



Addis Ababa University
College of Business and Economics
Department of Public Administration and Development Management
Master's in Public Management and Policy
(Development Management Stream)

***Assessment of Employee Retention Mechanisms and the
Benefits: The Case of Commercial Bank of Ethiopia.***

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Thesis Advisor: Firehiwot G/Hiwot (PhD)

Jun, 2016
ADDIS ABABA, ETHIOPIA

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**A Thesis Submitted in Partial Fulfillment of the Requirements for the Degree
of Masters of Art in Public Management and Policy to the Department of
Public Administration and Development Management, College of Business
and Economics.**

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Declaration

I, hereby, declare that this thesis is my original work and has not been presented for a degree in any other university and all sources of materials used for the thesis has been duly acknowledged.

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Table of Content	Pages
Acknowledgement -----	i
Table of Contents -----	ii
List of Tables -----	v
Abbreviations -----	vi
Abstracts-----	vii
 Chapter One	
1.1. Introduction -----	1
1.2. Background of the Study Organization-----	2
1.3. Statement of the Problem-----	3
1.4. Research Questions-----	4
1.5. Objectives of the study-----	4
1.6. Significance of the Study-----	4
1.7. Delimitation of the Study-----	5
1.8. Limitations of the Study-----	5
1.9. Organizations of the Paper-----	5
 Chapter Two: Literature Review	
2.1. Introduction -----	6
2.2. Importance of Employee Retention-----	8
2.3. Definition of Employee Retention-----	8
2.4. Reasons for Employee Retention-----	9
2.5. Factors Affecting Employee Retention-----	10
2.5.1. Compensation -----	11
2.5.1.1. Monetary Compensation-----	12
2.5.1.2. Non-monetary Compensation-----	14
2.5.2. Training and Development-----	15
2.5.3. Promotion and Opportunity for Career Growth-----	18
2.5.4. Work Environment -----	19
2.5.5. Superior Support-----	20

2.5.6. Work Life Balance-----	21
2.5.7. Job Security-----	23
2.5.8. Communication and Employee Participation -----	23
2.6. How to Develop a Retention Plan-----	25
2.7. Empirical Literatures-----	26
2.8. Why do Employees Leave their Organizations-----	27
2.9. Analytical framework-----	28
Chapter Three: Research Methodology	
3. Research methodology-----	30
3.1. Research Design-----	30
3.2. Study Population-----	30
3.3. Sampling-----	30
3.4. Data Collection Method-----	30
3.5. Data analysis Techniques-----	31
3.6. Ethical Values-----	31
Chapter Four: Data Presentation, Analysis and Discussion	
4.1. Introduction-----	32
4.2. Presentation and Analysis of data collected from CBE Officials-----	32
4.3. Presentation and analysis of data collected from the employees of Commercial Bank of Ethiopia-----	34
4.3.1. Respondents Profile-----	34
4.3.2. Current position, time of employment and place of assignment (branch) of the respondents-----	36
4.3.3. Employee Retention Strategy being employed by CBE-----	40
4.3.4: Implementation of retention strategies and its effectiveness-----	38
4.3.5: Extent of employees’ agreement on retention strategy for organizational Success and contribution of policies and procedures for their job performance -----	39
4.3.6. The extent of employees’ satisfaction with the financial benefits-----	40
4.3.7. Reward and Recognition of Employees on their job performance-----	42

4.3.8. Respondents satisfaction with the Superior-Subordinate Relationship at CBE-----	42
4.3.9: Promotion, Training and Development procedures of CBE-----	45
4.3.10: Employees Satisfaction with the Overall Retention Strategy-----	46
4.3.11. Factors that Affect Employees Decision to stay or leave the Organization-----	47
4.3.11.1: Salary and other financial benefits, Leadership Style and Fair Promotion and Opportunity for Growth-----	47
4.3.11.2: Training and Development Program, Reward and Recognition, Work-life Balance, Mentoring and Coaching and extent of Respondents Agreement -----	48
4.3.11.3: Policies and procedures of the organization, Superior-Subordinate Relationship, Job Security and Work Environment-----	50
4.3.12: Retention Strategy and Organizational Success-----	52
4.3.13: Mean Comparison-----	55
 Chapter Five: Summary, Conclusion and Recommendations	
5.1. Summary of the Main Findings-----	56
5.2. Conclusion-----	57
5.3. Recommendations-----	59
 References-----	 60
 Annex -----	 67

List of Tables	Page
Table 4.1: Respondents Profile-----	35
Table 4.2: Current position, time of employment and place of assignment (branch) of the respondents-----	37
Table 4.3: Employee Retention Strategy being employed by CBE-----	37
Table 4.4: Implementation of retention strategies-----	38
Table 4.5: Extent of employees' agreement on retention strategy for organizational Success and contribution of policies and procedures for their job Performance-----	39
Table 4.6: Questions related to respondents satisfaction with financial benefits-----	41
Table 4.7: Respondents satisfaction with reward and recognition on their job performance-----	42
Table 4.7: Respondents extent of satisfaction in superior-subordinate relationship---	44
Table 4.3.8: Questions related with Promotion, Training and Development procedures of CBE? -----	46
Table 4.9: Respondents satisfaction with the overall retention strategy of their organization-----	47
Table 4.10: Salary and other financial benefits, Leadership Style and Fair Promotion and opportunity for Growth-----	48
Table 4.11: Training and Development Program, Reward and Recognition, Work-life- Balance and Mentoring and Coaching-----	49
Table 4.12: Policies and procedures of the organization, Relationship with your Supervisor, Job Security and Work Environment-----	51
Table 4.13: Retention Strategy and Organizational Success-----	53

List of Abbreviations

CBE	Commercial Bank of Ethiopia
HRM	Human Resource Management
HRMD	Human Resource Management Development
PBC	Performance-Based Compensation

ABSTRACT

The purpose of this study was to assess employee retention mechanisms and the benefits in Commercial Bank of Ethiopia and assessing employee retention strategies being implementing in CBE, exploring contribution of employee retention for organizational success, assessing employees' satisfaction with the retention strategy of CBE, exploring factors that affect the employee retention strategy, identifying solutions to further improve the retention strategy. A descriptive survey design was used and a purposive sample of two respondent groups was involved. Interview questions conducted for officials and experts of human resource management of Commercial Bank of Ethiopia and questionnaires were filled by employees of CBE. The purpose of the interviewing of the first respondent group was to discover what retention strategies are being practiced at commercial Bank of Ethiopia and its contribution to achieve organizational goals and other related issues as they are responsible for designing and implementing the retention strategies. Questionnaire filled by employees of Commercial Bank of Ethiopia to learn how the retention strategies are designed and implemented, its role in achieving organizational goals and employees satisfaction with the retention strategy. The result shows that there is a well-designed employee retention strategy in Commercial Bank of Ethiopia which made CBE successful in meeting its objectives. More than seventy percent of the participants were satisfied with the overall employee retention strategy of their organization. However, both employees and officials of CBE still believe that there are some retention factors that affect employees on which CBE has to work. Both respondent groups believed that there is a direct relationship between employee retention and organizational success and having effective employee retention strategies is vital for the success of the organization.

CHAPTER ONE

1.1. Introduction

Human resource is the life-blood of any organization. Even though most of the organizations are nowadays, found to be technology driven, yet human resources are required to run the technology. They are the most vital and dynamic resources of any organization. With all round development in each and every area of the economy, there is stiff competition in the market. With this development and competition, there are lots and lots of avenues and opportunities available in the hands of the human resources. The biggest challenge that organizations are facing today is not only managing these resources but also retaining them. Securing and retaining skilled employees plays an important role for any organization, because employees' knowledge and skills are central to companies' ability to be economically competitive and successful (Panoch, 2001).

According to Richards (1997), human resource is one of the most valuable assets for any organization and it is the source of achieving competitive advantage. Managing human resources is very challenging as compared to managing technology or capital and for its effective management, organization requires effective HRM system. Employees today are different. They are not the ones who don't have good opportunities in hand. As soon as they feel dissatisfied with the current employer or the job, they switch over to the next job or organization.

According to Olowu and Adamolekun (2005), it is becoming more essential to secure and manage competent human resource as the most valuable resource of any organization, because of the need for effective and efficient delivery of goods and services by organizations, whether in public or private sectors. Therefore, for an organization to realize its goals, appropriate strategies for employee recruitment and retention are sine-qua-non for enhanced performance.

The employee's satisfaction and retention are critical to the conduct of business in the competitive (labor) market place and business environment today, and banks enjoy no exception to it. Thus, Commercial banks have embarked on different management strategies as resorts to promote employees job satisfaction and thus employees' retention. The retention of human resources has been shown to be momentous to the development and the accomplishment of the organization's goals and objectives. The main determinants for employee retention such as Career Development Opportunities, Superior Support, Work Environment, Rewards, and Work-Life balance and recognition have a great paradigm to retain the employees for longer period of time (Richards, 1997).

1.2. Background of the Study Organization

The Commercial Bank of Ethiopia (CBE) is the largest commercial bank in Ethiopia. According to human resource management officials, it carries on its business more than 1000 branches spread throughout Ethiopia and still expanding. Currently 905 of the total branches have been connected through T-24 Core Banking solution system. CBE has subsidiary office in South Sudan; it has been in the business since June 2009. The branches of all Commercial Bank of Ethiopia execute their functions under the supervision of 15 district offices. Addis Ababa divided into four districts (North, South, East and West). CBE had about 195.4 billion Birr in assets and held approximately 63.5% of deposits and about 38% of all bank loans in the country as of June 2015 annual report. The bank has above 23,000 employees, who staff its headquarters and it's over 1000 branches positioned in the main cities and regional towns. It is also the source of finance to major mega projects undertaking in different parts of the county and loan provider to domestic and foreign investors particularly who want to invest in government priority areas (manufacturing, export and agro-processing).

The bank provides all the banking service ranging from local to foreign banking. Local banking services are deposit, credit facilities and local transfer while 'Forex' (foreign exchange), trade service, Money transfer and correspondent banking are among foreign

banking service of the bank. It is also pioneer in introducing Automated Teller Machine (ATM), youth account, women's account, interest free banking and mobile banking services. In the process of carrying out this study, the researcher tried to answer the basic questions of the research. The relationship between employee retention and organizational success, strategies being practiced to retain employees at CBE, the level of employees' satisfaction with the benefit package of the organization and factors affecting employee retention have been discussed.

1.3. Statement of the Problem

A major challenge faced by the employers today is retaining the hired employees in their organizations. In the age of cut throat competition every organization tries its level best to give the best facilities to its employees. Satisfying the human resources is one of the toughest tasks which majority of the organizations face today. Understanding and knowing what is going on in the human mind is very difficult. Besides there are so many opportunities available for the skilled as well as talented human resources that it is becoming very tough as well as difficult for the employers to satisfy and retain them. There is no single strategy or retention plan which may satisfy each and every employee in an organization. As human beings have different personalities as such they have different demands and expectations from the organization (Arnold et al., 1982).

Many organizations formulate and implement different employee retention strategies in addition to financial benefits to make their employees satisfied and stick with the organization for a long period of time. There are also organizations who think that employees can be stick to the organization if they are satisfied with financial benefit only. Therefore, this study is proposed to assess employee retention practices in Commercial Bank of Ethiopia from the point of view of its employees and officials of human resource management and ultimately what role retention plays towards the success of the organization.

1.4. Research Questions

- What factors affect employee retention strategy?
- What strategies are being practiced to retain employees at CBE?
- How employees are satisfied with the benefit package of CBE?
- What looks like the relationship between employee retention and organizational success
- What should be done to further improve the retention strategy?

1.5. Objective of the Study is:

1.5.1. General Objective

- To Assess Employee Retention Mechanisms and the Benefits in the case of Commercial Bank of Ethiopia.

1.5.2. Specific Objectives.

- To find out factors affecting employee retention,
- To find out the various employee retention strategies undertaken by the CBE,
- To examine the current level of satisfaction of employees with the benefit packages of the CBE,
- To identify the relationship between employee retention and organizational success,
- To draw possible lessons and recommendations

1.6. Significance of the Study

This study of the role of employee retention on organizational success would be useful to provide basic information to human resource management department of Commercial Bank of Ethiopia. The study would help policy makers of CBE to design appropriate employee retention strategy. It would also help other researchers who might have interest in making

detailed study on the issue. The researcher believes that the study would help to identify benefits and limitations of employee retention, to provide possible recommendations and an overall view of employee retention and organizational success for those who take interest in further study.

1.7. Delimitations

Within the valid scope of the research, following were the delimitations of this research:

The study is restricted to Commercial Bank of Ethiopia as the results in private sector may vary.

Similarly, there were also geographical constraints as the study again is limited to Addis Ababa branches thus it could be accepted that the result may vary with respect to geographical locations.

1.8. Limitation of the study

In the process of undertaking this research, there were problems which create some difficulty to accomplish the study. Some of the reasons were: absence of concerned managers and staffs of human resource management, shortage of time for respondents to provide the necessary data.

1.9. Organization of the study

The research report is organized into five chapters. The first chapter is an introductory part which focuses on background of the study, significance, objectives, research questions, delimitations and organization of the paper. Chapter two deals with different literatures on the area of the study, chapter three is about analytical framework and research methodology, chapter four deals with data presentation, interpretation and analysis, including the indicators of employee retention and others. The fifth chapter contains conclusion and recommendation of the study.

CHAPTER TWO

2.1. Introduction

Long-term health and success of any organization depends upon the retention of key employees. To a great extent customer satisfaction and organizational performance in terms of increased productivity, satisfied colleagues and reporting staff, effective succession planning etc., are dependent upon the ability to retain the best employees in any organization. Encouraging employees to remain in the organization for a long period of time can be termed as employee retention. It is a process in which the employees are encouraged to remain with the organization for the maximum period of time or until the completion of the project (Maertz & Campion, 1998).

According to Panoch (2001), organizations today take great care in retaining its valuable employees and good employees as they are increasingly becoming more difficult to find. Managing and retaining promising employees' is an important fundamental means of achieving competitive advantage among the organizations. Cutler (2001) was of the view that one of the most important demands on management today in any organization is keeping the most vital and dynamic human resources motivated and dedicated. It is not important to see who the organization hires but what counts is that who are kept in the firm.

Employee retention is the major challenges for corporate who want to compete on the basis of knowledge because employee is the only asset which contains knowledge and use them in proper way for the benefit of the company. Various veterans found that there is a positive co-relation between employee retention and organizational success. Despite the fact that a company may try to bring all retention strategies into play to enhance employee retention, an employee can still choose to leave the workplace because of, for example, bad management. Attentiveness, responsiveness, and openness of communications on the part of management are elements of the business vision that sustain high retention, even under difficult

circumstances. An organizations ability to retain its employees completely depends upon its ability to manage them (Muchinsky, 1977).

Baker (2006) gave stress on the fact that hiring new employees are far difficult as well as costlier than to keep the current employees in the organization. That is why the core issue in any organization is to give a continuous ongoing effort to identify and try to keep all the best performers irrespective of their age. As Gberevbie (2008) has stated, employee retention strategies refer to the plans and means, and a set of decision-making behavior put formulated by the organizations to retain their competent workforce for organizational success.

Employees today are different. They are not the ones who don't have good opportunities in hand. As soon as they feel dissatisfied with the current employer or the job, they switch over to the next job. According to an article in Knowledge Management Review by Young (2006), companies are faced with people leaving to join other companies. The average worker is changing jobs ten times between ages of 18 and 37 continuously. Young says that one answer to this issue is to believe that you can purchase knowledge to replace what you are losing. Employees today change jobs frequently and do not have the company loyalty that existed 30 years ago when your valued employees were hired. Young also states that loyalty to employers is fading. Thanks to downsizing, job security in return for commitment has been breaking down. It is the responsibility of the employer to retain their best employees. If they don't, they would be left with no good employees (McCrea, 2001).

Human resource is a crucial aspect of Human Resource Management. Especially key or talent employees are destiny of the organization. The retention of those employees is one of the significant issues of contemporary context. Employee retention is the ability of the management to retain its employees for a longer period of time. It needs favorable policies and practices, which let the key employees stick to an organization. Organizations invest a lot of resources for employees to make them able or corporate ready. High employee turnover ratio or flyaway of talent employee is the greater loss of the organization. It can be a problem because of increased recruiting, selection, and training costs and work disruptions (Robinson et al., 1996).

2.2. The Importance of Employee Retention

When a business loses employees, it loses skills, experience, learning organization and corporate memory. The magnitude and nature of these losses is a critical management issue, affecting productivity, profitability, and product and service quality. For employees, high turnover can negatively affect employment relationships, morale and workplace safety (Muchinsky and Morrow, 1980).

The cost of replacing workers can be high, the problems associated with finding and training new employees can be considerable, and the specific workplace-acquired skills and knowledge people walk away with can take years to replace. The problem of turnover can be addressed through a variety of pro-active retention strategies: workplace policies and practices which increase employee commitment and loyalty. Knowledge transfer initiatives on the other hand, ensure that the knowledge and expertise of a company's employees its 'corporate memory' are systematically and effectively shared among employees. They can offset the negative impact of turnover, but can also work pro-actively to reduce turnover by providing learning and skills development opportunities to employees (Edward G, 2011)

2.3. Definition of Employee Retention

Simply stated, retention refers to an organization's ability to keep the employees it has already hired and the ability of an organization to reduce the turnover of its organization. It is a process in which the employees are encouraged to be with the organization for the maximum period of time.

Employee retention is beneficial for both the organization and employee. It refers to the various policies and practices which let the employees stick to an organization for a longer period of time. For retaining the most important asset, best human resource management practices need to be used. Studies have indicated that retention driven by several key factors, which ought to be managed congruently: organizational culture, strategy, pay and benefits philosophy, and career development systems (Fitzenz, 1990).

Employee retention is defined by Akila (2012) as a course of action in which the employees are expectant to be part of institution for the maximum period of time or until the accomplishment of job. Retention of employees is valuable equally for employees as well as for organization. When employees feel dissatisfied they will switch over to the better opportunity. Therefore task of employer is to retain valuable and talented employees otherwise they will be left with no good employee. Nazia and Begum (2013), defines employee retention as a business effort to retain its current staff by sustaining a supportive working environment. The purpose of various employee retention policies is to enhance the job satisfaction which adds to retention rate and trim down the considerable expenses associated with employing and guiding fresh personnel.

2.4. Reasons for Retention

Nowadays there are many more opportunities for talented skilled persons. There are many organizations which are looking for such employees. If a person is not satisfied by the job he's doing, he may switch over to some other more suitable job. Therefore in today's environment it becomes very important for organizations to retain their employees. The reason may be personal or professional (Fombrun & Shanley, 1990).

In the view of Acton et al., (2003), the Human Resource Department plays an active role in retaining its employees. It make policies for employee betterment such that employee would be satisfied with the organization and stay with the firm for longer time and work for the success of the organization. This shows that it is not just retention of employees but also retention of valued skills.

2.5. Factors affecting Employee Retention

Employee retention is not influenced by a single factor, but there are hosts of factors which are responsible for retaining employees in an organization. Management need to pay attention to factors such as compensation & rewards, job security, training & developments, supervisor support culture, work environment and organization justice etc (Fitz-enz, 1990).

Trulson (2007) states following seven recommendations on his research study as retention strategies: “Implement team based management style, encouraging employee involvement, use committee to address major issues and initiatives; employ friendly schedule; examine and improve the recruitment and screening process; training and certification program; improved salaries and benefits; community relations program to provide recognition, and institute a professional development program”.

According to Osteraker (1999), the employee satisfaction and retention are the key factors for the success of an organization. The Retention factor can be divided into three broad dimensions, i.e., social, mental and physical. The mental dimension of retention consist of work characteristics, employees always prefer flexible work tasks where they can use their knowledge and see the results of their efforts which, in turn, helps in retaining the valuable resources. The social dimension consists of the contacts that the employees have with other people, both internal and external. The physical dimension consists of working conditions and pay.

Organizations apply different employee retention strategies which effectively satisfy the needs of all employees and consequently enhance the ability for companies to adapt more effectively to ongoing organizational change and success. Commonly used factors of employee retention are the following:

2.5.1. Compensation

The literature considered that compensation is one of the largest factors for the retention of employees. Compensation plays significant role in attracting and retaining good employees specially those employees whose gives outstanding performance or unique skill which is indispensable to the organization because company invest more amounts on their training and orientation (Lawler, 1990).

Some researchers argue that on the company side competitive compensation package is the only strong commitment and also build strong commitment on the workers side. However, the contribution of compensation towards retention, help in retention of employee irrespective of their skill and contribution to the company and it likely affect both turnovers desirable and undesirable. The total amount of compensation offered by other companies also affects the turnover. Organization offered high compensation package is compared to others a large numbers of candidates applying for induction and have lower turnover rate. Moreover high compensation package organizations also create culture of excellence (Lawler 1990), Gardner et al., (2004) mentioned that pay is considered as a motivator as well as employee retention technique. Milkovich and Newman (2004) have clearly stated that among all types of retention mechanism, monetary pay is considered one of the most important and significant factor in retention.

While there is general agreement about the importance of competitive compensation for employee retention, there is also a growing consensus that competitive or even generous compensation will not alone guarantee that a company will be able to keep its most valuable employees. The key issue in retention is the amount of total compensation relative to levels offered by other organizations. Organizations that have high levels of compensation have lower turnover rates and larger numbers of individuals applying to work for them. Furthermore, high wage workplaces may create a culture of excellence (Lockwood, 2006). Whatever their circumstances, companies that successfully incorporate compensation and benefits into their retention efforts have a clear understanding of their business objectives

and use compensation as a tool for influencing organizational and employee behavior, for example; pay systems and practices can have a major impact on employee retention by motivating membership-oriented behaviour (commitment). Pay systems may also affect knowledge sharing and transfer if sharing, teamwork, suggestions, etc. are rewarded or recognized (Collins, 2007).

However, it is worth remembering that building “affective commitment” involves much more than paying well, and that retention based on the principle of compensation-based commitment is of course sensitive to changes in compensation within the company. Employers that base their retention on compensation-based commitment will always be vulnerable to the possibility that their competitors will be able to offer better wages and thus lure away their employees (Muchinsky, 1977).

Similarly, Staw (1980:253) argues that “money gets employees in the door, but it doesn’t keep them there.” Aquino, et al., (1997), classify money as a “satisfier,” meaning that it is a necessary but insufficient factor in employee retention. In such circumstances a wide number of factors are seen for successful retention of employees. The existence of other retention factors cannot be ignored. While Collins (2007) agrees that money is not the primary motivator for employees. In fact, many companies have done a very good job of retaining their employees without any pay-based retention incentives (Collins, (2007).

2.5.1.1. Monetary Compensation

Monetary compensation refers to monetary/financial benefits offered and provided to employees in return of the services they provide to the organization. The monetary benefits include basic salary, house rent allowance, conveyance, leave travel allowance, medical reimbursements, special allowances, bonus, Pf/Gratuity, etc. They are given at a regular interval at a definite time.

Collin (2007) mentioned the following monetary/financial compensations:

(a) **Basic Salary:** One the common causes of high employee turnover rates is low pay and benefits packages. When a worker is employed in a low-wage position with limited benefits, there is little incentive to stay if a similar employer offers even a slightly higher rate of pay. Salary is the amount received by the employee in lieu of the work done by him/her for a certain period say a day, a week, a month, etc. It is the money an employee receives from his/her employer by rendering his/her services.

(b) **House Rent Allowance:** Organizations either provide accommodations to its employees who are from different state or country or they provide house rent allowances to its employees. This is done to provide them social security and motivate them to work.

(c) **Fuel Allowance:** Organizations also provide vehicles and petrol allowances to their employees to motivate them. (d) **Medical Reimbursement:** Organizations also look after the health conditions of their employees. The employees are provided with medi-claims for them and their family members. These medi-claims include health-insurances and treatment bills reimbursements.

(e) **Bonus:** Bonus is paid to the employees during festive seasons to motivate them and provide them the social security. The bonus amount usually amounts to one or two month's salary of the employee. (f) **Leave Travel Allowance:** These allowances are provided to retain the best talent in the organization. The employees are given allowances to visit any place they wish with their families. The allowances are scaled as per the position of employee in the organization.

Finally, it is important to distinguish between what might be called normal or standard compensation like wages, salaries, benefits, etc. and what is commonly referred to as performance-based compensation (PBC), that is, specific forms of compensation that are paid for workers or groups of workers who attain certain objectives vital to a company's business strategy. Performance-based compensation or 'pay for performance' is becoming an increasingly popular form of compensation, particularly since its various forms are closely tailored to very specific company objectives, including employee retention (Collins, (2007).

2.5.1.2. Non-Monetary Compensation

Reward and recognition

Agarwal (1998) gave an explanation to the term reward as something that the organization offers to the employees in response of the work as well as performance and something which is desired by the employees. According to Walker (2001), recognition from bosses, team members, coworkers and customer enhance loyalty and encourage employees to work to the achievement of organizational goals. Akanbi (2005) highlighted that a reward is required to be given to an employee when the job is completed. It is important to enhance employee performance through motivation and high productivity and efficiency will be improved.

Staw, (1980) argues that reward systems ought to be a significant sphere of innovation for employers. The increasing diversity of the workforce, suggests the need for more creative approaches to tailoring the right rewards to the right people. It would, however, be impossible to list all of the various types of recognition and rewards that companies actually give their workers.

To function properly, rewards must be well justified, everyone must have a fair chance at getting one, and that reward must be something that the recipient employee values. Everyone who keeps the company productive deserves a fair share of awards, interesting new assignments, honours or other motivational treats that the company hand out. Morale will plummet if employees see the employer as arbitrary, unfair or playing favourites (Staw, 1980).

Providing skill recognition of personal job accomplishments is an effective retention strategy for employees at any age. Studies indicate fulfilling peoples need for acceptance by acknowledging individual work accomplishments prolongs employment of employees (Redington, 2007). A Study by Yazinski (2009) show trends of an increased number of job

applicants seeking out companies that encourage and acknowledge employee input, growth, education, and teamwork, beyond the traditional compensation/benefit packages offered by employers. Organizational benefits of personal or skill recognition are priceless and enhance individual and organizational performance, yet statistics supports that the impact of verbal praise has the ability to enhance company loyalty, motivation, and perseverance at no extra charge. Individual skill recognition is restricted by age, and motivates positive behaviour, ethics, teamwork, confidence, and growth in all employees (Redington, 2007). Thus, both skill recognition and learning opportunities enhance individual performance, effectiveness, and retention (Agrela et al., 2008).

Rewards can be financial or non – financial, intrinsic or extrinsic. It can be recognition such as naming a worker or employee of the year, and on the other hand a reward refers to a tangible incentive or a thing that an organization gives to the worker or employee in response of their contribution or performance so that they become motivated for future positive behavior and stay for maximum period of time with the organization. Attractive remuneration packages are one of the very important factors of retention because it fulfills the financial and material desires as well as provides the means of being social by employees' status and position of power in the organization. Many researchers demonstrate that there is a great deal of inter-individual difference in understanding the significance of financial rewards for employee retention (Pfeffer, 1998).

Watson (1999) and Perrin, (2003) highlighted the linkage between rewards and employee retention and give insights into what workers want to do, their words about the rewards and their feeling regarding the work and reward matters. The recent research studies on talent management also support assumption that well and broad implemented reward practices help in talent retention and management.

2.5.2. Training and Development

According to Gomez et al, (1995), training provides specialized technique and skills to employee and also helps to rectify deficiencies in employee performance, while

development provide the skills and abilities to employee which will need the organization in future. Development of skill consists of improving interpersonal communication, technological knowledge, problem solving and basic literacy etc. Gargand Rastogi (2006) explain that in today's competitive environment feedback is essential for organizations to give and receive from employees and the more knowledge the employee learn the more he or she will perform and meet the global challenges of the market place.

Employee development is a mutual and jointly efforts by an employee and organization through which an employee's skills, knowledge and abilities can be promoted. The balance between an employees' career need and organization's need is the successful development in the organization. A positive contribution in the performance of an organization is raised by the employee development. In fact, well skilled employees may achieve the targets within time that expand their experience and knowledge. In the interest and devotion of the organizations, the motivated employee perform well and best which leads them towards personal growth and as well as productivity and prosperity to the company (Quratul-Ain, 2012).

According to Jackofsky (1984) all organizations should do a better retention job by spending more resources on training and development. A business that provides education and training will be more competitive and productive and will win the loyalty of its workforce. That training and development are so enthusiastically embraced as key factors to good retention is no doubt due to the fact that well-developed training programs are becoming ever more essential to the ongoing survival of most modern companies, whether or not retention is an important issue to that company. To the extent that operational paradigms such as "The Learning Organization" or the "Knowledge-Based Organization" (Jackofsky, 1984) continue to take hold in the contemporary business world, training is only likely to become more important.

The availability for all employees having access to training and development programs is critical in facilitating organizational growth, particularly with performance and technological improvements (Boomer Authority, 2009). Statistical evidence indicates job

training is a critical factor for personal and professional development. Research supports that both the organizational benefits and cost savings associated with training programs outweigh the initial cost it incurs. (Eisen, 2005). Evidence supports the conclusion that access to regular training programs enhances growth, prosperity, and retention for both employees and employers (Amble, 2006).

Messmer (2000) found that one of the important factors in employee retention is investment on employee training and development. Organization always invests in the form of training and development on those workers from whom they expect to return and give output on its investment. Shelton (2001) conducted research to analyze the impact of employee development programs on employee retention and job satisfaction with regard to business success. It was explained that human resource is key asset for any organization so to make any organization successful it is important to satisfy their employees in the organization.

According to Steel and his colleagues (2002) lack of training and promotional opportunities were the most frequently cited reason for high-performers to leave the company. Perhaps a more recent development is employees' desire to acquire new skills and skill sets. Employees want to learn new technology, processes, and projects and develop all types of skills, particularly in the technical area.

Training and development increases employee satisfaction and interest to be retained in the organization. It was analyzed that there is significant positive relationship between training perception and effective commitment, and significant negative relationship between effective commitments with employee turnover. It means that availability of training and development programs shows care from the organizations for their employees, giving opportunity to their employees to learn and develop their career goal which in turn brings organizational success (Ashar et al., 2013).

2.5.3. Promotion and Opportunity for growth (Career Development)

It is essential for employees to develop their careers and grow in their career path so that they become more competent and be able to improve their performance and the quality of their work, so if an organization offers that opportunity for them they will stay and make the most of it. Career development is vital for both the employees and employer and mutual benefited process because it gives imperative outcomes to employer and employees. Also according to Herzberg in his two factor theory opportunity to advance ones career motivate employees and it leads to satisfaction and retention (Hall, 1996); Kyriakidou and Ozbilgin, 2004).

Pergamit and Veum (1989) in their study found a close and positive correlation between promotions and job satisfaction and which in turn helps in retaining employees. Internal career development of employees is often the best predictor of an employee's effective commitment. Talented employees are required for maintaining a competitive advantage and employees want career growth opportunities to develop and rise in their career ladder. To gain and maintain competitive advantage organizations required talented & productive employees and these employees need career development to enhance and cultivate their competencies (Prince, 2005). Such plans include advancement plans, internal promotion and accurate career previews at the time of hiring (Prince, 2005).

Shelton (2001) conducted research to analyze the impact of employee development programs on employee retention and job satisfaction with regard to business success. It was explained that human resource is key asset for any organization so to make any organization successful it is important to satisfy their employees in the organization. It is not only enough to fulfill their financial needs, their satisfaction matters a lot to make them happy, so organizations should have to invest in their employees as well as career development programs.

2.5.4. Work environment

Employees expect a work environment, where they can utilize their abilities and satisfy their basic needs. Workspace designs have a profound impact on workers and tend to live with job as long as satisfied. Work environment is one of the factors that affect employee's decision to stay with the organization (Brill. et al, 2001). An employee loves to work at a place, where he is given a proper environment to work. Many companies are providing flexible schedules and work arrangements and are experimenting with other ways to help individuals manage their work and personal life issues (Perry-Smith and Blum, 2000).

Organizations which have generous human resource policies, have a very good chance to satisfy and retain employees by providing them an appropriate level of privacy and sound control on work environment which enhances the motivation levels to commit with the organization for the long term. Employees expect a work environment, where they can utilize their abilities and satisfy their basic needs. Work environment is one of the factors that affect employee's decision to stay with the organization (Wells &Thelen, 2002).

There is also a growing body of evidence that workplace safety, health and wellness initiatives can make a fundamental contribution to business performance as well as the improved health and well-being of individual employees. An examination of the Human Resource literature tended to support this argument although most authors did not delve into this area in any considerable amount of detail. Healthy workplace practices take on a variety of forms, including those directed at the physical work environment (safety, ergonomics, etc.); health practices (supporting healthy lifestyles, fitness, diet, etc.); and social environment and personal resources (organizational culture, a sense of control over one's work, work-family balance, etc.) (Low, 2003).

According to Ramlall, (2003), people are strive to work and to stay in those corporation that provide good and positive work environment, where employee feel that they are valued and making difference. Proficient employees of such organizations are dragging together to push

the organization forward. Research conducted that physical & work environment play pivotal role in employee' s decision whether to leave the job or stay and consider as a major factor in employee retention.

Workplace health and wellness initiatives are seen to reduce health and safety costs, facilitate good labour management relations, and improve profitability and customer satisfaction. They are also viewed as key factors affecting employee retention Edward, G. (2011). Thus, to the extent that emotional and mental wellness is important to good retention and other indicators of business performance, companies might be well-advised to turn their attention to factors in the workplace that cause stress in the workplace.

2.5.5. Superior Support

The leadership style consider affective factor in employee retention. The relationship between supervisor and worker play pivotal role in employee turnover intention. The organization "human face" is supervisors. Leaders are the human face of the firm. Eisenberger et al. (1990) suggested that employees view regarding organization is strongly concerned to their relationship with supervisor. If supervisor support, open communication and have good relationship with employees, the employees turnover intention are likely less and more engaged with organization (Greenhaus, 1994).

Leaders interact as a bond to perform application between expectations and stated goals. By harmonizing the rivaling demands supervisor support and manage the inside / outside work environment. If the relationship among workers and supervisor is exceeding / strong the worker will never seek to any other new employment opportunity but stay in the organization and vice versa. Employees leave the leaders not jobs so leader support is also essential in this regard. (Ontario, 2004)

By having support, employees are less likely to leave an organization and be more engaged by having good relationship and open communication with the supervisor (Greenhaus, 1987). According to Eisenberger et al. (1990), an employee's view of the organization is

strongly influenced by their relationship with their supervisor. If the supervisor focuses towards the employee's progress, other than the formal evaluation process; this improves the employees' retention and commitment towards the organization.

Employees who are valued and they feel esteemed will take active part in the organization goals, show productive behavior, workplace and increased job involvements, which decrease absenteeism and turnover intention rates. The effective leadership style can be revealed by formal and informal acknowledgment. In organization employees responds to admire, support and encouragement, no matter the environment is profession or personal (Silbert, 2005). To ensure accurate performance appraisal management leader must discusses the progress with employees outside the time of formal evaluation process. They assist workers to find the right place in the firm, not only move in the hierarchy next position (Freyermuth, 2007).

According to Silbert (2005), well skilled and talented workers may easily find good job, position and workplace elsewhere however the effective way for retention these talented employees is to enhance friendly and close working environment and to promote leader support. Freyermuth (2007), recommended that organization must groom leader to support the employees and to well build the work environment where workers want to stay. Providing opportunities test their abilities and providing level of performance can enhance employees' capabilities and want to stay in the organization.

2.5.6. Work-life balance

Work-Life-Balance is also a retention factor frequently cited in the literature. The conflict between work and career on the one hand and private life on the other is currently assuming large proportions in our society. There is an increasing demand for more flexible forms of work, which would positively affect the reduction of the work-family conflict and employee satisfaction in general. Human Resource policies addressing work-life balance are assumed to be important because the current generation of employees attaches much importance to

quality of life, as a result of the ever increasing work pressure (Cappelli, 2001; Mitchell et al, 2001).

Tratt (2000) outlined that due to the rising competition among organizations to attract and retain talented employees, the result has been the development of a new trend of working life benefits. To maintain a competitive advantage in the labour market, organizations have to develop work-life balance in their employee retention strategy. Feldstead et al, (2001) further defined work-life balance as “the individual’s ability, irrespective of age and gender, to find a life rhythm that allows individuals to combine their work with other responsibilities, activities or aspirations.” Chao (2005) found that organizations should give their employees more flexibility to balance their work and personal life and they can gain better performances and higher retention rates in return. In other word, the organizational responsibility should not affect personal life of the employee.

Work-life balance programmes cover a variety of interventions, and include such practices as dependent care leave, childcare subsidies, eldercare programmes, counseling and referral, and flexible working hours (Muchinsky,1977). As the list suggests, the concept of “work-life balance” recognizes that employees have important family and extraprofessional obligations that compete with their professional commitments; benefits that may be grouped under this concept therefore allow people to strike a more meaningful and potentially less stressful balance between obligations at the workplace and obligations at home.

Finally, it should be noted that organizations that function on the basis of shiftwork may have employees who found it particularly difficult to balance family and work obligations. Again, a certain degree of flexibility and responsiveness on the part of employers can go a long way in helping employees to resolve such conflicts and be more productive at work. Duxbury and Higgins (2001) note a number of policies that prove to be effective in helping employees to manage work-life balance in a shift work setting. These include (i) limiting split shifts, (ii) providing advanced notice of shift changes, (iii) permitting employees to trade shifts amongst themselves and, most importantly, consulting with employees about their work-life balance needs while planning shifts.

2.5.7. Job Security

Abegglen (1958) found that employment features like lifetime employment and seniority system, job security lead to high commitment, job satisfaction as well as retention of employees in an organization. Researchers such as Ashford et al., (1989) and Davy et al., (1991) conducted studies on job security and job satisfaction and found that job dissatisfaction is the outcome of insecurity among employees. Rosenblatt and Ruvio, (1996) conducted a research on the job insecurity and found that job performance and organizational commitment are negatively correlated with job insecurity.

2.5.8. Communications and Employee Participation

Retention would be far from complete if the importance of communications is not addressed. Open, responsive, two-way communications would appear to be vital to good employee retention. “The fastest way to transform a top-performing staff into a group of disgruntled, discouraged job-seeking workers,” according to Harris, Aquino and Griffeth, 1997, “is to shut them out of the loop of corporate information.” Conversely, they say, the feeling that one is in the loop reinforces the employee’s connection to the organization. Most, if not all, of the other types of practices described in our review of the Human Resource literature fundamentally depend on a sound approach to communicating with employees.

According to Edward (2011) communication is the bedrock upon which all the other job retention practices can be successful. Without communications, many of these practices would be difficult to implement, or it would at least be difficult to implement them with the goal of retaining employees. We may consider a few illustrative examples:

- Employees are often unaware of exactly how competitive their wages and benefits really are. If the employer is not effective at communicating the content of total compensation and benefits, employees may lack the information to form judgments about the company, and may end up not forming a strong commitment to the company.

- The need for good communications is especially great under pay-for-performance plans if employees are to align their behaviour at work with the intended rewards and outcomes.
- Professional development and career tracking must rest on a solid foundation of communication if employees are to understand their place and their future within the company, and what they need to do to follow a developmental path.
- A good system of employee referrals relies upon a workplace environment where management is receptive of suggestions from employees and actively uses open communication channels to secure vital feedback from its workers.
- The incidence of high stress and its attendant consequences for employee health and wellbeing is in part a function of inter-personal relations in the workplace (which mediate and are mediated by communications) and the availability of open and trusted lines of communication that can help to identify potential health problems before they become too severe.

Most literature are emphasized that communication is a basic building block of any effective retention practice and emphatic about the need to keep employees “in the loop”, and a number of companies make considerable efforts to communicate with employees for purposes beyond what is immediately necessary for them to do their jobs. Thus, many companies keep their employees regularly up to date on the company’s performance. In addition, many companies have an open-book policy through which employees are kept up to date on the financial performance of the company be it good or bad and are equally keen to apprise employees of changes to business strategy (Kaye and Jordan-Evans, 1999).

When top leaders share information and expect other managers to share it with employees, employees tend to feel more included and their trust is reinforced, resulting in smaller dips in productivity during crises. Additionally, informed employees are sometimes able to provide solutions to otherwise unresolved problems. Information sharing includes: strategic directions, the organization's and industry's future, emerging trends that could affect career possibilities, and other cultural political realities affecting the organization. These types of information help to support employee career development and advancement (Edward, 2011).

2.5. How to Develop a Retention Plan/Strategy

In order to develop a retention plan, several on-the-job and off-the-job factors must be considered according to (Mitchell et al; 2001). The leader must investigate these factors and select those which are the most applicable to the firm. There are a few key findings when developing a comprehensive retention plan:

First, the organization leaders need to make strategic decision and determine whether turnover is a problem, conclude why people are leaving and arrange exit interviews made by outside consultants so the leaver does not fear retribution. They also need to investigate the reasons and factors why people stay in the company. Top-level support needs to be developed for the plan, as well as spending financial and human resources on the planning (Lilian S, 2013).

Second, the organization should pay close attention to basic management practices, such as job satisfaction and organizational commitment. Gather feed-back of this data and prepare to make changes. The third thing to do is to apply the developmental process model and its different paths. The model high-lights some important practices for the development and implementation of retention plan (Lilian, 2013).

Furthermore, job embeddedness can be established and maintained through careful attention to the connections employees make to people, institutions, and activities outside and inside the organization. Every employee needs to be considered; therefore the company should ensure a good fit with the job for each employee. Using personal development plans will provide employees with opportunities throughout their career.

It is important to have in mind that retention plans or programs require an overall, comprehensive, thoughtful process to be effective. Plans are expensive and vary across organizations and industries, as well as they need substantial effort. To enlighten the problem about employees leaving, actions need to be taken as these programs compete for

talent to keep the most valuable people in the companies; it has becoming popular to give employees retention bonuses. Retention cannot be accomplished purely through money, as positive effects of more pay, usually are short-lived (Mitchell et al., 2001).

2.6. Empirical Literature Review

A study was conducted by a large international firm which was confronted with an unusually high turnover rate among its home office clerical staff located in Montreal Canada. While other organizations located in the same labour market experienced voluntary turnover rate in the neighborhood of 20% per year, this firm consistently had turnover of about 50%. At that rate the manufacturing firm calculated the cost to be above \$ 150,000 per year. The manufacturing firm conducted a satisfaction survey of its 350 clerical workers using the Job Descriptions Index (JDI). Five months following the survey, 26 clerical employees had quit. To assess the relationship between satisfaction and retention, the average satisfaction of 52 control employees who remained with the organization were compared to these 26 former employees. The controls were matched with the terminators on age, education level, job level, mother tongue and marital status.

For both terminators and controls, satisfaction with salary and promotions was unusually low, employees were unhappy with the administration of their pay and with the fact that they felt were in “dead-end” jobs. As a result of these findings, the organization changed the personnel/human resources policies regarding pay and promotions. One year after these changes, voluntary turnover among clerical employees dropped to 18% and 2 years later to 12%. During the same period, voluntary turnover in the manufacturer’s labour market remained about 20 % (Heneman, 1986).

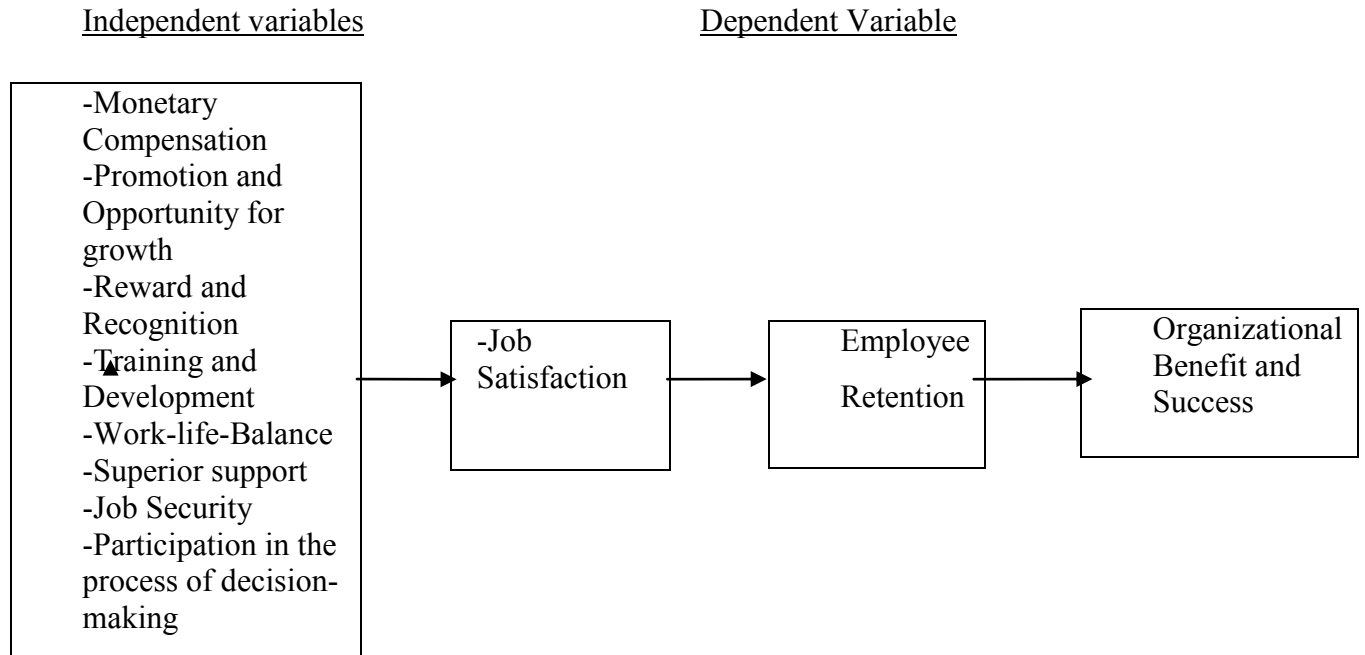
2.8. Why do the Staffs Leave Their Organization?

The researchers and writers differ in their opinions regarding this matter. A qualitative research was carried out by the people in Aid on staff retention among the seven member agencies between November 2005 and January 2006. Senior managers from HR departments and 111 emergency managers six of the seven member agencies were interviewed. The main reason cited for employees leaving the agency were as follows: Better pay/terms and condition elsewhere (cited by 50% of the respondents), poor leadership/values/culture (cited by 40%), lack of career opportunities and growth (38%), burnout, disillusionment and frustration (29%), impact on personal life, work-life balance (20%), poor recruitment (12%), life event (9%), and feeling bored/stale (7%). On the other hand the group suggest that in order to make employee retention among the issues to be emphasized on by the organization are; introduce or improve career paths and professional development (49%), better terms and conditions including accompanied status (43%), better work-life balance/family-friendly policies (24%) and better leadership (14%) (Lilian S, 2013).

Not only that but also another research (Mercer 2004) showed that when looking at factors influencing employee retention, pay only gets 65% of the voters, behind being treated with respect (85%), work-life balance (79%), providing good service (74%), quality of work (73%) and type of work (73%).

2.9. Analytical Framework

Employee Retention, Job satisfaction and Organizational Benefit and success



Source: Own Survey, 2016

Fig.1: Analytical Model of Employee Retention, Organizational Benefit and Success

This model shows that if an organization has attractive employee retention strategy, employees would be satisfied and retained and the organization in turn can be benefited and successful. If employees are satisfied with the mechanisms of the retention, they stay for a maximum period of time with the organization and they will be motivated to work for the success of the organization. The relationship between the independent and dependent variables is that the success of the organization is dependent on the retention of employees. This indicates that if an organization formulates proper policies and strategies (independent variables) to retain its employees that can bring job satisfaction, employees are more likely to stay with the organization and they fully exert their effort to accomplish organizational goals.

Monetary compensation refers to monetary benefits offered and provided to employees in return of the services they provide to the organization in addition to the other retention strategies. The monetary benefits include basic salary, house rent allowance, conveyance, leave travel allowance, medical reimbursements, special allowances, bonus, etc. They are given at a regular interval at a definite time. Moreover, there are other employee retention strategies such as training and development, promotion and career growth, job security, superior support, work-life balance, etc.

Different organizations design different employee retention strategies to make their employees satisfied and stay for a long period of time with the organization and consequently to achieve organizational success. The study seeks to assess the practices at CBE.

CHAPTER THREE: RESEARCH METODOLOGY

3.1. Research Method

The research employed both quantitative and qualitative methods of research. The quantitative method was designed to address or tries to look deep into the employee retention mechanisms of the bank, their satisfaction with the retention mechanisms and other related issues. On the other hand, the qualitative research design was focused on employees' attitude and opinion towards retention strategy of Commercial Bank of Ethiopia.

3.2. Study Population

The study population is the employees of Commercial Bank of Ethiopia working in eight selected branches of Addis Ababa.

3.3. Sampling Techniques

In the process of carrying out this research, convenience sampling was used and questionnaires were distributed to 120 randomly selected employees from eight selected branches of Commercial Bank of Ethiopia located in Addis Ababa.

3.4. Data Collection Methods

In the process of carrying out this study both primary and secondary data sources were used. The primary method of data collection technique for satisfying the aim of this research was the distribution of questionnaires to randomly selected employees from Commercial Bank of Ethiopia in eight selected branches located in Addis Ababa and interview questions developed for the concerned Human Resource Management department managers and experts. The questionnaire includes questions mainly related to the employee retention strategy, employees' satisfaction with the retention practices and its role on organizational success, background of the respondents, and related issues. Besides, efforts were made to

collect secondary data sources. In this respect the researcher used books, annual reports of Commercial Bank of Ethiopia and different relevant journals.

3.5. Data Analysis Techniques

The method of analysis was both quantitative and qualitative in order to have a clear picture and to attain the stated objectives. It is vital to assess the role of employee retention on organizational success through the descriptive analysis by using a likert scale type questionnaire, frequency distributions, percentage and mean.

The aim of this study was to examine employee retention mechanisms and benefits. The study also discussed factors that affect employee retention and the level of employees' satisfaction with the retention strategies. In order to achieve the purpose, the researcher used questionnaire filled by employees and interview questions were developed to concerned officials and managers of human resource management of Commercial Bank of Ethiopia.

3.6. Ethical Issues

Pratt (2006) stated that, the main ethical debates in qualitative research revolve around the tensions between covert and overt research, and between the public's right to know and the subject's right to privacy. Clearly, some practices that might be extremely unobtrusive, such as observing through a one-way mirror, concealed tape-recording or telephone-tapping are just not permissible - and might lead to criminal proceedings. This study has fully considered the ethical matters of the organization. The study has observed the non-negotiable value of *honesty* and *fairness*. Respect for persons was maintained properly.

CHAPTER FOUR: DATA PRESENTATION, ANALYSIS AND DISCUSION

4.1. Introduction

This chapter concentrates on the actual research findings. These are presented in two sections. Firstly, the findings on the CBE officials are examined; secondly, the findings on those of the employees of Commercial Bank of Ethiopia participants are presented.

Before processing the data, the completed questionnaire was sorted, checked and edited for completeness and consistency. The data then coded to enable the responses to be grouped into various categories using SPSS 20.1. Descriptive statistics was used to analyze the quantitative data. The data were analyzed and the output interpreted in terms of frequencies, percentages and likert scale mean values to show the degree of agreement/disagreement respondents represented their opinion to each questionnaire items and the finding is presented using tables.

4.2. Presentation and Analysis of Data Collected from CBE Officials

The main objective of interviewing this group was to discover employee retention strategies which have been practicing at Commercial Bank of Ethiopia and its role on the success of CBE. Officials and officers working in human resource management (HRM) at head office were interviewed.

To achieve the objectives of the study, ten (10) CBE officials were interviewed who are working in HRM office. One of them was deputy director of human resource management and the remaining were experts and officers. All of the respondents contacted had first degree and above. More than Seventy percent (70%) of the officials who were interviewed had been in their present Office and different position for more than five (5) years. The remaining (30%) percent had been in their current organization for less than 5 years. Although they had been in their current position for less than five years, their understanding

about the role of employee retention and organizational success is significantly useful because they deal with the issue under study in their day-to-day jobs.

Employee retention strategies being practiced at CBE

All of the Human Resource Management staffs agreed that the Commercial Bank of Ethiopia has employee retention strategy which has been implementing to attract and satisfy its employees and to make them loyal to the organization and to meet organizational goals. All of the respondents said that the employee retention strategy of CBE is better as compared to its competitors (banks). They mentioned financial allowances (basic salary, house rent allowance, fuel allowance), twenty four hours life insurance, medical reimbursement, training and development, career growth (promotion), staff loan (emergency and mortgage loan) as an example of employee retention strategy. As officials of human resource management mentioned, employee turnover in Commercial Bank of Ethiopia is at a least level due to attractive employee retention strategy.

How retention strategies are designed and implemented

Respondents were asked how retention strategies are designed and implemented at Commercial Bank of Ethiopia. They said that these employee retention strategies are designed by human resource management experts and approved by the board of directors of the bank. The implementation responsibility is given to human resource management department (HRMD) under vice President of Human Resource Management.

Participants who were contacted with interview also asked whether the management of CBE consult its employees while designing the retention strategies or not. All employees of commercial Bank of Ethiopia are members of the labor union of CBE and they have representatives attending regular meeting of the labor union. The respondents said that management of CBE consults the representatives of labor union not only while designing the employee retention strategies but also the implementation of it.

There are mostly effective and least effective employee retention strategies

According to the respondents, monetary compensation (salary, fuel allowance, house rent allowance, staff loan), medical reimbursement and life insurance are among the mostly effective retention strategies. As participants who were contacted with interview said that, these effective employee retention strategies made Commercial Bank of Ethiopia preferred organization by employees and it is successful in meeting its target. However, respondents mentioned some retention factors like career growth or promotion, reward and recognition of employees on their job performance, training and development are least effective because as the respondents said, in this area of employee retention there is a personal involvement which hampered the effectiveness of the strategy.

4.3. Presentation and analysis of data collected from the employees of Commercial Bank of Ethiopia

One Hundred twenty (120) (100%) participants were contacted from eight branches of Commercial Bank of Ethiopia located in Addis Ababa. The primary objective of contacting this group through a questionnaire was to collect information on the role of employee retention on organizational success. The findings on participants have been presented using frequency, tables, percentages and mean. Finally, the report is organized in to findings, discussion and conclusion.

4.3.1. Respondents Background

Age, sex and level of education of the respondents

Of the 120 participants who were contacted by a questionnaire, 58.3% were male and 41.7% were female. When the researcher examined the sample, it was found out that there were relatively more men involved in the CBE as shown in table 4.1 below.

Age is another important demographic variable that influences the physical and mental abilities of individuals at work. The results of the study revealed that the age of sample respondents ranges from less than 25 years with the percentage of 10(8.3%). As can be seen from table 4.1, huge proportion 84(70%) of respondents fall within the age ranges from 26 – 35 years which is productive age group. 20(16.7%) of the respondents were between the age range of 36-45 while the remaining 6(5%) fall beyond 46 years of age.

Regarding educational level of respondents, 68.3% were first degree holders, which is the largest proportion. 6.7% respondents' have diploma, 16.7% of the respondents were two degree holders and the remaining 8.3% of participants were masters' degree holders.

Table 4.1 : Respondents Profile

S.N	Item	Frequency	Percentage
	Sex		
	A. male	70	58.3
	B. female	50	41.7
	Total	120	100
	Age		
	a) <25	10	8.3
	b) 26-35	84	70
	c) 36-45	20	16.7
	More than 46	6	5
	Total	120	100
	Level of education		
	a) Diploma	8	6.7
	b) First degree	82	68.3
	c) More than one degree	20	16.7
	(d)Masters and above	10	8.3
	Total	120	100

Source: Own Survey, 2016

As can be seen from the data gathered above that majority of the employees of Commercial Bank of Ethiopia are young and energetic age group. This helps CBE to achieve its plan to be world class commercial bank by 2025. It can be inferred from the data gathered that majority of the employees of Commercial Bank of Ethiopia are degree holders and there are also few second degree and masters holders employees. Having well educated and qualified employees leads to achieve organizational goals.

4.3.2. Current position, time of employment and place of assignment (branch) of the respondents.

Regarding the current position of participants, who were contacted by a questionnaire, 76.7% of the respondents were customer service officers (CSO). In every branch of Commercial Bank of Ethiopia, more than ninety percent of banking operation is performed by CSO. And 10% of the participants were customer service managers (CSM) and management trainees' accounts 6.6%. The remaining 6.7% of the respondents were assigned for different positions at their branch.

The other variable of the respondents was time of employment in their organization. More than seventy three percent (73%) of the respondents had served from 4-9 years in their current organization. As can be seen from table 4.2 below, 12.5% of the respondents were served for less than three years and 10% of the respondents had 10-15 years of service and the remaining 4.2% of the respondents fall beyond 15 years of service.

According to the participants contacted by interview, Commercial Bank of Ethiopia divided or graded its branches into four with specific criteria. Some of the criterion are, number of teller windows, types of services provided to the customers, number of employees, etc. Grade-four branch is the largest branch having more than forty five employees and provides all banking services and grade one branch is the smallest in its organizational size and restricted to specific services such as saving and deposit banking services. But there is no grade one branch in Addis Ababa. As can be seen on table 4.2 below, 50% of the respondents were from grade four branches and 29.2% participants were from grade three, the remaining 20.8% of the respondents were from grade two branches.

Table 4.2: Current position, time of employment and place of assignment (branch) of the respondents.

No	Item	Frequency	Percentage
	Current position		
	a) Customer service officer	92	76.7
	b) Customer service manager	12	10
	c) Management trainee	8	6.6
	d) Others specify	8	6.7
	Total	120	100
	Time of employment		
	a) <3 years	15	12.5
	b) 4-9	88	73.3
	c) 10-15	12	10
	d) More than 15	5	4.2
	Total	120	100
	Place of assignment (branch)		
	a) Grade four branch	60	50
	b) Grade three branch	35	29.2
	c) Grade two branch	25	20.8
	Total	1200	100

Source: Own Survey, 2016

4.3.3. Employee Retention Strategy being employed by CBE

All of the Human Resource Management staffs contacted by interview agreed that the Commercial Bank of Ethiopia has employee retention strategy to attract and satisfy its employees, to make them loyal to the organization and to meet organizational goals. Of 120 respondents who were contacted by questionnaire, 115 (95.8%) of them answered that CBE has employee retention strategy to retain its employees.

Table 4.3: Employee Retention Strategy being employed by CBE

S.N	Item	Frequency	Percentage
1	Is there employee retention strategy being practiced by CBE?		
	A. Yes	115	95.8
	B. No	5	4.2
	Total	120	100

Source: Own Survey, 2016

It is clear from the findings that Commercial Bank of Ethiopia has employee retention strategies to make them satisfy and stay for a maximum period of time in the organization in turn to meet organizational success.

4.3.4: Implementation of retention strategies and its effectiveness

Of 120 participants 26 (10%) of them responded as strongly agree and 64 (53.3) of them agree that Commercial Bank of Ethiopia has fully implementing the employee retention strategies. As shown in table 4.4 below, 18(15%) respondents were neutral about the implementation of employee retention strategy at Commercial Bank of Ethiopia and only 12(15.8%) respondents responded as they disagree with fully implementation of employee retention strategies in their organization (CBE). Regarding the effectiveness of the implementation of retention strategy, of 120 participants 76 of them are agreed that CBE has implementing employee retention strategy, of which 10(13.2%) responded as the employee retention strategy of CBE highly effective and 40(52.6%) responded the implementation of employee retention strategy of Commercial Bank of Ethiopia is effective, and 14(18.4%) were neutral about the effectiveness of the implementation of retention strategy, the remaining 12(15.8%) participants responded the implementation of retention strategy is less effective.

Table 4.4: Implementation of retention strategies.

No	Item		SA	A	N	DA	SDA	Total
1	CBE has fully implementing the retention strategy	F	26	64	18	12	0	120
		P	10	53.3	15	21.7		100
		M	3.9					
2	If your answer is “Agree” for the above question, how it is effective?		VE	E	N	LE	NEA	
		F	10	40	14	12	0	76
		P	13.2	52.6	18.4	15.8	0	100
	M	3.6						

Source: Own Survey, 2016

It can be inferred from the information gathered above that there is employee retention strategy being implementing in Commercial Bank of Ethiopia. As majority of the respondents are agreed, it is possible to say that Commercial Bank of Ethiopia is effective in implementing employee retention strategies which already has.

4.3.5: Extent of employees’ agreement on retention strategy for organizational success and contribution of policies and procedures for their job performance.

Regarding employees extent of agreement on the contribution of employee retention for organizational success, 44(36.7%) respondents were strongly agree and 58(48.3%) responded as agree that employee retention affects organizational success. 14(11.7%) respondents were neutral and only 4(3.3%) respondents were disagree.

In the same table 4.5 below, participants were asked about policies and procedures of their organization. 18(15%) and 50(42%) respondents were strongly agree and agree respectively that the policies or procedures in their organization affect their job performance respectively. 26(21.3%) participants were neutral, the remaining 20(16.6%) and 6(5%) respondents were disagree and strongly disagree that policies or procedures of Commercial Bank of Ethiopia does not affect their job performance.

Table 4.5: Extent of employees’ agreement on retention strategy for organizational success and contribution of policies and procedures for their job performance.

No	Item		SA	A	N	DA	SDA	Total
1	Retention strategies of employee at CBE affect Organizational Success	F	44	58	14	4	0	120
		P	36.7	48.3	11.7	3.3	0	100
		M	4.2					
2	The policies or procedures at CBE affect your job performance	F	18	50	26	20	4	120
		P	15	42	21.3	16.7	5	100
		M	3.5					

Source: Own Survey, 2016

It can be inferred from the finding and discussion above that organizational success can be affected by employee retention strategy being implemented in the organization. To achieve planned organizational goals, it is very important to have talented and skilled employees and to have such employees, it is inevitable to have good employee retention strategy to satisfy and retain talented employees. As indicated in the same table 4.5 above, it can be inferred that employees' job performance is affected by the policies and procedures of the organization. Having flexible policies and procedures can be the cause for employees staying in their organization for a maximum period of time.

4.3.6. The extent of employees' satisfaction with the financial benefits

Regarding employee satisfaction with the financial benefits of their organization, 2 (1.7%) and 62 (51.7%) respondents were very satisfied and satisfied with basic salary of their organization respectively. 24(20%) respondents were neutral and the same numbers of respondents were not satisfied with the basic salary of CBE, while the remaining 8(6.6%) respondents were not satisfactory at all.

No one respondent were very satisfied with the house rent allowance of the CBE. Only 16(13.3%) and 26(21.7%) of respondents were responded as they were satisfied and moderately satisfied with the house rent allowance respectively. Majority of the participants (62(51.7%) were not satisfied 16(13.3%) respondents were not satisfied at all with house rent allowance.

When they are asked the extent of their satisfaction with the fuel allowance, 16(13.3%) participants were responded as they are very satisfied and 74(61.7%) respondents are satisfied with the fuel allowance of their organization. It is moderately satisfactory for 20(16.7) respondents and for the remaining 10(8.3%) respondents the fuel allowance is not satisfactory.

The same table 4.6 shows that the medical reimbursement of CBE is very satisfactory for 40(33%) respondents and 58(48.7%) of the respondents responded as medical reimbursement is satisfactory. 10(8.3%) moderately satisfactory and 10(8.3%) not

satisfactory. Only for 2(1.7%) of the respondents medical reimbursement is not satisfactory at all.

With respect to bonus, for 24(20%) of the participants, it is very satisfactory for 62(51.7%) respondents are responded that the bonus is offered by their organization is satisfactory. For 14(11.7%) participants, bonus is moderately satisfactory and for and 14(11.7%) respondents the bonus provided by their organization is not satisfactory. The remaining 6(5%) respondents were not satisfied at all with the bonus.

Table 4.6: Questions related to respondents satisfaction with financial benefits

No	Item		VS	S	N	NS	NSAT	Total
1	Basic Salary per month	F	2	62	24	24	8	120
		P	1.7	51.7	20	20	6.6	100
		M	3.2					
2	House rent allowance	F	0	16	26	62	16	120
		P	0	13.3	21.7	51.7	13.3	100
		M	2.3					
3	Fuel allowance	F	16	74	20	10	0	120
		P	13.3	61.7	16.7	8.3	0	100
		M	3.8					
4	Medical reimbursement	F	40	58	10	10	0	120
		P	33	48.7	8.3	8.3	0	100
		M	4.03					
5	Bonus	F	24	62	14	14	6	120
		P	20	51.7	11.7	11.6	5	100
		M	3.7					

Source: Own Survey, 2016

Based on the data above in the table 4.6, it is possible to say that majority of the respondents are satisfied with the basic salary and other financial benefits offered by their organization except house rent allowance. As long as financial benefit is one of the major factors that

affect employee retention, it can be inferred from the finding above that employees can remain with the organization for a maximum period of time if they are satisfied with the financial benefits even though other employee retention factors are remain constant.

4.3.7. Reward and Recognition of Employees on their job performance

Regarding reward and recognition, the large number of respondents /6(5%) and 50(41.7%) were responded reward and recognition on their job performance is not satisfactory at all and not satisfactory respectively. 32(26.7%) respondents were neutral about the issue and for the remaining 28(23.3%) and 4(3.3%) participants reward and recognition on their job performance is satisfactory and very satisfactory respectively.

Table 4.7: Respondents satisfaction with reward and recognition on their job performance

No	Item		VS	S	N	NS	NSAT	Total
	Rewards and Recognition on your achievements	F	4	28	32	50	6	120
		P	3.3	23.3	26.7	41.7	5	100
		M	1.98					

Source: Own Survey, 2016

From the findings gathered above is that many of the participants were not satisfied with reward and recognition provided by their organization based on their job performance. Since rewarding and recognizing employees based on their job performance is considered as one of the factors affecting employee retention, absence of it can hinder employee's motivation and satisfaction which in turn affect organizational success.

4.3.8. Respondents satisfaction with the Superior-Subordinate Relationship at CBE

With regard to the extent of respondents' satisfaction of their relationship with their supervisor, as shown in table 4.7, of 120 participants, only for 10(8.3%) respondent responded that their relationship is very satisfactory and 56(46.7%) participants responded as their relationship with their supervisor is satisfactory. Their relationship with their

supervisor is moderately satisfactory for 28(23.3%) participants, 20(16.7%) responded as not satisfactory and for the remaining 6(5%) respondents their relationship with their supervisor is not satisfactory at all.

Also with respect to the way their supervisor treats them, only 10(8.3%) of the participants are very satisfied and 52(43%) of the respondents are satisfied with the way their supervisor treats them. 22(18.7%) moderately satisfactory and for 24(20%) and 12(10%) respondents, the way their supervisor treats them is not satisfactory and not satisfactory at all respectively.

As can be seen in the same table 4.7, respondents were asked their satisfaction with support from their supervisor while undertaking their duty. Support from their supervisor while undertaking their duty is very satisfactory and satisfactory for 8(6.7%) and 42(35%) respondents respectively. 28(23.3%) responded as moderately satisfactory. For 30(12%) and 25(10%) respondents support from their supervisor is not satisfactory and not satisfactory at all.

Regarding participation and involvement in decision making process, 8(6.6%) respondents are very satisfactory, 20(16.6%) respondents responded as satisfactory and for 10(8.3%) participants it is moderately satisfactory. For the majority of the respondents which is 66(55%) and 16(13.3%), participation in the decision making is not satisfactory and not satisfactory at all.

With regard to the employee satisfaction with working relationship b/n top management and their subordinates, for 10(8.3%) participants it is very satisfactory and 32(26.7%) satisfactory. 40(33.3%) responded the relationship is moderately satisfactory. As indicated in table4.7 below, for the remaining 38(33.3%) respondents working relationship between top management and their subordinate is not satisfactory.

Table 4.7: Respondents extent of satisfaction in superior-subordinate relationship

No	Item		VS	S	N	NS	NSAT	Total
1	Your relationship with your supervisor	F	10	56	28	20	6	120
		P	8.3	46.7	23.3	16.7	5	100
		M	3.4					
2	The way your supervisor treats you	F	10	52	22	24	12	120
		P	8.3	43	18.7	20	10	100
		M	3.2					
3	Support from your supervisor while undertaking your duties	F	8	42	28	30	12	120
		P	6.7	35	23.3	25	10	100
		M	3.0					
4	Participation and involvement in decision making process	F	8	20	10	66	16	120
		P	6.6	16.6	8.3	55	13.3	100
		M	2.4					
5	Working relationship b/n top management and their subordinates	F	10	32	40	38	0	120
		P	8.3	26.7	33.3	31.7	0	100
		M	3.1					

Source: Own Survey, 2016

It can be inferred from the information gathered above is that employees have good relationship with their supervisor and they are satisfied with the support provided by their supervisor while undertaking their duties and with the way that their supervisor treats them. Based on the finding it is possible to say that in Commercial Bank of Ethiopia there is a good superior-subordinate relationship. As it can be seen in the same tables 4.7 above, employees are not satisfied with participation and involvement in decision making process of the organization and they have fewer roles in decision making process, this implies that employees are passive and expected to accept the decision that the top management has decided.

4.3.9: Promotion, Training and Development procedures of CBE

With regard to regular training and development, majority of the participants (50(41.7% and 42(35%) responded as they strongly agree and agree respectively with the availability of regular training and development program. 18(15%) respondents are neutral and the remaining 6(5%) and 4(3.3%) participants are disagree and strongly disagree respectively with the issue.

Respondents also put their response on selection criteria for training and development. 10(8.3%) participants strongly agree and 32(26.7%) agree that the selection criteria is fair and 18(15%) respondents are neutral. The remaining 6(5%) and 43.3 respondents are disagree and strongly disagree respectively with the selection criteria for training and development.

In the same table 4.8 below, participants were asked their extent of agreement on equal access to training and development, 6(5%) respondents are strongly agree and 32(26.7%) participants are agree that there is equal access to training and development. 22(18.3%) participants are neutral, 44(36.7%) and 16(13.3%) respondents responded that they are disagree and strongly disagree with the issue.

Regarding opportunity for career growth and promotion, large number of participants which is 62(51.7%) and 18(15%) respondents are disagree and strongly disagree respectively with opportunity for career growth and promotion, 12(10%) respondents are neutral, 20(16.6%) respondents agree and 8(6.7%) participants strongly disagree that opportunity for career growth and promotion is fair.

Table 4.8: Questions related with Promotion, Training and Development procedures of CBE?

No	Item		SA	A	N	DA	SDA	Total
1	Regular Training and Development program is available	F	50	42	18	6	4	120
		P	41.7	35	15	5	3.3	
		M	4.0					
2	Selection criteria for Training and Development is fair	F	10	32	18	32	28	120
		P	8.3	26.7	15	26.7	23.3	100
		M	2.7					
3	There is equal access to training and development	F	6	32	22	44	16	120
		P	5	26.7	18.3	36.7	13.3	100
		M	2.73					
4	Opportunity for career growth and promotion is fair	F	8	20	12	62	18	120
		P	6.7	16.6	10	51.7	15	100
		M	2.48					

Source: Own Survey, 2016

It is clear from the above table that there is regular training and development program to improve the skills and talents of employees at CBE. The finding also shows that the selection criteria and access for training and development is not fair even though training and development program is available in the organization.

Promotion is one of the major factors that affect employee retention. However, as it can be seen in the same table 4.8 above, opportunity for career growth and promotion in CBE is not fair. As majority of the respondents are not satisfied with career growth and promotion in their organization, it may be the cause resignation and seeking another job.

4.3.10: Employees Satisfaction with the Overall Retention Strategy

As shown in table 4.12 below, 10(8.3%) respondents were strongly agree and 70(58.3%) responded as they agreed with the overall retention strategy of their organization. 12(10%) participants were neutral on the issue. As indicated in this table, 20(16.7) participants were

not satisfied and the remaining 8(6.7%) respondents were not satisfied at all with overall retention strategy of Commercial Bank of Ethiopia.

Table 4.9: Respondents satisfaction with the overall retention strategy of their organization

No	Item		SA	A	N	DA	SDA	Total
	Employees Satisfaction with the Overall Retention Strategy	F	10	70	12	20	8	120
		P	8.3	58.3	10	16.7	6.7	100
		M	3.5					

Source: Own Survey, 2016

As indicated in the above information gathered by participants, it can be possible to generalize that employees of Commercial Bank of Ethiopia are satisfied with the overall retention strategy of their organization.

4.3.11. Factors that Affect Employees Decision to stay or leave the Organization

Participants were provided with different factors that affect employee retention and the researcher has examined their extent of agreement in each factor. Regarding salary and other financial benefits, majority of participants are strongly agree that salary and other financial benefit is one of the factors that affect employee retention. No one respondent was disagreeing.

4.3.11.1: Salary and other financial benefits, Leadership Style and Fair Promotion and Opportunity for Growth

With regard to leadership style, 48(40%) strongly agree and 52(43.3%) respondents are agree that leadership style is also one of the factors affecting retention. 12(10%) respondents are neutral and for the remaining 8(6.7%) respondents, leadership style is not considered as employee retention factor.

Regarding promotion and opportunity for growth, in the same table 4.9.1 below, 38(33.7%) participants were strongly agree and 54(45%) participants agree that promotion and opportunity for growth is the other factor that affect employee retention. 14(11.6%) respondents were neutral and 14(11.7%) respondents were disagree.

Table 4.10: Salary and other financial benefits, Leadership Style and Fair Promotion and opportunity for Growth

No	Item		SA	A	N	DA	SDA	Total
1	Salary and other financial benefits	F	68	40	12	0	0	120
		P	56.7	33.3	10	0	0	100
		M	4.5					
2	Leadership Style	F	48	52	12	8	0	120
		P	40	43.3	10	6.7	0	
		M	4.2					
3	Fair Promotion and opportunity for Growth	F	38	54	14	14	0	120
		P	33.7	45	11.6	11.7	0	100
		M	4.0					

Source: Own Survey, 2016

It can be inferred from the information gathered above is that employees are very much concerned about salary and other financial benefits as it is considered in many literatures as a sole motivator. It is also clear from the finding that leadership style, fair promotion and opportunity for career growth are among factors that affect employee retention.

4.3.11.2: Training and Development Program, Reward and Recognition, Work-life Balance and Mentoring and Coaching and extent of respondents' agreement.

Of 120 participants, 12(10%) and 58(48.3%) respondents strongly agree and agree that training and development program affect employee retention respectively. 26(21.7%) respondents are neutral, 20(16.7%) and 4(3.3%) participants responded as disagree and strongly disagree respectively.

Regarding reward and recognition, 14(11.7%) responded as strongly agree and 54(45%) respondents agree that reward and recognition is one of the factors that affect employee retention, 30(25%) respondents are neutral and the remaining 20(16.7%) and 2(1.6%) participants were responded as disagree and strongly disagree respectively.

In the same table 4.9.2 below, respondents were asked their extent of agreement about work-life balance. Majority of the respondents were agreed that work-life balance is the factors that affect employee retention and only 18(15%) respondents were disagreeing.

In many literatures Mentoring and Coaching (transferring knowledge from senior to fresh staffs) is one of the factors affecting employee retention. In this research from them total participants, 14(11.7%) respondents were strongly agree and 56(46.7%) agree on the issue. And 28(23.3%) responded as they are neutral. The remaining 20(16.7%) and 2(1.6%) respondents were disagree and strongly disagree as mentoring and coaching is not employee retention factor.

Table 4.11: Training and Development Program, Reward and Recognition, Work-life Balance and Mentoring and Coaching

No	Item		SA	A	N	DA	SDA	Total
1	Training and Development Program	F	12	58	26	20	4	120
		P	10	48.3	21.7	16.7	3.3	100
		M	3.5					
2	Reward and Recognition	F	14	54	30	20	2	120
		P	11.7	48.3	25	16.7	1.6	100
		M	3.5					
3	Work-life Balance	F	22	60	20	18	0	120
		P	18.3	50	16.7	15	0	100
		M	3.71					
4	Mentoring and Coaching	F	14	56	28	20	2	120
		P	11.7	46.7	23.3	16.7	1.6	100
		M	3.5					

Source: Own Survey, 2016

As it was indicated in the above table, employees need their organization to provide training and development program. It helps them to upgrade their skill and knowledge and would make them not only satisfied with their organization but competitor in the market. Training helps not only employees in developing their skill but also the organization can be able to achieve its objectives. Because having trained and skilled manpower leads to organizational success.

The findings also seem to suggest that it is necessary to the organizations to incorporate reward and recognition program into employee retention strategy. It can be also inferred from the finding that employees need to be rewarded and recognized as per their performance and as a result they would be motivated and stay with the organization for a maximum period of time.

The finding also shows that the job should not affect personal life of employee. Many literatures suggest that Work-life balance is one of the factors affecting employee retention. The conflict between work and career on the one hand and private life on the other is currently assuming large proportions in our society. Therefore, to maintain a competitive advantage in the labour market, organizations have to develop work-life balance in their employee retention strategy.

It is also clear from the finding that employees need Mentoring and Coaching (transferring knowledge and skills from the senior to junior staffs) to be as one of retention factor.

4.3.11.3: Policies and procedures of the organization, Superior-Subordinate Relationship, Job Security and Work Environment

With respect to policies and procedures of the organization, 16(13.3%) and 60(50%) participants responded as strongly agree and agree that policies and procedures of the organization affect employee retention. 24(2%) respondents were neutral, 18(15%) disagree and only 2(1.7%) respondents were strongly disagree.

Participants were asked about supervisor- subordinate relationship, majority of them were agreed that it is one of the factors that affect employee retention. 18(15%) participants were neutral, 20(16.7%) disagree and 4(3.3%) respondents disagree.

As indicated in the same table 4.9.3 below, respondents were asked their extent of agreement on job security. Of 120 participants, 6(5%) and 70(58.3%) respondents were strongly agree and agree respectively, 20(16.7%) were neutral, for the remaining 16(13.3%) and 8(6.7%), job security is not considered as a retention factor because they responded as strongly disagree and disagree respectively.

Regarding work environment, from the total participants, 30(25%) respondents were strongly agree and 58(48.3%) responded as agree that work-environment is one of the factors affecting employee retention, 20(16.7%) were neutral and the remaining 12(10%) respondents were disagree.

Table 4.12: Policies and procedures of the organization, Relationship with your Supervisor, Job Security and Work Environment

No	Item		SA	A	N	DA	SDA	Total
1	Policies and procedures of the organization	F	16	60	24	18	2	120
		P	13.3	50	20	15	1.7	100
		M	3.6					
2	Relationship with your Supervisor	F	16	62	18	20	4	120
		P	13.3	51.7	15	16.7	3.3	100
		M	3.4					
3	Job Security	F	6	70	20	16	8	120
		P	5	58.3	16.7	13.3	6.7	100

		M	3.41					
4	Work Environment	F	30	58	20	12	0	120
		P	25	48.3	16.7	10	0	100
		M	3.9					

Source: Own Survey, 2016

Based on the above information gathered by the participants, employees are very much concerned about policies and procedures and superior-subordinate relationship of their organization. It can be inferred from the finding that employees can be retained and stick to an organization for a longer period of time if the organization has flexible policies and procedures and friendly superior-subordinate relationship. It is also important to note that, job security leads to high commitment, job satisfaction as well as retention of employees in an organization. As well as employees need to work a place where healthy. Employees expect a work environment, where they can utilize their abilities and satisfy their basic needs. Work environment is one of the factors that affect employee's decision to stay with the organization.

Therefore, based on the data gathered from the respondents, it is possible to say that all variables mentioned above to rate employees' response are factors that affect employees to stay with the organization for a long period of time or to leave their organization. If an organization has a good employee retention strategy and properly implement, employees would be motivated and satisfied with the retention strategy provided by their organization and they can decide to stay in the organization for a long period of time.

4.3.12: Retention Strategy and Organizational Success

Participants were also provided with the other variables that affect organizational success and their extent of agreement on each variable. And they were also asked whether the retention strategy of Commercial Bank of Ethiopia improve their job performance and satisfaction or not.

18(15%) were strongly agree and 58(48.3%) responded as they are agree that retention strategy of Commercial Bank of Ethiopia improves their job performance and satisfaction and 8(6.7%) respondents were neutral. While the remaining 30(25%) and 6(5%) participants were disagreed and strongly disagree respectively.

With regard to organizational performance improvement of Commercial Bank of Ethiopia due to its employee retention strategy, 32(26.7%) employees were strongly agreed and 48(40%) employees agree that the employee retention strategy of Commercial Bank of Ethiopia improves its organizational performance. 14(11.7%) respondents were neutral, 20(16.6%) and 6(5%) employees responded as they are disagree and strongly disagree that the employee retention strategy of CBE did not improve its organization performance.

In the same table 4.12 below, 58(48.3%) participants are strongly agree and 46(38.3%) respondents agree that having an effective employee retention plan will help CBE to sustain its leadership and growth in the marketplace. 10(8.4%) respondents are neutral and only 6(5%) participants were disagree. Participants who were contacted by interview also said that Commercial Bank of Ethiopia has been succeeding time to time because of its better and competitive employee retention strategy which make employees satisfied and stick with the organization and work for its success.

Table 4.13: Retention Strategy and Organizational Success

No	Item		SA	A	N	DA	SDA	Total
1	The retention strategy of CBE improves your job performance and satisfaction	F	18	58	8	30	6	120
		P	15	48.3	6.7	25	5	100
		M	3.4					
2	The retention strategy of CBE improves its organizational performance	F	32	48	14	20	6	120
		P	26.7	40	11.7	16.6	5	100
		M	3.7					

3	Having an effective employee retention plan will help CBE to sustain its leadership and growth in the marketplace	F	58	46	10	6	0	120
		P	48.3	38.3	8.4	5		100
		M	4.3					
4	Organizational success is dependent on the retention of its employees	F	60	52	6	2	0	120
		P	50	43.3	5	1.7	0	100
		M	4.4					

Source: Own Survey, 2016

Based on the data gathered from the participants, it is possible to say that employee retention strategy of Commercial Bank of Ethiopia caused for job performance improvement for most of its employees and over all organizational performance is improved as a result of employees' job performance improvement. It is also clear from the finding that if organizations have effective employee retention strategy, employee would be satisfied with the organization and stay with the firm for longer period of time and work for the success of the organization and organizations can maintain their leadership and competency in the market.

The respondents were also provided with an open-ended question to give comment on different questions. The respondents had several comments:

- Respondents forwarded their comment that policies and procedures at Commercial Bank Ethiopia affect their job performance positively if it is flexible, and it can also affect negatively if it is rigid.
- Most of the respondents forwarded that they are satisfied with the overall employee retention strategy of Commercial Bank of Ethiopia because it has better retention strategy as compared to other competitors.
- To improve the employee retention strategy of Commercial Bank of Ethiopia, CBE has to change its retention strategy with the changing situation of the environment.

- Employees should be given access to participation and involvement in the process of designing employee retention policies and strategies.

4.3.13. Mean Comparison

With regard to comparing mean of each variable, most of the mean averages of variables are above the mid-point (2.5) of the scale. In this research, participants' satisfaction with different employee retention variables they are already experiencing and its role on organizational success was rated. From the employee retention variables provided by Commercial Bank of Ethiopia to its employees, employees' satisfaction with salary, medical reimbursement, fuel allowance, bonus, superior-subordinate relationship, availability of training and development are among the variables with mean average of above 3.0, and the mean average of the role of employee retention for organizational success was rated the highest mean average which is 4.4. This indicates that employees of CBE are satisfied with the retention strategy and its contribution to the success of the organization is high. However, there were some variables those mean average was rated below the mid-point of the mean. Employees' participation in the process of decision making, reward and recognition on employees job performance, house rent allowance and opportunity for promotion and career growth, selection criteria for training and development program were rated by participants below 2.5, which is the mid-point of the mean. There were also other variables those mean average was between 2.5 and 3.0.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

Retaining employees is the most imperative target for the organization because hiring of qualified candidate is essential for organization but their retention is more important than hiring, because a huge amount is spending on the orientation and training of the new employees. The focus of this study was to investigate the role of employee retention on organizational success. The specific objectives for this study were to identify the relationship between employee retention and organizational success, to find out the various employee retention strategies undertaking by the Commercial Bank of Ethiopia, to examine the current level of satisfaction of employees with the benefit packages of the Commercial Bank of Ethiopia and to find out factors affecting employee retention.

5.1. Summary of the main findings

- Commercial Bank of Ethiopia has employee retention strategy comprises of different variables like financial allowances (basic salary, house rent allowance, fuel allowance), twenty four hours life insurance, medical reimbursement, training and development, career growth (promotion), staff loan (emergency and mortgage loan). According to the interviewees' response, these employee retention strategies make the employees satisfied and motivated to work towards organizational success.
- Majority of employees of Commercial Bank of Ethiopia are satisfied with the overall employee retention strategies offered by their organization. Basic salary, superior-subordinate relationship, availability of training and development program, bonus, etc were among the variables on which employees were satisfied.
- Employees are not satisfied with some of benefits and employee retention factors offered by their organization. Promotion and career growth, participation in decision making process and participation in the designing process of retention policies and strategies in their organization are some of the factors to mention on which employees are not satisfied.

- Majority of human resource management officials and employees at CBE believe that there is direct relationship between employee retention and organizational success and the consistent achievement and success of Commercial Bank of Ethiopia is dependent on the effective employee retention strategy, this is the benefit of effective employee retention strategy of CBE.
- Organizational performance and employees job performance at Commercial Bank of Ethiopia is improved and employees are encouraged due to its better employee retention strategies.
- Organizations established for a planned purpose. Any organization has objectives to be achieved in a given period of time and resource. Among organizational resources, skilled and talented manpower is the most important resource for the success of the organization.

5.2. Conclusion

In this section, the main findings of the study have been summarized in line with the objectives of the study. From the analysis of descriptive statistical values of percentages and mean, most of the variables implied a positive assessment of the issues as indicated from findings. Only a few variables were assessed with lower employee satisfaction. The following conclusions are drawn from the finding:

Based on the findings it is possible to conclude that in Commercial Bank of Ethiopia, there is a well-designed employee retention strategy which made CBE competitor and brought job satisfaction to employees. Commercial Bank of Ethiopia is effective in implementing its employee retention strategy. Due to the effectiveness of the implementation of retention strategy, CBE could satisfy its employees and made them stick to it for a long period of time.

It can be concluded that most of the employees of Commercial Bank of Ethiopia are satisfied with the overall employee retention strategies provided by their organization. These include basic salary and other financial benefits, superior-subordinate relationship, the level of job security, working environment, work life balance, mentoring and coaching, etc.

Opportunity for career growth and promotion in CBE are not effective. In this respect, officials of human resource management agree that there is personal interference in the selection of employees to career growth and promotion. Employees do not participate in decision making process while designing employee retention policies and strategies as they are very much concerned about it. This hinders their ideas that could make contribution to HRM.

It can be concluded from the information gathered by the study that Commercial Bank of Ethiopia is not effective regarding reward and recognition of its employees based on their performance. This hinders innovation and generating new ideas. Regarding selection criteria for training and development, it is not satisfactory even though respondents agreed with the availability of training and development program. The employee retention strategy of Commercial Bank of Ethiopia improved job performance and satisfaction of its employees and organizational performance as a whole.

It can be concluded that human resource is the most important resource to any organization. Without having skilled and talented employees, it is difficult to attain planned goals by the organization. Therefore, organizational success is dependent on retention of its talented employees. Rewarding and recognizing employees on their job performance is considered as one of factors affecting employee retention. However, most of the respondents were not satisfied with reward and recognition offered by their organization.

Organizations established for a planned purpose and have objectives to be achieved in a given period of time and resource. As indicated in many literatures, skilled and talented manpower is the most important resource for the success of any organization. Therefore, based on the finding above, it is possible to generalize that the success of any organization is directly related with the retention of skilled and talented employees.

5.3. Recommendations

Commercial Bank of Ethiopia should be aware of skilled and talented manpower and current competition among many organizations particularly private banks to take this skilled and talented manpower. Therefore, it should strongly work on retention mechanisms like encouraging employees to participate in decision making process of the organization, arrange good working environment, giving promotions, rewarding and recognizing employees based on their performance, providing clear path for career advancement, strive to equal access for good training and development programs to all employees, etc.

A large percentage of respondents were satisfied with majority of retention strategies offered by their organization like basic salary, bonus, job security, work environment, medical reimbursement, etc. Therefore, Commercial Bank of Ethiopia should keep them in that way and it should take into consideration additional factors that affect employee to leave or stay. Giving employees' access to participate in the process of designing the employee retention strategy and other decision making process creates belongingness and employee feel that they are part of the organization and their contribution is valued by the management. Therefore, Commercial Bank of Ethiopia should create conducive environment to employees' participation on different decision making processes. Since superior-subordinate is considered as one of factors that affect employees to decide to stay with their organization or to leave, supervisors of Commercial Bank of Ethiopia should work closely with subordinates and arrange flexible and friendly working condition to retain employees.

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Annex 1
Interview Questions
Addis Ababa University
College of Business and Economics
Department of Public Administration and Development Management
(Masters in Public Management and Policy)

Interview Questions for CBE Officials

Educational level _____

Position _____

Work Experiences _____

1. What retention strategies are being practiced at commercial Bank of Ethiopia?
2. How retention strategies are designed and implemented at Commercial Bank of Ethiopia?
3. Does the management of CBE consult its employees while designing retention strategies?
4. Which ones do you think are the most effective and which ones are the least effective?
5. How do you link the relationship between retention of employees and organizational success at CBE?
6. Do you agree that the process of employee retention in CBE will affect employee turnover?
7. Do you believe that having an effective employee retention plan will help CBE to sustain its leadership and success in the market?

Annex 2

Addis Ababa University

College of Business and Economics

Department of Public Administration and Development Management

(Masters in Public Management and Policy)

Questionnaires

Section 1: General Information of the Respondents

Please put a tick mark(√) on the correct answer bracket to the following questions then give explanation where needed.

1. Sex: (a) Male (b) Female
2. Age: (a) less than 25 years (b) 25-35 years
(c) 35-45 years (d) More than 46 years
3. Level of Education: (a) Diploma (b) First Degree
(c) more than one Degree (d) Post graduate/Masters and Above
4. Current Position-----
5. Employment status (a) Permanent (b) temporally
6. Time of employment (Service Years in CBE)
(a) Less than 3 years (b) 4-9 years
(c) 10-15years (d) More than 15 years
7. Place of Assignment (Branch) -----

Section 2: Employee Retention Strategies Being Employed by CBE

Please put a tick mark(√) on the correct answer bracket to the following questions then give explanation where needed.

1. Is their Employee retention strategy being practiced in CBE? Yes, No
2. CBE has fully implementing the retention strategy
Strongly Agree Agree Neutral Disagree Strongly Disagree
3. If your answer is “Agree” for the above question, how it is effective?
Highly effective Effective Neutral Less effective Not at all

4. Retention strategies of employee at CBE affect Organizational Success.
 Strongly Agree Agree Neutral Disagree Strongly Disagree
5. The policies or procedures at CBE affect your job performance.
 Strongly Agree Agree Neutral Disagree Strongly Disagree
6. If your answer for the question ‘6’ is ‘Agree’, how? Please Explain-----

Section 3: Questions Related to Employee Satisfaction with the Retention Strategy

7. Here under, you are provided with a number of different retention strategies. You are required to analyze these things to the extent that you are satisfied by putting a tick mark (√) on the box provided to indicate your opinion.
 1 = Very satisfactory 2= Satisfactory 3 = Moderately 4= Not satisfactory 5 = Not satisfactory at all.

	Retention Strategies	5	4	3	2	1
A	The salary and other financial benefits					
B	Rewards and Recognition on your achievements					
C	Availability of Training and Development					
D	The selection criteria for training and development					
E	Promotion and Opportunities for your Career development provided by the company					
F	Working environment					
G	Superior Support					
H	Work-Life Balance					
I	The Level of Job Security					
J	Mentoring and Coaching					
K	Participation and involvement in different decision making processes					
L	Job Content					

M	The Social Atmosphere					
N	Working relationship between top management and their subordinate.					

8. Your satisfaction with the Financial Compensation at CBE

5= Very satisfactory 4= Satisfactory 3 = Moderately 2= Not satisfactory 1 = Not satisfactory at all.

	Financial Benefit	5	4	2	4	1
A	Basic Salary per month					
B	House rent allowance					
C	Fuel allowance					
D	Medical reimbursement					
E	Bonus					

9. Your satisfaction with the Superior-Subordinate Relationship at CBE

5= Very satisfactory 4= Satisfactory 3 = Moderately 2= Not satisfactory 1 = Not satisfactory at all.

	Superior-Subordinate Relationship	1	2	3	4	5
A	Your relationship with your supervisor					
B	The way your supervisor treats you					
C	Support from your supervisor while undertaking your duties					
D	Participation and involvement in decision making process					
E	Working relationship b/n top management and their subordinates					

10. What do you think about the Promotion, Training and Development procedures of CBE?

5. Strongly Agree 4. Agree 3. Neutral 2. Disagree 1. Strongly Disagree

Career Development		1	2	3	4	5
A	Regular Training and Development program is available					
B	Selection criteria for Training and Development is fair					
C	There is equal access to training and development					
D	Opportunity for career growth and promotion is fair					

11. You are satisfied with the overall retention strategy of your organization

Strongly Agree Agree Neutral Disagree Strongly Disagree

12. Would you explain the reason why you are agree/disagree? -----

13. What should be done to improve the retention practice? -----

Section 4: What Factors Affect the Retention Strategy?

14. What Factors do you think are mostly affect the retention strategy of CBE? You can answer more than one choice?

- (a) Salary and other financial benefits (b) Leadership
 (c) Promotion and opportunity for Growth (d) Training and Development
 (e) Reward and Recognition (f) Working Environment (g) Job Content

15. Here under, you are provided with a number of different factors that affect Employee Retention. You are required to analyze these things to the extent that you are agreed by putting a tick mark on the box provided to indicate your position.

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

	Factors Affecting Retention	1	2	3	4	5
A	Salary and other financial benefits					
B	Leadership Style					
C	Fair Promotion and opportunity for Growth					
D	Training and Development Program					
E	Organizational Commitment					
F	Reward and Recognition					
G	Work-life Balance (your personal life and your job are separated)					
H	Mentoring and Coaching (knowledge transfer b/n senior and junior officers)					
I	Policies and procedures of the organization					
J	Relationship with your Supervisor					
K	Job Security					
L	Work Environment					

Section 5: Retention Strategy and Organizational Success

16. The retention strategy of CBE improves your job performance and satisfaction

Strongly Agree Agree Neutral Disagree Strongly Disagree

17. The retention strategy of CBE improves its organizational performance

Strongly Agree Agree Neutral Disagree Strongly Disagree

18. Having an effective employee retention plan will help CBE to sustain its leadership and growth in the marketplace

Strongly Agree Agree Neutral Disagree Strongly Disagree

19. Organizational success is dependent on the retention of its employees

Strongly Agree Agree Neutral Disagree Strongly Disagree

Thank you very much