance the accuracy of the findings, negative worded questionnaire responses were coded according to each variable items. This synthesized method lowers the probability of errors while making sure the consistency in directionality and interpretation (Saunders et al., 2016). Consequently, findings are clearly presented in a nuanced and succinite way to efficiently explain the results.

The qualitative inputs that were obtained were scrutinized against thematic analysis. This approach provided information into the experience and perception of participants in finding, analyzing and concluding the patterns or themes in the qualitative data (Braun & Clarke, 2006). The thematic synthesis is very important useful for analyzing complex agendas and understanding the context of collected data in accordance to Flick (2018).

The effective use of the quantitative and qualitative method in combined manner guaranteed the scrutinized thorough analysis of the factors under investigation, with a solid basis of understanding the dynamic relationships between job satisfaction, work life balance and employee retention.

### **3.7 Operationalization and Measurement**

Operationalization and measurement are very crucial components of any study because they express the procedure by which thorough abstract concepts are turned into measurable variables. This very section defines the operationalization of key factors that are coincided with employee retention, with eager focus on the expression and evaluation of concepts such job satisfaction, work-life balance and employee retention. The essentiality of correctly operationalizing these abstracts is supported by literature in chapter one in definitions of terms section and chapter two in literature review showing their exact definitions increase the validity of the study findings (Bryman & Bell 2015).

Validity and reliability are made sure of because the questionnaire's items are based on standardized and validated scales created by notable researchers and scholars. For example, Paul E. Spector's (1994) study on job satisfaction is well known for its multidimensional in range of contexts. Hayman (2005) also gave a thorough framework for evaluating the work-life balance, which is well acknowledged as an essential element in employee retention. (Greenhaus & Allen, 2011). Moreover, having this kind of understanding, impact an employee's decision to stay or leave an organization needs the use of employee retention scale which was developed by Mobley, horner, and Hollingsworth (1978).

Furthermore, the measurement scale of the Likert scale is as follows:

A Likert scale with a range of 1 to 5 is used in the survey, where:

- 1 = Strongly Disagree
- 2 = Disagree
- 3 = Medium
- 4 = Agree
- 5 = Strongly Agree

This range of scale is very successful in capturing respondent's thoughts, opinions and viewpoints enabling the collection of clear input (Carifio & Perla , 2007). Since the variables are ordinal in natures, responses were transformed into composite score to provide a continuous score for synthetization using multiple linear regression techniques considering the assumptions as well.

Few of the questionnaire consisted negative wording to help the researcher capture a bigger range of employee's attitude and insights. To remedy this approach that can affect the directionality of the scale on the synthetizations, reverse coding was applied using STATA V.17.0 MP to ensure that all the items are in the same direction creating no room for biases in responses.

Moreover, the employee retention can be considered to measure from two point of view. The first is intentions to leave which measures the attitude of employees in terms of quitting. While the other is Intentions to stay which measures the attitude of employees in terms of staying. The researcher's objective was to assess employee's inclination to leave the company by focusing on the factors that could affect their choice. Hence, the latter approach was used.

The scrutinized method to operationalize and measure the different factors of this study against different literatures not only contributed to the reliability of the findings but additionally contributed to our understanding of the different factors affecting employee retention in the context of SMEs in Ethiopia.

### **3.7 Reliability and Validity**

#### **3.7.1 Reliability Test**

Reliability which is the way of how measuring instruments over time and in diverse contexts, is no question a fundamental abstract in research methodology. It assesses an instruments capability to give reliable findings, which is with no doubt essential in showing the validity of research

results. High reliability scores are favorable, allowing researchers to be confident in the data collected and inference made from them.

One important type of reliability is internal consistency, which examines whether items on a scale measure the same concept. Cronbach's Alpha is frequently used to assess this; values above 0.70 are seen as satisfactory, and those above 0.90 are regarded as outstanding (Nunnally & Bernstein, 1994). By giving the same test to the same group again, test-retest reliability gauges stability across time; strong correlations imply consistent outcomes (Cortina, 1993). In order to prevent subjective assessments from distorting the results, inter-rater reliability evaluates agreement between several assessors (Landis & Koch, 1977).

Researchers use particular criteria to evaluate dependability in an efficient manner. Item-total correlations should be strong enough; low correlations (usually less than 0.30) indicate that the item needs to be reconsidered. Reliability can also be further confirmed by split-half reliability, which compares test scores from the two halves.

The reliability test findings, which show the internal consistency of several employee experience-related variables, are shown in Table 3.5. Cronbach's Alpha is used to test reliability; higher values indicate better consistency across items within each variable.

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**Table 3.3 Reliability Test**

<b>Variable</b>	<b>Cronbach's Alpha</b>	<b>No of Items</b>
<b>Employee Retention</b>	0.96	10
<b>Job Satisfaction</b>	0.95	20
<b>Work Life Balance</b>	0.92	15

---

Employee Retention's Cronbach's Alpha rating of 0.96 shows that the 10 items evaluated have an exceptionally high degree of internal consistency. This high score is consistent with Nunnally and Bernstein's (1994) results, which state that great reliability is indicated by a Cronbach's Alpha of 0.90 or above. This consistency shows a strong correlation between individual responses and the overall construct, indicating that the questions evaluate employee retention successfully. High

reliability is essential because it confirms that the measuring scale can reliably distinguish between different employee retention levels in a work environment (Meyer & Allen, 1991).

With a Cronbach's Alpha of 0.95 for all 20 measures, job satisfaction shows good internal consistency. The work of Diener and Ryan (2009), who stress the significance of accurate measures in evaluating the complex nature of job satisfaction, is supported by this reliability score. Findings pertaining to employee happiness are valid and generalizable across various organizational contexts because of the high reliability, which supports the idea that the items on this scale are well-aligned in evaluating total work satisfaction (Judge & Bono, 2001).

With 15 items, the Work Life Balance variable has a consistent score of 0.92. This very score reflects a favorable extent of internal consistency, even though being a bit lower than the before two structures. The reliability of this items complements the findings of Greenhaus and Allen (2011), who signified the essentiality of the reliable instruments in assessing the different aspects of work-life balance. This consistency is specifically crucial in present corporate environment, where work-life balance is expandingly acknowledged as a decisive element of worker productivity and well-being.

The findings of the reliability test complements to the validity of the measuring instruments used in this study, Cronbach's alpha being high, the three variables in this study, are favorable for additional investigation and can produce valueless information. The reliability of this study complements the credibility of the study's conclusion reinforcing the validity of the conclusion drawn from the data.

### **3.7.2 Validity Test**

Validity which is the degree to which measuring instrument assess the construct which is intended to measure, the with no doubt's crucial aspect of research methodology. Establishing validity is very important to make sure that the results of a study are real and practical, specially in social science studies. To further enhance the content validity of the structured questionnaire which was used in this research, subject matter experts content verified the items. The review procedures ensured that the items were consistent and relevant with the constructs being measured, therefore, complementing and strengthening the instrument's overall validity.

Additionally, another type of validity was used which is construct validity to scrutinize against factor analysis, which showed the real relationship between observable variables and latent constructs (DeVellis, 2016). Scholars can assess whether the items on the scale complement with the theoretical structure they are meant to evaluate by employing factor analysis. Factor analysis, which assess item correlations to identify whether set of items converges on specific factors, can support the validity of the instrument in accordance to Hair et., al (2010). This process ensured that every single item contributed to the construct been evaluated, which was highly beneficial for scale adoption and improvement.

Another very crucial outcome of factor synthetization is the analysis of factor loadings, which shows the strengths and directions of the relationship that was between each observable variable and components that were used. Factor loading, which are coefficients in the factor analysis model, assist researchers to be sure how close each item stick to the main idea. Big loadings that are above 0.4 or 05 signify a high impact, whereas low loadings below 0.4 shows a variable's contributions to the factor minimal (Field, 2013).

Content validity, factor analysis and the factor loadings are three effective approaches to assess validity. Researchers can verify the validity of their results and the reliability as well by assessing the connections between latent constructs and observable variables. The evaluation's findings are attached in the appendix for reference.

### **3.8 Ethical Considerations**

For ethical backing, all relevant stakeholders were consulted. With the assumption of anonymity and the willing as well as ability to withdraw from the study at any time, all participants gave their informed consent. Ethical considerations are very essential in maintaining the study's integrity and protecting the rights of the participants (Beauchamp & Childress, 2013).

## CHAPTER FOUR

### DATA ANALYSIS & PRESENTATION

#### 4 Introduction

This chapter kicks-off with synthetizations of the survey response rate to identify by how many is this sample represented. Followingly, a thorough evaluation of demographic results was conducted to assess respondent's demographic profile and give vital context for further research and explain this study further with meaningful connection backing from the demographic results. After that, a descriptive study of key factors such as job satisfaction, work-life balance and employee retention were presented in order to provide a thorough picture of these variables. Following, that, the relationships of the variables were evaluated through inferential research. Among these inferential techniques that were used are, ANOVA, model summary, correlation was used as well as to a focus on moderating role of work-life balance on job satisfaction and employee retention. Finally, the result of the developed hypotheses was scrutinized against the findings.

#### 4.1 Response Rate

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**Table 4.1 Response Rate**

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Description	Total
<b>Total Questionnaires Distributed</b>	346
<b>Total Questionnaires Collected</b>	279
<b>Response Rate (%)</b>	80.6

---

346 employees of small and medium sized enterprises in bole sub-city were given questionnaires. Out of the 279 completed the questionnaires and successfully collected through different mechanisms, with an 80.6% response rate was succeeded. Such high response shows strong participant active involvement and shows that the results fairly reflected the opinions of a big portion of the workforce with this context.

In accordance to Dillman et al. (2014), survey research considered a response rate of 70% or higher to be favorable, with rates of 80% being deemed most favorable. High involvement such as this studies improve the finding's dependability and generalizability by reducing the possibility of non-response bias. Groves et al., (2006) signifies that a high response rate complements the data gathered reflects the thoughts of the target population and boost the validity of the findings from the study. Hence, the study's 80.6% response rate produce a strong foundation for further research and highlights the cruciality of the results.

#### 4.2 Demographic Data

Table 4.2 exhibits responses from 279 participants, based on the demographic data for the three factors namely job satisfaction, work-life balance and employee retention.

Variables	Categories	Outcomes		
		Frequency	Percentage	Cum.
<b>Gender</b>	Female	111	39.78	39.78
	Male	168	60.22	100.00
	Total	279	100.00	
<b>Age</b>	21 – 25	57	20.43	20.43
	26 – 30	56	20.07	40.50
	31 – 36	56	20.07	60.57
	36 – 40	54	19.35	79.93
	41 - 45	56	20.07	100.00
	Total	279	100.00	
	<b>Experience Level</b>	<1 Year	22	7.89
1 – 3 Years		78	27.96	35.84
4 – 6 Years		68	24.37	60.22
7 – 10 Years		88	31.54	91.76
>10 Years		23	8.24	100.00
Total		279	100.00	

<b>Education Level</b>	Diploma Degree	61	21.86	21.86
	Bachelor's Degree	150	53.76	75.63
	Master's Degree	66	23.66	99.28
	PhD	2	0.72	100.00
	Total	279	100.00	

#### **4.2.1 Distribution of the Respondents by Gender**

The demographic findings shows that 60.22% of respondents are male and 39.78% are female. The gender differences can have a significant effect on workplace dynamics, diversity and employee satisfaction. It showed that diverse gender disparity boosted collaboration and fostered innovation eventually boosting organizational performance (Eagly & Carli, 2003).

#### **4.2.2 Distribution of the Respondents by Age**

In accordance to the age of demographics from the findings, 60.57% of participants are in the category of 21-36 age range. In terms of work-life balance and job satisfaction, this bigger section of youthful workforce is with no doubt to have certain expectations. In accordance to studies, younger employees give a high value on flexibility and room for personal growth because they believe these factors are very essential to their overall success (Ng & Feldman, 2010). SMEs in Ethiopia must have policies that reflects a supportive atmosphere because this age group is likely to leave companies that don't complement their expectations. Organizations can boost their engagement and retention by adapting organizational procedures to younger worker's requirements.

#### **4.2.3 Distribution of Respondents by Educational Background**

The workforce is highly educated, as evidenced by the fact that more than half of the respondents (53.76%) have a bachelor's degree. Higher educated workers frequently look for alternatives for progress and fulfilling job. Research suggests that people with advanced degrees are more inclined to quit positions that don't offer enough opportunities for advancement (Bishop, 1997). This pattern emphasizes how important it is for Ethiopian SMEs to have well-defined professional

growth routes. Organizations may increase employee retention and happiness by funding their education and professional advancement, which will eventually enhance their overall performance.

#### 4.2.4 Distribution of Respondents by Experience Levels

31.54% of participants reported having seven to ten years of professional experience in their respective industries. Organizations may benefit from this degree of experience's invaluable skills to perform better. Experienced workers are more likely to remain with organizations that value their contributions and offer a supportive work environment, according to research (Mobley, 1977). Ethiopian SMEs must thus foster a culture of support that appreciates the knowledge and abilities of these seasoned experts. Organizations may increase employee loyalty and lower turnover by creating an atmosphere that values and engages seasoned workers, which will help them succeed in the long run.

The sample's demographics emphasize how crucial it is to create customized plans that cater to the unique requirements of a varied workforce. Ethiopian SMEs may greatly increase work satisfaction and retention rates and achieve long-term organizational success by concentrating on gender balance, age-related expectations, educational goals, and leveraging experience.

#### 4.3 Descriptive Analysis

Table 4.3 presents the descriptive statistics for three key variables: Job Satisfaction, Work-Life Balance, and Employee Retention, based on responses from 279 participants.

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**Table 4.3 Descriptive Analysis**

<b>Variable</b>	<b>N</b>	<b>Mean</b>	<b>Std. dev</b>	<b>Min</b>	<b>Max</b>
<b>Job Satisfaction</b>	279	3.1146	.8911	1.2	4.9
<b>Work-Life-Balance</b>	279	3.018	.9528	1	5
<b>Employee Retention</b>	279	2.9996	1.2066	1	5

---

With a standard deviation of 0.8911, the average work satisfaction score is 3.1146. According to Judge and Bono (2001), this suggests that employees have a moderate degree of job satisfaction, which is consistent with a prevalent tendency in the literature where average satisfaction levels

frequently lie within a similar range. The ratings indicate variation in personal experiences, ranging from a minimum of 1.2 to a high of 4.9. According to research showing that work environment and management practices can have an impact on job satisfaction, this high standard deviation suggests that while some employees report high levels of satisfaction, others may feel significantly dissatisfied (Locke, 1976).

Work-life balance has a mean score of 3.018 and a standard deviation of 0.9528. This score indicates that participants had a moderate view of work-life balance, which is consistent with research showing that many workers find it difficult to strike the ideal balance between work and personal life (Greenhaus & Allen, 2011). job-life balance experiences vary greatly, as seen by the minimum score of 1 and the maximum score of 5, with some employees believing that their job obligations have a detrimental effect on their personal lives. This kind of variation is important because studies show that a poor work-life balance can result in higher levels of stress and worse levels of job satisfaction, which can eventually impact retention (Kreiner et al., 2009).

With a standard deviation of 1.2066, the average score for staff retention is 2.9996. In comparison to work-life balance and job satisfaction, this score shows a somewhat lower impression of retention factors. Significant variations in employees' dedication to their companies are suggested by the range of 1 to 5 and a greater standard deviation. Given that research shows a strong correlation between work satisfaction and perceived organizational support and employee retention, this heterogeneity may be a reflection of varying degrees of involvement and satisfaction (Mobley, 1977). Higher turnover intentions may result from a lack of commitment, especially if workers feel underappreciated or unsupported (Mowday et al., 1982).

#### **4.3.1 Job Satisfaction**

Based on responses from 279 participants, the descriptive statistics for many works satisfaction-related measures are shown in Table 4.3.1. Each item's mean score and standard deviation are included in the study, which sheds light on how employees see their positions, pay, chances for advancement, and relationships with their supervisors.

**Table 4.4 Descriptive Statistics for Job Satisfaction**

<b>Items</b>	<b>N</b>	<b>Mean</b>	<b>Std.dev</b>
“I feel I am being paid a fair amount for the work I”	279	3.24	1.37
“Raises are too few and far between.”	279	3.08	1.41
“I feel unappreciated by the organization when I think about what they pay me.”	279	3.21	1.35
“I feel satisfied with my chances for salary increases.”	279	3.19	1.34
“There is really too little chance for promotion on my job.”	279	2..86	1.33
“Those who do well on the job stand a fair chance of being promoted.”	279	3.30	1.23
“People get ahead as fast here as they do in other places.”	279	3.13	1.32
“I am satisfied with my chances for promotion.”	279	3.17	1.36
“My supervisor is quite competent in doing his/her job.”	279	3.23	1.18
“My supervisor is unfair to me.”	279	3.02	1.48
“My supervisor shows too little interest in the feelings of subordinates.”	279	2.90	1.31
“I like my supervisor.”	279	3.16	1.29
“I am not satisfied with the benefits I receive.”	279	2.97	1.47
“The benefits we receive are as good as most other organizations offer.”	279	3.16	1.31
“The benefit package we have is equitable.”	279	3.15	1.19

“There are benefits we do not have which we should have.”	279	3.07	1.47
“When I do a good job, I receive the recognition for it that I should receive.”	279	3.34	1.25
“I do not feel that the work I do is appreciated.”	279	2.82	1.39
“There are few rewards for those who work here.”	279	3.18	1.31
“I don't feel my efforts are rewarded the way they should be.”	279	3.02	1.35
<b>Overall Job Satisfaction</b>	<b>279</b>	<b>3.12</b>	<b>.89</b>

**Compensation and Benefits:** With a mean score of 3.24 and a standard deviation of 1.37, the item "I feel I am being paid a fair amount for the work I do" showed a considerable degree of agreement among employees about the fairness of their pay. Employees may be concerned about irregular raises, as indicated by the item "Raises are too few and far between" with a mean of 3.08 (SD = 1.41). With a mean score of 3.21 (SD = 1.35), the item "I feel unappreciated by the organization when I think about what they pay me" also expressed the opinion that workers could feel underappreciated in spite of their efforts.

**Promotion Opportunities:** Regarding promotion, the mean score for "There is really too little chance for promotion on my job" was 2.86 (SD = 1.33), indicating a perception of limited advancement opportunities. Conversely, the item "Those who do well on the job stand a fair chance of being promoted" scored higher at 3.30 (SD = 1.23), suggesting some employees believe that merit is recognized. However, the mean score of 3.17 (SD = 1.36) for "I am satisfied with my chances for promotion" indicates mixed feelings about promotional prospects.

**Supervisory Relationships:** The perceived competence of supervisors is reflected in the item "My supervisor is quite competent in doing his/her job," which had a mean score of 3.23 (SD = 1.18). However, the item "My supervisor shows too little interest in the feelings of subordinates" received a mean of 2.90 (SD = 1.31), indicating that many employees feel their supervisors do not

adequately consider their emotional needs. The overall sentiment towards supervisors is somewhat positive, as evidenced by the mean score of 3.16 (SD = 1.29) for "I like my supervisor."

**Benefits and Recognition:** The item "I am not satisfied with the benefits I receive" obtained a mean score of 2.97 (SD = 1.47), according to the benefits analysis, indicating discontent with the benefits package. As opposed to industry norms, the item "The benefits we receive are as good as most other organizations offer" had a score of 3.16 (SD = 1.31), suggesting a more positive opinion. With a mean score of 3.34 (SD = 1.25), the item "When I do a good job, I receive the recognition for it that I should receive" demonstrated that people felt they were getting enough credit for their hard work.

Employee happiness is modest, as shown by the total work satisfaction score of 3.11 (SD = 0.89). This is consistent with research that indicates work satisfaction is a complex concept impacted by a number of variables, such as pay, prospects for advancement, and relationships with supervisors (Judge & Bono, 2001; Locke, 1976).

The qualitative information acquired from the interviews revealed a number of important themes for the work satisfaction study. Inconsistent incentives and a lack of recognition for their accomplishments caused employees to become extremely frustrated. "I exceeded my sales target by 40%, but my bonus was the same as underperformers," said one sales manager, for example. Acknowledgment is more than simply cash; a simple "thank you" is important. Herzberg's Two-Factor Theory, which holds that accomplishment and acknowledgment are essential to job happiness, is consistent with this view (Herzberg, 1966).

Younger workers also emphasized unfulfilled goals for skill use and professional progression. This sentiment was expressed by an IT specialist who said, "My PhD is wasted here." While colleagues overseas work on AI projects, I change passwords. Opportunities for professional development have a major influence on employee retention and happiness, according to research (Noe et al., 2014).

Contextual insights showed that there are generational differences in the workplace, with younger bosses making senior employees feel ignored. A finance director pointed up this discrepancy by saying, "Younger managers dismiss my ideas; experience means nothing here."

The paper emphasizes how the work environment, growth possibilities, and recognition all affect job satisfaction in Ethiopian SMEs, which is crucial for promoting employee engagement and retention. Targeted interventions to address these problems can greatly improve work satisfaction and, in turn, overall organizational performance.

### 4.3.2 Work-Life-Balance

Based on responses from 279 participants, the descriptive statistics for many work-life balance-related topics are shown in Table 4.3.1. Each item's mean score and standard deviation are included in the study, which sheds light on how employees see the relationship between their personal life and their job.

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**Table 4.5 Descriptive Statistics for Work-Life-Balance**

Items	N	Mean	Std.dv
“My personal life suffers because of work.”	279	2.84	1.37
“My job makes personal life difficult.”	279	3.04	1.35
“I neglect personal needs because of work.”	279	2.89	1.36
“I put personal life on hold for work.”	279	3.24	1.38
“I miss personal activities because of work.”	279	2.98	1.30
“I struggle to juggle work and non-work.”	279	2.98	1.37
“I am unhappy with the amount of time for non-work activities.”	279	3.20	1.38
“My personal life drains me of energy for work.”	279	2.94	1.41
“I am too tired to be effective at work.”	279	2.87	1.38
“My work suffers because of my personal life.”	279	2.87	1.38
“It is hard to work because of personal matters.”	279	3.00	1.28

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“My personal life gives me energy for my job.”	279	3.15	1.53
“My job gives me energy to pursue personal activities.”	279	3.04	1.34
“I have a better mood at work because of personal life.”	279	3.09	1.28
“I have a better mood because of my job.”	279	3.09	1.28
<b>Overall Job Satisfaction</b>	<b>279</b>	<b>3.01</b>	<b>.95287</b>

**Impact of Work on Personal Life:** With a mean score of 2.84 and a standard deviation of 1.37, the item "My personal life suffers because of work" showed that employees were moderately in agreement that their personal lives are negatively impacted by their jobs. Likewise, the question "My job makes personal life difficult" had a mean score of 3.04 (SD = 1.35), indicating that many workers believe their work obligations make it difficult to balance their personal obligations. With a mean score of 2.89 (SD = 1.36), the item "I neglect personal needs because of work" showed a tendency where job commitments might induce one to disregard one's own needs.

**Prioritization of Work Over Personal Life:** With a mean score of 3.24 (SD = 1.38), the item "I put personal life on hold for work" had a higher score, suggesting that a sizable portion of workers feel pressured to put work before personal pursuits. The item "I miss personal activities because of work," which had a mean score of 2.98 (SD = 1.30), further supports this feeling by highlighting the sacrifices made by employees in their personal life as a result of work obligations. Moreover, with score of mean of 2.89, the question "I struggle to juggle work and non-work" gave attention to the both domains exhibiting difficulties in both aspects.

**The Satisfaction with Non-Work Time:** The item which is "I am unhappy with the amount of time for non-work activities" had a score mean of 3.20, showing that a lot of employees are not satisfied with the time they consist for hobbies and personal pursuits. This result is very important because research shows that a poor work-life balance eventually led to job fatigue, stress and burnout, which can affect job satisfaction (Greenhaus & Allen, 2011).

**Energy Relationships Between Work and Personal Life:** The item which is "My personal life drains me of energy for work" had a score mean of 2.94, showing that personal obligation can overlap with one's capability to succeed at work. The item which is "I am too tired to be effective at work" also had mean score of 2.87, showing worries about burnout affecting one's ability to do their job well. On the other hand, the item which is "My personal life gives me energy for my job" had score of mean of 3.15, showing that some employees get an energy enhancement from their personal lives that yields them perform better at their jobs.

### 4.3.3 Employee Retention

Based on responses from 279 participants, the descriptive statistics for many employee's retention-related issues are shown in Table 4.3.1. Employee goals and sentiments about their current job are revealed by the analysis, which offers mean scores and standard deviations for each question.

**Table 4.6 Descriptive Statistics for Employee Retention**

Items	N	Mean	Std.dv
"I'm planning on working for another company within a period of three years."	279	2.93	1.32
"I feel dissatisfied with my work in this company."	279	3.11	1.46
"I frequently consider job opportunities outside my current company."	279	2.95	1.43
"I don't see a future for myself within this company."	279	2.94	1.29
"I feel indifferent about whether I work for this company or another."	279	3.18	1.46
"If I could start over again, I would choose to work for another company."	279	2.97	1.41
"If I received an attractive job offer from another company, I would take the job."	279	3.11	1.42

“I feel my work in this company is not meaningful or important.”	279	2.94	1.35
“I do not enjoy working for this company.”	279	2.87	1.42
“I have actively searched for jobs in other companies.”	279	2.96	1.40
<b>Overall Job Satisfaction</b>	<b>279</b>	<b>2.99</b>	<b>1.20</b>

**Intentions to Leave:** With a mean score of 2.93 and a standard deviation of 1.32, the item "I'm planning on working for another company within a period of three years" indicated a modest predisposition among employees to think about quitting the company in the near future. According to Mobley (1977), a mean score of 2.95 (SD = 1.43) for the question "I frequently consider job opportunities outside my current company" also suggested a general awareness of outside employment options, which could be a sign of disengagement.

**Dissatisfaction with Current Employment:** The item "I feel dissatisfied with my work in this company" had a mean score of 3.11 (SD = 1.46), indicating a high level of employee dissatisfaction. Many employees are uncertain about their long-term prospects within the company, as evidenced by the item "I don't see a future for myself within this company," which received a mean score of 2.94 (SD = 1.29). These findings complement with the study showing that the poor opportunities for career progression can impact retention significantly (Mowday et al., 1982).

**Indifference Towards Employment:** A significant percentage of employees do not feel especially committed to their current position, as evidenced by the mean score of 3.18 (SD = 1.46) for the statement "I feel indifferent about whether I work for this company or another." This remarkable finding can be very decisive to retention since it usually exhibits a poor emotional devotion to the organization.

**Consideration of the Alternatives:** The item which was "If I could start over again, I would choose to work for another company" produced a mean score of 2.97, showing that some employees want to work for different organization. Moreover, the question "If I received an

attractive job offer from another company, I would take the job” shows a high willingness to accept other offers with score mean of 3.11, which could further degrade retention.

**Perceived Meaningfulness and Enjoyment:** With a mean score of 2.94 (SD = 1.35), the item "I feel my work in this company is not meaningful or important" indicated that some employees do not find their roles gratifying. Additionally, the response "I do not enjoy working for this company" had a score of 2.87 (SD = 1.42), suggesting that they are generally dissatisfied with their current jobs. Because it encourages dedication and involvement, research indicates that perceived meaningfulness in work is essential for employee retention (Wrzesniewski et al., 1997).

Although there are significant worries about commitment and unhappiness, the total employee retention score of 2.99 (SD = 1.20) indicates a moderate amount of willingness to stay among employees. This is consistent with research showing that organizational support, career development opportunities, and work satisfaction all have an impact on retention (Mobley, 1977; Allen & Meyer, 1990).

A number of important qualitative topics regarding employee retention surfaced. The degree to which organizational opportunities and individual career ambitions aligned was directly related to retention. One sales manager said, "If I get promoted to regional manager, I'll stay." Stagnation is unacceptable. The idea that professional development opportunities are crucial for keeping talent on staff is supported by this study (Govaerts et al., 2011). Workers were actively looking for outside options; one IT specialist disclosed, "I was offered a position in Nairobi by a Kenyan recruiter." Ethiopia's technological landscape lags by decades. A Production Lead said, "Inflation forces me to work two jobs," illustrating how economic volatility affected employment decisions. One is insufficient. As one Finance Director put it, "I mentor women, but promotions favor men," gender inequality made retention efforts even more difficult. If policies don't change, I'll step down early.”

#### **4.4 Inferential Analysis**

Inferential analysis is the main emphasis of this component of the study, which looks at the connections between employee retention, work-life balance, and job satisfaction in small and medium-sized businesses (SMEs) in Bole Subcity, Addis Ababa, Ethiopia. To clarify the degree

to which these factors affect one another and contribute to total employee experiences, the analysis makes use of statistical techniques such as regression and correlation studies.

Higher work happiness is linked to higher retention rates, according to prior research that has repeatedly demonstrated the important role that job satisfaction plays as a predictor of employee retention (Mobley, 1977; Judge & Bono, 2001). Additionally, it has been shown that work-life balance is a crucial component that affects job satisfaction and, in turn, employee retention (Greenhaus & Allen, 2011).

Companies that want to boost employee engagement and commitment need to understand these dynamics. The analysis's findings will benefit SMEs trying to improve their staff retention strategies in addition to contributing to the body of existing literature. The outcomes of a thorough examination of the interactions between these variables will direct organizational policies and practices that foster a more supportive and engaging workplace.

#### **4.4.1 Pearson Correlation Analysis**

Correlation analysis is used to measure the linear relationship between two variables, demonstrating how changes in one variable affect changes in another (Field, 2018). According to Cohen (1988), the Pearson coefficient ( $r$ ) has a range of -1 (perfect negative) to +1 (perfect positive), with 0 denoting no linear connection. Strength falls into the following categories:

- **0.10–0.29: Weak**
- **0.30–0.49: Moderate**
- **$\geq 0.50$ : Strong**

The relationships between work-life balance (WLB), employee retention (ER), and job satisfaction (JS) in Ethiopian SMEs are assessed in this study using Pearson's  $r$ . Complementary analyses are necessary because, whereas correlations might reveal patterns (such as WLB's possible involvement in ER), they cannot establish causality (Tabachnick & Fidell, 2019). Scatterplots, Shapiro-Wilk tests, and residual analysis are used to confirm the assumptions of linearity, normality, and interval data.

Based on observations from 279 participants, the Pearson correlation coefficients between the variables of employee retention, work-life balance, and job satisfaction are shown in Table 4.1. The degree and direction of the links between these important constructs are revealed by the correlation coefficients.

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**Table 4.7 Pearson Correlation Statistics**

Variables	Job Satisfaction	Work-Life-Balance	Employee Retention
<b>Job Satisfaction</b>	1.0000 279 (obs)		
<b>Work-Life-Balance</b>	0.7602* 0.0000 279 (obs)	1.0000	
<b>Employee Retention</b>	0.7194* 0.0000 279 (obs)	0.9012* 0.0000 279 (obs)	1.0000  279 (obs)

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**Job Satisfaction and Work-Life Balance:** Work-Life Balance and Job Satisfaction have a substantial positive link ( $p < 0.0001$ ), with a correlation of 0.7602. This implies that those who express greater job satisfaction also often have better work-life balance. The results in this section with earlier researches shows that a positive work environment and job satisfaction can boost employee’s ability to successfully manage their professional career and personal lives (Greenhaus & Allen, 2011).

**Job Satisfaction and Employee Retention:** The correlation score of 0.719( $p < 0.0001$ ) indicates significantly that positive relationship between job satisfaction and employee retention. This complements that employee are far more likely to remain with an organization if they’re satisfied with their roles. This result is very consistent with other studies showing that job satisfaction is an essential factor in shaping employee retention (Mobley, 1977; Judge & Bono, 2001).

**Work-Life Balance and Employee Retention:** There's a big significant positive correlation among work-life balance and employee retention with a correlation score of 0.9012 ( $p < 0.0001$ ). This signifies that employee who feel like they have a good amount of work-life balance are much more likely to stay at their current jobs. The essentiality of work-life balance in enhancing employee loyalty and retention is signified by the many studies that exhibit employees who successfully balance off their home responsibilities and work which eventually lead to the conclusion that they are less likely to look for jobs another replaces (Kreiner et al., 2009)

The findings of the Pearson correlation evaluations reflect that the explanatory variables of job satisfaction, work-life balance and the explained variable employee retention have a significant relationship, as shown by their correlation coefficients which are positive. These findings, which complement the internal consistence and reliability, show that enhancement in job-satisfaction and work-life balance would with no doubt increase employee retention, supporting the study's hypotheses. Hence, these variables are considered favorable for further investigation, producing a solid foundation for understanding the dynamics affecting employee retention in SMEs in Bole Sub-City, Addis Ababa, Ethiopia.

#### 4.4.2 Multiple Regression Analysis

Multiple regression analysis evaluates how multiple independent variables can combinedly forecast a dependent variable after putting hands and controlling for predictors intercorrelations (Field, 2018). This study employs regression analysis to synthesize the combined influence of job satisfaction and work-life balance on employee retention within this context. The model is posited as below:

$$ER = \beta_0 + \beta_1(JS) + \beta_2(WLB) + \epsilon$$

Here,  $\beta_1$  and  $\beta_2$  represent the unique effects of JS and WLB, while  $\beta_0$  is the intercept.

It is assumed that there is no multicollinearity ( $VIF < 10$ ), normality (Shapiro-Wilk test), homoscedasticity (Breusch-Pagan test), and linearity (confirmed by scatterplots) (Tabachnick & Fidell, 2019). Standardized coefficients ( $\beta$ ) show the relevance of predictors, while the coefficient of determination ( $R^2$ ) measures the amount of variation explained.

To assess the connections between work-life balance, employee retention, and job satisfaction, multiple regression analysis was used. As described in the next sections, the results of this study will be displayed using regression model summary tables, analysis of variance (ANOVA) tables, and beta coefficient tables.

<b>Model</b>	<b>R<sup>2</sup></b>	<b>Adjusted R<sup>2</sup></b>	<b>Std. Error of the Estimate</b>
<b>1</b>	0.815	0.814	0.521

Important information about these interactions is revealed by the regression model analysis, which looks at Work-Life Balance (WLB) and Job Satisfaction (JS) as predictors of Employee Retention (ER). greater levels of JS and WLB are linked to greater retention rates, according to the correlation coefficient (R) of 0.903, which shows a significant positive linear association between the independent variables and employee retention (Saks, 2006). The model showed about 81.5% of the variation in employee retention in accordance to its coefficient of determination (R<sup>2</sup>) of 0.815. Such high R<sup>2</sup> result that shows a strong match, complements findings that connect work-life balance and employee retention outcomes (Kahn, 1990; Cheung & Wu 2013). Additionally, the adjusted R<sup>2</sup> produced 0.814, which complements the robustness of the model. This indicates that it's okay to constitute job satisfaction and work-life balance as predictors (Field, 2013).

**Table 4.8 The Summary of the Analysis of Variance (ANOVA) Model: JS and WLB as ER Predictors**

<b>Model</b>	<b>Sum of Squares (SS)</b>	<b>df</b>	<b>Mean Square (MS)</b>	<b>F-statistic</b>	<b>p-value</b>
<b>Regression</b>	329.90	2	164.95	607.88	0.000
<b>Residual</b>	74.89	276	0.27		
<b>Total</b>	404.79	278			

Essential data about the overall significance of the model that consider job satisfaction and work-life balance as predictors of employee retention are produced by the ANOVA model table. The regression of sum of squares (SS), which measures the variation of the model explains is set at 329.00. While the mean square (MS) for the regression model with degree of freedom (df) is set at 164.95. This model clearly explains the variance in the predicted variable, as observed the big

significant association between the independent variables and dependent variable, as shown by the F-statistic of 607.88 (Cohen, 1988).

Conversely, with 276 degrees of freedom, the residual sum of squares is 74.89, yielding a mean square for residuals of 0.27. This implies that even while the model accounts for a sizable portion of the variation, some variability in employee retention cannot be explained. The overall variability in the dependent variable is represented by the sum of squares, which comes to 404.79. Overall, these findings demonstrate the predictive power of job satisfaction and work-life balance for employee retention, which is in line with earlier studies that emphasize the importance of these factors in enhancing employee commitment and reducing turnover (Saks, 2006).

**Table 4.9 Model Summary of JS and WLB as ER Predictors in Multiple Regression Coefficient Analysis**

Variable	Coefficient (B)	Std. Error	t-value	p-value	95% Confidence Interval
<b>Job Satisfaction (JS)</b>	0.110*	0.054	2.03	0.043	[0.004, 0.216]
<b>Work-Life Balance (WLB)</b>	1.063***	0.050	21.07	0.000	[0.964, 1.163]
<b>Constant</b>	-0.551***	0.116	-4.75	0.000	[-0.780, -0.323]

$$ER = -0.55 + 0.11(JS) + 1.06(WLB) + \epsilon$$

The finding of the multiple regression coefficient analysis produces a thorough evaluation of the link between job satisfaction, work-life balance and employee retention. The coefficients alongside their standard errors, p-values and t-values are very crucial to comprehend the importance and impact of each independent variable.

Job satisfaction has coefficient of 0.110, which shows that for every unit increment in job satisfaction, employee retention increases by 0.110 units, assuming all other factors stay the same. The standard error for this coefficient is 0.054, which shows an accurate link. The t-value which is 2.03 and the p-value of 0.043 reflect that the association is statistically significant at the 0.05 level or 95% confidence interval. This confidence interval contains the 95% certainty that real relationship between job satisfaction and employee retention exist. This output is in regards with

earlier studies that demonstrate the positive impacts of job satisfaction on commitment and retention of employees (Saks, 2006; Hakanen et al., 2006)

Work-life balance has much bigger coefficient of 1.063, showing that for every unit increment in work-life balance, employee retention increases by 1.063 units. A big degree of accuracy in this evaluation is shown by the standard error of 0.050. This link is extremely statistically significant, as also shown by the p-value of 0.000. The strength of this independent variable is complemented by 99% confidence interval for work-life balance. This finding is consistent with earlier studies that showed the significance of work-life balance in boosting employee retention and reducing attrition intentions (Greenhaus & Beutell, 1985).

The constant term as shown in the table is referred as -0.551. This means when both independent variables are 0, employee retention appear as -0.551. This constant term is statistically significant, with a p-value Of 0.000. Even though this situation is rare in practice, 99% confidence interval, which goes from -0.780 to -0.323, shows that the baseline extent of employee retention can go negative in the absence of effect of job satisfaction and work-life balance.

Both job satisfaction and work-life balance are crucial predictors of employee retention, in accordance to the multiple regression analysis, putting work-life balance in spear front with a sheer edge of greater effect. These findings complement the main literature that support work-life balance and employee satisfaction as important components of efficient human resource management (Kahn, 1990; Saks, 2006) and shows the significance of having an organizational environment that give primary focus on these aspects to improve overall retention outcomes.

#### 4.4.3 Moderator Analysis

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**Table 4.10 Model Summary of Coefficient of Determination: C\_JS and C\_WLB including the interaction term JS x WLB as ER Predictors**

Model	R <sup>2</sup>	Adjusted R <sup>2</sup>	Std. Error of the Estimate
1	0.815	0.813	0.521

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**Table 4.11 The Summary of the Analysis of Variance (ANOVA) Model: JS and WLB including the interaction term JS x WLB as ER Predictors**

Model	Sum of Squares (SS)	df	Mean Square (MS)	F-statistic	p-value
<b>Regression</b>	330.06	3	110.02	404.87	0.000
<b>Residual</b>	74.72	275	0.27		
<b>Total</b>	404.78	278			

**Table 4.11 Model Summary of C\_JS and C\_WLB including the interaction term JS x WLB as ER Predictors in Multiple Regression Coefficient Analysis**

Variable	Coefficient (B)	Std. Error	t-value	p-value	95% Confidence Interval
<b>C_Job Satisfaction (JS)</b>	0.1125255**	0.0541133	2.08	<b>0.039</b>	[0.0059965 0.2190545]
<b>C_Work-Life Balance (WLB)</b>	1.061849***	0.0505345	21.01	<b>0.000</b>	[0.9623655 1.161333]
<b>JS x WLB</b>	0.0219899	0.0283194	0.78	<b>0.438</b>	[-0.0337604 .0777402]
<b>Constant</b>	-0.5698169	0.1186873	-4.80	<b>0.000</b>	[-0.803468 - .3361658]

$$ER = -0.56 + 0.11(C\_JS) + 1.06(C\_WLB) + 0.02(JS \times WLB) + \epsilon$$

The moderating role of work-life balance on the relationship between job satisfaction and employee retention was examined. To pave the way for this examination, the independent variables were centered by subtracting their means, helping in avoiding the multicollinearity problem that arise after creating the interaction term. This interaction term is denoted as (JS x WLB), which was formed by multiplying the centered independent variables. This denoted term enables further exploration whether the influence of job satisfaction on employee retention differ across different levels of work-life balance.

When the robustness or direction of the relationship between a predictor variable and a dependent variable is influenced by a third variable, moderation is formed. The objective was to show if the influence of job satisfaction on employee retention varies upon the levels of work-life balance.

The regression analysis incorporated the main effects of job satisfaction and work-life balance, along with the interaction term, to clarify and nuance these relationships.

The findings showed that work-life balance had a profound influence on employee retention ( $\beta = 1.0618$ ,  $p < 0.001$ ), implying that higher rate of work-life balance is linked with increased employee retention. Additionally, job satisfaction exhibited a statistically profound influence on employee retention as well ( $\beta = 0.1125$ ,  $p = 0.039$ ), indicating that enhancement in job satisfaction can lead to increased employee retention.

However, the interaction term (JS x WLB) was not statistically significant ( $\beta = 0.0210$ ,  $p = 0.438$ ). This result indicates that the relationship between job satisfaction and employee retention is not significantly dependable on the levels of work-life balance, recommending that both predictors contribute to retention outcomes independently.

These findings show the crucial role of work-life balance as a key determinant of employee retention. The absences of profound interaction influence indicate that enterprises should prioritize fostering effective strategies that make employees satisfied with their jobs without relying on work-life balance as a moderating factor. This analysis focus on the importance of supportive work environment that foster employee devotion and satisfaction.

#### **4.5 Hypotheses Test**

Together with the findings of the statistical analysis, Table 4.1 provides an overview of the hypotheses pertaining to the effects of Work-Life Balance (WLB) and Job Satisfaction (JS) on Employee Retention (ER). Based on findings from the regression analysis, the hypotheses were developed to ascertain the importance of these variables and how they interact.

**Table 4.12 Hypotheses Testing**

<b>Hypothesis</b>	<b>Null Hypothesis (H<sub>0</sub>)</b>	<b>Alternative Hypothesis (H<sub>1</sub>)</b>	<b>p-value</b>	<b>Result</b>
<b>Hypothesis 1: Job Satisfaction positively influences Employee Retention.</b>	Job Satisfaction does not positively influence Employee Retention ( $\beta_1 = 0$ ).	Job Satisfaction positively influences Employee Retention ( $\beta_1 > 0$ ).	0.043	Rejected H <sub>0</sub> , Accepted H <sub>1</sub>
<b>Hypothesis 2: Work-Life Balance positively influences Employee Retention.</b>	Work-Life Balance does not positively influence Employee Retention ( $\beta_2 = 0$ ).	Work-Life Balance positively influences Employee Retention ( $\beta_2 > 0$ ).	0.000	Rejected H <sub>0</sub> , Accepted H <sub>a</sub>
<b>Hypothesis 3: Work-Life Balance moderates the relationship between Job Satisfaction and Employee Retention.</b>	Work-Life Balance does not moderate the relationship ( $\beta_3 = 0$ ).	Work-Life Balance moderates the relationship ( $\beta_3 > 0$ ).	0.400	Accepted H <sub>0</sub> Rejected H <sub>a</sub>

The goal of the hypothesis test is to evaluate in detail the relationships found by the multiple regression analysis between Work-Life Balance (WLB), Employee Retention (ER), and Job Satisfaction (JS). The first hypothesis states that job satisfaction has a positive effect on employee retention. The associated null hypothesis ( $H_{10}: \beta_1 = 0$ ) asserts that job satisfaction has no effect on employee retention, while the alternative hypothesis ( $H_{1a}: \beta_1 > 0$ ) asserts that it does. The regression analysis's findings indicate a t-value of 2.03, a p-value of 0.043, and a job satisfaction coefficient of 0.110. Since the p-value is less than the conventional significance level of 0.05, indicating that job satisfaction has a significant impact on employee performance, we reject the null hypothesis in favor of the alternative.

The second hypothesis states that work-life balance has a positive effect on employee retention. While the null hypothesis ( $H_{20}: \beta_2 = 0$ ) claims that work-life balance has no positive effect on employee retention, the alternative hypothesis ( $H_{2a}: \beta_2 > 0$ ) argues that it does. The results show that work-life balance has a t-value of 21.07, a p-value of 0.000, and a coefficient of 1.063. The extremely low p-value, which suggests high statistical significance, leads us to reject the null hypothesis and accept the alternative. These results shows that significant influence that work-life

balance has on employee retention, which is aligned with earlier studies that focus on the important position that work-life programs hover in declining turnover intentions (Greenhaus & Beutell, 1985)

Third hypotheses show how work-life balance moderates the relationship between job satisfaction and employee retention. As shown, the p-value for this hypothesis is 0.400, which is profoundly greater than the cutoff of 0.005. Consequently, the null hypothesis ( $H_0$ ) can't be neglected, showing that work-life balance has no any moderating effect on the relationship between job satisfaction and employee retention. This shows that while job satisfaction and work-life balance are complementary highly predictive when used alone, when combined they have no use or effect on employee retention.

The results complement hypothesis one and two by accepting that job satisfaction and work-life balance are profound variables in predicting employee retention. Additional studies are necessary to say whether the moderating effect of work-life balance, though, as it doesn't appear to be profound or significant influence the relationship between job satisfaction and employee retention. In accordance to these results, creating an environment that prioritizes work-life balance and employee satisfaction is very important for fostering retention and overall organizational performance (Kahn, 1990; Saks, 2006).

## CHAPTER FIVE

### SUMMARY OF FINDINGS, CONCLUSION & RECOMMENDATION

#### 5 Introduction

This chapter shed highlights on the key findings of the research on how job satisfaction and work-life balance influence employee retention in Ethiopian SMEs in case of Bole sub-city, Addis Ababa Ethiopia. Following that, it shed highlights in knowledge contribution as mentioned in the very chapter one of this research. After that, this chapter lays out conclusion pin point for this thesis expressing the remarks of the researcher undertaking this study as sole contributor based on the theoretical framework and key findings of this study. Followingly, based on what's been discovered and yet to be known, the researcher posits key recommendations for the academia to further explore on the aspects that been studied and for the enterprise owners to benchmark best practice through this study. Finally, this study lays out the limitation that faced the researcher and sheds highlight on what is best to be done for future studies.

#### 5.1 Summary

This research started with an evaluation of the response, which was a high rate of 80.6%. This high response rate not only shows high participant involvement but also reduces the likelihood of non-response bias and enhances the generalizability and reliability of the findings (Dillman et al., 2014). With over half of the respondents holding a bachelor's degree, the demographic research indicates that the workforce is primarily made up of young, educated individuals. This demographic profile is important because younger workers often have different expectations about job satisfaction and work-life balance (Ng & Feldman, 2010).

The descriptive analysis revealed that the participants' levels of JS, WLB, and ER were moderate. Specifically, the mean scores for JS and WLB were 3.1146 and 3.018 respectively, suggesting that there is still a lot of variation in individual opinions even though employees are somewhat satisfied. It is important to note this diversity because Locke (1976) claims that a variety of factors, including the work environment and management techniques, affect job satisfaction. Employees may not

completely regard their employment as secure or important, as indicated by the significantly lower mean score for ER (2.9996).

Strong evidence of the links between the variables was provided by inferential studies. With values of 0.7602 and 0.7194, respectively, the Pearson correlation coefficients showed that JS, WLB, and ER had substantial positive associations. These results are consistent with previous research that highlights the significance of work satisfaction as a predictor of tenure (Mobley, 1977; Judge & Bono, 2001). Additionally, the multiple regression analysis showed that, with coefficients of 0.110 and 1.063, respectively, JS and WLB both have a substantial impact on ER. These characteristics are crucial for employee retention, as evidenced by the statistical significance of the p-values for these coefficients (0.000 for WLB and 0.043 for JS).

A p-value of 0.400, however, showed that the hypothesis about WLB's moderating influence on the link between JS and ER was not validated. This dearth of data suggests that while WLB and JS are important in and of themselves, their interaction has minimal impact on ER. This study is particularly important because it highlights the complexity of employee retention dynamics and suggests that companies may need to address each of these factors independently in order to increase retention.

The study backs up the notion that employers who want to boost employee retention should give work-life balance and job satisfaction top priority. Through this direction, employers can cultivate a more engaged and devoted workforce.

## **5.2 Knowledge Contribution**

Profound gaps in the literature were complemented by this research in regards to which were contextual, evidential and demographical.

This research produces a thorough evaluation of Ethiopia's labor attribute in regards to the demographic gap, especially in small and medium-sized enterprises (SMEs). In regards of the demographic profile of the respondents, the research reflected that how gender, age and education influenced job satisfaction, work-life balance and employee retention. This notable contribution is very profound since it gives the say in the differentiator qualities of the Ethiopian labor force, which was not give then necessary focus in previous studies.

In regards of contextual gap, this research enhances the knowledge of relationships between job satisfaction, work-life balance and employee retention within the specific context of SMEs in Ethiopia. This research nuances the practicality of these abstracts in third world countries since many of such works focused only on western and eastern context neglecting the African context. This research also adds up to the playfield in regards of employee retention in different settings with presented actual results from Ethiopia that shows how organizational, cultural and economics elements affect employee expectations and experiences.

When it comes to the empirical gap, the results challenge assumptions about how these factors play and support laid out theoretical foundations by showing strong positive correlation between job satisfaction, work-life balance and employee retention. The thorough evaluation of work-life balance moderating role influencing the dynamics between job satisfaction and employee retention opens the room for additional research into investigating these dynamics.

Additionally, by producing applicable recommendations that can be used complementary inside and outside of Ethiopian SMEs, the research contributes to the body of knowledge. Since it lines out doable strategies for fostering job satisfaction and work-life balance, the research is helpful piece of work for organizations that are trying to enhance employee retention.

Moreover, this study improves the theoretical base of employee retention relationships by producing insightful findings into contextual factors, demographic and empirically as well. Organizations in third world countries like Ethiopia that desire to use efficient strategies to increase employee satisfaction and retention will find these contributions especially relevant.

### **5.3 Conclusion**

The study's findings regarding how job satisfaction (JS) and work-life balance (WLB) affect employee retention (ER) have significant theoretical and practical implications for small and medium-sized enterprises (SMEs) in Ethiopia.

The findings theoretically support earlier research by demonstrating strong positive correlations between JS, WLB, and ER. The findings of Judge and Bono (2001) and Mobley (1977) that better work-life balance and higher job satisfaction are essential for enhancing employee retention are supported by this validation. Furthermore, this study improves the theoretical framework by

providing empirical data specific to the Ethiopian context, area that has not gotten much attention in previous research.

However, there is no evidence to support the idea that WLB moderates the relationship between JS and ER, suggesting that further study is necessary to fully understand the complex nature of these relationships. This finding implies that while both factors have an impact on retention on their own, their interactions may not be as straightforward as previously believed. Future research could look into other potential moderating factors or contextual factors that might influence this relationship in order to advance the theoretical discussion of employee retention.

Practically speaking, the findings demonstrate how crucial it is that companies, particularly SMEs, prioritize work-life balance and job satisfaction programs. The moderate levels of job satisfaction and work-life balance that participants reported indicate an issue that needs to be addressed by businesses. Implementing competitive pay plans and recognition programs can significantly increase employee loyalty and morale.

Additionally crucial are a focus on professional development and clear pathways for career advancement. Businesses that invest in their employees' growth not only increase job satisfaction but also cultivate a culture of commitment and engagement. In Ethiopia, where there may not be many opportunities for career advancement, this is particularly crucial.

The importance of promoting work-life balance is another crucial lesson. Since many employees struggle to balance their personal and professional responsibilities, SMEs must adopt flexible work arrangements and policies that support employee well-being. These actions can reduce stress and improve general job satisfaction, which can eventually increase retention rates.

The findings also highlight how crucial it is for companies to promote an inclusive and diverse culture. SMEs should focus on promoting gender parity and providing diversity and inclusion training, especially considering the gender gap among respondents. A diverse workforce is a strategic priority for SMEs since it is known to promote innovation and improve organizational performance.

Lastly, the findings lend credence to the adoption of practices that regularly assess employee satisfaction and work-life balance. Regular surveys and evaluations can help organizations

identify areas for improvement and adjust their strategies. By resolving employee issues and exhibiting a dedication to their welfare, this proactive approach enhances retention efforts.

The study's findings emphasize the significance of job satisfaction and work-life balance for employee retention. By addressing these problems, organizations can develop more committed, engaged, and productive employees, which will ultimately support their long-term viability and success.

### **5.3 Recommendations**

Based on the research findings, a number of recommendations are made to enhance employee retention in Ethiopian SMEs. Companies must prioritize increasing job satisfaction above all else. Establishing competitive pay plans that consider industry standards and employee expectations can help achieve this. Fair compensation has been demonstrated to be a fundamental component of work satisfaction and to have a significant impact on employee retention (Hakanen et al., 2006). Additionally, companies must establish recognition programs that honor employee efforts because it has been shown that acknowledgment boosts morale and fosters loyalty (Kahn, 1990).

In addition to compensation and recognition, organizations should place a high priority on offering opportunities for professional development. Providing training programs and clear career growth options can significantly boost employee satisfaction and engagement. According to research, employees are more likely to stick with organizations that encourage their professional development (Bishop, 1997). By fostering a culture of continuous learning and development, SMEs can raise overall retention rates and job satisfaction.

Promoting work-life balance is another crucial piece of advice. Organizations should implement policies that support flexible work arrangements, such as telecommuting options and adjustable working hours. A good work-life balance is essential for employee happiness and well-being, according to research by Greenhaus and Allen (2011). By fostering an environment where employees can effectively manage their personal and professional responsibilities, organizations can reduce stress and increase overall job satisfaction.

Establishing an inclusive corporate culture that promotes gender diversity and equity is also essential. The study's findings revealed a gender disparity among participants, which may affect

workplace dynamics and employee satisfaction. According to research, diverse teams can enhance organizational performance by promoting collaboration and innovative thinking (Eagly & Carli, 2003). Therefore, Ethiopian SMEs had to implement training programs that prioritize diversity and inclusion in order to create a more equitable workplace.

Finally, companies must constantly assess employee satisfaction and work-life balance. Regularly conducting surveys may yield valuable insights into employee perspectives and highlight areas in need of improvement. By being proactive, businesses can handle employee concerns and adjust their approach appropriately, enhancing retention efforts.

#### **5.4 Further Research Direction**

This study opens up a wide range of research avenues, particularly in relation to the dynamics of job satisfaction (JS), work-life balance (WLB), and employee retention (ER) under various conditions. Given the findings and the gaps identified, the following directions for further study are suggested.

First, future research could expand the scope of this study by examining the relationships among JS, WLB, and ER in industries other than small and medium-sized businesses (SMEs). Comparative studies in industries like manufacturing, healthcare, and education could provide insight into how industry-specific factors impact employee experiences and retention strategies. For instance, Hakanen et al. (2006) discovered that industry characteristics may affect employee expectations and satisfaction and that industry context is significant for retention dynamics.

Second, multi-triangulation of data and longitudinal research may be useful in assessing how changes in work-life balance and job satisfaction over time impact employee retention. By tracking employees' experiences at different stages of their careers, researchers may be able to uncover more about the long-term trends and causal relationships associated with these dimensions. This approach is consistent with the findings of Judge and Bono's (2001) study, which emphasizes how important it is to understand the temporal dynamics of job satisfaction in order to predict retention.

Additionally, further research could examine how organizational culture influences the relationships among JS, WLB, and ER. Examining how cultural elements, such as leadership

philosophies and internal communication practices, impact employee satisfaction and opinions may yield important insights. For example, Eagly and Carli (2003) argue that inclusive leadership and a positive corporate culture are necessary to increase employee morale and retention. Businesses may be able to adapt their strategies to fit the unique needs of their staff by being conscious of these cultural influences.

Finally, additional research could examine the moderating factors that influence the relationships among JS, WLB, and ER. For instance, researchers might look into the possible moderating effects of elements like corporate culture, leadership philosophies, and employee engagement. Eagly and Carli (2003) found that inclusive leadership can increase employee satisfaction, indicating that leadership philosophies may have a significant impact on how work-life balance and job satisfaction affect retention.

The findings of this study offer a solid foundation for future research into the intricate relationships that exist between job satisfaction, work-life balance, and employee retention. By heeding these suggestions, scholars can gain a better understanding of these ideas and their implications, which will eventually help develop workable strategies for increasing employee satisfaction and retention in a range of contexts.

## **5.5 Limitations of the Research**

Although this study provides valuable insights into the relationships between Job Satisfaction (JS), Work-Life Balance (WLB), and Employee Retention (ER) in Ethiopian SMEs, it should be noted that it has several limitations.

The study is cross-sectional, which means it gathers data at a specific point in time, to start. This architecture limits the ability to infer causal relationships between JS, WLB, and ER. Multi-triangulated data and longitudinal research would be necessary to determine the general directionality of these associations and monitor changes over time.

Second, although the sample size was sufficient for the statistical analyses, it may not fully represent the diverse range of workers present in SMEs across Ethiopia. The study's primary focus was Bole Sub-city because it may have unique cultural and economic characteristics that distinguish it from other locations. The results' generalizability to SMEs operating in different

urban or rural environments may be limited by this geographic restriction. Future research should aim to cover a greater range of sites in order to increase the generalizability of the findings.

The reliance on self-reported data is another disadvantage. It's possible that participants' socially acceptable responses affected how accurately work-life balance and job satisfaction were reported. Future studies that use objective measurements or data from multiple sources may reduce this bias and provide a more nuanced understanding of employee experiences.

Moreover, the hypothesis was not confirmed, even though the study examined how WLB might moderate the relationship between JS and ER. This raises concerns about the complexity of these interactions and suggests that additional moderating or mediating factors may be significant. Future research may examine additional elements such as organizational culture, job characteristics, and employee engagement to paint a more comprehensive picture.

Another disadvantage is that external factors, such as organizational or economic changes, may have an effect on employees' perceptions of work-life balance and job satisfaction during the study period. If these contextual factors had not been fully taken into account, the outcomes might have been affected.

In conclusion, these limitations highlight the need for more research to validate and expand on these findings, even though this study adds to our understanding of the dynamics of staff retention in Ethiopian SMEs. These limitations should be addressed in future research to increase the findings' validity and applicability.

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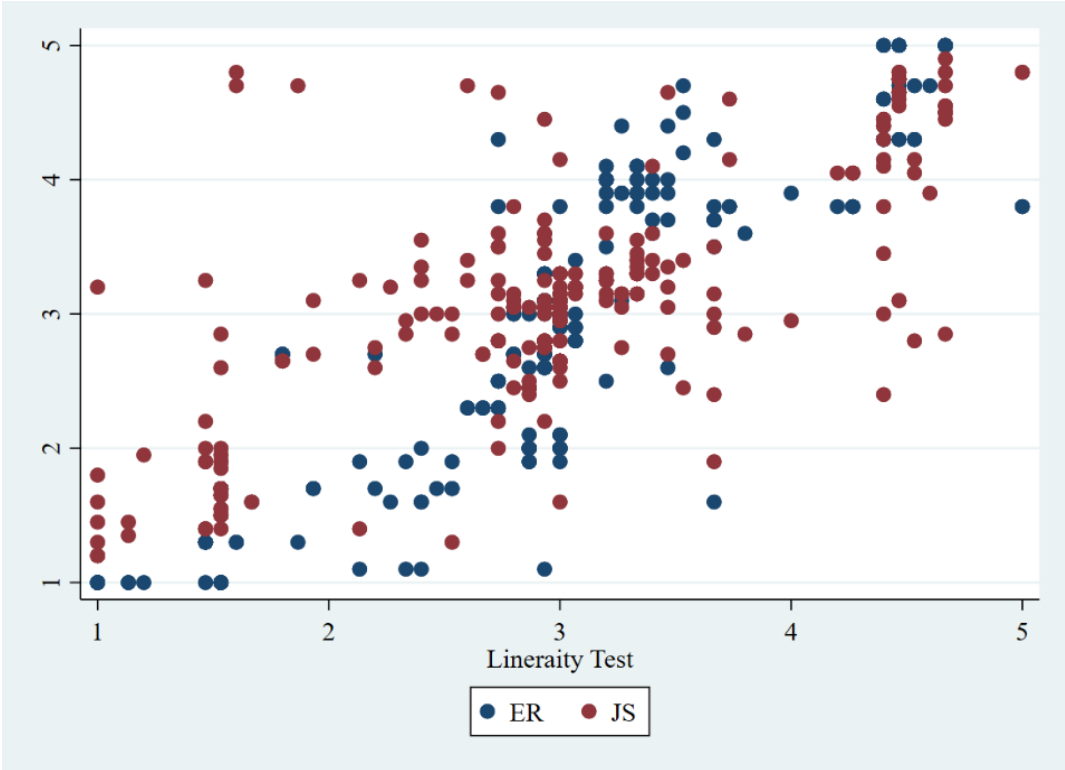
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**Appendix I – Test Assumptions**

**A. Linearity Assumption**

The linearity assumption in regression evaluations states that a linear relationship between the predictor and dependent variables exist. This shows that variation in the independent variables should make proportional changes in the dependent variable. If this assumption is violated, it will lead to biased estimates and misleading conclusions. For this thesis, according to the graph below, the model is linear with less scattered outliers.



**B. Homoscedasticity Test**

This assumption in regression evaluation indicates that the disparity of the errors or residuals should remain constant in all levels of independent variables. Simply put, the spread of the errors should be uniform without considering the value of the independent variables. If this assumption is violated, the predictive power and accuracy of this model will be inconsistent across different ranges of independent variable. As the following table shows that was computed using STATA V.0.17. MP, the Breusch-Pagan test indicated  $H_0$  insignificance indicating constant variance.

Breusch-Pagan/Cook-Weisberg test for heteroskedasticity

Assumption: Normal error terms

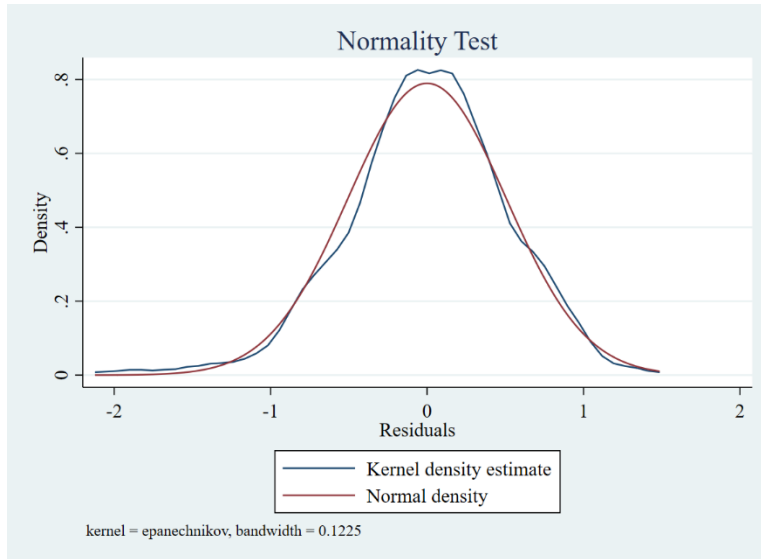
Variable: Fitted values of ER

$H_0$ : Constant variance

chi2(1) = 0.85  
Prob > chi2 = 0.3566

### **C. Normality Assumption**

This assumption in regression evaluation says that the errors of the model should be normally distributed. This assumption is very important since many statistical methods, including hypotheses test and confidence interval, rely on the normal distribution of errors to provide valid results. When errors are normally distributed, it shows that the model's predictions are not biased and the error terms are consistent across different observation. If this assumption is violated, it will lead to unreliable statistical inferences and influence the overall efficiency of the regression model.



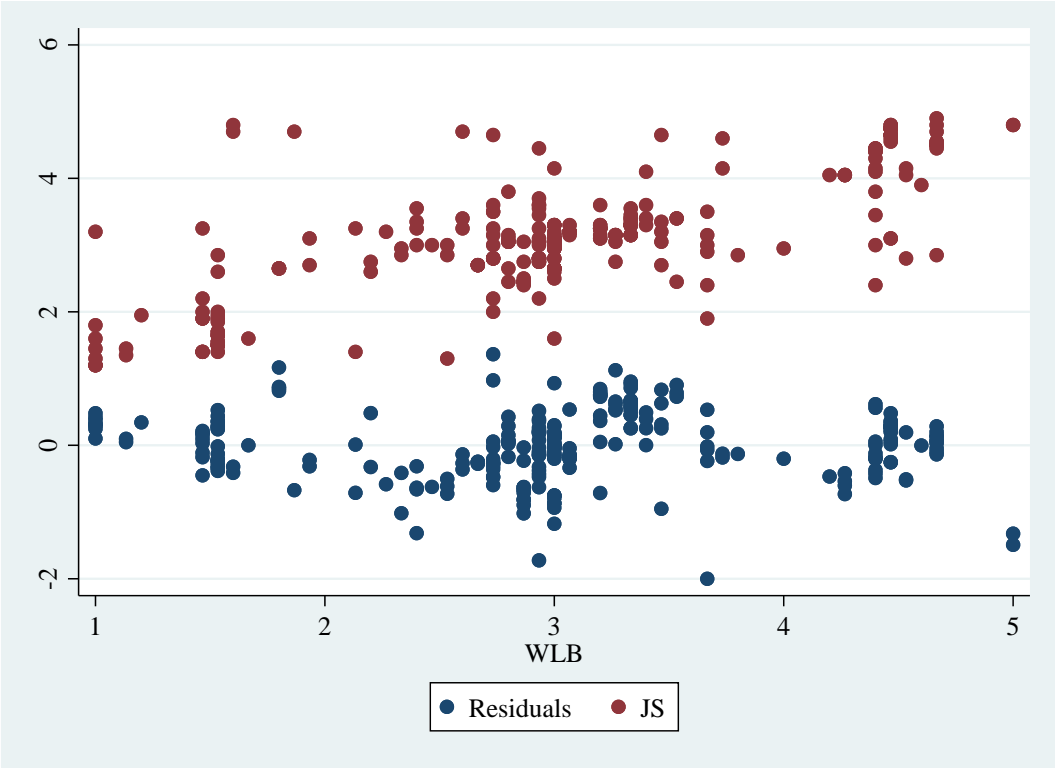
#### D. Multi-Colinearity Assumption

This assumption refers to the position where two or more explanatory variables are highly correlated with each other. This correlation can bias the estimated coefficients of the regression model, marking it difficult to determine individual influence of each explanatory variable on the dependent variable. If this assumption is violated or if multicollinearity is present, it will eventually lead to high standard errors, which will also lead to biased hypothesis tests and confidence interval. These findings can be misleading to conclude about the significance of independent variables and affect negatively the overall interpretability of the model.

Variable	VIF	1/VIF
JS	2.37	0.422070
WLB	2.37	0.422070
Mean VIF	2.37	

#### E. Autocorrelation Assumption

This assumption asserts that errors must be independent of each other. This means there's no room for correlation in residuals. If this assumption is violated, it can lead to inflated biased estimates and biased conclusion. A lot of cases, independence is assumed based on the design of the study, especially in random experiments.



## **Appendix II: General Questionnaires' and Interview Framework**

### **Instructions for Respondents:**

*You are invited to participate in a research study conducted by a graduate student from Addis Ababa University, who is pursuing an MBA. This research thesis aims to examine how Job Satisfaction (JS), and Work-Life Balance affect employee retention in Ethiopian Small and Medium Enterprises (SMEs), specifically in the case of Bole Sub City.*

*Your participation is voluntary, and your responses will remain confidential. This questionnaire is designed to measure your perceptions of Job Satisfaction, Work Life Balance and Employee Retention within your workplace, which refers to discretionary behaviors not directly recognized by the formal reward system but that contribute to the effective functioning of the organization. The items in this questionnaire are based on established scales from the literature, specifically the work of Podsakoff and MacKenzie (1997) and Lee and Allen (2002) on Paul E. Spector (1994) on Job Satisfaction (JS), Hayman (2005) on Work-Life Balance (WLB), and Mobley, Horner, and Hollingsworth (1978) on Employee Retention (ER).*

*Please indicate your level of agreement with each statement by circling the appropriate number on the scale provided. The scale ranges from 1 to 5, where:*

- *1 = Strongly Disagree*
- *2 = Disagree*
- *3 = Medium*
- *4 = Agree*
- *5 = Strongly Agree*

## Demographic Information

Age: \_\_\_\_\_

Gender:

- Male
- Female
- Prefer not to say

Educational Status:

- High School Diploma
- Diploma Degree
- Bachelor's Degree
- Master's Degree
- Doctorate

Years of Employment in Current Organization:

- Less than 1 year
- 1-3 years
- 4-6 years

7-10 years

More than 10 years

### Job Satisfaction (JS) Measurement Items

No.	Statement	1	2	3	4	5
<b>I. Fair Compensation (FC)</b>						
1	“I feel I am being paid a fair amount for the work I do.”					
2	“Raises are too few and far between.”					
3	“I feel unappreciated by the organization when I think about what they pay me.”					
4	“I feel satisfied with my chances for salary increases.”					
<b>II. Promotional Opportunity (PO)</b>						
5	“There is really too little chance for promotion on my job.”					
6	“Those who do well on the job stand a fair chance of being promoted.”					
7	“People get ahead as fast here as they do in other places.”					
8	“I am satisfied with my chances for promotion.”					
<b>III. Supervision</b>						

9	“My supervisor is quite competent in doing his/her job.”
10	“My supervisor is unfair to me.”
11	“My supervisor shows too little interest in the feelings of subordinates.”
12	“I like my supervisor.”
<b>IV. Benefit Package</b>	
13	“I am not satisfied with the benefits I receive.”
14	“The benefits we receive are as good as most other organizations offer.”
15	“The benefit package we have is equitable.”
16	“There are benefits we do not have which we should have.”
<b>V. Recognition</b>	
17	“When I do a good job, I receive the recognition for it that I should receive.”
18	“I do not feel that the work I do is appreciated.”
19	“There are few rewards for those who work here.”
20	“I don't feel my efforts are rewarded the way they should be.”

## Work Life Balance (WLB) Measurement Items

S.N	Statement	(1)	(2)	(3)	(4)	(5)
1	“My personal life suffers because of work.”					
2	“My job makes personal life difficult.”					
3	“I neglect personal needs because of work.”					
4	“I put personal life on hold for work.”					
5	“I miss personal activities because of work.”					
6	“I struggle to juggle work and non-work.”					
7	“I am unhappy with the amount of time for non-work activities.”					
8	“My personal life drains me of energy for work.”					
9	“I am too tired to be effective at work.”					
10	“My work suffers because of my personal life.”					
11	“It is hard to work because of personal matters.”					
12	“My personal life gives me energy for my job.”					
13	“My job gives me energy to pursue personal activities.”					
14	“I have a better mood at work because of personal life.”					
15	“I have a better mood because of my job.”					

## Employee Retention (ER) Questionnaire Measurement Items

S.N	Statement	(1)	(2)	(3)	(4)	(5)
1	“I’m planning on working for another company within a period of three years.”					
2	“Within this company, my work gives me satisfaction.”					
3	“If I wanted to do another job or function, I would look first at the possibilities outside my company.”					
4	“I don’t see a future for myself within this company.”					
5	“It doesn’t matter if I’m working for this company or another, as long as I have work.”					
6	“If I could start over again, I would choose to work for another company.”					
7	“If I received an attractive job offer from another company, I would take the job.”					
8	“The work I’m doing is very important to me.”					
9	“I love working for this company.”					
10	“I have checked out a job in another company previously.”					

## Job Satisfaction (JS) Interview Questions

### **Overall Job Satisfaction:**

“How would you describe your overall satisfaction with your job?”

“What aspects of your job do you enjoy the most?”

### **Challenges Affecting Satisfaction:**

“Are there any specific challenges you face that affect your job satisfaction?”

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## Work-Life Balance (WLB) Interview Questions

### **Impact on Personal Life:**

“How do you think your job impacts your personal life?”

“Can you provide specific examples?”

### **Challenges in Balancing Responsibilities:**

“What challenges do you face in balancing work and personal responsibilities?”

“How do these challenges affect your overall well-being?”

### **Prioritizing Personal Needs:**

“Are there aspects of your job that make it difficult to prioritize personal needs?”

“If so, what are they?”

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## Employee Retention (ER) Interview Questions

### **Career Goals:**

“What are your long-term career goals, and how do you see this company fitting into those plans?”

“

“Can you elaborate on your vision for your future here?”

### **Current Role Satisfaction:**

“How satisfied are you with your current role and responsibilities?”

“What aspects do you find most fulfilling?”

### **Consideration for Other Positions:**

“If you were to consider another position within the company, what factors would influence your decision?”

“Are there specific opportunities you would be interested in?”

*Thank You for Participating!!!*