



**THE EFFECTS OF STAFF RETENTION STRATEGIES ON EMPLOYEES'
ORGANIZATIONAL COMMITMENT IN THE PRIVATE BANKS IN
ETHIOPIA: EVIDENCE FROM ABYSSINIA BANK**

**COLLEGE OF BUSINESS AND ECONOMICS
DEPARTMENT OF PUBLIC ADMINISTRATION AND DEVELOPMENT
MANAGEMENT**

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COLLEGE OF BUSINESS AND ECONOMICS

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Declaration

I, Nigussie Mengesha, declare that this study is my original work and has not been presented for a degree/ master program in any universities, and that all the sources of materials used for the study have been dully acknowledged.

Declared by:

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Signature_____

Date_____

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ACRONYMS

HR	Human Resources
A.A	Addis Ababa
FWAs	Flexible Work Arrangements
RP	Retention Program
RLW	Reduced Load Work
OCBs	Organization Citizenship Behaviors
ICT	Information Communication Technology

ABSTRACT

The retention of skilled employees has been shown to be crucial to the development and the accomplishment of an organization's goals and objectives. A number of factors have been attributed to employee turnover. The purpose of this study is to examine the effects of employee retention strategies on the performance of employees at the Bank of Abyssinia, A.A. The study is aimed at identifying the causes of employee turnover, to examine the various employee retention strategies available at the selected bank as well assess the effects of the retention strategies on the performance of the selected bank. The data collected for the study from primary source mainly through questionnaires, interview and archive data. A purposive sampling approach was employed to select the respondents. Per the findings of the study, a number of employees in the selected bank are leaving the organization for better working environments and opportunities. The study revealed that managers of the bank use strategies to hold their employees longer but they are not effective in it.

Key words: Retention Strategy, Flexible work environment, compensation

CHAPTER-ONE

1. INTRODUCTION

1.1. Background

One major concern of any organization in a highly competitive industry is employee retention since human resources are the most valued assets in any organizations. Unless organizations retain or hold their employees for a long period of time, it will be difficult for them to be effective and efficient. This is because employees are the most important inputs in an organization. According to Roberta (2012), retention of employees can be a vital source of competitive advantage for any organization since humans are the active factors who work to bring about certain ends in organizations.

By retaining employees, organizations can be successful and highly productive (Abraham, 2015). Therefore, in order to sustain the competitive advantage, employees should be able to show total commitment to the performance standards that are required. The prime challenge of most organizations including the banking sector is retention of the employees, as the behavior of employees has been changed time to time and these young employees always are ready to switch over whenever he or she dissatisfy with any reason in the job (Mike, 2017). They are not the ones who have only one opportunity to survive but they have many offers at hand at one point of time. It is more than just keeping the employees on the job. It is the main responsibility of the employer to keep the best employees in the banks. Employee retention is an effective means or a way to maintain a workforce in banks which is both stable and sustainable (Roberta, 2012).

According to Mike (2017), there are certain reasons for the employees to leave an organization. Expectations play an essential role to determine whether an employee is satisfied or dissatisfied with the current job. The stronger relationship the manager and employees have with each other tends to make the employees to stay with that particular organization for a longer period of time.

A stable and well-functioning banking system is critical for economic growth and development and this makes the relationship between bank performance and development crucial. This relationship makes policy makers to take thoughtful actions towards developing and reforming the financial sectors (Abraham, 2015).

Though banks are important for economic development, they are facing staff turnover like other some organizations. Employee turnover is one of the most serious and critical problems in the globe that every organization has been facing. If there is a high rate of employees turn over in an organization, it will be difficult to achieve ones intended objectives (Mike, 2017). As employees' turnover has negative consequences on organizations effectiveness and efficiency, managers should implement appropriate retention policies and strategies so that they can retain their workforce diversity.

1.2.Statement of the Problem

In today's highly competitive business environment, the dynamics of talent have become a key factor in an attempt to achieve competitive advantage. Organizations must not only attract the right candidates but also ensure their retention strategies in order for employees make a difference in the realization of the organizational goals and stay long (Roberta, 2012).

The most challenging problem in all organizations, especially in the business world is employees turn over. Though it is not something new in business organizations, different studies reveal that it has not been actively discussed or even understood by employers especially in developing countries like Ethiopia (Abraham, 2015). Researchers have undertaken a lot of studies in this area of study, yet the dynamic business environment continues to make employee retention and turnover a more complicated issue.

According to Maureen (2015), employee turnover is a considerable concern to managers and other stakeholders since it upsets the normal operations of organizations. It is clear that an organization having a high rate of turnover can't achieve its intended objectives.

According to Abraham (2015), there are two factors that organizations need to understand; namely, the pull and push factors. As he stated, perception of limited opportunities, lack of senior role models, excessive workload, non-competitive rewards and recognitions, lack of respect for personal life and desires are the pushing factors. Whereas, a job offers with much greater compensation (such as salary package), more decision making power, and family care are the pulling factors (Hassan (2014).

There are different factors that can cause a high rate of employees turn over in an organization and a number of studies have been conducted on the issue. The studies also have showed the relationship between different variables.

According to Maureen (2015), the strategies that an organization employs to retain its staff has a great impact on an employee's performance. As Maureen stated, employees need to valued and appreciated, be given feedback, provided with opportunities, be given work-life balance options, and have trust and confident.

Taylor (2008) conducted a study on the relationship between employee commitment and their performance, found that organizational culture characterized by high adaptability and a HRM system emphasizing high performance work practices had a direct and significant impact on employees' commitment. It is known that an organization having a conducive organizational culture have a great impact on employees commitment and performance.

Martin (2003) studied on employees commitment points out that there is need for employees to conduct themselves according to the standards of the firm's desired brand. The success of this center on the ability of organizations is critical to win employee loyalty to the brand and developing commitment to the organization. He also observed that developing an 'employer of choice' strategy can have far reaching benefits in terms of employee commitment and support for the brand.

Yego (2012) argues that most commercial banks use promotions as a retention strategy and those promotions positively influence employees' productivity. Yego also stated that availability of training opportunities and development largely determines the extent to which employees stay in an organization. Staff training has a vital role in controlling employees turn over. If there is continuous staff training and development in an organization, there is a low rate of turn over.

According to Kabera (2013), employees' motivation, favorable working conditions and individual security are some of the factors that influence staff retention in private security firms. The findings of this study have showed that addressing employees' welfare related issues such as medical care provision tended to make employees loyal to an employer.

It is the desire of all employers to retain their staff for a long time because it reduces the costs of recruiting new staff, training them and it takes a considerable amount of time for the new staff to understand and get into the system.

According to Cappelli (2000), employee retention is important in almost all organizations. It is senseless to allow good people to leave ones organization because when they leave, they take away with them the intellectual property, relationships, investments (in both time and money). Effective communication helps organizations provide effective employee retention strategies to improve commitment and enhance workforce support for key corporate initiatives. Employee commitment provides assurance that the employee shares the same vision as the employer.

Employee retention is an effort by a business to maintain a working environment which supports current staff in remaining with the company. Many employee retention policies are aimed at addressing the various needs of employees to enhance their job satisfaction and reduce the substantial costs involved in hiring and training the staff. The need for committing employees to an organization is very crucial and to do so companies use various employee retention programs to increase their belongingness.

Retention is not only important just to reduce the turnover costs or the cost incurred by a company to recruit and train, but the need of retaining employees is more important to retain talented employees from getting poached. There are many factors which show the importance of employee retention. They may be the turnover cost which includes hundreds of thousands of rupees to the company's expenses.

A study conducted by Earle (2014), mentions that organizations should provide a good environment where people enjoy being, where they feel energized and valued and they will definitely want to stay and that negative associations are often reinforced when employees feel like they are always dragging themselves to an unpleasant environment on a daily basis.

A number of studies on this topic are conducted by different researchers and most of the studies are focused on the compensation strategies of different private and governmental organizations. However, this study is mostly focused on the flexible work environment strategies and career development strategies including employees' organizational commitment on the private banking sectors in Ethiopia, evidence from the Bank of Abyssinia.

1.3.Objective

1.3.1. General Objective

The general objective of the study is to determine the effects of employees' retention strategies on employees' organizational commitment on the private banking sectors in Ethiopia, in the case of the Bank of Abyssinia.

1.3.2. Specific Objectives

The study has the following specific objectives:

- To assess the retention policy and strategies that the Bank of Abyssinia is applying.
- To investigate the effectiveness of the Bank in employing the retention policies.
- To assess the common reasons that make employees stay or leave the Bank.
- To analyze the effects of retention strategies by the Bank on its employees' organizational commitment.

1.4.Research Questions

The concept of a research question is explained /discussed/ elaborated /, and defined in different ways in various social media as follows.

A research question is one of the first methodological steps that the investigator has to consider when conducting a research. It is also a fundamental core of a research project, study, or review of literature.

Here, the study has answered following basic research questions throughout the study:

1. What employee retention policy and strategies does the Bank of Abyssinia implement?
2. How do the retention strategies are being managed by the Bank?
3. What are the common possible reasons for the employees' intention to stay or leave the organization?

4. To what extent do retention policies or strategies being implemented by the Bank affect the level of the employees' organizational commitment in the Bank?

1.5. Significance of the Study

The study seeks to benefit the banking sector and employers in general in various ways. These include realization of the reasons for failure to attract and retain talented staff. Ultimately, corrective actions are taken after some of the policies that contribute to low morale of staff are abolished; hence improve their services which eventually lead to improved organizational performance.

The findings of the study are of benefit to employee; not only just the banking sector, also those in other sectors in that they will understand how much better to work with employers to meet their individual expectations. Finally, the study is of great benefit to academics and researchers who would like to pursue the subject and for further studies.

1.6. Scope of the Study

Scope or delimitation of a study provides the focus of a study by providing limitations in terms of geographical coverage (Maureen, 2015).

A research scope defines clearly the extent of contents that will be covered by the means of the research in order to come to more logical conclusions and give conclusive and satisfactory answers to the research (Roberta, 2012).

Though there are other banks which encounter the same problems, the study is delimited on the Bank of Abyssinia due to financial and time constraints.

1.7. Limitation of the Study

The researcher faced the following challenges while conducting the study as financial problem, time constraint, and unwillingness of respondents to give accurate information and technological problems such as network failure.

CHAPTER TWO

2. REVIEW OF RELATED LITERATURE

In this section various literatures in relation with the basic premise of this study are reviewed so as to draw a clear theoretical framework of the subject matter. Accordingly, the distinct meaning and features of employee retention and employees' organizational commitment are elaborated in detail.

2.1. Theoretical Background:

Employee retention and employees organizational commitment has different theoretical background and as such both are discussed as follows:

2.2. Employee Retention:

According to A&C (2006), employee retention is the process of keeping employees on the staff and not losing them to rival firms. Ensuring that the organization is perceived as being 'a great place to work' means that it becomes an 'employer of choice', i.e. one for whom people want to work. There is a desire to join the organization and once there, to want to stay. Employees are committed to the organization and engaged in the work they do. To acquire a national, even a local reputation as a good employer takes time. But it's worth the effort (Armstrong, 2006)

Market pay and market supplements are the first resort of firms wishing to attract and retain high-quality people. 'Golden hellos' and 'golden handcuffs' (recruitment and retention bonuses) may be used for this purpose but there is more to attracting and retaining people than simply throwing money at them (Armstrong, 2004). The turnover of key employees can have a disproportionate impact on the business and the people organizations wish to retain are probably the ones most likely to leave. Every worker is five minutes away from handing in his or her notice, and 150 working hours away from walking out of the door to a better offer. There is no such thing as a 'job for life' and today's workers have few qualms about leaving employers for greener pastures". Hence, concerted action is required to retain talented people, but there are limits to what any organization can do. It is also necessary to encourage the greatest contribution from existing talent and to value them accordingly (Armstrong, 2004)

2.3. The Overview of Retention Policy

Employee retention policy is one of the basic concerns of all organizations in this vibrating world. It has been defined and elaborated by different investigators in different ways. According to Lisa (2014), employee retention strategies are initiatives taken by management to keep employees from leaving the organization such as rewarding employees for performing their jobs effectively; ensuring harmonious working relations between employees and managers; and maintaining a safe, healthy work environment. Whenever employees are stable in a particular organization, they contribute a lot to the organization.

As Donoghue cited in Rasha (2017), employee retention refers to the duration of employee to be employed in an organization. Employee retention could reflect the tendency of an employee to work in a single organization for a long period of time other than only reflects the stability of organizational employment. As Abraham (2015) stated, employee retention is an organization's ability to keep employees who are valued contributors to organizational success.

Employee retention can be stated as the processes in which employees are encouraged or motivated to stay within the organization for the maximum period of time or until the completion of the project (Rasha, 2017).

An Employee Retention Program (ERP) is said to be effective when a systematic effort is made to create and foster an environment that encourages and supports employees to remain employed by maintaining strategies and practices in place that addresses their diverse needs.

Employee retention (ER) 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. Even though ER has now become a tough task, it is beneficial for the organization as well as the employee.

The job of human resource personnel is done perfect if it places a right person for a right job at a right place in a right time. But retention is more important than hiring. A talented employee will never fall shortage of the opportunities. If a person is not satisfied with the present job, he may switch over to another, of his choice. The top organizations are on the top because they care for their employees and they know how to keep them glued to the organization. Employees stay or leave organizations for many reasons and the reasons may be personal or professional.

Employees who are satisfied and happy with their jobs are more dedicated and work for organization's growth (Maureen, 2015). Job satisfaction is something that working people seek and a key element of employee retention which is possible only by making the employee feel comfortable physically and psychologically.

2.4. Retention Strategies in Organizations

Today, the prime challenge for the banking sector is retention of the employees, as the behavior of employees has been changed and these young employees always ready to switch over whenever he or she dissatisfy with any reason in the job. They are not the ones who have only one opportunity to survive but they have many offers at hand at one point of time. It is more than just keeping the employees on the job. It is the main responsibility of the employer to keep the best employees in the banks. Employee retention is an effective means or a way to maintain a workforce in banks which is both stable and sustainable. There are certain reasons for the employees to leave an organization. Expectations play an essential role to determine whether an employee is satisfied or dissatisfied with the current job. The stronger relationship the manager and employees have with each other tends to make the employees to stay with that particular organization for a longer period of time. Motivation is als an important aspect which helps to retain the employees and perform better. To retain the best and the most suitable employees, organization needs to provide proper career opportunities, working environment, compensation benefits and supervisor support to the employees.

Employee retention is an effort by a business to maintain a working environment which supports current staff in remaining with the company. Many employee retention policies are aimed at addressing the various needs of employees to enhance their job satisfaction and reduce the substantial costs involved in hiring and training the staff.

According to Rasha (2017), a retention strategy is a form of positioning for an organization to gain a competitive edge in terms of keeping valuable employees.

A number of studies have explained various techniques and methods of retaining employees in an organization. The following are the most critical ones.

2.4.1. Training and Development

According to Accenture (2001) training is a symbol of employers' commitment to staff. Leading companies have acknowledged that providing employees with a comprehensive range of career and skill development opportunities is the key to attracting and retaining the kind of flexible, technologically sophisticated workforce that organizations need to succeed in the digital economy.

Training and development are defined as an organized mean of knowledge and skills acquisition required by employees to perform a task to improve their performances in organization.

Training and development also allow employees to take advantage of many distinctive methods of learning that benefit themselves and organization. Employees gain by experiencing better satisfaction in their ability to perform better in their job. An organization can strengthen their bond with employees by investing in training and development. Training and development help employees to develop personal competitive advantage. Many employees are looking for company that provide training and development programs that facilitate their career planning. These opportunities provided will increase commitment of employees. Managers who invest in developing employees to change and adapt the skills and knowledge concerning the business would receive the positivity and increased employee retention.

According to Abraham (2015), the three of the major reasons that people stay in their existing jobs are career growth, learning and development. It is considered that a good boss is that who gives opportunities for learning, challenges and growth on the job that are equivalent to the employee's capabilities and ambitions.

2.4.2. Compensation, Rewards and Recognition of Employees' Values

According to Willis (2000), compensation is the most critical issue when it comes to attracting and keeping talent. A fair wage is the cornerstone of the contractual and implied agreement between employees and employers, the underlying assumption being that money can influence behavior. Compensations are what organizations offer to their employees in response of their performance and effective contributions and at the same time the desires of employees.

According to Ajay (2016), there are various forms of compensation. These include cash bonuses, appreciation awards and free commodities. Compensation plays a significant role in job satisfaction as they accomplish the basic necessities as well as facilitate to achieve the higher levels of goals. Compensation system of any organization affects the employee performance and their aspiration to stay employed. As a consequence of performance and contribution, organizational rewards are the returns or benefits given to the employees as an appreciation and are regarded as the effective source of attracting and retaining them.

If employees consider these rewards as a satisfactory form of appreciation, employees will stop thinking about opportunities from other organization. Often effective compensation strategies offer organizations a competitive edge by enhancing their ability to attract and retain employees. The most important aspect of reward or compensation is the awareness of how such rewards are calculated or determined. Knowledge about compensation and benefit options impact retention. In particular, employees are more likely to remain with an organization when the rewards and actions necessary to earn rewards are well understood. Again employees tend to remain with an organization when they feel their capabilities and their efforts and contributions are recognized and appreciated. Performance of employees and their desire to remain employed is affected by organizations reward system. The employees who are satisfied with organizational rewards choose to stay in the organization as they believe losing such a competitive reward to be costly and will not find such compensation anywhere. Various studies examined that employee compensation, rewards and recognition affects employee turnover and retention. Employee commitment is promoted by highly competitive wage systems and it results in the attraction and retention of a superior workforce (Maureen, 2015).

2.4.3. Managers/Supervisors Support

One of the most important factors that have impact on retention is the relationship between workers and supervisors. Supervisors are the “human face” of an organization. According to Lisa (2009), a worker’s view of the organization is strongly influenced by their relationship with their supervisors. By having support, workers are less likely to leave an organization and be more engaged by having good relationship and open communication with the supervisor. Supervisors interact as a link to practice applications among stated goals and expectations. By harmonizing the competing demands, they support in managing both inside and outside the work

environment. If the relationship is not pleasant, then employees will seek other opportunity for better environments.

Managers' perceptions of flexible working and support for flexible workers are also very important to achieving individual, team and organizational benefits from FWAs. Research studies show that managers see the use of FWAs as an indicator of employees' organizational commitment and work ethic. For example, managers' perceptions of the impact of flexible working on productivity are critical in determining the effect of FWAs on employees' career success (Leslie et al., 2012). If managers perceived that FWAs had a positive effect on productivity, this led to career premiums, but if they perceived that FWAs had a positive effect on personal life (at the expense of productivity), this led to career penalties. Kossek et al. (2016) interviewed line managers about their perceptions of using a specific type of flexible working called 'reduced load work' (RLW). They found that managers were more likely to be supportive of this alternative work pattern, if they perceived employees to be high performers, flexible in their use of RLW, and employed in conducive jobs. Less supportive managers expressed concerns about commitment to the organization and the impact on productivity. They felt that a request for RLW acted as a warning of employees who were not coping with demands of the full-time job.

Concerns from managers regarding the effects of FWAs on productivity have been found at the most senior levels within organizations. Williams, McDonald, and Cathcart (2016) found that senior executives, who recognized the strategic benefits of having FWAs, were still concerned about the impact of FWAs on productivity executives signaled that FWAs could be implemented where the productivity of the individual and team were not jeopardized. Differences in FWA practices across divisions revealed that open communication and encouragement by executives to their team is essential to explicitly signal support for FWAs. The study concluded that these senior management attitudes resulted in a tendency for inconsistent practice across the organization and leaving decisions to supervisory discretion. In addition, as the executives did not use FWAs themselves, this tended to reinforce the message that flexible working is career limiting.

Further studies have indicated that the level of benefit from FWAs depends critically on the extent to which flexibility increases (or decreases) the amount of control that employees experience as a result (Allen et al., 2013).

The support provided by the organization and line managers is an important factor in ensuring that employees benefit from FWAs. Allen (2006) found that supervisory support was linked to reduced work-family conflict and improved well-being. Although there were some benefits associated with time flexibility, they found that location flexibility (e.g., working from home) could actually have negative effects, as this can lead to family time demands impinging on work responsibilities. The attitudes of spouses will influence the effects on employees, with positive partner attitudes towards FWAs facilitating a decrease in work-family conflict, and enhancing the employee's commitment to the organization (Wayne et al., 2013).

It may seem to be strikingly obvious that commitment will only be gained if people understand what they are expected to commit to. But management too often fail to pay sufficient attention to delivering the message in terms that recognize that the frame of reference for those who receive it is likely to be quite different from their own. Management's expectations will not necessarily coincide with those of employees. And in delivering the message, the use of different and complementary channels of communication such as newsletters, briefing groups, videos, and notice boards is often neglected.

Communication among supervisors and employees is also very significant factor in reaching the objectives of the firm. The employees' commitment depends upon the way in which performance feedback is provided. High performing employees are especially interested in receiving frequent, specific feedback. Feedback is the amount of information employees receive about how well or how poorly they have performed. It acts as a channel between the employee and the employer. Employers can provide either positive feedback or negative feedback to employees. According to Clark (2001), effective communication strengthens employees' identification with the company and builds trust.

It may seem to be strikingly obvious that commitment will only be gained if people understand what they are expected to commit to. But management too often fail to pay sufficient attention to delivering the message in terms that recognize that the frame of reference for those who receive

it is likely to be quite different from their own. Management's expectations will not necessarily coincide with those of employees. And in delivering the message, the use of different and complementary channels of communication such as newsletters, briefing groups, videos, and notice boards is often neglected.

2.4.4. Flexible Work Environment

Flexibility at work is often viewed as a recruitment tool for organizations, and it is increasingly common for employees to negotiate personalized work arrangements on their appointment with an organization. Glaser (2008) found that the negotiation of flexibility ideals (such as part-time working or homeworking) led to decreased levels of work-life conflict, but had no effect on work performance.

There is good evidence to support a link between the use of FWAs (particularly time flexibility) and employee health and well-being (Nijp et al., 2012). Shulkin (2008) found that FWAs (including time flexibility and compressed hours) were associated with lowered stress and burnout, with time flexibility being the best predictor of employee well-being. The evidence for other forms of flexibility is less consistent. Nijp et al (2012) conducted a review of studies, and found that enhanced flexibility (such as employee work time control) was strongly related to improved work-life balance over time, but this did not necessarily lead to better health and well-being. TerHoeven (2015) found that employee well-being was enhanced through improved work-life balance, increased control and enhanced communications, but could still be damaged through increased interruptions (especially due to location flexibility).

Most researches have focused on the effects of FWAs at the individual level (e.g., health and well-being, work-life balance, personal effectiveness and performance) or at the organizational level (e.g., productivity, employee turnover). There is limited evidence, however, on the impact of flexible working on teamwork and team effectiveness, despite the acknowledged importance of understanding the social context in which FWAs are employed (sources). However, with increased numbers of flexible workers, with variable work schedules (e.g., different start and finish times, different working days, different times in and out of the office), this will have implications for effective and productive team work (sources). Therefore, we consider the implications of the research evidence for teams and team management.

Other research have focused on examining the relationship between the use of FWAs and work-family conflict, based on the assumption that FWAs will reduce conflict, by helping employees to better manage the boundaries between work and home life. Although a positive relationship would be expected, research findings have been inconsistent, suggesting a complex picture in which flexibility does not always facilitate a better work-life balance for working parents (Bryon, 2005). Overall, the research suggests that flexibility is effective in improving some aspects of work-life balance, specifically, by reducing work-to-family conflict, but the effect is relatively small(Allen, 2007). These benefits are mostly due to time flexibility rather than other forms of flexibility, such as location flexibility, and are also largely confined to working women with high levels of family responsibility, rather than working women in general, or other categories of

2.4.5. Developing Ownership

Commitment, a sense of belongings, is enhanced if there is a feeling of ‘ownership’ among employees not just in the literal sense of owning shares (although this can help) but in the sense of believing they are genuinely accepted by management as key stakeholders in the organization.

This concept of ‘ownership’ extends to participating in decisions on new developments and changes in working practices that affect the individuals concerned. They should take part in making those decisions and feel that their ideas have been listened to and that they have contributed to the outcome.

2.4.6. Positive Work Climate

This is the key factor for the success of organizations. This factor is associated with the organization’s culture and practices of valuing employees as an asset. The commitment of the employees can be developed when the work climate is harmonious and it would never make the employees to feel stressed.

According to Abraham (2000), companies that actively promote a positive work environment and who also value employee contributions while achieving a true work-life balance have been found to be more successful at communicating the idea that their employees are one of their most valuable resources.

Another factor most significantly affecting employees' commitment is management's recognition of the importance of personal and family life. For some employees, personal priorities or circumstances make the difference between leaving and staying. Individuals will stay with companies that clearly consider and cares for family and other personal needs.

2.5. Effects of FWAs on Team and Organizational Commitment

Most research has focused on the effects of FWAs at the individual level, and also at the organizational level. While there is evidence of benefits at an organizational level, in terms of improved productivity, fewer accidents and reduced turnover (Kossek& Thompson, 2016), the underlying mechanisms have only been identified at the individual level (e.g., personal effectiveness, health and wellbeing, better work-life balance). Research studies, however, point to the importance of contextual factors, including the attitudes of co-workers, as well as supervisors and line managers.

Delaney-Klinger (2015) found evidence that the positive relationship between homeworking and individual effectiveness was dependent on the norms for homeworking, suggesting that the social context of flexible working is an important factor. Furthermore, there is evidence that co-workers' flexible working has a strong influence on the decisions of employees to work flexibly themselves through a contagion effect (Rockmann& Pratt, 2015).

Social network analysis has been used to look at the effects of flexible working (in terms of work schedule control) for an individual in the context of their coworkers (McAlpine, 2015). The study found that there were effects on job satisfaction and organizational commitment and suggested that flexible working is more impactful for the individual when it is unique to him/her. This was also reflected in the study by Delaney-Klinger (2015) who found that strong norms for flexible working were associated with lower task and contextual performance. Furthermore, the work of McAlpine (2015) suggested a 'ripple effect' whereby the negative effects are extended to employees regardless of whether they worked flexibly or not.

Personal arrangements to work flexibly (*flexibility i-deals*) were associated with improved employee performance (at the individual level), but this positive relationship was stronger in groups with low team orientation and task interdependence (Vidyarthi et al., 2016). This suggests that flexible working can have negative effects on highly cohesive teams that perform

interdependent tasks. The nature of teams has also been found to affect supervisors' perceptions of FWAs. Verbruggen (2016) found that supervisors of highly interdependent teams were less supportive of flexible working. Their findings suggested that supervisors were concerned about the impact of flexible working on team productivity, such that working flexibly would disrupt team effectiveness.

Overall, the research looking at the social context of flexible working highlights the importance of the nature of the team, in terms of team cohesion and task interdependence. The existing research suggests that more tightly knit groups (in terms of both tasks and relationships) may be more disrupted by flexible working than other types of group.

2.6. Impact of Flexible Working on Individual and Team Commitment

Flexible work environment has negative impacts on an individual and team commitment

2.6.1. Impacts on Individual Commitment

Managers tended to view flexible workers as more focused and well-organized than those on traditional work patterns, for example they are more likely to set deadlines. Some flexible workers may do this as a way of organizing full-time colleagues to fit the job tasks into their own condensed hours or part-time working patterns. The perception about being more effective is echoed by flexible workers, as they describe being more focused when in the office, and working proactively to manage their time and workload to maximize their personal efficiency. Descriptions of specific strategies that flexible workers used to maximize their personal effectiveness suggest that there was a conscious and deliberate form of *proactivity* from flexible workers, in that they applied significant effort to being as productive as possible, which involved active *job crafting* (Dutton, 2001). Flexible workers actively engage with 'crafting' their jobs (e.g., changing the ways in which they work and their working conditions) in order to enhance their personal effectiveness. Strategies used by flexible workers included:

- Matching work tasks to changing work environments to maximize personal efficiency (e.g., taking advantage of quieter times in the office to complete tasks that required higher levels of mental effort and concentration);

- Managing colleagues and clients (e.g., setting deadlines so that flexible hours did not obstruct the flow of information, and so the completion of tasks);
- Advanced planning (e.g., scheduling work to ensure that tasks could be covered across the team, planning how work would be completed across a work week, and avoiding the accumulation of work to ensure deadlines would be met).

A consistent theme emerged about flexible employees recognizing the advantages of FWAs and being prepared to give more back to their manager and the team. This type of gratitude to employers for allowing FWAs is a central theme in discussions amongst people who work flexibly (Rice, 2016). Flexible workers record higher levels of job satisfaction and organizational commitment than traditional workers but the increased organizational commitment may lead to work intensification as ‘an act of reciprocation or exchange’. In Kelliher and Anderson’s study, interviewees described experiencing work intensification through an increase in the working day when working from home, or those working reduced hours working more intently when at work. A feeling of ‘imposed intensification’ was reported by employees with reduced hours, many of whom felt they were still doing a full-time job, but in fewer paid hours. An increase in work intensification may have negative outcomes for employees.

While work intensification is a potential negative effect for flexible workers, we found little evidence of this being described in our interviews. This would suggest that the perceived high value of the flexible working arrangements can overcome the negative consequences of the extra effort. Flexible workers in our interviews discussed their extra effort in positive terms, rather than as an imposed intensification of their work. Although it must be noted this was a small-scale research study, and therefore cannot be generalized to all employers who undertake flexible working practices.

2.6.2. Impact on Team Commitment

From their own perspective, flexible workers expressed few concerns about the impact of their flexible working patterns on team effectiveness. Indeed, they felt that their teams worked effectively, as team members worked well together to ensure that work was completed by set deadlines. They also felt that flexible working boosted morale within teams, which led to more friendly working environments. Thus, there can be contagion effects, as happier and more

relaxed employees create more positive working environments not only for themselves, but for others.

An increased efficiency at an individual level could have spillover effects for team effectiveness. For example, flexible working changes the working environment in offices, such that there are more 'quiet times' which allowed all team members (not only flexible workers) to focus more on their work and manage their time to take advantage of quieter periods in the office (thus mitigating the negative effects of working in big, open plan offices). In addition, the efforts of flexible workers to craft their jobs to allow them to be more effective, can have positive benefits at a team level, as job crafting has been found to boost team performance. Flexible workers engage in higher levels of organizational citizenship behaviors (OCBs), such as working over contracted hours, taking work home, and staying late, which increase the performance of the team overall (e.g., allowing the team to complete tasks by set deadlines).

Managers emphasized the importance of communication within the team by their flexible team members. For example, when handing over incomplete work and information for others to deal with in order to hit deadlines. When setting up FWAs it is crucial that employees clearly establish how they will work with their colleagues and manager to maintain work productivity (Thompson, 2016). This approach has been introduced as best practice to overcome specific management issues with virtual teams. Recommendations include: promoting close cooperation among the team; establishing processes for gathering information; and maintaining norms and procedures at the beginning (2002).

Indeed, managers emphasized the importance of establishing expectations and setting boundaries when managing flexible workers. Homeworkers discussed barriers to effective team working as a function of working remotely through ICT, such as email, messaging and chats. These barriers included: loss of informal communications, more complex and time-consuming conversations, and feeling 'out of the loop' and less face-to-face contact with colleagues. These factors can all affect group dynamics within the team, suggesting that high levels of emotional intelligence might be important to working successfully within flexible teams (especially when there is a high reliance on ICT for communications).

Although managers recognized the increased commitment and greater efficiency of flexible workers, they discussed the implications for managing teams. This included the extra effort required in terms of managing cover within teams, ensuring that arrangements for deputizing were in place, and stepping up to take on extra work themselves, when work could not be achieved in the team. Some managers describe the frustrations associated with ‘taking up the slack’ created by flexible workers. Others describe how they needed to maintain careful control over the number of different types of flexible work patterns in place, and the potential consequences, which meant that there are additional managerial burdens associated with this type of team.

There are a number of examples described where allowances for FWAs are not perceived to be fair, leading to negative feelings within the team. FWAs can lead to resentment within teams, especially if managers are unwilling to extend FWAs across the team. For example, managers discuss how they will allow flexibility for some employees, but not others, so that the benefits of FWAs are not available for all employees. Many managers are willing to tolerate some flexibility, but fear that ‘too much flexibility’ would exceed their ability to manage it, and so affect the operation of the business.

Social comparisons between those who are allowed to work flexibly, and those who are not, will likely lead to disruption within teams and affect group dynamics. As organizational policies were not implemented in the same way across departments, there was the opportunity for practices to differ significantly. This is likely again to affect team functioning, as perceptions may exist that some managers treat their teams unfairly compared to other managers who allow greater flexibility.

2.7. Causes of Employees Turnover

There are a number of causes that force employees to leave their working places and find better environments.

2.7.1. Lack of competitive pay systems

Lack of competitive pay package as revealed in the study is one of the most obvious contributors of employee turnover. In today's globalized world employees in any organization need attractive

salary and other incentives so that they got stabled. However, if organizations do not do so, they lose their diverse workforce.

2.7.2. Unavailability and inadequacy of opportunities for training and development

Employees perceive investment in their training and development opportunities as a strong sign of commitment on the part of employers to retain them. Training and development is very prominent for employees to upgrade their skills in order to run their daily routines in an effective manner.

2.7.3. Lack of job security

Lack of job security is a significant factor that can cause an employee in an organization to leave his\her job. Employees place great importance on their jobs because security provides them with the source of income with which socio-economic stability and psychological well-being are achieved.

2.7.4. Lack of work life balance

Lack of work life balance is one of the major causes of employee turnover in most organizations. Inflexible work arrangement is a primary reason for employees to leave an organization. Employees want to be able to balance their working life with their personal and family life.

2.7.5. Lack of Sense of Belonging to the Organization

A sense of belonging is an internal push that is based upon the ability of the organization to provide an employee with job satisfaction and a friendly working environment.

2.7.6. Lack of manager's/ supervisor's support

One of the most important factors that have impact on turnover is the relationship between a worker and a supervisor. Employees who feel respected and valued will actively take part in organization's goals, exhibit productive workplace behaviors such as increased in job involvement, reduced absenteeism and have less turnover rates.

CHAPTER-THREE

3. RESEARCH METHODOLOGY

A research methodology describes and explains the various methods and procedures researchers adopt in conducting a study in order to address and answer research objectives raised in studies. This chapter is organized in the following structure: the research design, population and sampling, sampling design and sample size, data collection methods, research procedures, data analysis methods and lastly the chapter summary.

3.1. Research Design and Approach

A research design is a systematic approach that a researcher uses to conduct a scientific study. It is the overall harmonization of identified components and data resulting in a believable outcome. To conclusively come up with an authentic and accurate result, the research design should follow a strategic methodology, in line with the type of research chosen (Abraham, 2016).

According to Painter (2006), research design is a strategic framework or a plan that guides research activities to make a sound conclusion. This involves plans for data collection, the instrument for gathering information, how the information gathered would be processed and analyzed to give meanings to the research findings.

Durrheim and Painter (2006) define research design as a “strategic framework, a plan that guides research activity to ensure that sound conclusions are reached. This involves plans for data collection, the instrument for gathering information, how information gathered would be processed and analyzed to give meaning to the research findings. The researcher will obtain an in-depth understanding of the research topic and therefore decide on carrying out a case study as the research approach. Yin (2003) identified some characteristics of a case study. According to him, case studies can be used to investigate a contemporary phenomenon within its real-life context, such as a single site, such as a team or an organization, but with many variables. Case studies can also accommodate both quantitative and qualitative materials. Also case studies allow theoretical propositions which tend to be developed prior to the study to guide data collection. Case studies are good way to study contemporary events such as turnover and retention strategies and can also incorporate both quantitative (numerical representation of data)

and qualitative (a method of describing data using words and /expressions) data hence its selection as an appropriate research approach. Therefore, the researcher has applied survey study. Survey studies can also accommodate both quantitative and qualitative. The study uses the Bank of Abyssinia as a representative.

3.2. Sources of Data and Data Collection Methods

A data source is the location where data is coming from. There are two basic sources of data that researchers can use to collect important data; namely, primary and secondary.

3.2.1. Primary Source of Data

Primary sources are original materials on which research is based. They are firsthand testimony or direct evidence concerning a topic under consideration. They present information in its original form. Primary data is neither interpreted, nor evaluated by other writers (Maureen, 2015).

Therefore, the researcher has acquired the primary data (data about the effects of retention strategies on employees' organizational commitment) through questionnaire and interview.

3.2.1.1. Questionnaire

A questionnaire is a list of research or survey questions asked to respondents, and designed to extract specific information. It serves for four basic purposes namely, to collect the appropriate data, to make data comparable and agreeable to analysis, to minimize bias in formulating and asking questions, and to make questions engaging and varied.

Researchers use questionnaire method of data collection because of its numerous advantages and its ability to yield the most satisfactory range of reliable data. Some of the advantages of the questionnaire method include cost efficiency, easy administration and easy analysis especially in a quantitative study (Roberta, 2012).

A questionnaire has two prominent formats that researchers can use depending on the nature of the questions namely, open ended (unbounded) and close ended (bounded) questions. The questionnaires in this study were self-administered. The researcher dispatched the total 183 questionnaires for a total of 183 respondents and from these, 179 respondents returned the

questionnaire and the remaining 4 did not. Self-administered questionnaires are chosen for this study because they are known to have a high response rate since the researcher personally distributed the questionnaire to the respondents.

3.2.1.2. Interview

An interview is a procedure designed to obtain information from a person's oral response to oral inquiries.

Therefore, the researcher of this study has conducted an interview with a total of 10 managers, (2 managers from each branch) and 5 employees (1 from each branch) with those having supervisory roles.

3.2.2. Secondary Source of Data

Secondary data can be acquired for research purposes from documents, archives, libraries, museums, storehouses.

Here, the researcher has acquired the intended data from different internal and external documents.

3.2.3. Population

The bank has 315 branches, both in Addis Ababa and other towns in Ethiopia including the banks found in country sides with a total of 5825 employees. But, the researcher has used only five branches in Addis Ababa as a representative from each grade level; grade -1, grade-2, grade-3 corporate and HR, which are found at Mekanissa (Abomazoria area), Legar (Legar area), Arada (Pissia area), Bole (Flamingo area) and Ras (Legar area) respectively.

3.2.4. Sample size

Sample size determination is the act of choosing the number of observations or replicates to include in a statistical sample (Abraham: 2015). The sample size is an important feature of any empirical study in which the goal is to make inferences about a population from a sample (Roberta, 2012).

Since the population is large enough, the following simplified formula has applied to determine the sample size. To determine the appropriate sample size for the study; the researcher used Mike Slovin's formula of calculating sample size.

$$n = N / (1 + N(e)^2)$$

Where: N = Population Size

n = Sample Size

e = Precision (Sampling Error): 7%

And the samples for the study can be calculated as follows:

$$n = 5825 / (1 + 5825(0.07)^2)$$

$$n = 5825 / 1 + 5825 * 0.0049$$

$$n = 5825 / 29.5425$$

$$n = 198$$

Therefore, the researcher has used the total 198 internal stakeholders for the study.

3.2.5. Sampling Techniques

A sampling technique is the procedure of choosing a particular sample from a population in a particular study (Yin, 2003).

Sampling techniques, (non-probability sampling, convenience sampling, random sampling, stratified sampling, and systematic Sampling) are the strategies applied by researchers during the statistical sampling process. Here, the researcher applied purposive sampling technique to select the representative banks.

3.3. Data Analysis and Presentation

3.3.1. Data Presentation

Data can be presented in various forms (using bar graph, pie chart, histogram, and tables) depending on the type of data collected.

Therefore, the researcher has used tables, one of the most important data presentation techniques, to present the given data in a clear manner.

3.3.2. Data Analysis

Data analysis is a process of inspecting, cleansing, transforming, and modeling data with the goal of discovering useful information, informing conclusions, and supporting decision-making.

Here, the researcher used both quantitative (numerical values) and qualitative (words and or expressions) to analyze the given data.

3.4. Ethical Consideration

All professional and research ethical values are fully recognized and assured. The study has given due consideration to ethical issues such as confidentiality and privacy. Therefore, the respondents were first communicated about the purpose and significance of the study and that their responses would be used only for academic purpose and kept confidential. They were told that their names and their identity would remain anonymous and would be agreed to use pseudo name instead if necessary. All respondents in this study decided to provide their contribution willingly and the researcher let them knew the purpose of the study; giving them all the necessary information regarding the research. Respondents were pre-informed that, they could quit their participation if they felt discomfort without waiting for permission from the researcher. Respondents were not forced to sign contractual agreement with the researcher at the beginning of their participation. All personal information would be locked in a private folder and destroyed ones the research is completed. They were also communicated the risks like they may felt anxious and emotional during discussion time and they can take time in between and refresh themselves. They were also communicated about the benefit of their participation and the value of the data they give, to themselves, community and other concerned bodies. Other possible research ethical considerations and norms would be maintained accordingly.

CHAPTER FOUR

4. DATA ANALYSIS AND PRESENTATION

4.1. Introduction

This chapter is mainly concerned with the analysis of data gathered from the respondents through questionnaires and interview. The data gathered from those sources was analyzed independently (grouping the data under the same category) using frequency and percentage. The final outputs of the result were presented in tabular forms, and each point in each table was analyzed by using expressions (words).

Moreover, this chapter illustrates the major findings and conclusions of the study and provides possible recommendations about the solutions to overcome the existing problems based on the actual finding in the study area.

4.2. Demographic Characteristics of the Respondents

Table 1: Background of the Respondents

No.	Items	Frequency	Percentage
1.1	Sex		
	Male	104	58%
	Female	75	42%
	Total	179	100%
1.2	Age		
	20-25	30	17%
	26-33	35	20%
	34-41	101	56%
	Above 41	13	7%
	Total	179	100%
1.3	Education Background		
	Postgraduate	23	13%
	Degree	156	87%
	Diploma	0	0%
	Certificate	0	0%
	Other	0	0%
	Total	179	100%
1.4	Present position in the organization		
	Manager	10	6%
	Customer service officer	124	69%
	Accountant	15	8%
	Junior Officer	30	17%
	Total	179	100%
1.5	Service Year in the Organization		
	1-5	134	75%
	6-10	23	13%
	11-15	15	8%
	16 and above	7	4%
	Total	179	100%
1.6	The grade of the bank that you are working in		
	One	25	14%
	Two	30	17%
	Three	36	20%
	Corporate	88	49%
	Total	179	100%

As is depicted in the above table, 58% of the respondents were males and 42% were females and aging between 34-41. Majority of the respondents were also customer service officers and are degree holders who stayed in the organization averagely from 1-5 years. Moreover, majority of the workers are found at the corporate level of the organization.

Most of the employees in the bank are still degree holders and they said that the bank does not give them chances to upgrade their academic progresses. The danger however in the opinion of this researcher is that if effective retention strategies are not put in place, they can easily be poached by competitors.

4.3. Employee Retention Strategies being implemented by the Bank

The following table shows the retention strategies that the bank has been implemented to hold its workforce.

Table 2: Retention Strategies the Bank Implements (n=179)

Where, SA: Strongly Agree A: Agree
 N: Neutral D: Disagree
 SD: Strongly Disagree

No	Item	SA	A	N	D	SD	Total
2.1	You do have a competitive salary package	1%	6%	17%	25%	51%	100%
2.2	Your organization provides you trainings and development opportunities.	2%	4%	6%	25%	63%	100%
2.3	Your organization gives you recognitions and rewards for your good performance.	3%	4%	6%	25%	62%	100%
2.4	You do have opportunities to work independently.	11%	12%	20%	25%	32%	100%
2.5	Your organization provides you up to date technologies to perform your jobs.	2%	5%	6%	25%	62%	100%
2.6	You do have opportunities to participate in decision making processes.	3%	5%	6%	25%	61%	100%
2.7	Your organization encourages good working relationships amongst employees.	4%	6%	7%	25%	58%	100%
2.8	Your organization guarantees job securities.	3%	11%	14%	25%	47%	100%
2.9	You do have a strong sense of belongings to the organization.	4%	7%	9%	30%	50%	100%

Source: Primary data

Competitive Salary Package

As indicated in the table above, (Table 2) and also as substantiated the interviews conducted with the managers and the supervisors of the bank one of the retention strategies implemented by the banks is competitive salary package. But, oppositely the data collected from the questionnaires indicated that there is no practical implementation of such a system. According to the respondents, the bank has its own retention strategies but they are not on the ground and the employees are always searching for better opportunities. As it stated in the above table, 1% strongly agreed that there is competitive package system in the selected bank, 6% agreed, 17% neutral, 25% disagreed and 51% strongly disagreed. Therefore, it is possible to conclude that competitive salary package is not practically implemented. But it is known that employees need attractive salary package that can manage their basic needs apart from a conducive working environment.

Trainings and Development Opportunities

The data collected from the interviews (both from the managers and supervisors) showed that training and development is the other retention strategy that the bank is employing. However, the data collected from the questionnaire showed that majority of the respondents (63%) strongly agreed that they are not given trainings and developments.

Recognitions and Rewards

The information collected from the interviewees showed that recognition and rewards are also strategies implemented by the bank. But, majority of the respondents (62%), as it is seen in the above table, replied that this strategy is not practical the selected bank.

Work Independency

As the interview showed, work independency is the other strategy that the bank is implementing. As they said, work independency is one of the most critical strategies that can hold employees for a long period of time. However, as one can see in the above table, majority of the respondents (32%) replied that there is no practical implementation of work independency in the selected bank.

Providing up to date Technologies

Here employees strongly agreed that they have up to date technology to do their jobs. As shown in figure 6, 45% of the respondents strongly agreed, 19% agreed, 2% strongly disagreed, 8% disagreed and 26% being neutral. This implies that up to date technology is available in the banks and it motivates the employees of the rural banks to remain with their organization. The availability of up to date technology in the rural banks surveyed is important in the conduct of their business. Up to date technology will allow banks to be competitive in the delivery of banking products and service more competitively and efficiently.

Providing Interesting Job Opportunities

Employees disagreed that their jobs were challenging and exciting. From the study, 87% of the respondents (comprising 62% strongly agreed and 25% agreed) refuted the practicability of challenging and interesting jobs as retention of employees of the selected banks. Only 2% strongly agreed and 4% agreed and 7% neutral. This could be because employees' jobs were monotonous. It is the opinion of the researcher that, an introduction of systems such as job rotation and job enlargement could help solve the problem. Abraham (2001) rightly speculates that work that mainly consists of routine based performance, the likelihood of de-motivation and turnover relatively high. Organizations should therefore be able to design jobs in such a way that boredom is removed.

Giving job securities

The study shows that employees' job security in the selected bank is assured as indicated by the percentages of the responses. From the table above, majority of the respondents strongly disagreed that they do not have job securities.

Employees would want to be assured of the security of their jobs because it provides them their source of livelihood, socio-economic stability as well as psychological wellbeing. Employees need to be assured especially in Ghana where employment opportunities are not readily available.

Creating Sense of Belongings to the Organization

As the information gained from the interview of both managers and supervisors, creating a sense of belongingness to the organization is the other strategy in the organization. As they justified, whenever employees are feeling a sense of belongingness to the organization, they stay for a

long period time in the same organization will be more dedicated as well. But, as one can see in the above table, majority of the respondents replied that such a strategy is not practically implemented in the selected bank.

The information gained from the archive data of the organization also shows that the management of the organization in the selected bank applies the following retention strategies apart from the above stated strategies as; mortgage loan, transportation allowance, medical package, and cash indemnity and staff emergency loan.

4.4. The Reasons of Employees Turnover

The table below shows the basic reasons that let the employees in the selected bank leave the organization.

Table 3 : Common Reasons Why Employee Leave the Organization (n=179)

No	Item	SA	A	N	D	SD	Total
3.1	Lack of competitive payment system.	53%	30%	9%	5%	3%	3%
3.2	Unavailability and inadequacy of opportunities for training and development	50%	30%	9%	7%	4%	100%
3.3	Lack of job security	30%	30%	9%	7%	4%	100%
3.4	Lack of work life balance	61%	20%	10%	4%	5%	100%
3.5	Lack of sense of belonging to the organization	49%	26%	13%	8%	6%	100%
3.6	Need for better opportunities	43%	42%	9%	4%	2%	100%
3.7	Lack of manager's/ supervisor's support	46%	30%	19%	3%	2%	100%

Source: Primary data

Lack of Competitive Package System

From the study, 53% of the respondents strongly agreed to this point, 30% agreed, 9% are neutral, 5% disagree and 3% strongly disagree.

This means that majority of the respondents agreed that lack of competitive pay is a strong determinant of employee turnover in the selected bank. As the demographic factors of the respondents revealed, majority of the respondents are first degree holders. This makes them highly skilled workers who would therefore expect higher and competitive salary package. The study shows that money is a critical factor when it comes to employee turnover. The findings of

the present study strongly support the argument of Abraham (2015) that skilled employees need to earn competitive salary package and also have the opportunity of earning performance bonuses. Skilled employees want their efforts to be rewarded and to have a fair share of the organization's success in monetary terms. They reiterate the importance of money in attracting, motivating and retaining quality employees in the organization and further concluded that skilled employees are achievement oriented and want their achievements rewarded with money.

The data gather from the employees' interview also showed that lack of competitive package system is one of the major cases which play a significant role for employees' lives in the bank. They said majority of the employees in the selected bank are leaving the organization for search of better and competitive package.

Unavailability and Inadequacy of Opportunities for Training and Development

The findings of the study revealed that 50% of the respondents strongly agreed, 30% agreed, 9% neutral, 7% disagreed and 4% strongly disagreed. From this, one can conclude that the unavailability and inadequacy of opportunity for training and development is a strong indicator of turnover of the selected bank. This is because employees in such competence of jobs will want to be trained in order to be effective and efficient in their performance of their duties. Employees perceive investment in their training and development opportunities as a strong sign of commitment on the part of employers to retain them. This is consistent with the findings of Hassan (2015) shows that lack of training and development of skills is the largest determinant of turnover.

The data collected from interviewees also support the above points that lack of training and development cause a high rate of employees turn over. They said that employees need continuous training and development to be more effective in their daily routines.

Lack of job security

The study shows that lack of job security is a significant factor that could cause an employee in the rural banks to leave his or her job. From the table, 50% of the respondents strongly agreed and 30% agreed to the above cause of turnover as against 9% and 7% disagreed and strongly disagreed respectively. Employees need to be assured of the continuity of their jobs. The

researcher believes that employees place great importance on their jobs because it provides them with the source of income with which socio-economic stability and psychological well-being are achieved. Therefore, job security is a crucial factor particularly in a developing economy like Ethiopia where jobs are difficult to find and where poverty rate is high.

Lack of Work Life Balance

Lack of work life balance is one of the major causes of employee turnover in the selected bank. As indicated in the above table majority of the respondents (61%) of the respondents strongly agreed, 20% agreed and 10% neutral to this cause. Only 4% and 5% disagreed and strongly disagreed respectively. From these details, the researcher believed that the employees would want to be able to balance their working life with their personal and family life. From the researcher's observation, employees in the banking sector could go to work as early as 6.00 am and close at late as 10.00 pm given them no room for family and social life. Inflexible work arrangement is a primary reason for employees to leave an organization and therefore the findings in this study is consistent with the assertion of Abraham (2005) that organizations should be more aware about work life balance and implementation of friendly policies because complex and additional working hours increase the stress , turnover and turnover intentions of employees.

Lack of Sense of Belonging to the Organization

A sense of belonging is an internal push that is based upon the ability of the organization to provide an employee with job satisfaction and a friendly working environment. It was found from the study that lack of sense of belonging to the organization is one of the causes of employee turnover in the rural bank. The study indicated that 49% strongly agreed, 26 agreed, 13 neutral, 8% disagreed and 6% strongly disagreed. For employees to feel that they belong to the organization, it is better that management could create a work environment in which employees feel free and are treated with dignity in order for them to be affectively attached to the organization. Managers should therefore create a friendly work environment, a good public image and an organizational culture with a sound financial base that will hold them out. Such a corporate image presents an effective tool in attracting and retaining employees.

Need for better opportunities

Employees in any organization, either governmental or non-governmental organizations need better job opportunities in any case. As one can see in the above table, 43% of the respondents strongly agreed on the point, 42% agreed, 9% neutral, 4% disagreed, and 2% strongly disagreed. Here, it is possible to conclude that employees in the selected bank are eager for better opportunities.

Lack of Manager's/ Supervisor's Support

One of the most important factors that have impact on turnover is the relationship between a worker and a supervisor. From the study, lack of manager's/ supervisor's support is a cause of turnover of the rural banks. As indicated in the above, 46% of the respondents strongly agreed, 30% agreed, 19% neutral, 2% disagreed and 2% strongly disagreed. This means that the relationship between the managers and their employees are very poor. Supervisors are the "human face" of an organization. According to Abraham (2015) a worker's view of the organization is strongly influenced by their relationship with their supervisor. By having support, workers are less likely to leave an organization and be more engaged by having good relationship and open communication with the supervisor. Employees who feel respected and valued will actively take part in organization's goals, exhibit productive workplace behaviors such as increased in job involvement, reduced absenteeism and have less turnover rates. As the archive data of the selected bank shows the rate of employees' turnover increases year to year.

Lack of Manager's/ Supervisor's Support

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valued will actively take part in organization’s goals, exhibit productive workplace behaviors such as increased in job involvement, reduced absenteeism and have less turnover rates. As the archive data of the selected bank shows the rate of employees’ turnover increases year to year.

4.5. Roles of Retention Strategies on Organizational Commitment

The table below illustrates the major roles of retention strategies on employees’ organizational commitment effectiveness.

Table 4 : Questions about the Role of Retention Strategies on Employees’ Organizational Commitment (n=179)

No	Item	Highly	Moderately	lowly	Very low	Total
4.1	To what extent do retention policies or strategies being implemented by the Bank affect the level of your commitment in the Bank?	85%	9%	4%	2%	100%

Source: Primary Data

As we can see in the above table, majority of the respondents (85%) replied that the retention strategies implemented by the bank affected the employees’ organizational commitment. The information collected from the interviewees showed that the retention strategies implemented by the bank directly affected the performance of the employees.

Retentions strategies are directly correlated with the employees’ organizational commitment. Whenever organizations practically implement retention strategies, they can easily reduce employees’ high rate of turnover.

CHAPTER FIVE

5. FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS OF THE STUDY

In this section, summary of major findings, conclusions inferred from the data analysis in chapter four, and possible recommendations are presented in detail and clear manner.

5.1. Findings of the Study

The effect of retention factors on employee's organizational commitment of the Bank of Abyssinia were investigated both quantitatively and qualitatively and the following major findings were reached:

1. The employees do not have a competitive salary package. The employees in the bank of Abyssinia do not have a competitive salary package. If employees are not well paid in any organization, they might find other organizations that pay them better.
2. The organization does not provide them trainings, development opportunities, recognitions and rewards for their good performance. The bank of Abyssinia does not provide continuous trainings and developments. It does not also provide sufficient rewards and recognitions that can attract employees. For all these reasons, employees in the bank are not stable.
3. The organization does not provide them up to date technologies to perform their jobs. It is obvious that well ratified technologies run employees' daily routines easier and can attract qualified employees. Not only running employees' daily bases easier but also they increase the the effectiveness and efficiency of organizations. Therefore, the management should work on these aspects.
4. The employees do not have opportunities to participate in decision making processes and the organization does not encourage good working relationships amongst employees. Employees by nature need participations in any decision making processes so that they believe as they feel valued in the organization. They also need positive relationships among employees. So the selected bank should work on these aspects.
5. The organization does not guarantee job securities and employees' sense of belongingness. If employees in any organization are not well secured and have sense of belongingness, they might not run their daily musts effectively and efficiently. So the bank of Abyssinia works on these aspects.

5.2. Conclusions

The title of this study is, “The Effects of Staff Retention Strategies on Employees’ Organizational Commitment in the Private Banks in Ethiopia: Evidence from Abyssinia Bank.”

The researcher has used a research design called survey study. The data for the study have been collected both from primary sources (using questionnaire and interview) and secondary sources (from different documents). The collected data participants have been presented using tables and analyzed qualitatively and quantitatively.

The bank has 315 branches, both in Addis Ababa and other towns in Ethiopia including the banks found in country sides with a total of 5825 employees. But, the researcher has used only five branches in Addis Ababa as a representative from each grade level; grade -1, grade-2, grade-3 corporate and HR, which are found at Mekanissa (Abomazoria area), Legar (Legar area), Arada (Pissia area), Bole (Flamingo area) and Ras (Legar area) respectively. Since the population is very large, the researcher has used a sample selection formula and decided to use 198 participants.

The gender balance is a little inclined towards male employees. The bank has an educated workforce whom, with a little influence on the retention factors, can be committed to the company’s best interest. When we see the age composition of the employees, the majority falls under the active age category of 34-41 and this age group demands a modern life style and there by a better income.

It is concluded that, the majority service period of the employees of the bank (75%) falls under 1 to 5 years which shows that the bank has a young and unstable work force that may or may not decide to stick around with the bank for a predictable future and the banks compensation, supervisor support culture, work environment, organizational justice, and organizational commitment are below average. In overall analysis, when the bank employees the retention strategies in a better manner, it can hold its employees for a long period and increases its profit.

From the interview questions, it’s been concluded that the management expects to retain valuable employees, gain HR competitive advantage in the banking industry, remain competent, become employer of choice, curb turnover rate, and reinforce positive work environments.

It is also important that retention strategies are formulated with inputs from the employees to ensure that retention strategies are properly aligned with needs of employees. The cost of high

turnover can be very destructive making it necessary for organizations to retain its' high performing employees in the face of competition for labor. It will be too late for managers trying to respond after the employees have left. Therefore the elected banks need to adopt comprehensive and proactive retention strategies to retain employees and to reduce employee turnover intentions and increase their commitment.

5.3. Recommendations

1) The bank has a very advantageous composition of educational qualification with a majority of employees having a service period of one to five years. Thus, the management of the bank should seriously consider investing more on its employees in areas of training and development, in improved benefit packages, in improving employees issues of job security by helping them form their own employee union, improving the working conditions to suit its employees starting from office furniture, coffee & tea to clean and attractive work place .so that the productive age and educational level of its employees can be put to better use for the good of the company as well as its stakeholders.

2) Even though the bank offers various retention programs, its effect on employees in eliciting their commitment has not been materialized. Thus, the management of the bank should focus on the how to improve compensation, supervisor support culture, work environment, and organizational justice. To do so, the organization needs to focus on assessing the overall retention strategies .Conduct need assessment to identify gaps between expected supervisors support culture and the actual practice and address the gap with training and skill updates. Work on employees' perceived organizational injustice and identify the root cause in order to create a sensible organizational justice.

3) Immediate supervisors need to be trained to act as coaches and encourage support culture not only from top bottom but also among employees. To this effect, the management should plan and execute various social events and gatherings such as employees' day, bring your children to work day, sport competitions'...etc so that employees' gets acquainted with one another and also with their bosses on a personal level. This friendly social gathering will create a kind of harmonious work relationship between employees and with their immediate supervisors.

4) The management should also need to make the reward system transparent, equitable, and merit based so as to unleash true potential of employees'. Otherwise, the effect of perceived inequality in terms of reward system will have a devastating effect on the productivity of each and every employee.

5) To be eligible for the retention program, the bank has some preconditions that needs to be met ranging from years of service to various rules and regulations. Accordingly, since the majority of

the banks employees fall under the service period of one to two years the bank needs to adjust some of its eligibility criterion such as the waiting period, minimal requirements, and ease of procedural barriers. Because employees who have served the bank for this relatively short period of time and within such an active age category, innately are prone to change in search of a better pay and other enticing factors than what they are now being offered. Employees' who successfully finalize their probationary period for permanent employment needs to be eligible to all types of staff retention programs with no prior service period requirement. Moreover, since the organization has sufficient employee data for security purpose, the procedure that needs to be fulfilled so as to benefit from the staff retention program needs to be kept to a minimum in a way that will not jeopardize the organization's interests.

6) From the interview session it's been concluded that the bank expects to retain valuable employees, gain HR competitive advantage in the banking industry, remain competent, become employer of choice, curb turnover rate, and reinforce positive attitudes about the company in the mindset of its employees as an outcome of the extended employee retention plan. But from the analysis of the research it's been confirmed that, even though the bank is doing what it supposes will elicit employees' organizational commitment, the empirical evidences states differently. Accordingly, the management should be very pragmatic and vigilant in practicing employee retention policies in a manner that is employee friendly, more appealing, and in a way that make employees fall in love with and take pride in the company they work for and not only for the sake of just doing it.

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Appendix -I

ADDIS ABABA UNIVERSITY

COLLEGE OF BUSINESS AND ECONOMICS

DEPARTMENT OF PUBLIC ADMINISTRATION AND DEVELOPMENT MANAGEMENT

QUESTIONNAIRE FOR THE EMPLOYEES

Dear Respondent,

I am a postgraduate student in Department of Public Administration and Development Management at Addis Ababa University. I am presently conducting a research in the area of employee retention strategies and its effects on employees' organizational commitment.

You are kindly requested to complete the attached questionnaire as honestly as possible. The information being solicited from you is purely for academic purposes. All information provided by you will be treated confidentially. Your honest completion of this questionnaire will assist the researcher in generating information that will help organizations to improve on their employee retention strategies to enhance quality service delivery and improved productivity.

Email nigussiemengesha2013@gmail.com

Phone +251 912 71 22 43

Thanking you for your co-operation.

Part-I: Demographic Information

Please mark(√)mark as appropriate.

1. Gender:

Male Female

2. Age:

20-25 26-33 34-41 Above 41

3. Educational Background:

Postgraduate Degree Diploma Certificate Other

4. Present position in the organization:

Customer service officer Accountant junior officer other

5. How many years have you been in the service of the organization?

1-5 6-10 11-15 16 and above

6. The grade of the bank that you are working in:

One two three corporate

Section II: Questions on Employees Retention Strategies

1. Please indicate the employee retention strategies in your organization and put a (√) mark under your option.

No	Item	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
1	You do have a competitive salary package.					
2	Your organization provides you trainings and development opportunities.					
3	Your organization gives you recognitions and rewards for your good performance.					
4	You do have opportunities to work independently.					
5	Your organization provides you up to date technologies to perform your jobs.					
6	You do have interesting job opportunities.					
7	You do have opportunities to participate in decision making processes.					
8	Your organization encourages good working relationships amongst employees.					
9	Your organization guarantees job securities.					
10	You do have a strong sense of belongings to the organization.					

Part III: Questions about the common reasons why the employees leave/stay in the organization

3. What are the common possible reasons for the employees' intention to stay or leave the organization? Please indicate the common possible reasons which let you stay or leave the organization

No	Item	Strongly Disagree	Disagree	Neutral	Strongly Agree	Agree
1	Lack of competitive payment system					
2	Unavailability and inadequacy of opportunities for training and development					
3	Lack of job security					
4	Lack of work life balance					
5	Lack of sense of belonging to the organization					
6	Need for better opportunities					
7	Lack of manager's/ supervisor's support					

Part VI: Questions about the role of retention strategies on employees' organizational commitment

4. To what extent do retention policies or strategies being implemented by the Bank affect the level of the employees' organizational commitment in the Bank? Please put (√) mark against your choice.

Highly moderately lowly very lowly

Appendix-II

INTERVIEW QUESTIONS FOR MANAGERS

I am a postgraduate student in the Department of Public Administration and Development Management at Addis Ababa University. I am presently conducting a research in the area of employee retention strategies and its effects on employees' organizational commitment.

You are kindly requested to complete the attached questionnaire as honestly as possible. The information being solicited from you is purely for academic purposes. All information provided by you will be treated confidentially. Your honest completion of this questionnaire will assist the researcher in generating information that will help organizations to improve on their employee retention strategies to enhance quality service delivery and improved productivity.

Thanking you for your co-operation.

1. What retention strategies do you implement in your organization? Will you mention some of the please?

2. How do you manage retention strategies in the bank? Will you explain me, please?

3. What are the common reasons that let your employees stay or leave the bank? Please mention some of them.

4. How does the bank take possible actions to increase the retention level of the employees?
Will you some of them, please?

5. To what extent do retention strategies affect the level of the employees' organizational commitment?

Appendix-III

INTERVIEW QUESTIONS FOR EMPLOYEES (SUPERVISORS)

I am a postgraduate student in the Department of Public Administration and Development Management at Addis Ababa University. I am presently conducting a research in the area of employee retention strategies and its effects on employees' organizational commitment.

You are kindly requested to complete the attached questionnaire as honestly as possible. The information being solicited from you is purely for academic purposes. All information provided by you will be treated confidentially. Your honest completion of this questionnaire will assist the researcher in generating information that will help organizations to improve on their employee retention strategies to enhance quality service delivery and improved productivity.

Thanking you for your co-operation.

1. What retention strategies do the Bank of Abyssinia implement? Will you mention some of the please?

2. How does the Bank of Abyssinia manage retention strategies in the bank? Will you explain me, please?

3. What are the common reasons that let employees in the bank stay or leave ? Please mention some of them.

4. How does the bank take possible actions to increase the retention level of the employees?
Will you some of them, please?

5. To what extent do retention strategies affect the level of the employees' organizational commitment?
