



SCHOOL OF GRADUATE STUDIES

**THE EFFECT OF EMPLOYEE RETENTION STRATEGIES ON THE
PERFORMANCE OF EMPLOYEES IN THE CASE OF COMMERCIAL
BANK OF ETHIOPIA IN GURAGE ZONE**

MBA THESIS

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Employees in the case of Commercial Bank of Ethiopia in Gurage Zone**

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DECLARATION

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

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LISTS OF ACHRONYMS

ANOVA:	Analysis of Variance
OLS:	Ordinary Least Square
P-value:	Probability Value
CBE:	Commercial Banks of Ethiopia
VIF:	Variance Inflation Factor
SPSS:	Statistical Package for Social Science

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ABSTRACT

Organizations must prioritize employee retention, especially in the fiercely competitive banking sector. Investigating how staff retention tactics affect workers' performance at the Commercial Bank of Ethiopia is the goal of this study. The main objective of this study was to examine the effect of employee retention strategies on the performance of employees in CBE, Gurage zone in central Ethiopia Region. Descriptive and explanatory research design along with quantitative and qualitative approach was employed. Cluster and simple random sampling techniques were used to select 216 employees from the branches of Gurage Zone. Primary data was collected using self – administered questionnaires and interview from branch managers. Secondary source of data was used by reviewing documents related to employee retention strategies and employee performance. Descriptive statistics, Pearson correlation coefficients, multiple linear regression analyses were used to analyze the quantitative data. All the quantitative data were analyzed using a Statistical Package for Social Sciences (SPSS) version 26. Qualitative data was collected and narrated systematically using content analysis approach to support the quantitative data analyses results. The findings of the study revealed that management supervisor and employee relationship, reward and compensation, training and development, work – life balance, employee participation in decision making and communication, and employees performance level measurement have significant and positive effect on employee work performance. In general, these variables in combination have accounted 80.7% in explaining the variation in the employee working performance. Therefore, all the independent variables played vital role on the work performance of most employees in the CBE in the study area. Hence, it is recommended that the management bodies of the CBE better to give more attention on the already mentioned variables so as to motivate employees to uplift the productivity of the banks.

Key words: *employee performance, reward and compensation, strategy, training and development.*

CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

Employee retention refers to an organization's ability to retain employees. A high rate of retention is achieved by reducing employee turnover, which is the number of employees who leave a job, either voluntarily or involuntarily, during a certain period of time. Increasing employee retention has a significant impact on organizational performance and success (Maertz& Campion, 1998).

Retaining performing employees in any organization promotes company performance, customer satisfaction, in terms of quality of service or products, motivated workers, organizational image, proper succession planning, and overall profit. Employee retention is the ability of an organization to reduce the turnover of its employees (Fukofuka, 2014). It is the final component of an overall staffing system.

Employee retention is the process of encouraging employees to stay with an organization for a maximum duration or until a project is completed. It benefits both the organization and the employee, but is a challenge for most organizations.(Fombrun&Shanley, 1990).

In recent years, employee retention has become a significant challenge for the banking industry globally. The high employee turnover rate in this sector affects the overall performance of the organization, which leads to a loss of experienced and skilled employees. Therefore, this study aims to investigate the impact of employee retention on the banking industry Liter affecting employee retention in the banking sector in Ethiopia.

Globally, retaining qualified employees remains the most important role human resource departments perform in every organization. This is because businesses require competent employees to exist and stay in business (Kossivi et al., 2016). As a result, one of many modern organizations' major issues is retaining talented employees to achieve organizational

performance. According to Ma et al. (2018) organizations without talented employees will have difficulty reaching their desired goals and objectives since inadequate employee retention strategies typically result in employee turnover

In today's business environment, human resources are seen as strategic partners, as organizations' greatest assets are their people. Effective talent management is crucial for achieving business objectives and achieving current and future strategies. Employees are essential resources and the lifeblood of an organization. Retaining their talents is vital for organizations to remain competitive and maintain their competitive edge. Ma et al. (2018)

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).

Employee turnover can derail your organization's strategy and growth plans, putting success at risk. As more people leave the company, your talent function goes into triage mode. They focus on plugging in new talent rather than adequately training and developing long-term employees. This response illustrates a reactive approach to retention rather than a long-term proactive strategy Ma et al. (2018)

Employees must be fully committed to the needed performance standards in order to maintain the competitive edge. Since employee behavior has changed over time and young workers are constantly ready to move jobs if they are unsatisfied for whatever reason with their employment, retention of employees have become the main problem for most firms, including those in the banking industry (Mike, 2017). They have several opportunities available to them at any one time, unlike others who only have one chance to survive. It

involves more than just keeping the workers employed. The primary duty of the employer is to maintain the best staff within the bank. Employee retention is a useful strategy for keeping

Employee retention is a successful strategy or method for keeping a staff that is steady and sustainable in banks (Roberta, 2012). There are certain reasons why employees quit a company, according to Mike (2017). Expectations are crucial in deciding whether a worker is happy or unhappy with their current position. Employees are more likely to stay with a company for a longer amount of time if the boss and staff have a closer relationship with one another. The purpose of this study is to look at the relationship between employee performance and retention techniques in the particular setting of Commercial Bank of Ethiopia in the Garage Zone of the Central Ethiopia Region.

This study is important from an academic standpoint because it examines how employee retention methods affect performance in the Ethiopian banking industry, which closes a gap in the body of literature. It adds to the small amount of knowledge already available on the subject and has the potential to support, refute, or expand on current frameworks and hypotheses regarding employee performance and retention. Furthermore, the study might present fresh techniques or strategies that other researchers looking into related subjects can adopt or duplicate.

From a practical standpoint, the research's conclusions might offer the Commercial Bank of Ethiopia's management insightful information for creating strategies that would effectively retain employees. The bank can make wise decisions and put interventions in place to improve employee retention and overall organizational success by knowing the relationship between these initiatives and employee performance. The study also has policy implications since government agencies or regulatory organizations may use the research's findings to develop regulations that encourage staff retention and enhance the performance of local banks. Additionally, knowing how retention methods affect worker performance can point out areas where workers need support, training, and development to improve their skills and competencies, which will advance their careers and increase their job satisfaction.

1.2. Statement of the Problem

Employee turnover has a detrimental effect on a company's money, effort, and resources, resulting in disarray and heightened operational challenges. Businesses should concentrate on their core competencies, implement methods for employee retention, and keep their workforce competitive by ensuring that they have the skills, knowledge, attitudes, and behavior's needed. By putting these methods into practice, firms may concentrate on their core competencies and lower turnover, which will ultimately result in a stable and competitive environment. (Meyer, 2003)

The workspaces of commercial banks are experiencing massive change, which puts strain on long-standing procedures and employee expectations. Due to budgetary constraints, personnel reductions, and public expectations, employees work in a challenging environment where they must achieve more with fewer resources. As a result of the globally interconnected workforce and new technologies, banks must adapt global best practices for employee retention while also taking into consideration the demands of the local labor market. The strategies that an organization employs to retain their staff have a great impact on an employee's performance. It is critical for any successful organization to understand the employees' perspectives and measure their retention factors. In today's highly competitive business environment, the dynamics of talent have become a key factor in an attempt to achieve competitive advantage. The most challenging problem in all organizations, especially in the business world, is employees turn over. According to Abraham (2015), there are two factors that organizations need to understand: perception of limited opportunities, lack of senior role models, excessive workload, non-competitive rewards and recognitions, lack of respect for personal life and desires, and a job offers with much greater compensation (such as salary package).

Numerous researches have been done on the subject and found a variety of elements that might contribute to a high incidence of staff turnover in a firm. Employee commitment was directly and significantly impacted, according to Maureen (2015) and Taylor (2008), by corporate cultures with a focus on high performance work practices and flexibility. Promotions as a retention tactic have a favorable impact on employees' productivity, according to Martin (2003) and Yego (2012). According to research by Kabera (2013),

private security services' staff retention is influenced by a number of factors, including employee motivation, attractive working circumstances, and personal security. All businesses want to keep their employees around for a long time since it saves money on training and hiring new people. Employee retention, according to Cappelli (2000), is vital for almost all firms since it reduces the costs associated with recruiting and training new recruits as well as the time it takes for them to become used to the system. Businesses need to execute effective employee retention strategies in order to raise engagement and worker support for crucial company goals. Employee retention refers to a company's efforts to keep up a work environment that encourages current workers to stick around. Several employee retention policies are created to meet the various expectations of employees in order to enhance employee happiness at work and reduce the high costs involved with hiring and training new employees. Keeping customers is essential to reducing turnover expenses.

The researcher wanted to know what the relationship was between employee retention strategies implemented by Commercial Bank of Ethiopia in the Garage Zone of the Central Ethiopia Region and the performance of employees within the bank.

1.3. Objectives of the study

1.3.1. General Objective

The purpose of this study is to examine the effect of employee retention strategies on the performance of employees in CBE, Garage zone of Ethiopia.

1.3.2. Specific Objectives

The specific objectives were as follows:

- To identify employee retention strategies that can affect employees' performance in the CBE Garage Zone branches.
- To assess the current status of employee performance in the CBE Garage Zone branches.
- To determine the effect of retention strategies on employee performance in the CBE Garage Zone branches.

1.4 Hypothesis of the Study

In this study the following directional alternative hypotheses were stated and tested using the 5% level of precision, customary level used when working on significant effect relation (Brooks, 2008; Dhakal, 2019).

H_a(1): Statistically, training and development has significant and positive effects on the work performance of employees in the CBE Gurage Zone branches.

H_a(2): Statistically, reward and compensation have significant and positive effect on the work performance of employees in the CBE Gurage Zone branches.

H_a(3): Statistically, management supervisor and employee relationship have significant and positive effect on the work performance of employees in the CBE Gurage Zone branches.

H_a(4): Statistically, work – life balance has significant and positive effect on the work performance of employees in the CBE Gurage Zone branches.

H_a(5): Statistically, employee participation in decision making and communication has significant and positive effect on the work performance of employees in the CBE Gurage Zone branches.

H_a(6): Statistically, employee's performance level measurement has significant and positive effect on the work performance of employees in the CBE Gurage Zone branches.

1.5. Significance of the Study

This study was aimed at providing workable solutions to a real and problematic issue within almost all organizations – the effects of employee retention strategies on performance. Key stakeholders may benefit: generally, the banking industry may find the results of the study very valuable because it would provide comprehensive HRM employee retention strategies and practices that effect on the performance of higher level employees and the skillful workforce. This study might also help to shape HR policies and strategies of the CBE's thereby facilitating the aim of retaining and enhancing the performance of individual

employees at critical job position levels in the bank; and to ensuring the implementing effective and efficient employee retention strategies in CBE. The findings of this study might have been beneficial to the top level management as well as the human resource management of the bank. This is because it was expected to provide possible answers to why employees stay or leave their organizations, thus providing some answers as to how to tackle the critical management issue of employee turnover and increase the overall performance both at individual and organization levels. This would invariably help the CBE in formulating appropriate retention policies, making informed decisions and adopting strategies that would boost retention, performance of the critical job position employees and increase the overall performance of the CBE's productivity.

The study was generally help to identify the benefits and limitations of employee retention strategies, to provide possible recommendations and an overall view of the effects of employee retention strategies on the performance of employees in different position levels and organizational success for those who take interest in further study. Retaining critical job position employees were the challenging task but it was a good way towards attaining objectives of the CBE.

- Filling a Research Gap: The study addresses a gap in the existing literature by exploring the relationship between employee retention strategies and employee performance specifically within the context of Commercial Bank of Ethiopia in the Garage Zone of Central Ethiopia Region. This adds to the limited body of knowledge on employee retention strategies in the Ethiopian banking sector.

- Theoretical Contributions: The findings of this research can contribute to existing theories and frameworks related to employee retention and performance. It may validate, challenge, or extend current theories, providing a foundation for further research in this area who will examine similar topics.

Practical Significance: Organizational insight: The study will provide valuable insights for the management of Commercial Bank of Ethiopia in developing effective employee retention strategies. By understanding the relationship between these strategies and employee

performance, the bank can make informed decisions and implement interventions to enhance employee retention and overall organizational performance. Employee Development: Understanding the impact of retention strategies on employee performance can help identify areas where training, development, and support can be provided to enhance employee skills and competencies. This can contribute to individual career growth and job satisfaction, leading to improved performance. In conclusion, the significance of this study lies in its potential to contribute to academic knowledge, provide practical insights for organizational management, and inform policy development in the Ethiopian banking sector.

1.6. Scope of the Study

The scope of the investigation is geographical, varied, methodological, and temporal. The study were done in a branches of Ethiopia's Gurage zone and It concentrate geographically on staff retention tactics and their perceived impact on employee performance at Commercial Bank of Ethiopia, one of the country's largest organizations. As the only bank in Ethiopia that carries out the same operations as every other bank in the nation, Commercial Bank of Ethiopia is selected for multiple banking positions out of all the banking positions in the nation. This is because it only considers the banking sector, which is the nation's current industry.

The practice the research was conducted in the academic year 2023. The study were only concentrate on a few factors training and career development, compensation and reward work life balance, employee participation in decision-making, communication, possibilities for professional growth, employee performance measurement among the many factors that influence retention methods. The research methodology would entail using questionnaires, surveys, or a mix of both to gather data from workers at the Garage Zone location of the Commercial Bank of Ethiopia. To find any connections or linkages between employee retention tactics and employee performance, the data gathered were evaluate. Encouraging staff members to remain with a company for as long as possible or until a project is finished is known as employee retention. The study covered a period of 2015 – 2016.

1.7. Limitation of the Study

This study would be undertaken from the operational level manager to the Treasury, with a sole emphasis on Ethiopia's commercial banks in Gurage zone. The study was restricted to the Gurage Zone Commercial Bank of Ethiopia, and other geographically placed areas of the bank could not be included. As a result, the results could not be extrapolated to a larger population in CBE. One of the study's limitations is its small sample size, which is based on the Commercial Bank of Ethiopia's branches for sampling and data collection. These branches and employee counts are very modest compared to the company's nationwide branch and workforce counts. The other is having restricted access to secondary data, particularly that which is located in the HR department of the company. Recently, the company forbade the dissemination of any data for any research or other purpose due to confidentiality and the highly competitive nature of the industry. As a result, it is challenging to obtain the most recent company retention strategies that are being implemented in order to retain their valuable and experienced employees. Without additional research, the conclusions and suggestions drawn from this study may not be applicable in other contexts and would only be relevant to the example of Commercial Bank of Ethiopia in the Gurage Zone.

1.8. Organization of the Study

The thesis was divided into five chapters. The first chapter served as an introduction, covering the following topics: the study's background, the problem statement, the research questions, the objectives, the significance of the study, its scope, its limitations, and the second chapter addresses relevant literature in the field of research. The research methodology is covered in Chapter three Data Presentation, Analysis, and Interpretation are covered in Chapter four. The study's summary, conclusion, and recommendation will all be included in the last chapter.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1. Introduction

This chapter discusses the thesis on how Employee retention methods affect workers' productivity. It covers the meaning and concepts of employee retention, the relationship between the dependent variable (Employee Performance) and the retention strategies (independent variables), the relationship between the level of employee performance and the retention strategies (independent variables), the empirical literature studies that highlighted the impact of employee retention strategies, and the conceptual framework of the study.

Human resources are a vital part of human resource management. The destiny of the organization is mostly in the hands of its key personnel. Maintaining those staff members is one of the main issues in the current environment. Employee retention is the ability of management to retain its employees over long stretches of time. It calls for beneficial policies and practices that allow key employees to stay with an organization. Companies invest a significant amount of money in training employees to be competent or business-ready. A high staff turnover rate, also referred to as "talent flight," is an organization's biggest loss. It could be troublesome due to the increased costs associated with selecting, hiring, and training staff members, as well as interruptions to work (Robinson, 1996).

2.2. Theoretical Literature Review

2.2.1. Definition and Concepts of Employee Retention

Employee retention can be defined as an organization's ability to keep its employees. No matter how high or low your turnover rate is, you can prevent top talent from leaving with the right practices and strategies. Start by paying your employees appropriately.

Armstrong (2008) defines employee retention as a set of policies and initiatives designed to help a business retain the talent it needs. The goal of retention programs is to keep individuals as devoted employees of the company. By spending the effort to develop and incorporate a retention plan into the organization's rules, employee retention may be

improved. One method of keeping employees in the company is by maintaining positive relationships with them and giving them a sense of security, which in turn inspires devotion and loyalty to the business. The best method to guarantee that the proper people are hired is to recruit them in a way that takes into consideration how well they will fit into the business and desire to advance with it.

Organizations need to have strict retention strategies in place if they want to maintain the best employees. For effective retention strategies to be created, the human resource management must constantly diagnose the nature and underlying reasons of turnover. James and Matthew (2012) state that by having a better knowledge of why employees are leaving or want to leave the organization, effective retention methods may be used and turnover decreased.

In order for firms to ensure that the top employees are kept, effective retention strategies must be in place. In order to create effective retention strategies, the human resource management must constantly diagnose the nature and causes of turnover. James and Matthew (2012) state that by having a better knowledge of why employees are leaving or want to leave the organization, effective retention techniques may be developed to reduce turnover.

Employee retention refers to policies and practices companies use to prevent valuable employees from leaving their jobs Glen, (2006). Leign, (2002) also defines retention as keeping those employees that keep you in business. Nowadays, organizations are experiencing a balance of power shifting from employers to employees. Employees can stay for longer with commitment to their job in those organizations which keep on learning how to keep their employee satisfaction. Sohailat, (2011) enlightened that employee retention as an important process for organization performance to remain competitive.

Keeping employees on board requires offering them opportunities for job progression since they want to succeed in their professions. If career routes and means of achieving objectives are offered, employee loyalty and retention will rise. When he asserts that offering employees professional paths and opportunities to achieve their goals will ensure their loyalty, Rawat (2013) offers an example of this.

2.2.2. Importance of Employee Retention

The goal, according to Karishma, Gandra, Kishore and Kishan (2021), is to prevent staff turnover and the costs that go along with it, such as recruiting and training expenditures, lost productivity, lost clients, lowered sales, and drained employee morale. When organizational concerns like lost knowledge, insecure workers, training time and expense, and an expensive candidate search are involved, employee retention matters. So, it would be expensive for an organization to let go of a valuable employee.

The capacity of firms to stay in business depends on a number of elements, including company culture, environment, promotion, training, and development. Three categories may be used to categorize an organization's workforce in order to improve employee retention: directors, managers, and employees (KossiviandKalgora, 2016). Thus, in addition to Karishma, J Gandra, Kishore & Kishan (2021), which address both issues for the need of retention, there are a number of reasons why we need retention in the organization. These include minimizing recruiting costs, as Baker (2006) mentioned, remaining competitive, and retaining the knowledge and experience that develop over time, as stressed by Freyermuth (2007). Retention is crucial in the workplace for a variety of reasons, which cannot be disputed.

2.2.3. Herzberg's Two Factor Theory

Frederick Herzberg introduced the two factors theory in the book "Motivation to work" in 1959. The theory provides framework for management to understand factors that motivate and dissatisfy the employee. Based on an insightful research conducted by in-depth interviews with more than 200 employees about the moments of positive and negative feeling about their jobs, Herzberg came to the conclusion to divide behavior driven factors to two categories: hygiene factors (extrinsic motivator) and motivation factors (intrinsic motivators).

The hygiene factors refer to those factors actually enabling motivation in the workplace. Herzberg's hygiene factors are those that meet the physiological needs each employee expects to have fulfilled. These factors focus on things such as money, job security, good work relationships and positive working conditions. Without these base hygiene factors,

employees cannot be satisfied, and no amount of motivating factors will retain employees at the company.

The motivating factors, on the other hand, are dependent on the conditions of the job itself. These are the factors that motivate employees to perform better and strengthen their commitment to the company and their jobs. These factors focus on things such as growth opportunities, professional development or advancement, recognition, greater responsibility and more. Hygiene variables include things like pay, business policies, job security, benefits, and working circumstances, which are areas where discontent may originate or that indicate more concrete basic demands. These elements can cause unhappiness even while they don't inspire individuals. Managers should be aware of these variables because failing to supply these hygiene factors lowers employee motivation for their work. Work that is emotionally demanding, accomplishments, chances for professional development, relationships, and job responsibility are all examples of motivators. So as mentioned above there are various reasons why we need retention in the organization to minimize recruiting cost as Baker (2006) mentioned, to be competitive and to retain the knowledge and experience the develop through of time as Freyermuth (2007) emphasized besides Karishma, J Gandra, Kishore &Kishan (2021) which mention both issues for the need of retention.it is not deniable that retention is important in the working environment for many reasons.

2.2.4. Adams Equity Theory

The equity theory proposed by Adams (1965) acknowledges that people compare their benefits with those of others and are not solely concerned with the rewards they receive for their work. People's subjective perceptions of equity and fairness serve as the theoretical foundation. According to the equity theory, workers aim to preserve parity between their own contributions such as education, time, experience, dedication, and effort and the rewards they receive such as promotions, recognition, and higher compensation in comparison to the perceived contributions and results of other workers (Spector, 2008). According to equity theory, when people feel they are either overly or under rewarded, they get distressed and want to make changes in the organization to make things more equitable. As stated by Hellriegel, Jackson, Slocum, Staude, Amos, Klopper, Louw, &Oosthuizen (2004), they may

act in a way that is detrimental to the organization if equity is not found. When employees feel they are being unfairly rewarded, they may retaliate by cutting back on their effort and output, acting hostilely toward their coworkers and the company, asking for raises in pay, disputing tasks assigned to them by superiors, quitting their job, and looking for another one elsewhere.

2.2.5. Factors That Affect Retention Strategies

2.2.5.1. Training, Career Development Strategies and Employee Performance

According to Armstrong (2001), training is the methodical development of attitudes, abilities, and information that a person needs in order to successfully complete a certain activity or job. Additionally, training refers to the steps taken to enhance an employee's aptitude, knowledge, and skills so they can execute a certain job. Professional development, according to Dessler (2008), is a lifetime of endeavors that support a person's professional exploration, establishment, success, and fulfillment. Organizations now provide workers a platform to advance their careers and feel more fulfilled at work. This strategy is in line with the advice that businesses play a more supporting than prescriptive role in fostering the professional success of their personnel. Consequently, it is crucial that businesses implement strategies.

2.2.5.2. Compensation, reward/recognition Strategies and Employee Performance

According to Ivancevich (2010), compensation is a component of human resource management that deals with all forms of individual rewards that employees receive for carrying out organizational duties. According to Dessler (2008), employee remuneration includes all types of pay that employees get as a result of their job. The three components of an employee's total remuneration are described by Gomez-Mejia, Balkin, and Cardy (2010) as follows: Base pay is the initial and biggest component of overall remuneration. The set compensation an employee receives on a regular basis, whether in the form of a salary or an hourly payment, is referred to as fixed compensation. Pay incentives are a part of the second component; these are initiatives created to reward workers for excellent work. The indirect reward or benefit is the final element. Is a part of human resource management that deals with all forms of individual rewards given to workers for completing work-related duties (Ivancevich 2010). All types of pay that employees get as a result of their job are considered

to be part of employee compensation (Dessler, 2008). The overall remuneration of an employee, according to Gomez-Mejia, Balkin, and Cardy (2010), is broken down into three parts. Base pay is the primary and biggest component of total compensation. This refers to the regular fixed compensation an employee receives, such as a salary or an hourly rate. Pay incentives, which are initiatives created to reward employees for strong performance, make up the second element. The indirect gain or compensation is the last element. Reduced hours, job sharing, and shortened work weeks are only a few examples of the different flexible work environment solutions outlined by Dessler (2012).

Recognition and Rewards: In his 2002 article, Rotundo makes the case that incentive programs should be an important area of innovation for businesses. The adoption of excellent workplace practices or the inclusion of recognition and awards in a larger retention strategy can, however, help to enhance retention.

2.2.5.3. Management /supervisor-Employee Relationship and employee performance

More than 50% of companies stated that they lacked a systematic plan for staff retention, according to Halverson (2013). Recognition, adaptable work schedules, work-life balance, employee engagement, health and safety, communication, workplace diversity, official wellness programs, inclusiveness, and employee development are a few examples of methods that may be used while creating retention strategies.

When employees feel supported, they are less likely to quit their jobs and are more involved with their work when they have strong working relationships and open lines of communication with their managers. Supervisors collaborate in order to put expectations and goals into practice. According to Ontario (2004), the support of the supervisor is so crucial for staff retention that it is true that people quit their bosses rather than their employment. Interactions at work that influence employee retention

Additionally, many individuals build close relationships with coworkers. Such work-related friendships do not appear on employee records, but these relationships can be an important signal that a workplace is positive. Overall, what this means is that it is not just where people work but also with whom they work that affects employee retention. If individuals are not

linked with or do not relate well to their coworkers, there is a greater likelihood for turnover to occur.

2.2.5.4. Employee Work Life Balance/Flexible work environment and Employee performance

In 2018, Preeti and Neha In the majority of firm's worldwide, work-life balance has grown in importance for both employers and employees. When an organization's culture is unsupportive, workers are unwilling to work there and many even depart; retention becomes a serious issue. More flexible work arrangements are in demand, which is good news for employee happiness overall and the decrease of work-family conflict. The current generation of employees places a high value on quality of life due to the constant pressure to perform; hence it is assumed that human resource policies addressing work-life balance are crucial. Mitchell et al. (2001); Cappelletti (2001)

Since most people's jobs only make up a portion of their lives, their careers must complement their personal lives. Employers, however, occasionally believed that their jobs were their only options or that their commitments to them were essential. If employers in this situation don't make an effort to comprehend and manage their workers' work lives, employee unhappiness and a loss of commitment to their work will develop, which will eventually result in low performance and turnover.

Employees may not be adaptable enough to reconcile their responsibilities to their families and their jobs in organizations with shift work cultures. Several strategies have been found to be beneficial in assisting workers in managing work-life balance in a shift work environment (Duxbury and Higgins, 2001). The most crucial of these is talking to staff members about their needs for a work-life balance when scheduling shifts. Other strategies include restricting split shifts, giving staff members advance notice of shift changes, allowing them to trade shifts among themselves flexibly without compromising the amount of work or duties required of them.

Work culture is an organizational management concept which deals with the attitudes, beliefs, and perceptions of employees relative to the principles and practices adhered to by the institution. These values originate from the customs, religions, norms, and norms that become a belief in the work person or organization (Irmayani et al, 2018).

As cited by (Sheridan, 2017) Kerr and Slocum (1987) and Kopelman and colleagues (1990) argued that the variation in employee retention across organizations may be related to organizational culture values. Work culture and nurture a sense of ambition in the mindset of employees at work (Jie, Djubair, 2020).when an employee get fit with work culture of an organization it plays important role in employee retention.(Wong, 2021) Culture is a key advantage when it comes to attracting talent and outperforming the competition. 77 percent of workers consider a company's culture before applying, and almost half of employees would leave their current job for a lower-paying opportunity at an organization with a better culture. The culture of an organization is also one of the top indicators of employee satisfaction and one of the main reasons that almost two- third (65%) of employees stay in their job. This indicates a good work culture result low turnover.

2.2.5.5. Employee participation in Decision Making /Communication and Employee performance

One of the major assumptions of decision-making in an organization is that organizational decisions are rational, and that these rational decisions are necessary to facilitate the smooth running of organizations in their quest to achieve enhanced performance (Miller et al, 2003). Another major assumption of the decision-making in an organization is that the whole concept and purpose of organizations revolve around decision-making (Tonwe, 1994). This means that decision-making is at the very heart of business success of any organization. Furthermore, it implies that the success and failure of any organization at any point in time is considered to be a function of the decisions taken by the management team as it affects a particular or whole aspect of that organization. So, when organizations consider the idea of employees for different decision making process it increases the belongingness of the employee in the organization and also put some positive energy to work as a team.

2.2.5.6. Employee performance level Measurement

According to Armstrong (2001), the issues of accuracy and fairness in performance appraisal is one of the key research interest. In the field of Human Resources management, performance appraisal may be used as a means of measuring employee performance. The purpose of measuring employee performance is not to indicate only where things are not going according to plan but also to identify why things are going well so that steps can be

taken to build on success (Levinson, 2005:). The goal of performance appraisal is to access and summarize employee performance and develop future work, performance goals and expectations. Performance appraisal therefore is an important human resources function, which provides management with a systematic basis for effectively recognizing and evaluating the present and potential capabilities for human resources. The supervisors should continuously determine how effectively their subordinates are performing different tasks. Employees should be appraised at least once in a year, as this will contribute to increase employee efficiency and performance (Rudman, 2003 :)

2.3. Empirical Studies Review

Previous empirical studies have investigated how developing and implementing a strong retention strategy can help create a stable workforce by keeping valuable personnel, which in turn can help achieve better performance than competitors (Juhdi et al., 2013; Gberevbie, 2010). Gberevbie (2010) asserts that there is a beneficial effect on organizational performance when a company implements effective staff retention tactics, such as a positive company image, employee engagement in decision-making, a competitive wage package, and better employee treatment. According to Doh et al. (2011), who conducted a survey including 4,811 workers, an organization's financial performance is supported by the organizational measures it takes to promote employee engagement and retention. According to Kundu and Vora (2004), a business may maintain a competitive advantage through efficient service delivery if it invests in and nurtures talented personnel. Barney (2001) highlights the significance of having highly skilled personnel and emphasizes the need to maintain and develop them in order to obtain an advantage over rivals. Employee turnover is strongly correlated with work-group cohesion, opportunities for promotion, and meeting expectations, according to Cotton and Tuttle's (1986) meta-analysis spanning a number of industries. Kwon and Rupp (2013) contend that enhanced company performance is a direct result of luring and keeping top talent via investments in hiring, training, and development, as well as incentive-based compensation. It is clear that the study of retention has been the primary focus of previous research pursuits.

2.4. Summary of Empirical Studies

From the empirical studies reviewed above, it could be noticed that most of the researchers have conducted their studies on issues related to employee retention strategy using different research designs on government sectors/ public sectors and implementing a quantitative approach. Concerning data sources and collection techniques, most of the studies used primary data collection tool questionnaire using stratified sampling technique.

As to independent variables selection and their significant impacts, almost all of the reviewed empirical studies, included independence of employee retention strategy and employee performance of banking industry of commercial banks in their studies indicating that how these variables drew the attention of the researchers and imperative for investigating the effectiveness of employee retention in any sector. However, regards to other variables they selected according to their objectives, for instance, Employee Retention Strategy, management support, employee performance work quality, etc. But no empirical studies have paid their attention on organizational setting and few of them considered Employee performance.

As a result, this study attempted to fill in the gaps regarding employee retention strategy and explanatory research design along with a mixed-approach that took into account the determinants of employee retention strategy on its employee performance of organizational setting on the effectiveness Job performance of Commercial banks of Ethiopia Gurage Zone, despite the researcher's inability to search and cover additional local and foreign literatures, aware of the aforementioned empirical studies review.

In summary, it is clear from the examined literature that different research has been done on the impact of employee retention strategies on job performance globally. As a growing nation, Ethiopia provides evidence for the necessity of elucidating the implications of theoretically established, empirically supported results, and emergent implications of the factors employee retention strategy.

No sufficient evidence was found in the Gurage Zone case to support the need for further investigation. The research was aided by the examined literature in comprehending the importance of employee retention strategies and the specific nature of the issues facing

Ethiopia's commercial banks' employees. In light of everything previously discussed, this chapter helped the researcher refine the research objectives.

Research gap

Studies indicate there are factors that affect companies' retention strategies. Different studies have been conducted on the importance of employee retention strategies and the factors that affect them in the public sector, and there is a gap in the attitudes of employees and employers towards retention strategies. In developing countries like Ethiopia, employee retention strategies mostly focus on financial benefits. However, there are other factors that affect the employee's perception of staying longer at work beyond the financial benefits offered by the companies. In order to fill the gap, this study will assess what employees think of different strategies and how they relate to their performance and their role in the overall performance of the organization.

2.5. Conceptual Framework of the Study

The major concept of this study was focused on assessment of the effects of employee retention strategies on the performance of Employee through, document analysis (policies, strategies, and procedures etc.), targeted employees responses HR practitioners Interview and survey questionnaires in CBE, Gurage Zone.

Career advancement opportunities, compensation, work-life balance, work environment, communication, job security, and decision-making are the independent variables that are used as input for the process in Figure 2.1, and employee retention is the process that uses the inputs to get the output of employee performance, which links with firm performance as a whole. There is a feedback system to check on the inputs that have an effect on the employee and firm performance, which is indicated as a dependent variable in the study.

Variables- The independent and dependent variables of the study are:

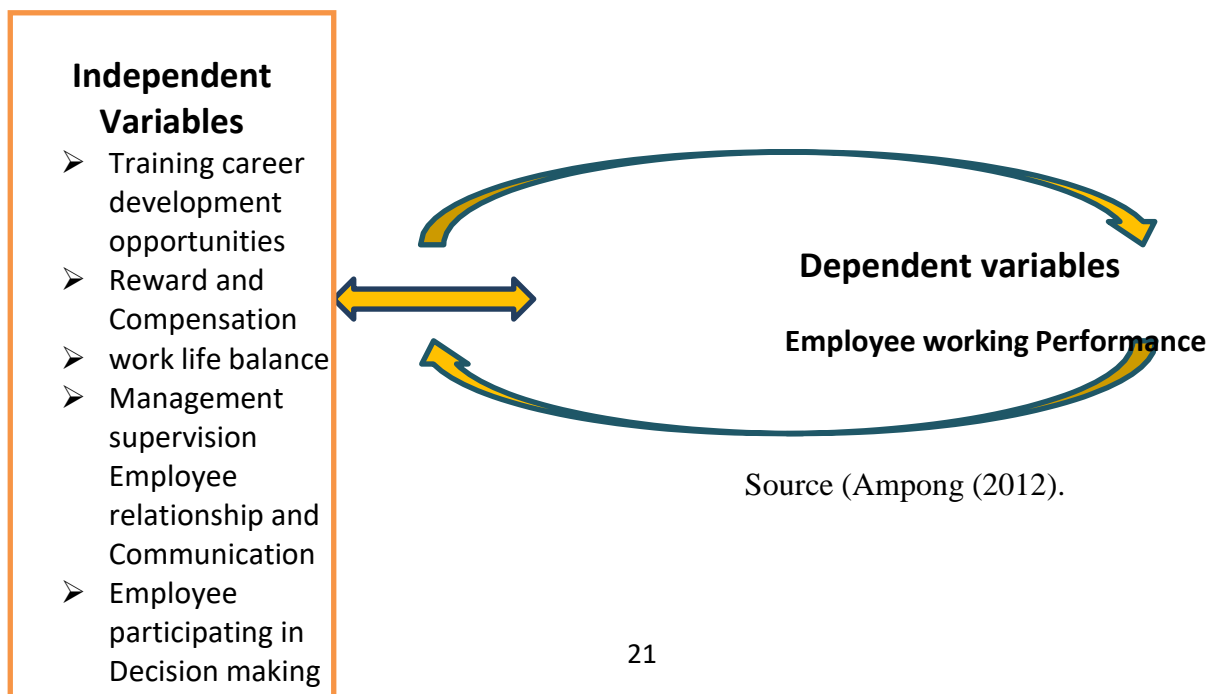
Independent variables -Training and career development, Compensation, Rewards, Incentives and Recognition, Management/Supervisor in Employee Relationship, Employee

work Life Balances, Employee Participation in Decision-Making/Communication and employee performance level measurement.

Dependent variable – employee Working performance

This shows that Employee Retention Strategies if utilized effectively might lead to increased job satisfaction, employee loyalty/commitment, and employee retention/lower employee turnover. The overall effect could be high employee job performance and overall organizational success (high organizational performance). Source: Adapted from Ampong (2012). Satisfying the human sources is one of the hardest tasks that most organizations face today. Understanding what is going on in the employees' minds is hard to understand. Moreover there are so many existing opportunities for the talented and that is making the situation hard difficult for the employers to satisfy and retain them. The conceptual framework below figure 2.1 was developed by looking at some of the factors that would affect employee retention. The factors influencing employee retention are numerous and most of the literature reviewed concentrated on improved job training, and development plans, Reward compensation, benefits, as major contributors. Management supervision Employee relationship and Communication, Employee participating in Decision making and Performance level measurement

Figure 2.1: Conceptual Framework



Hypothesis:

Hypothesis	Description	Accept/Reject
H1	Training and career development opportunity has positive and significant impact on employee working Performance and retention.	H1/H ₀
H2	Reward and compensation has positive and significant impact on employee working Performance and retention.	H2/H ₀
H3	Work life balance has positive and significant impact on the employee working Performance and retention.	H3/H ₀
H4	Management supervision Employee relationship has positive and significant impact on the employee working Performance and retention.	H4/H ₀
H5	Employee participation in decision making/communication has positive and significant impact on working Performance and employee retention.	H5/H ₀
H6	Performance level measurement has positive and significant impact on working Performance and employee retention.	H6/H ₀

The model above clearly shows that employee retention factors have a direct correlation with training, and development plans. If these factors occur in the organization then the trend to change or leave the job over to some other job gets reduced. Training and Career development and Employee Retention Messmer (2000) found that one of the important factors in employee retention is investments on employee training and career 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. Tomlinson (2002) forwarded the view that organizations can keep the leading edge in this competitive world by having their employees well trained in the latest technologies. Garg & Rastogi (2006) [49], explained that in today's competitive environment feedback is very essential for organizations 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. Handy (2008) has mentioned that proper innovation, and assimilation of new knowledge is essential for survival in any work environment. Thus knowledge is the most expensive asset of any firm

Compensation and employee retention According to Gardner et al., (2004), pay is considered as a motivator and employee retention method. Milkovich and Newman (2004) have clearly demonstrated that among all types of reward, monetary pay is considered one of the most significant factors in retention. Reward and recognition According to Walker (2001), recognition coworker, bosses, team members, and customer enhance loyalty. Silbert (2005)

observe that reward is important because it has a lasting impression on employees which, as a result, gives the employees a view that they are important in the organization.

Work-life balance and employee retention Work-life balance is increasingly important for engagement and affects retention. Hyman et al., (2003) [42] in their empirical research in the UK found that interventions of work demands into personal life (e.g. working during the week-end) resulted into heightened stress and emotional exhaustion among the employees. In a study conducted by the Australian Telework Advisory Committee (2006) [43] it was found that 70% of businesses that incorporated telework options reported a number of positive benefits, such as increased business productivity and reduced costs, improved employee flexibility and work life balance, and increased workforce participation

Management supervision and Communication: Effective leadership that communicates well, provides support, and fosters a positive work environment is crucial for retaining employees. Employees prefer to have an open and timely feedback from their supervisor (Ramlall, 2004). Feedback is an essential tool in developing an employee, and in retaining them in the future. Feedback is given in the form of an annual review or performance appraisal. To retain employees, feedback should always be given in as positive way as possible. If an employee is struggling in an area, management should feedback as to how they can improve, and a plan for them to succeed

CHAPTER THREE

RESEARCH METHDOLOGY

This chapter gives brief and precise explanation about the methodological tools that the researcher used to accomplish the objectives of the study. The chapter organized as follows: description of the study area, research design, research approach, target population, sampling techniques and sample size determination, method of data collection and instruments, validity and reliability of the instruments, variables and their measurements, method of data analysis and ethical considerations.

3.1. Description of Study Area

Gurage is a zone in the Central Ethiopia Regional State of Ethiopia. The region is home to the Gurage people. Gurage is bordered on the southeast by Hadiya and Yem Zone, on the northwest by Kebena Special Woreda, north and east by east Gurage zone and on the southeast by Silt'e. Its highest point is Mount Gurage. Welkite is the administrative centre of the Region



Figure 2.2: study area of Gurage Zone(<https://www.google.com/maps/plac>)

3.2. Research Approach

In this study both quantitative and qualitative approaches were employed. It is used to evaluate the evidence and to clarify theories and hypothesis. It is much more focused on the collection and analysis of statistical data (Hunter & Leahey, 2008). On the other side, the qualitative method is interpreting what the people think. Such method, according to (Creswell, 2007) helps to minimize the risk of validity, reliability and subjective issues. By doing so, the study gave emphasis to both quantitative and qualitative enquiry. Moreover, mixed approaches can capitalize strength of each approach and offset their different weakness and provides a better understanding of research problem than either approach alone. It can also provide more comprehensive answer to research questions going beyond the limitation of a single approach (creed et al., 2004). Furthermore, implementing mixed methods approach is advantageous to examine the same phenomenon from multiple perspectives and also to allow new or deeper dimensions to emerge (Creswell, 2003).

3.3. Research Design

In this study descriptive and explanatory research design was employed. This is because it is believed that descriptive research design helps to examine the what, where, and when of a phenomenon. Moreover, as Creswell (2006) stated that descriptive research gives a better and deeper understanding of a phenomenon, which helps as a fact-finding method with adequate and accurate interpretation of the findings. Furthermore, it also helps to gather data at a particular point in time with the intention of describing the nature of existing condition or identifying standards against which existing conditions can be compared or determined the relationship that exists between specific events.

As to explanatory design, it captures the causal relationship between variables (Saunders et al., 2009). In explanatory study a situation or problem leads to the explanation of the relationship between variables, i.e., it seeks answers to why and how types of questions by identifying causal factors and outcomes of the target phenomenon (Bhattacharjee, 2012). More specifically, it enabled the researcher to describe what type of relationship that was existed among different variables related to the topic under investigation. For instance, to

examine the extent to which two variables co – vary, i.e., where changes in one independent variable is reflected in changes on the dependent variable (Creswell, 2012). It is also convenient to gather data from a relatively large sample of respondents at one point in time. Moreover, it helps to investigate the current situation of CBE in the study area and more importantly, it is useful to describe the impact of the independent variables on the outcome variable using the correlation statistical test including the strength and the direction of the relationship between them so as to provide more information about the extent on which factors are affected growth of the enterprises. Finally, it helped to make interpretations and draws conclusions from the statistical test results.

Therefore, based on the above scenario the researcher attempted to investigate the effect of the six independent variables on employee work performance in the CBE in the study area.

3.4. Target Population

Since Commercial banks of Ethiopia has quite large number near to one thousands branches across the country, it's difficult to address them so, the target population for this specific study were 469 employees currently working in all branches of Gurage Zone as follows.

Table 3.1: Target population HRM Department

Gurage Zone	No branch	Manager	Assistant Managers	Officers	Treasury	Messenger's	Total	No. of Employees in each Job Position(B*H)
East								
Meskan	1	1	2	6	2	1	12	12
MirabMeskan	1	1	2	6	2	1	12	12
Soddo	1	1	2	6	2	1	12	12
DebsubSoddo	1	1	2	6	2	1	12	12
Buie	2	1	2	6	2	1	12	24
Butajira	4	2	4	12	4	2	24	96
Enseno	1	1	2	6	2	1	12	12
Adm. Town								
Gunchre	1	1	2	7	2	1	13	13
Areqit	1	1	2	6	2	1	12	12
Emdibir	2	1	2	6	2	1	12	24
Wolkite	6	6	4	12	4	2	28	140
Agena	1	1	2	6	2	1	12	12
West								
Gedeb. Guta	1	1	2	6	2	1	12	12
Muh. Aklil	1	1	2	6	2	1	12	12
Endgagn	1	1	2	6	2	1	12	12
Getho	1	1	2	6	2	1	12	12
EnorMeger	1	1	2	6	2	1	12	12
Darge/ Absh&Walga	2	2	2	6	3	1	14	28
Total	28	21	42	126	42	21	252	469

Source: HRM Department from each branch (2024)

3.5. Sampling Techniques and Sample Size Determination

3.5.1. Sampling Techniques

The study used probability sampling from which it uses multistage cluster sampling since it is preferable for large populations and when it is difficult to get complete list of elements of the population in our case it is large and geographical spread population.

In this study two types of probabilistic sampling techniques were employed. The first type of sampling technique was simple random sampling technique that has been implemented to select administrative towns and woredas. This method was used in order to select administrative offices without biasedness. Therefore, using the method four administrative

towns that covered 57.1% the whole administrative towns and nine woredas that covered 52.9% of the total woredas were selected.

The second type was cluster sampling technique, because, cluster sampling technique is a method in which each unit selected is a group of persons rather than an individual (Ali, 2014). Moreover, cluster sampling technique is useful when sampling frame is not available or too expensive and cost of reaching an individual element is too high. All of the selected administrative towns and woredas were selected using cluster sampling technique

3.5.2. Sample Size Determination

Determining sample size is a very important issue because samples that are too large may waste time, resources and money, while samples that are too small may lead to inaccurate conclusions. In Commercial banks of Ethiopia in Gurage zone there are around 28 branches classified in zones and Town administrations. The study used managers and different department employees. Also conduct for middle level managers and HR department employees.

The formula, $n = \frac{N}{1 + N(e)^2}$, Where n is the sample size N is the population size (Total number of Employee of Commercial banks in Gurage Zone), e is the level of significance (5%). Therefore, and the sample size for this study was:

$$n = \frac{469}{1 + 469(0.05)^2} = \frac{469}{2.172} = 215.9300 \cong 216 \text{ of the total numbers.}$$

However, even if the sample size was determined as 216, for the sample and then it became regards to sample distribution across the zone, branch from those selected woredas and administrative towns established the sample size.

Table 3.2: Sample size Distributions

Gurage Zone	No. of Employees in each Job Position(B*H)	Sample size of the cluster
East Gurage Zone		
Meskan	12	5.52
MirabMeskan	12	5.52
Soddo	12	5.52
DehubSoddo	12	5.52
Buie	24	11.04
Butajira	96	44.19
Enseno	12	5.52
Administrative Town		
Gunchre	13	5.98
Areqit	12	5.52
Emdibir	24	11.04
Wolkite	140	64.45
Agena	12	5.52
West		
GedebanoKutazer	12	5.52
MuherenaAklil	12	5.52
Endgagn	12	5.52
Geto	12	5.52
EnorMeger	12	5.52
Darge/ Absge and Walga	28	12.89
Total	469	216

Source: HRM Department from each branch (2024)

3.6. Methods of Data Collection and Instruments

In order to get valid data regarding the issue under consideration in Gurage Zone, both primary and secondary sources of data were used. Primary sources of data were collected using questionnaire and semi - structured interview. In addition, document review from the each branch of CBE and from different published and unpublished materials.

3.6.1. Sources of Data

The sources of information for the study were both primary and secondary sources. For the purpose of this study, questionnaires and semi - structured personal interview were used as the primary sources of data collection. The secondary source of information included data from files, books, pamphlets, office manuals, circulars and policy papers to provide

additional information where appropriate for secondary data collection. These were obtained from HRM department documents.

3.6.2. Data Collection Instruments

The tools of data collection depend on the nature, the objective, and the method of data analysis and the scope of the study. The availability of data, time, personal and other facility also influence the selection of tools used for the study. In order to get valid data regarding the determinants of retention strategy of commercial banks of Ethiopia Gurage Zone offices questionnaire, interview and document review were served as data collection instruments.

3.6.2.1. Questionnaire

In this study, the researcher used self – administered questionnaire. Because of its advantages such as its lowest cost options, it is a rapid data collection technique, and it allows participants to think more about the questions and their reply (Cooper & Schindler, 2006). Therefore, survey questionnaire was conducted to gather information on the determinants of retention strategy of commercial banks of Ethiopia Gurage Zone offices. Even though, there are three ways of administering self – administered questionnaire such as face – to – face, telephone, and mail, but since the return rate and objectivity in filling questionnaire is high in face – to - face method (Marczyk et al., 2005), the researcher used this method to administer the questionnaires.

The questionnaire was organized in to two sections; the first part deals with the respondents' demographic characteristics. It includes questions related with the respondents' sex, educational status, and working experiences. The second part is about the five independent variables on the determinants of retention strategy of commercial banks of Ethiopia Gurage Zone offices which have been mentioned in the earlier sections. The second part of the questionnaire was prepared using 1 – 5 point Likert Scales such as 1 for Strongly Agree, 2 for Agree, 3 for Neutral, 4 for Disagree, and 5 for Strongly Disagree (Alemzewed, 2019).

3.6.2.2. Interview

Interviews were conducted with of retention strategy of commercial banks of Ethiopia Gurage Zone offices heads from the selected administrative offices and branch who were one

of the subjects of the study on whether the retention strategy on the performance of employee were effective or not in performing their tasks and on the overall process of the works using semi – structured interview. This tool was chosen, because interviewing is essentially in a qualitative research methodology (Creswell, 2006). It offers an opportunity to gather information upon respondents’ attitudes, perceptions, opinions, and experiences systematically and simultaneously for a certain purpose. This approach helped the interviewer to have more opportunity to explore beyond the answer and so as to enter into discussion with the interviewee to get valid information for cross checking and supplementing quantitative data.

3.6.2.3. Document Review

Documents which were related to retention strategy and work performance were reviewed. Because, document review provide numerous types of data needed in research to elicit preliminary information about the subject being investigated. Moreover, it is relevant to enhance the quality of findings through quantitative methods. Therefore, Employee retention plans, programs, working papers, manuals, organizational chart, and legislation rule documents were reviewed.

3.7. Validity and Reliability of the Instruments

3.7.1. Validity

Validity is “the extent to which the measuring instrument measures the characteristics or dimensions that the researcher intends to measure” (Thatcher, 2010 cited in Shimelis, 2017). Data collection instruments, questionnaire and document review were designed by taking in to consideration of the basic research questions and all items included in the questionnaire and document review were directly derived from them and consistent with the objectives of the study. Based on the definition and different perspectives of validity, the items in the questionnaire were reviewed by the advisors. Finally, before the collection of the actual data, pilot study was conducted for the questionnaire

In order to check the validity of this study and data collection instrument also during preparing questionnaire to meet our objectives in addition to address the problem stated

above, double check the questionnaire before distributions, the study try to address the right person to fill the questionnaires and to get the targeted answer in order to meet the study problems.

3.7.2. Reliability

The reliability of an instrument, as defined by Twycross and Shields (2004), is “the consistency, stability and repeatability of results, i.e., measurements are free from random error, provide consistent data”. Therefore, the result of a researcher is considered reliable if consistent results have been obtained in identical situations but in different circumstances. The researcher used reliability test to ensure the internal consistency of the items in the questionnaire. To measure the reliability as indicated in (Baharin et al., 2015), Cronbach alpha values were used. The Cronbach alpha provides a coefficient of inter-item correlations. This is a measure of the internal consistency among the items in the tool. It is the average correlation among all the items in question, and is used for multi-item scales/questionnaire. The reliability test was conducted using the rule stated in (Baharin et al., 2015). That is, Cronbach’s Alpha value that ranges from 0.9 – 1.0 taken as excellent, 0.8 - 0.89 as very good, 0.7 - 0.79 as acceptable, 0.6 - 0.69 questionable while 0.5 - 0.59 as a poor and the value less than 0.5 as unacceptable, whereas the closer Cronbach’s alpha is to 1.00, the higher the internal consistency reliability will be. In order to the validity of the inferences drawn from the statistical analyses using the items in the questionnaire depends on the consistency or dependability of the measuring instrument – each item. Therefore, the reliability of the items in the questionnaire was checked using pilot test on 30 employees of the CBE who were not included in the actual study. The analysis was done using SPSS version 26. Therefore, the reliability test and its results are presented as follows.

Table 3.3: Reliability Test Results

Variable	Description	Cronbach Alpha	Number of items
Independent	TRCD	.793	10
	RWC	.778	10
	MSER	.771	9
	WLB	.786	8
	EPDC	.789	9
	EPLM	.774	10
Dependent	Employee work performance	.783	10
The overall reliability test result		.816	66

Source: SPSS output, 2024

As it has been seen in the above table the Cronbach alpha is at least .771 implying that all values fulfill the requirement and they are in the acceptable region. Therefore, the items in each variable were used to conduct the actual data.

3.8. Variables and Measurements

3.8.1. Dependent Variable

Dependent variable – employee work performance

This shows that Employee Retention Strategies if utilized effectively might lead to increased employee loyalty/commitment, and employee retention/lower employee turnover. The overall effect could be high employee job performance and overall organizational success (high organizational performance). Source: Adapted from Ampong (2012).

3.8.2. Independent Variables

Internal career train development growth opportunities, compensation, reward and recognition, work life environment, participation of employees in decision making and communication, management-supervisor-employee relationship, employee performance level measurement are the independent variables.

3.9. Method of Data Analysis

After the collection of the data, necessary arrangements were made and organized according to their characteristics and items. The data analyses involved the analysis of information gathered through questionnaire, interview and document review. The data were analyzed on the basis of the research questions. Accordingly, descriptive statistics, qualitative data analysis, and inferential statistics analysis were employed. All the collected quantitative data were analyzed using Statistical Packages for Social Science (SPSS) version 26.

3.9.1. Descriptive Statistics

In this section the data collected through questionnaire, on determinant factors affecting employee retention strategy and work performance were analyzed using frequency mean, and standard deviation to determine to what extent did the factors such as compensation, reward and recognition, job satisfaction, work environment, participation of employees in decision making, management-supervisor-employee relationship and organizational work performance employee. Using 1 – 5 point likert scales. Moreover, the characteristics of the respondents in terms of sex, educational level and work experience, were analyzed using frequency counts and percentage

3.9.2. Qualitative Data Analysis

The data gathered through interview and document review from the selected branch offices were summarized accordingly and described qualitatively in the interpretation of the data. The content of the collected qualitative data was analyzed using inductive approach. Using this method, the researcher was able to organize the data, break them into manageable units, and then supplemented them for quantitative data analysis result and discussion.

3.9.3. Correlation Analysis

The correlation between two variables measures the degree of linear association between them. If it is stated that the dependent and the independent variables are correlated, it means that they are being treated in a completely symmetrical way. Thus, it is not implied that changes in the independent variable cause changes in the dependent variable, or indeed that changes in the dependent variable cause changes in the independent variable. Rather, it is

simply stated that there is evidence for a linear relationship between the two variables, and that movements in the two are on average related to an extent given by the correlation coefficient (Brooks, 2008). Therefore, Pearson correlation coefficient was carried out to test the existence of positive and significant correlation between the six employee retention strategies with the employee work performance.

3.9.4. Inferential Statistics

The study employed inferential analysis to test the effect relationship between the dependent and the independent variables. The study used regression analysis to test such relationships. That is, to assess the extent of the effect of the independent variables on the dependent variable with a view to predict the effect and significance of each independent variable on the outcome variable. Therefore, the correlation and multiple linear regression analysis were implemented

3.9.4.1. Model Specification: Multiple Linear Regression Model

The model specification for regression analysis the statistical tool that allows us to examine how multiple independent variables are related to a dependent variable is:

$Y = \beta_0 + \beta_1x_1 + \beta_2x_2 + \beta_3x_3 + \beta_4x_4 + \beta_5x_5 + \beta_6x_6 + \epsilon$ is the multiple linear regression model with 5 – independent variables.

Where the parameters β_i , $i = 0, 1, 2, \dots, 5, 6$ are called the regression coefficients and represents the expected change in the dependent variable Y (internal audit effectiveness) per unit change in x_i when all of the remaining independent variables x_j were held constant. Where x_i , $i = 1, 2, 3, \dots, 5, 6$ were the independent variables (training and career development, reward and compensation, management supervisor and employee relation, work life balance, employee participation and decision making/communication, and employee performance level measurement). This model was formulated in order to test the hypotheses of the study.

3.9.4.2. Assumptions for Multiple Linear Regression Model

1. **Sample Size Test:** The sample must be representative of the population.
2. **Normality:** The random errors should follow a normal distribution with mean 0 and variance σ^2 , $\epsilon_i \sim N(0, \sigma^2)$.
3. **Linearity:** The mean of the response variable is a linear combination of the parameters and the predictor variables. If the relationship between the response variable and the predictor variables is not linear, the results of the regression analysis will not be the true relationship.
4. **Equal variance:** Different response variable have the same variance in their errors, regardless of the values of the predictor variables.
5. **Independence:** This assumes that the errors of the response variable are uncorrelated with each other, which means different errors ϵ_i and ϵ_j , and hence different response y_i and y_j are independent.
6. **Multicollinearity:** multicollinearity refers to a situation in which two or more explanatory variables in a multiple regression model are highly linearly related, which means there have correlated predictor variables in the regression model. It can also happen if the number of parameters to be estimated more than the actual data used.

As stated in Pallant (2005); Brooks (2008); Dhakal (2018) these assumptions were tested before running the actual studies analysis, interpretations and discussions. The diagnostic test results are presented and interpreted in the next chapter.

3.10. Ethical Considerations

Ethical conduct states that it is the responsibility of the researcher to assess carefully the Possibility of harm to research participants, and to the extent that it is possible, the possibility of harm should be minimized (Bryman& Bell, 2007).

This study was done with the highest importance placed on ethics, confidentiality, and secrecy. Confidentiality and secrecy of the respondents was emphasized to protect their privacy and dignity. Moreover, permission to administer questionnaires and conduct interviews for research purposes was sought from the relevant authorities. Respondents were

informed of privacy and confidentiality. Thus, the researcher has been clearly presented the purpose of the study and how confidentiality and anonymity of the participants was protected; informing them that involvement in the study was voluntary; and was free from any intended risk. Furthermore, misleading or deceptive statements were avoided, in the questionnaires. Ethical clearance was obtained from ethics review board of school of graduate studies, College of Business and Economics, Department of Business administration and, Worksite University

There would also ethical measures that had been followed in the data analysis. To ensure the integrity of data, the study was checked the accuracy of encoding of the survey responses. This would carried out to ensure that the statistics that would be generate from the study were going to be truthful and verifiable, Leary (2004).

During the data collection and interpretation processes, the researcher convinced the participants that any confidential information they disclose will keep confidential and convince them the important of the study is for the organization and the employees. The respondents also informed, the exercise is only for academic purpose sand that confidentially is assured and no one would fall a victim because of any adverse findings in connection with their professional duties. The questionnaire will not require the names of the respondents; this is to protect their identity and remain anonymous. As a result, the employees are aware from the beginning what the researcher doing, why and where the information going and why it gather

CHAPTER FOUR

RESULTS AND DISCUSSIONS

4.1. Introduction

This part of the study deals about the result of the analyses with interpretations and discussions of the data gathered from the participants in the study. It consists of three parts. The first part presents demographic characteristics of the respondents. The second part deals with the analysis and discussions of the descriptive statistics on the five specific objectives of the study on factors affecting professional employees' retention in commercial banks of Ethiopia in Gurage zone. The third part concerns the inferential statistics such as the Pearson correlation and the regression analyses on the relationship between the independent variables and outcome variable and the impact of the independent variables on the outcome variable. Moreover, in this section based on the responses obtained from the respondents' interview results are discussed to support the quantitative data analyzed by descriptive and inferential statistics. Total of 216 were filled and retrieved successfully, representing 100% response rate.

4.2. Demographic Characteristics of the Respondents

Table 4.4: Respondents' Demographic Characteristics

Variables		Frequency	Percent
Gender	Male	138	63.8
	Female	78	36.2
Highest Educational Level	High School[grade 9 – 12]	20	9.25
	Diploma	35	16.20
	Bachelor Degree	125	57.87
	Master Degree	36	16.60
Position of Work at CBE	Managers	28	12.96
	Assistant Manager	30	13.80
	Officers	95	43.98
	Treasury	54	25
	Messenger	9	4.16
Years of service /Experience/CBE	Below 5 years	120	55.5
	5 – 10 years	53	24.53
	10 – 15 years	30	13.80
	16 and above	13	6.01

Source: Own Survey Data, 2024

Table 4.4 shows the demographic characteristics of employees who were selected from those branches of commercial banks in Gurage zone regarding gender, educational background, and years of experience. As a result, as in depicted in the table more than half of the employees 138 (63.80%) were males and 78(36.1%) were females. These numerical values illustrate in most of those branches of commercial banks in Gurage zone there are more male professionals than their female counterparts. In relation to educational background of the respondents, Table 4.5 shows the frequency and percentage distribution of the bank worker qualifications of the study participants. Accordingly, 125 (57.87%) were BSc. College Diploma, 35(16.20%) Master Degree, 36 (16.60%) and High school, 20 (9.25%) Therefore, the information obtained from these participants considered as a reliable and reasonable.

Finally, regarding concerning years of experience, out of the total respondents 216, 120 (55.50%) had 1 - 5 years of experience, while 53 (24.53%) served for 6 – 10 years; 30 (13.80%) had 11 – 15 years of experience; and only 13 (6.01%) had 16 and above years of experience. Since most of the respondents 120 (55.5%) have more than five years of work experience, the results indicate such ample years of services in the commercial banks of

Ethiopia in Gurage zone is adequate enough to reply to the various issues raised on factors affecting bankers profession employees retention.

4.3. Descriptive Statistics Results

In this section, to what extent do items in each of the five independent variables affect the retention of commercial banks of Ethiopia in terms of frequency, mean scores and standard deviation are presented, interpreted and discussed.

Interpretation of a 1 – 5-point Likert Scales with mean

The extent at which the sample respondents' response for the raised statements in the closed ended questionnaire parts were analyzed using the mean score result in terms of strongly agree, agreed, disagree. Strongly disagree implied that majority of the respondents disagree while; higher mean value indicates their agreement.

Accordingly, the perceptions of the respondents were captured using a five-point Likert scale (1-for Strongly Disagree, 2 for Disagree, 3 for Neither Agree nor Disagree (Undecided), 4 for Agree and 5 for Strongly Agree) and interpreted in accordance as adapted from (Zaidatol et al.,2012) mean score degree as shown below.

- **Mean Score = 1.00 – 2.49** indicates **Low** and interpreted that majority of the respondents disagree to the given item and implies low practice or implementation.
- **Mean Score = 2.50 – 3.65** indicates **moderate** and interpreted that majority of the respondents agreed moderately to the given item and implies moderate practice or implementation.
- **Mean Score = 3.66 – 5.00** indicates **high** and interpreted that majority of the respondents agreed highly to the given item and implies high practice or implementation.

Standard deviation was also used to measure the variability of the responses with respect to the mean (average). It shows us the extent in which each response is deviated from the mean. If the value of the standard deviation is very small, it indicates the responses are not dispersed from the mean. Whereas, if the value of the standard deviation is large, it indicates the responses are dispersed from the mean score and this distribution indicates more

heterogeneous or dissimilar spread of scores in the scale (Mark et al., 2009). Accordingly, employees' intention to stay and their perception towards the raised items in each of the independent variables are analyzed with the mean & standard deviation results as follows.

4.3.1. Training and Career Development Strategies

This section deals about the extent of the influence of Training and career development strategy on the retention of banker professional's work in commercial banks of Ethiopia inGurage zone along with interpretations and discussions.

Table 4.5: Responses of the Respondents on Training and development items

No	Items	Mean	SD
1.	I feel motivated by the development plans that are offered in CBE.	3.47	.747
2.	There is an opportunities for personal and professional growth in CBE.	3.66	.530
3.	The Bank provides me a platform to develop my career.	3.58	.649
4.	The learning and development (trainings) that offered By CBE has enabling me to Sharpen my skills.	3.52	6.75
5.	The training offered in CBE has based on the assessment of gap in my job.	3.56	.534
6.	In CBE Employee Development is seen as a key to success rather than a cost.	3.59	.984
7.	CBE provides me with regular opportunities for career advancements to increase in my performance	3.56	.849
8	There are better career & training opportunities in CBE as compared to their similar banks.	3.50	.595
9	The Bank treats me as its partner in working towards meeting the stated goals	3.52	.914
10	I received an adequate training for my current job and there is a clear pathway for career development in CBE.	3.44	.897
Grand Mean		3.54	.328

Source: Own construct from Survey Data of SPSS output, 2024

From the Table 4.5 above, more than half of the respondents were replied agreed that they were motivated by the development plan offered by the CBE which they would be motivated to perform their work in CBE. The mean was found to be 3.47 which were indicating that almost above half proportion of respondents got motivated by the development plan offered by the CBE. On the other hand, half proportion of the respondents was replied agreed on the presence of opportunity for personal & professional growth in CBE. It is important for organizations when their employees believe that there is an opportunity for personal and

professional growth. It will keep them to look forward to the future on their development. This enhances employees to stick with their organization. Therefore, organizations should truly exert their efforts to guide their employees on their advancements in the future; the mean score was 3.66 this was also indicating that more than half proportion of the respondents was agreed by the provision of personal and professional growth offered by the CBE.

With Regards to the banks provision in providing platform for individual employees in their career development most respondents were agreed. The mean score was 3.58 which shows that almost half proportion of the respondents were aware of the opportunities and the banks provision in providing the platform for individual employees in their career development

According to the table 5 above, respondents were asked about if the Learning & training development offered in CBE if it enabled them to sharpen their skills and more than half proportion of the respondents were replied agreed which means that most of the CBE's employee they were believed that the learning and training offered by the bank enables them to improve their work increase in their level of performance. As Learning and development is one of the most important retention factors, an organization who provide learning and training to its employee become more competitive and productive and also will win the loyalty of its work force. The mean score was 3.52 indicating that the majority the learning and training development programs in CBE had enabled them to sharpen in their skill.

As regard to the Training offered in CBE respondents were asked if it was based on assessments of gaps from individual employee's job. From the table 5 above, almost near to half proportion of the respondents were replied that they were moderates about whether the training offered in CBE was based on gap analysis. The mean score value it was 3.52 which indicates that the training that are offered in there is better career and training opportunities in CBE as compared to other similar banks, about half of the respondents were replied agreed and the rest of respondents were neutral about whether there was better training and career opportunities in CBE as compared to other similar banks. The mean score was found to be 3.5, which implied that more respondents were affirmed that there was a better training and career opportunity in CBE when it compared with other banks in the country. Promote career mobility: When employees, are not able to advance at work, they immediately start searching

for other opportunities. That is why companies are offering more career mobility and training opportunities, which support employees who want to move across different departments or even change their occupation.

Respondents were asked if they were treated as partner in working towards achieving the CBE's stated goals most of the respondents were agreed and some of them were neutral. The mean score was 3.52 which indicated that a moderate proportion of respondents were found to be believed that they be considered as partner in working with the CBE they felt that they had high level of belongingness and attached themselves towards achieving the goal of the bank.

According to table 5 above, despite that most of the respondents reply there is an opportunity for personal and professional growth in CBE, yet they are unclear on the existence of structured career development pathway. CBE shall maintain and clearly communicate the hierarchy of career ladders so that employees look forward to their progress. Employees need to be train in order to accomplish their duties successfully. It increases their level of confidence to perform their responsibilities. In addition, they became clear about what to perform and save times from unnecessary confusions. The mean score was 3.44, which implied that CBE need to work hard put efforts to guide employees in their advancement in the future and provide employees with proper and adequate trainings.

Therefore;fromthetable5above,theoverallmeasurementindexforallrespondentsonthetendency of CBE's to deliver proper training and career development strategies and its effect the performance to critical job position holders is average mean score value of 3.54 which implies that it was moderate effect it needs improvement in this regard.

4.3.2. Compensation and Reward /Recognition Strategy

In this section, the study sought to examine the influence of reward and compensation factors on retention of commercial banks workers in Gurage zone.

Table 4.6: Response of the Participants on Reward and Compensation

No	Items	Mean	SD
1.	I am paid fair internally and comparable to the externally market.	3.61	.628
2.	The Non- monetary benefits I received in CBE are better than the other commercial banks in Ethiopia	3.41	.725
3.	The benefits offered by CBE are appeal to and meet the needs of the various categories of employees.	3.64	.813
4.	In CBE Employees are given positive recognition when they produce high quality work.	3.57	.675
5.	The salary& other benefit packages I am receiving now motivates me to work more years in CBE.	3.39	.732
6.	I earn competitive compensation packages like in other similar banks in similar position.	3.64	.809
7	My salary payment is fair and reflects my effort.	3.67	.715
8	The salary, benefits & compensation packages I received in CBE is commensurate with my responsibilities.	3.46	.965
9	The bank provides me with a more competitive pay and benefit packages.	3.41	.926
10	In CBE I provided with appreciation and praise-for what I did in perform well in my job.	3.39	.941
	Grand Mean	3.52	.318

Source: Own construct from Survey Data of SPSS output, 2024

According to the Table 4.6 above, almost half of the respondents were neutral about the CBE’s salary payment as fair & competitive to other banks. Moreover, the mean scale was found to be 3.61 signifying that most of the respondents were satisfied with the CBE’s salary payment and they were believe, that their salary payment is fair and competitive to other banks. This is mainly due to the increasing competitiveness of the banking industry that the averagely other banks pay more than the CBE salary scale adjustments. So CBE need to adjust its employee’s salary to be equally as fair or even more that the pay scale of other banks because of the competitive in the banking sector.

Concerning to whether the Non- monetary benefits that employees received in CBE was better than the other commercial banks in Ethiopia, more than half of the respondents were replied neutral. The meanscore value was 3.41 which mean that, almost half proportion of the respondents were believed that there was better compensation packages like non-financial benefit packages were available in CBE than others. On-financial benefits do not involve any direct payments and often arise from the work itself, for example achievement, autonomy,

recognition, scope to use and develop skills, training, and career development opportunities and high-quality leadership.

On the other hand, more than half of the respondents were replied neutral, that they believed the benefits offered by CBE were appeal to and meet the needs of the various categories of employees with the mean score was 3.64 implying that almost half proportion of the respondents were agreed that the benefits that were offered in CBE were appealing and met the various categories of employees. It was satisfactory that employees had to feel equally important to the organization.

With regarded to CBE whether it providing employee's positive recognition when they perform high quality work In CBE, more than half proportion of respondents were replied neutral. The mean score was 3.57 this implied that half proportion of the respondents were agreed on the existence of positive recognition when employees perform quality work; employees have to exert effort in their work that will lead to a certain level of performance that is desirable by management, which will then result to a reward and recognition

According to table 6 above, about half proportion of respondents were replied neutral about the salary and other benefit packages they were receiving would motivate them to work for more years in CBE. The mean score value was 3.39, implying that the Bank should have to made efforts, a more comprehensive effort at keeping and retaining its valuable employees with competent and great skills.

Concerning to whether employees earn competitive compensation packages like in other similar banks in similar position. More than half proportion of the respondents was replied neutral. The mean score was found to be 3.64 this indicating that half proportion of respondents were satisfied with the salary and other benefit provision of the bank and they were sure to stay in CBE for the coming years.

On the other hand, half of the respondents were replied neutral that the salary payment was fair and that would reflects their effort with the mean score value was 3.67 which indicated that majority of the respondents affirmed that they were paid fair and the salary they were paid also reflects their effort. Competitive Compensation is one of a strong factor that influence employees "to stay in their workplace but it is also essential to keep in mind that

even generous compensation alone can guarantee organizations to maintain its most valuable employees.

Employees are pleased when they compensate relative to the effort they made to do their job. However, regarding to whether CBE salary payment, benefits and compensations as a whole was fair and reflects employees' effort, also half portion of the respondents were replied that they were neutral. Moreover, the mean scale was 3.46, from this we can articulate that half proportion of the respondents were moderate that their salary payment, benefits and compensations as a whole is fair and reflects their effort which means that almost half of the respondents didn't assume that their salary payment is fair and reflects their efforts.

Considering to the CBE's provision of a more competitive pay and benefit packages, from table 6 Above, almost most of the respondents were neutral about the CBE's salary payment its fairness & if it is competitive to other banks. Moreover, the mean scale was found to be 3.41 signifying that most of the respondents did not believe that their salary payment is fair and competitive to other banks. On the other hand, more than half proportion of respondents were neutral about whether the bank provided employees with appreciation and praise-for what they did in perform well in their job. The mean score value was 3.41 which indicated that there need the bank to further improvement in this regard.

Therefore; based on the table 6 above, the overall measurement index for all respondents on the tendency of CBE's to deliver proper Compensation, reward/recognition Strategies and Employee Performance and its effect the performance to critical job position holders is average mean score value of 3.51 which implies that it was the moderate /high effect.

4.3.3. Management/supervisor- Employee Relationship

Employee's relationship with a supervisor strongly affects the employee's opinion about the organization (Eisenberger and associates, 1990). Supervisor's support is an essential factor to change the worker's propensity to quit and create high involvement in job by establishing strong relationship and free interaction with the supervisor (Mahal, 2012).

Table 4.7: Response of the participants on Management/supervisor

No	Items	Mean	SD
1.	I am provided with regular & constructive feedback..	3.53	.884
2.	I am satisfied with my boss's supervision style.	3.43	.892
3.	In CBE I feel that I am valued.	3.78	.813
4.	My organization provides development opportunities (long-term training opportunities for its employees).	3.81	.932
5.	My boss is helpful in solving my personal problems.	3.50	.813
6.	Job responsibility is clearly defined & I am aware of what is expected from me.	3.81	.932
7	Appropriate facility (tools & equipment's) are adequately available to do my job.	3.47	.840
8	There is independence & autonomy in doing my job.	3.47	.840
9	There is a friendly relationship working environment in CBE.	3.38	.892
Grand Mean		3.56	.402

Source: Own construct from Survey Data of SPSS output, 2024

According to the Table 4.7above, it was almost half of the respondents were responded agreed that they were communicated whenever there were new updates in CBE. The mean score was found to be 3.53, from this we can articulate that more than half proportion of respondents were well communicated and informed /aware of the changes in all over the banks.

The existence of smooth and constructive conversation between employees and supervisions are important to create a work environment that facilitates Open, responsive and two way communication. It will prevent the domination of one party and enhance transparency so that employees get a room to be informed and get if there were any updates in the Bank.

On the other hand, employees asked whether they were provided with regular and constructive feedback and about half proportion of the respondents were replied that they were neutral. The mean score was 3.53 which indicated that half proportion of the respondents was affirmed that they were provided with regular and constructive feedback .Constructive feedback came from smooth conversation b/n boss & employees. The existence of smooth and constructive conversation between employees and supervisions are important to create a work environment that facilitates Open, responsive and two way communication. It wills then creates commitment & also prevents the domination of one party so that employees get a room to reflect and discuss with their bosses' on different work related

affairs. Concerning to the level of satisfaction with regard to the supervision styles of their bosses, almost most of the respondents were replied they were neutral. The Mean score value was found to be 3.43 indicating that half proportion of employees agreed on their bosses supervision style. Since the relation of employees and bosses have a crucial impact on employees retention, in CBE employees should be given all the necessary support because employees leave bosses, not jobs. Therefore, the bank shall provide trainings programs to line managers that enhance their leadership skill.

On the other hand, regards to if employees were felt about whether they were valued in CBE, most of the respondents were replied neutral. “Intrinsic” rewards are just as important as material rewards. Employees want to be encouraged and appreciated for outstanding performance and they need to felt they were valued in CBE. Most of respondents confirmed that their bosses“ are recognized and appreciate a well done job which in turn indicated that employees they were feel valued by the Bank. The Mean scale was 3.78, indicate that have agree effect, which designate that most of the respondents reply that they did feel that they were valued by the bank which was came from what they were treated by their immediate supervisor resulted that they felt that they were valued by the bank. They need to be treated by their boss and need to give value for their opinion and their effort by their bosses in recognizing and appreciating for a well done job. Employees should be recognized and appreciated for a splendid job. These have a significant impact on their desire to achieve a superior performance which helps in developing the feelings of belongingness for the bank. When employees are encouraged for good job they will be motivated to gain even a better result than before. Supervisor’s support is an essential factor to change the worker’s propensity to quit and create high involvement in job by establishing strong relationship and free interaction with the supervisor (Mahal, 2012).

Concerning to whether the bosses were helpful/supportive in solving employee’s problem, most of respondents were replied they were agreed. The mean scale was found to be 3.50, indicating that bosses are less cooperative in understanding and helping employees to solving their personal problems.

On the other hand, respondents were asked if jobs were clearly defined & if they were aware of what would expected from them, half of respondents were responded they were neutral,

some of the respondents were also agreed. As indicated in the table 7 above, The Mean scale was found to be 3.81 which indicated that it has an agreed effect, even though, more respondents were aware of their responsibilities and the thing that was expected of them it can be inferred that most of employees are satisfactory clear about their job responsibilities & they were aware about what is expected from them.

It was important to aware employees what is exactly expected from them so that they will be clear about what to perform. An employee who is clear about what he/she perform done their job with a great level of accuracy, effectively and efficiently

As indicated in table 7 above, regarding the availability of appropriate facilities (tools & equipment's) on performing various tasks, more of the respondents were neutral. The mean scale was 3.47, it point out that there is adequate availability of tools and equipment's in CBE. If CBE will be able to provide employees with the necessary equipment consequently, employees are forced to confront difficulties to perform their job well which in the end will affect their performance.

Concerning independence & autonomy in doing their job, almost half of the respondents were replied & they have been evidenced that there was independency & autonomy in doing a job in CBE. The mean scale was 3.47; we can be deduce that there is a room for independency and autonomy in doing a job but it is moderate satisfactory and seeks an improvement

On the other hand, whether there is existed a friendly relationship working environment in CBE, about half of respondents were replied neutral. The mean score value was 3.38 which implied that there must be need to make an improvement in this regard ,Because the relationship between employees and their bosses in order to create a good working environment have an important impact on employees' retention. The findings show that the overall employee relationship in CBE needs further improvements. It is obvious that the existence of a good relationship between employees and their bosses make the work environment more productive. It has a great deal for employees "retention on the bank. Bosses are supposed to be role models and motivators for their subordinates in creating supportive and better working environment so as gain better achievements. Bosses should have a quality of understanding their subordinates create a better working environment through friendly relationship.

Therefore; from the table 7 above, the overall measurement index for all respondents on the tendency of CBE's to deliver Management/supervisor-Employee Relationship and its effect the performance to critical job position holders is average mean score value of 3.56 which implies that it had a moderate effect.

4.3.4. Employee Work-life Balance Strategy

In this section, the study sought to examine the impact of work – life balance factors on retention of banks workers in commercial banks in Gurage zone.

Table 4.8: Responses of the Participants on Work – Life Balance

No	Items	Mean	SD
1.	My work environment allows me to achieve the organizational needs.	3.51	.702
2.	CBE allow and promote flexible work schedules.	3.34	.635
3.	CBE Provides me with appropriate work life balance where appropriate..	3.68	.751
4.	I easily can get off my duty for „home crisis“ like illness/ family crisis	3.31	.648
5.	CBE provides/helps me in creating suitable and supportive environment.	3.73	.710
6.	In CBE my work life balance is well with my family life	3.61	.840
7	Job sharing is used to enable employees have more time with their families.	3.69	.730
8	My work arrangement enables me to have healthier work and life balance for the required number of hours	3.38	.913
Grand Mean		3.53	.330

Source: Own construct from Survey Data of SPSS output, 2024

According to table 8 above, with regards to the work environment some of the respondents were responded they were disagreed and most portion of the respondents were agreed. The mean score value was 3.53 which indicating that almost half proportion of respondents were affirmed that the work environment allows them to achieve the organizational needs and the rest half proportion also were not satisfied by the working environment in CBE. Therefore; CBE need to make genuine efforts to improve on employees work environment which allows them in achieving their proper work. According to Miller, Erickson &Yust (2001) employees get benefited by work environment that provide sense of belonging. Wells &Thelen (2002) have stated in their study that 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.

On the other hand, whether in CBE employees work life balance was well in line with their family life, more than half proportion of the respondents were replied that they were disagreed. The mean score value was found to be 3.61 which implied that most of the respondents assure that there was balance of work-life and home life in CBE.

Most organizations have found that employees who job share are very appreciative of the opportunity offered to the mind therefore as a result they are able to work harder .Jobs haring often results in more participation, improved performance appraisals and volunteerism from employees. In today's workforce, most people suffer from work overload and as a result there is burnout and therefore job sharing comes in as a solution to enable employees juggle their family and work life (Crampton,Douglas, Hodgeand Mishra, 2003).According to table 8 above regarding whether Job sharing was used to enable employees to have more time with their families. Almost about half proportions of the respondents were replied agreed. The mean score value was found to be 3.69 which implied that almost half of the respondents were agree that in CBE there was job sharing culture that enabling employees to spend have more time with their families. The retention of valued employees is a key aspect of job sharing because it keeps workers seeking reduced hours such as parents who are on full time employment from contemplating to quit the company in order to get time off. In addition, it can also greatly reduce the turnover of employees which is especially important in key positions and is also expensive (Dessler, 2012).On the other hand, from the table 8 above, with regards to whether employees work arrangement enables them to have healthier work and life balance for the required number of hours, about more than half proportion of the respondents were replied they were disagreed. The mean score value was 3.38 which can be deduced as CBE most of the respondents were satisfied with the work arrangement in CBE because the assumed that it hindered them to have heathers work & life balance for the required number of hours .

Therefore; based on the table 8 above, the overall measurement index for all respondents on the tendency of CBE"s to deliver proper Work life & home life balance /working

environment its effect the performance to critical job position holders is average mean score value of 3.53 which implies that it was below the high/moderate effect. Concerning Work life & home life balance in CBE, most of the respondents moderate and implied that majority of the respondents were undecided to the given item on the balance of work life & home life. Moreover, the mean scale was 3.53 which are close to “agree from this we can understand by that most of the respondents react there is balance between work life &home life in CBE.

4.3.5. Employee Participation in Decision-Making/Communication Strategy

Hewitt (2002) has mentioned that modern businesses always keeps its employees well informed about all the important affairs of its business and involves them in decision-making at all levels which can exploit the talents of its employees. Supporting the view Noah (2008) found in his research that employee involvement in decision-making helps in creating a sense of belongingness among the employees, which helps in creating a good congenial working environment and contributes towards building a good employer-employee relationship

Table 4.9: Responses of the Participants on in decision making and communication

No	Items	Mean	Std.dev.
1.	There is effective information sharing &Communication culture.	3.70	.744
2.	In CBE there are different mechanisms to communicate &I have chance to participate in decision-making.	3.40	.682
3.	CBE’s work environment is characterized by work cohesion, teamwork trust and collaboration.	3.61	.972
4.	I am communicated with the most crucial business strategies incentive in CBE in my position.	3.66	.790
5.	There is independence & autonomy in doing my job.	3.58	.780
6.	In CBE’s HRM policies, programs, and procedures strategies are communicated fully and effectively to reach.	3.47	.840
7	There is always a place for me to involve in decision Making process in major strategic issues in CBE.	3.63	.879
8	There is independence & autonomy in doing my job.	3.45	.922
9	I am always well informed about all the important affairs of the business.	3.46	.822
10	In CBE there are a Clear &direct information about my job’s outcomes or performance.	3.42	.737
Grand Mean		3.54	.257

Source: Own construct from Survey Data of SPSS output, 2024

According to Table 4.9 above, more than half proportion of respondents was replied agreed that they believed there was effective information sharing & communication culture in CBE. The mean score value was found to be 3.70 which implied that most of the respondents were satisfied with the effective information sharing and communication culture of CBE & generally there were strong information sharing and communication system. Using the recent development of CBE's portal, outlook, Giome, unique various memos, letters, directives, and vacancy announcements etc. appears faster than ever in all head office and branches offices and communicated on time. Furthermore, information sharing fosters organizational transparency which reduces turnover (Ahmadand, 2003) and forges synergistic working relationship among employees (Nonaka, 1994). Information sharing is not a wide spread HR practice as someone might have expected it to be .From the table 9 above, respondents were In CBE there are different mechanisms to communicate &have chance to participate in decision-making, more of the respondents were replied agreed and some others respondents were strongly agreed and the mean score was 3.70 which indicated that the majority of the respondents were affirmed that in CBE there are different communication mechanism and better employee participation in decision making. Having money communication channels in an organization the best interest of both the employee and the organization to impart knowledge about the company quickly and effectively to integrate the new employee into the workforce.

On the other hand, the majority of the respondents were neutral that about the existence of easy and open discussion on various issues openly. The mean score value was 3.45 which implied that moderate proportion of employees were affirmed that the can be easily participated and a part of an open discussion on various decision issues in CBE.

With regard to whether employees are always well informed about all the important affairs of the business, most of respondents were replied that they were neutral and some were responded they were agreed. The mean score was 3.45, which also shows that more than half proportion of respondents they were affirmed that in CBE employees always well informed about all the important affairs of the business. Sharing of information may have a dual effect:

Firstly, it conveys employees the right meaning that the company trusts them. Secondly, in order to make informed decision, employees should have access to critical information

Concerning In CBE there is a Clear & direct information about employee's job out comes or performance, the majority of the respondents were replied agreed and more of the respondents also responded neutral. The mean score was found to be 3.45 which implied that more than half proportion of the respondents were agreed on the existence of clear and direct information feed backs especial on employee's performance

Therefore; based on the table 9 above, the overall measurement index for all respondents on the tendency of CBE to deliver proper employees Participation in decision-making/communication and its effect the performance to critical job position holders is average mean score value of 3.54 which implies that it was slightly above the moderate effect.

4.2.6. Employees' Performance Level Measurement

In order to improve organizational performance, employers need to come up with strategies that focus on maximum optimization of individual performance. This is because the cornerstone of increased organizational performance is as a result of individual employees (Irum, Ahmed and Mehmood, 2012). The level of an employee's effort and activities can be greatly influenced to increase the performance of an organization by providing access to important resources, empowering employees, increasing their knowledge and skills, boosting employee's morale and also changing their perceptions and attitudes (Kassahun, 2007). Therefore employee performance is considered to be an important building block of any organization and must be critically analyzed.

Table 4.10: Response of the participants on Employee Performance level measurement

	Items	Mean	SD
1	In CBE there is an opportunities for me for continuous training & learning and trying to improve myself.	3.54	.765
2	In CBE there are opportunities for promotion of an employee “achievements & motivate better Performance & career advancement.	3.75	.697
3	The CBE compensation strategy increases my effectiveness in my work.	3.78	.678
4	I find myself more motivated by the CBE’s benefit packages to put more effort in my performance.	3.83	.704
5	Performance incentives are clearly linked to standards and goals & The incentives are meaningful	3.70	.692
6	My Boss/supervisor recognizes and values my ideas, suggestions and opinions.	3.64	.746
7	I am able to balance my family and work Life which helped me to concentrate in my work to perform effectively.	3.62	.792
8	My work environment enables me to perform better.	3.57	.643
9	There is different means of communication across CBE which also enables me smoothly to perform my work.	3.48	.795
10	I am involved in important decisions that may affect my performance and work related issues.	3.68	.720
Grand Mean		3.66	.192

Source: Own construct from Survey Data of SPSS output, 2024

According to the table 4.10 above, with regards to whether there is opportunity for employees for continuously training & learning and trying to improve themselves, almost half proportion of the respondents were replied were agreed. The mean was 3.54; The CBE compensation strategy increases my effectiveness in my work. Employees need continuously to be train in order to accomplish their duties successfully. It increases their level of confidence to perform their responsibilities. In addition, they became clear about what to perform and save times from unnecessary confusions.

On the other hand, with regard to opportunities for promotion of an employee’s achievements & motivate better performance & career advancement in CBE, more than half proportion of respondents were replied neutral about. The mean was found to be 3.75 this was indicted that almost half proportion of respondents have agree felling about the opportunities for

promotion of an employee's achievements & motivate better performance & career advancement in CBE. Regarding to supervisor whether that creates a motivating and supportive work climate & if bosses are honest and fair in employee's performance review, more than half proportion of the respondents were replied they were neutral. The mean score value was 3.78 which indicating that there was unsatisfactory feelings that supervisors in creating a motivating and supportive work climate and honest and fair with employees in CBE. With regarding to whether the compensation strategy provided in CBE increases employees effectiveness in their work, about half proportion of respondents were replied neutral. The mean score was 3.78, which implied that almost half of the respondents were affirmed that there was an agreed responded that compensation strategy provided in CBE increases employees effectiveness in their work Compensation strategies which are provided by organization need to have a positive effect on employee's effectiveness. Because compensation is one of a strong factor that influence employees "to stay in their workplace but it is also essential to keep in mind that even generous compensation alone cannot guarantee organizations to maintain its most valuable employee

In order to improve organizational performance, employers need to come up with strategies that focus on maximum optimization of individual performance. The level of an employee's effort and activities can be greatly influenced to increase the performance of an organization by providing access to important resources, empowering employees, increasing their knowledge and skills, boosting employee's morale and also changing their perceptions and attitudes (Kassahun, 2007) Therefore; based on the table 10 above, the overall measurement index for all respondents on the tendency of CBE's to the effects of retention strategies on Employee Performance to critical job position holders is average mean score value of 3.66 which implies that it was agreed effect on employees performance. Therefore employee performance is considered to be an important building block of any organization and must be critically analyzed. It also has a strong link to the strategic goals of an organization and is a major multidimensional construct aimed to achieve results (Abbas and Yaqoob, 2009).

4.2.7. Employees' Performance

Table 4.11: Respondents' Responses on Employees' Performance

No	Item	Mean	SD
1.	I have the ability, skill and commitment to perform every task in the bank.	3.56	.650
2.	I strictly follow the policies and procedures of the bank.	3.55	.714
3.	I am committed to get early at work.	3.68	.619
4.	I am committed to the vision, mission and goals of the organization.	3.64	.683
5.	My experience helps to reduce skill gaps.	3.58	.746
6.	I have good relation with the management.	3.57	.804
7.	I believe on learning and adopting new working cultures.	3.52	.682
8.	I have good communication skill with customers.	3.67	.638
Grand Mean		3.59	.247

Source: Own survey data, 2024

In this section, it was intended to assess the respondents' level of agreement or disagreement on the eight items describing employee performance. So according to the analysis results displayed in Table 4.11 above, among the eight items, the mean and standard deviation on "I am committed to get early at work." was ($M = 3.68$; $SD = .619$) which is the highest mean score value and in the range of 3.66 – 5.00 indicating high agreement by the majority of the respondents and implies high performance of the employees in the majority of CBs branches, while on "I believe on learning& adopting new working cultures." was ($M = 3.52$; $SD = .682$) which is the smallest and in the range of 2.51 – 3.65 indicating moderate agreement towards the item by majority of the respondents and indicates moderate performance of the employees on the stated item in the majority of the CBE in Gurage Zone branches.

Regards to the other statements: "I have the ability, skill and commitment to perform every task in the bank; I strictly follow the policies and procedures of the bank; I have good communication skill with customers; I am committed to the vision, mission and goals of the organization" majority of the respondents were moderately agreed and implies moderate performance of the employees on these items in the majority of CBE Gurage zone branches.

In general, considering the overall responses on the eight items the result revealed grand mean with its standard deviation of ($M = 3.59$; $SD = .247$) which lies in the range of mean scores of 2.50 – 3.65 indicating agreed moderately on majority of the stated items and implying that employees were performed moderately on majority of the stated items in

majority of the CBE in Gurage zone branches. Therefore, from this result it can be said that most of the employees are not performing fully as desired by their respective banks and hence the status of the performance of most of the employees were moderate.

4.3. Correlation Analysis

In this section, the extent of the relationship between the six independent variables and employee work performance in CBE in Gurage zone were analyzed using Pearson correlation coefficients. To interpret the extent of the strength and type of the correlation between the variables, Table 4.12, given below, was used as a rule of thumb. The results, the interpretation and the discussions are presented below accordingly.

Table 4.12: Rule for the Strength of the Relationship

Range of Coefficients	Description of strength
+0.81 to +1.00	Very strong positive
+0.61 to +0.80	Strong positive
+0.41 to +0.60	Moderate positive
+0.21 to +0.40	Weak positive
+00 to + 0.20	No relation

Source: Bhattacharjee (2012)

Table 4.13: Correlation Coefficient Matrix between the Independent and Dependent Variables

		Correlations						
		EMPER	TRCD	RWR	MSER	WLB	EPDC	EPLM
EMPER	Pearson Correlation	1						
	Sig. (2-tailed)							
TRCD	Pearson Correlation	.751**	1					
	Sig. (2-tailed)	.000						
RWR	Pearson Correlation	.772**	.666**	1				
	Sig. (2-tailed)	.000	.000					
MSER	Pearson Correlation	.713**	.635**	.646**	1			
	Sig. (2-tailed)	.000	.000	.000				
WLB	Pearson Correlation	.685**	.634**	.561**	.531**	1		
	Sig. (2-tailed)	.000	.000	.000	.000			
EPDC	Pearson Correlation	.681**	.616**	.591**	.563**	.538**	1	
	Sig. (2-tailed)	.000	.000	.000	.000	.000		
EPLM	Pearson Correlation	.701**	.588**	.517**	.505**	.491**	.521**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	
n		216	216	216	216	216	216	216

** . Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS output, 2024

Since one of the objectives of the study was to investigate the extent of the relationship between six independent variables and employee work performance in the CBE in Gurage Zone, Pearson correlation coefficient analysis was conducted. As indicated in Table 4.13, the results of the correlation matrix analysis indicated significant and positive relationship, because the sig. p – value of each is less than .0001, level of precision and the Pearson correlation coefficient of each independent variable is positive. According to Bhattacharjee (2012), the relationship between each of the six independent variables and employee work performance is significant, strong and positive. Among the six independent variables, reward and compensation has the greatest correlation, while work – life balance has the smallest.

4.4. Diagnostic Test for Multiple Linear Regression Model

4.4.1. Diagnostic Test for Multiple Linear Regression Model

One of the objectives of this study was to examine whether there was statistically significant impact of each determinant factors of Critical job position retention of commercial banks of Ethiopia, in Gurage zone. To investigate the impact or contribution of each independent variable for the dependent variable the researcher used multiple linear regression analysis were utilized. Before the analysis the chosen model should satisfy assumptions for multiple linear regression and model fitness test.

4.4.1.1. Evaluation of Multiple Linear Regression Model Assumptions

In order a multiple linear regression model shows the relationship between the dependent variable and multiple (two or more) independent variables and the validity of the inferences drawn from this model analysis depends on its assumptions being satisfied. Therefore, the assumptions were checked before running the regression analysis using SPSS version 26 software. The diagnostic test for the whole regression model is attached in the Appendix part. In this section, the evaluation of the assumptions of multiple linear regression model and model fitness test analyses are presented and discussed using the outputs of the SPSS.

Assumption 1 - Sample Size Test

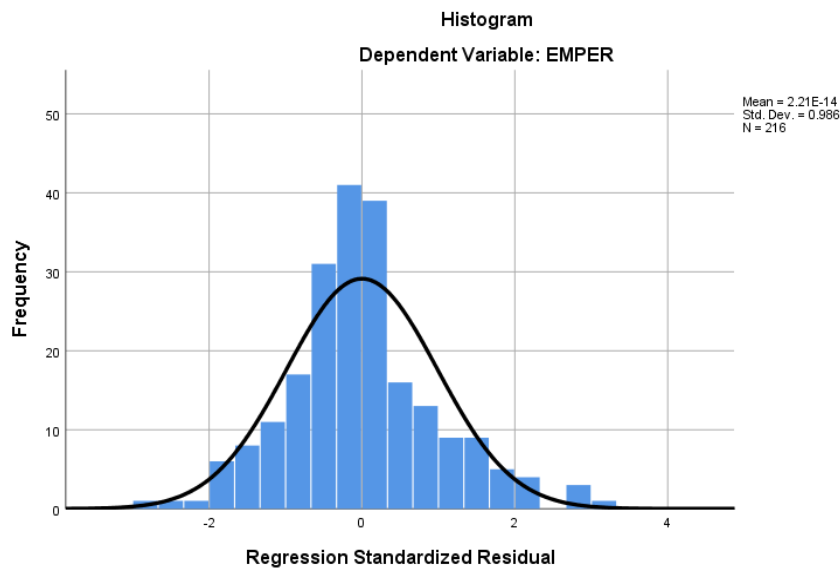
The issue at stake here is generalizability. That is, with small samples one may obtain a result that does not generalize (cannot be repeated) with other samples. If results do not generalize to other samples, then they are of little scientific value. Different authors tend to give different guidelines concerning the number of cases required for multiple regression. Tabachnick and Fidell (cited in Pallant, 2005) give a formula for calculating sample size requirements, taking into account the number of independent variables that one wish to use: $n > 50 + 8m$ (where m = number of independent variables). Thus, the present study consists of 7 independent variables; $50+8(7) = 106$ which is less than observed respondents (sample size). i.e. $50+ 8(5) = 106 < 216$. Based on the criteria, the sample size of the participants exceeds the minimum to run the standard multiple linear regression analysis. Hence, the sample size assumption met.

Assumption 2 - Normality Test

Normality assumption: For any specific value of the independent variable, the values of the dependent variable are normally distributed.

There are several methods of assessing whether data are normally distributed or not. They fall in to two categories: statistical and graphical. In this study, to test the normality assumption regression standard residual histogram was implemented, because it is easily accessible in the SPSS analysis. The test and its interpretation are presented in Figure 4.3 below.

Figure 4.3: Regression Standard Residual Histogram



Source: SPSS output, 2024

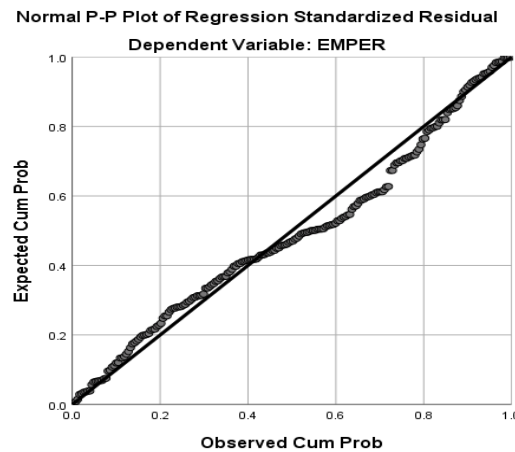
The result of the analysis in Figure 4.3 shows the standard residuals (errors) of ER are normally distributed as it has been described in (Pallant, 2005).

Assumption 3: Linearity Test

Linearity assumption: There is a linear relationship between the dependent variable and the independent variables. In other words, the value of Y is proportional to the independent variable X. Since the goodness of the model depends on how well it predicts Y, the linearity of the response(Y) and Predictors(X), p – p plot graph could be implemented. As indicated in

(Torres – Reyna, 2007, p. 16), if the whole plots show 45° pattern, it indicates that the model seems to be doing a good job in predicting Y. As it can be seen in the graph given below, Figure 4.4, the plots form 45° pattern along the straight line. Therefore, the linearity assumption was met.

Figure 4.4: Linearity p – p plot graph for Employee Performance (EMPER)

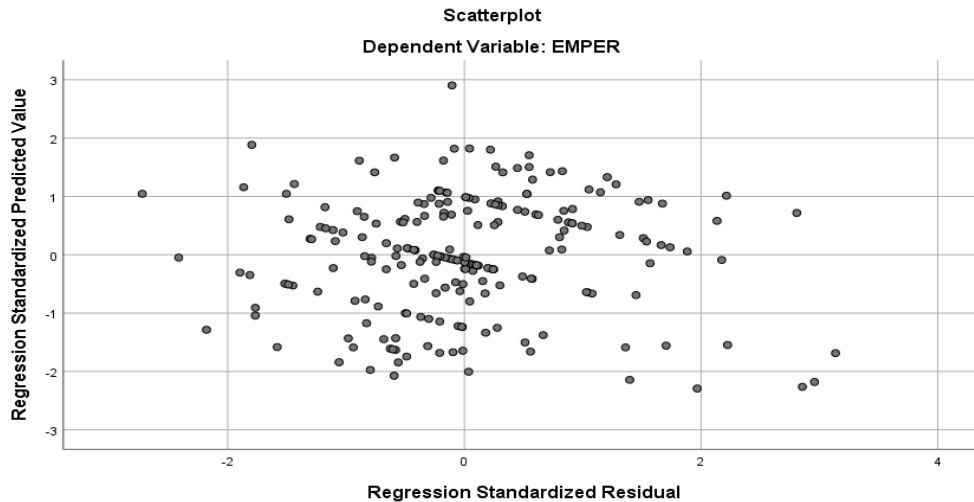


Source: SPSS output, 2024

Assumption 4: Homoscedasticity Test (equal variance assumption)

Homoscedasticity (equal variance assumption): For every value of the independent variable (X), the distribution of the dependent variables (Scores) must have approximately equal variability. To test this assumption regression standardized residuals and regression standardized predicted value plots were used, because, they detect model lack of fitness and unequal variances. As indicated in (Torres – Reyna, 2007), any trends or patterns in the plots indicated lack of fitness and unequal variances which lead to a potential problem in the model. The scatter plot for employee performance is given below in Figure 4.5.

Figure 4.5: Scatter plot for homogeneity of variance for EMPER



Source: SPSS output, 2024

As it can be seen from the above scatter plot, Figure 4.5, even though most plots are concentrated towards the upper central part, they do not form a certain pattern and there are some plots dispersed out from the center. This dispersion can show to some extent the homogeneity of the variances. Meaning, nearly it satisfied the equal variance assumption.

Assumption 5: Non - Multicollinearity Test

Non – multicollinearity assumption: The independent variables are not very strongly correlated. That is, the predictor variables should not have a strong relationship with each other. Multicollinearity occurs when several independent variables correlate at high levels with one another, or when one independent variable is nearly the linear combinations of the other independent variables (plots, 2011).

Table 4.14: Non – Multicollinearity test of the Independent Variables

The six independent variables affecting Employee Performance	Tolerance	VIF
Training and development(TRD)	.379	2.638
Reward and compensation(RWR)	.438	2.284
Management supervisor and employee relationship(MSER)	.479	2.086
Work – life balance(WLB)	.533	1.877
Employee participation in decision making and communication(EPDC)	.515	1.941
Employees performance level measurement(EPLM)	.587	1.702

Source: SPSS output, 2024

The six independent variables in the model should not be highly correlated. To test this assumption the researcher used the more precise approach, assessing the tolerance and its reciprocal values (VIF, variance inflation factor) in the output results of the regression analysis for model fitness. The tolerance value is the indication of the percent of variance in the predictor that can't be accounted for by the other predictors, very small value indicated that a predictor is redundant. If the tolerance value of each predictor is greater than 0.10, then it indicates the non – multicollinearity for each predictor if not it shows the existence of multicollinearity. As (Diem Ngo, 2012, p.9; Torres – Reyna, 2007, p.21) showed that, if the VIF value of each predictor is less than 10, then it indicates the non – multicollinearity of the predictors if not it suggested a problem. When such situation, tolerance less than 0.10 and VIF is greater than 10, is happened the regression model estimates of coefficients became unstable and the standard errors for the coefficients could get inflated. In other words the model loses its statistical validity. As it can be seen in the above Table 4.14, there was no multicollinearity amongst the independent variables EMPER on RWR, TRCD, MSER, WLB, EPDC, and EPML in the model for employee performance. Therefore, the non – multicollinearity assumption was met.

4.4.1.2. Model fitness and Significance of the independent Variables as a Whole

Model fitness test is a statistical test to check whether the regression model is fit for the data or not. To test the model fitness, the overall steps for testing multiple linear regression model, F – test analysis of variance [ANOVA] for the overall model fitness test and t – test for the significance of an individual coefficients in the regression model with 5 % level of significance were used. Therefore, the significance of the independent variables as a whole is summarized in Table 4.15 below.

Table 4.15: ANOVA output part I: EMPER with Employee Retention Strategies

		ANOVA ^a				
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.762	6	.794	145.291	.000 ^b
	Residual	1.142	209	.005		
	Total	5.904	215			

a. Dependent Variable: EMPER

b. Predictors: (Constant), EPLM, WLB, MSER, EPDC, RWR, TRCD

Source: SPSS output, 2024

As it can be seen from the above Table 4.15, the F calculated value with its degrees of freedom (6, 209) = 145.291 for employee work performance as a whole is .000 < 0.0001 implies that with the confidence (1 - α) very close to 100%, where α = sig. value. Therefore, it could be said that at least one of the coefficients $\beta_1, \beta_2, \beta_3, \beta_4, \beta_5, \text{ and } \beta_6$ was significant for the model – for employee work performance. In other words, the variable Y (EMPER) was better if it was a function of at least one of the variables $X_1, X_2, X_3, X_4, X_5, X_6$ (the six determinant factors of employee performance) rather than only with β_0 . Therefore, X_i and Y were linearly related and that the model was fit the data. Hence, the regression model was fit and could predict the impact of the six predictor variables on employee performance.

4.5. Regression Analysis

In this section the multiple linear regression analysis results are presented, interpreted and discussed in terms of the explaining capacity of the six independent variables as a whole and the impact of each independent variable: the study hypotheses results.

4.5.1. Model Summary: capacity of the seven independent variables as a whole in explaining Employee Performance

In this section, the extent of the capacity of the six employee retention strategies as a whole in explaining the dependent variable – employee performance are presented and discussed using the output of the multiple linear regression analysis. In doing so first the strength of the relationship between the outcome variable and the six independent variables and secondly the

extent of the variation that can be explained by the independent variables to that of the dependent variable are described accordingly.

Table4.16: Model Summary of EMPER on RWC, TRD, MSER, WLB, EPDC, EPLM

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.898 ^a	.807	.801	.07391

a. Predictors: (Constant), EPLM, WLB, MSER, EPDC, RWR, TRD

b. Dependent Variable: EMPER

Source: SPSS output, 2024

In the above Table 4.16, the R – value of the model indicates the multiple correlations which are the equivalent of Pearson’s r rather than representing the magnitude and direction of the relationship between two variables. It shows the strength of the relationship between the outcome variable (employee performance) and the independent variables as a whole predicted by the model. It tells us how well the model predicts the outcomes (sometimes researchers say how well the model fits the data). Therefore, the numerical value R = .898 indicates the existence of strong positive relationship between the dependent variable – EMPER and the six predictor variables – employee retention strategies.

The R square value, .807, indicated that the percentage of the variation of the dependent variable which was directly attributable to the independent variables. Meaning, the EMPER model on RWR, TRD, WLB, MSER, EPDC and EPLM explained 76.8% of the variance/changes in the EMPER. Therefore, as (Pallant, 2005) indicated that, the explaining capacity of the EMPER model with the indicated independent variables was 80.7%, but, the remaining 19.3% of the variation was explaining by other factor variables that can determine the performance of bank employees in commercial banks of Ethiopia in Gurage Zone which were not included in this study.

The Adjusted R square, the most useful measurement of the success of a model, which is better than the R square value. It tells how well the data points fit a regression line showing the percentage of variation explained only by the independent variables that actually affect

the dependent variable (Stephane, 2018). Because R square value tends to somewhat over – estimate the success of the model when applied to the real world, and also the Adjusted R square value takes in to account the number of variables in the model and the number of observations, participants – sampled employees of Gurage zone CBE branch, upon which the model was based on (Diem and Puente, 2012). Therefore, the adjusted R square value for EMPER was .801. So, it can be said that the EMPER model had accounted for 80.1% of the variance in EMPER of banks sectors in Gurage zone. As Mujis(2004, p.166) pointed out there is a rule of thumb which can be used to determine the adjusted R square value: if the adjusted R square value is < 0.1, it indicates poor fit of the model; if it is 0.11 to 0.30, it indicates modest fit of the model; if it is 0.31 to 0.50, then moderate fit; but if it is > 0.50, it indicates strong fit of the model. Thus, based on these criteria the EMPER model fit strongly.

The standard error of the estimate is the standard deviation of the residuals. As R square value increases, the standard error estimates will decrease, better fit implies less estimation error. Therefore, as depicted in Table 4.16, the standard error of estimate is .07391 which is less than one indicating the data fits the model.

Thus, from this analysis one can infer that the variables training and development, reward and compensation, management supervisor and employee relationship, work – life balance, employee participation in decision making and communication and Employees performance level measurement are inevitable for the performance of employees in the commercial banks of Ethiopia in Gurage zone.

4.5.2. Significance and effect of each independent variables on Employee Performance

One of the objectives of this study was to examine the extent of the effect of each of employee retention strategies on the performance of employees in the commercial banks of Ethiopia in Gurage zone. That is, to test the hypotheses [1 – 6]: whether each of the independent variables has significant and positive effects on the work performance of employees in the CBE Gurage Zone branches or not. To carry out these tests the SPSS output coefficient table, Table 4.17 was used. Therefore, the hypotheses test results in relation to the prior research findings are presented and discussed as follows:

Table 4.17: Significance and effects of each independent variable on EMPER

Model	Coefficients ^a			t	Sig.	Correlations Zero-order
	Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta			
1 (Constant)	.191	.123		1.555	.121	
TRCD	.112	.042	.131	2.642	.009	.751
RWR	.233	.037	.287	6.240	.000	.772
MSER	.126	.034	.161	3.675	.000	.713
WLB	.141	.035	.169	4.044	.000	.685
EPDC	.095	.033	.120	2.842	.005	.681
EPLM	.245	.039	.249	6.271	.000	.701

a. Dependent Variable: EMPER

Source: SPSS output, 2024

4.5.2.1. Predictor Model Interpretation

According to the result obtained from the SPSS, in Table 16 above, under the Sig. column, the p – values of all the independent variables are less than 0.05, indicated that they are statistically significant for the model, because their level of confidence are greater than 95% [(1 – p)100%]. Meaning, the six independent variables – TRCD, RWR, MSER, WLB, EPDC, and EPLM have significant effect on the employee performance.

In general, the information contained and discussed in section 4.5.1 and 4.5.2 characterized the explaining capacity of the predictor variables as a whole and the significant effect of each predictor variable on the employees’ performance. Therefore, the proposed regression model becomes the predictor model (forecast model) with equation:

Predictor model:

$$\hat{Y}(\text{EMPER}) = .191 + .112\text{TRCD} + .233\text{RWR} + .126\text{MSER} + .141\text{WLB} + .095\text{EPDC} + .245\text{EPLM}$$

Forecasting the effect is using regression that involves making predictions about the dependent variable based on the relationships observed in the estimated regression.

Therefore, the above predictor model is interpreted in terms of unstandardized coefficients and presented below.

Predictor Model Interpretation

The predictor model, β_i 's, the unstandardized beta coefficients tell us about the effect relationships between the outcomes, employee performance and the six independent employee retention strategies. Since all the beta coefficients are positive, so are their relationships with the dependent variable. That is, as the mean score of each independent variable increases, the mean score of the performance of employees also increases. In addition, these β values give us also an idea of effect of each independent variable has on the employee performance if the effects of the other variables are held constant. For example, $\beta(\text{TRCD}) = .112$: as the mean score of TRCD increases by one unit, holding the other independent variables constant, the mean score of employees' performance increases by .112 units. Similarly, this argument also holds true for the other independent variables.

4.5.2.2. Contribution of each of the seven independent variables for the dependent variable

Once the independent variables are statistically significant, the degree of their contribution for the dependent variable varied from variable to variable. So, in order to identify and compare the extent of the impact of each of the six independent variables on employee performance, the absolute value of standardized coefficients, Beta values were used (Table 4.17), because, it gives measure of the contribution of each independent variable (Muijjs, 2004, p.167; Pallant, 2007, p.159). Their relative absolute magnitudes reflect their relative importance in predicting employee performance. A large value indicates that a unit change in this predictor variable has a large contribution on the dependent variable. The percent of the impact of each of the six independent variables, TRCD, RWR, MSER, WLB, EPDMC, and EPML was obtained by the equation that links $R^2 = 0.807$ as indicated in (Hair et al., 2019) analysis:

$$R^2_{0(\text{TRCD})(\text{RWR})(\text{MSER})(\text{WLB})(\text{EPDC})(\text{EPLM})} = \text{Beta}_{\text{TRCD}}r_{0\text{TRCD}} + \text{Beta}_{\text{RWR}}r_{0\text{RWR}} \\ + \text{Beta}_{\text{MSER}}r_{0\text{MSER}} + \text{Beta}_{\text{WLB}}r_{0\text{WLB}} + \text{Beta}_{\text{EPDC}}r_{0\text{EPDC}} \\ + \text{Beta}_{\text{EPLM}}r_{0\text{EPLM}}$$

Where, *Beta's* are the coefficients (standardized) of the independent variables, r_s are the zero order correlations which had been taken from the output of the coefficients' Table 4.16, Zero order is the Pearson correlation between each predictor and dependent variable (Brooks, 2008).The value of R^2 could be expressed as the sum of the product of each of the independent variables standardized Beta values by zero order correlation coefficient values respectively as:

$$.807 \times 100\% = (.131 \times .751 + .287 \times .772 + .161 \times .713 + .169 \times .685 + .120 \times .681 + .249 \times .701) \times 100\%$$

$$80.7\% \approx 9.8\% + 22.2\% + 11.5\% + 11.6\% + 8.2\% + 17.4\%$$

Therefore, the contribution or the effect of reward and compensation has the greatest contribution which was 22.2% for employee performance, whereas employee performance level measurement (EPLM), work – life balance(WLB), management supervisor employee relationship (MSER), training and career development (TRCD) and employee participation in decision-making and communication in the indicated order could increase the performance of employees in most of the CBE in Gurage zone branch by 17.4%, 11.6%, 11.5%, 9.2% and 8.2% respectively. From these percentages, one can infer specifically that the performance of employees is highly affected by reward and compensation relative to the other five employee retention strategies and hence it is crucial for the betterment of keeping those job positions from leaving their jobs.

4.5.3. Hypothesis Test Results

One of the objectives of this study was to examine whether there was statistically significant effect of each of the six employee retention strategies on the performance of employees in CBE, Gurage zone branches or not. That is, to test the stated hypotheses, the researcher used the SPSS outputs Table 4.17. The regression outcomes presented in this table provided a comprehensive results for examination of the research hypotheses. Therefore, the regression results obtained from the model was utilized to test these hypotheses.

4.5.3.1. Effect of Training and Career Development on Employee Performance

H_a(1): Statistically, training and career development strategy has significant and positive effects on the work performance of employees in the CBE Gurage Zone branches.

As indicated in Table 4.17, the result of the analysis indicates that training and career development with ($\beta = .112$, $t - \text{value} = 2.642 > 2$ with sig. value = $.009 < 0.05$) is statistically significant. Since the positive magnitude sign and t-value of more than two indicate a strong relationship between training and career development and the outcome variable – EMPER (Hair et al., 1998). This result led to accept the stated directional hypothesis on this variable. Therefore, it can be inferred that training and career development has significant and positive effect on performance of employees in the CBE Gurage Zone branches. This finding is supported by

4.5.3.2. Effect of Reward and Compensation on Employee Performance

H_a(2): Statistically, reward and compensation have significant and positive effect on the work performance of employees in the CBE Gurage Zone branches.

As indicated in Table 4.17, the result of the analysis indicates that reward and compensation with ($\beta = .233$, $t - \text{value} = 6.24 > 2$ with sig. value = $.000 < 0.0001$) is statistically significant. Since the positive magnitude sign and t-value of more than two indicate a strong relationship between reward and compensation and the outcome variable – EMPER. This result led to accept the stated directional hypothesis **H_a(2)** on this variable. Therefore, it can be inferred that reward and compensation has significant and positive effect on the performance of employees in the CBE Gurage Zone branches. The finding of this study is in line with the findings of

4.5.3.3. Effect of Management Supervisor and Employee Relationship on Employee Performance

H_a(3): Statistically, management supervisor and employee relationship have significant and positive effect on the work performance of employees in the CBE Gurage Zone branches.

Similar to the above variables, the result of the analysis indicates that management supervisor and employee relationship with ($\beta = .126$, $t - \text{value} = 3.675 > 2$ with sig. value = $.000 < 0.0001$) is statistically significant. Since the positive magnitude sign and t-value of more than two indicate a strong relationship between management supervisor and employee relationship and the outcome variable – EMPER. This result led to accept the stated directional hypothesis **H_a(3)** on this variable. Therefore, it can be inferred that management supervisor and employee relationship has significant and positive effect on the performance of employees in the CBE Gurage Zone branches.

4.5.3.4. Effect of Work – life Balance on Employee Performance

H_a(4): Statistically, work – life balance has significant and positive effect on the work performance of employees in the CBE Gurage Zone branches.

As indicated in Table 4.17, the result of the regression analysis indicates that work – life balance with ($\beta = .141$, $t - \text{value} = 4.044 > 2$ with sig. value = $.000 < 0.0001$) is statistically significant. This implies the stated directional hypothesis **H_a(4)** should be accepted. Therefore, it can be inferred that work – life balance has a significant and positive effect on the performance of employees in the CBE Gurage Zone branches.

4.5.3.5. Effect of Employee Participation in Decision making and communication on Employee Performance

H_a(5): Statistically, employee participation in decision making and communication has significant and positive effect on the work performance of employees in the CBE Gurage Zone branches.

As indicated in Table 4.17, the result of the regression analysis indicates that employee participation in decision making and communication with ($\beta = .095$, $t - \text{value} = 2.842 > 2$ with sig. value = $.005 < 0.05$) is statistically significant. Since the positive magnitude sign and t-value of more than two indicate a strong relationship between employee participation in decision making and communication and the outcome variable – EMPER. This result led to accept the stated directional hypothesis **H_a(5)** on this variable. Therefore, it can be inferred

that employee participation in decision making and communication has significant and positive effect on the performance of employees in the CBE Gurage Zone branches.

4.5.2.6. Effect of Employees' Performance level measurement on Employee Performance

H_a(6): Statistically, employees' performance level measurement has significant and positive effect on the work performance of employees in the CBE Gurage Zone branches.

Finally, as indicated in Table 4.17, the result of the analysis indicates that employees' performance level measurement with ($\beta = .245$, $t - \text{value} = 6.271 > 2$ with sig. value = $.000 < 0.0001$) is statistically significant. Since the positive magnitude sign and t-value of more than two indicate a strong relationship between employees' performance level measurement and the outcome variable – EMPER. This result led to accept the stated directional hypothesis **H_a(6)** on this variable. Therefore, it can be inferred that employees' performance level measurement has significant and positive effect on the performance of employees in the CBE Gurage Zone branches.

In summary the regression analysis results revealed all the six employee retention strategies have statistically significant and positive effect on the performance of most employees in the CBE Gurage zone branches. Therefore, from this it can be recognized that the decisive role of these variables for the enhancement of the performance employees.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

This chapter is the final section that presents summary of the findings, conclusions, and recommendations of the study. It reports summary of the main findings of the study based on the results and discussions section. Then conclusion and recommendations were made based on the findings. Thus, as a result of scope and limitation of the study, the researcher provided suggestion for future/further study.

5.1. Summary of Findings

The main objective of the study was identifying factors affecting employee retention strategies Performance of Employee in CBE Gurage Zone. The study adopted explanatory research design with quantitative and qualitative research approaches. The structured questionnaires were distributed to 298 different professionals from those Branches of Gurage zone. Then, analysis was made based on descriptive statistics, and multiple regression analysis. Moreover, qualitative analysis also used to support or supplement the quantitative analysis results.

The major findings of the study are summarized as follows:

The descriptive statistics analysis revealed that the six employee retention strategies such as training and career development, reward and compensation, management supervisor and employee relationship, work – life balance, employee participation in decision making and communication, and employee performance level measurement were practiced at moderate level that were confirmed by the grand mean scores and standard deviations of most items in each of the variable; (M = 3.54; SD = .328, M = 3.52; SD = 318, M = 3.56; SD = .402, M = 3.53; SD = 330, M = 3.54; SD = .257, M = 3.66; SD = .192) respectively. On the other hand, regards to the status of the performance of the employees, it was at moderate stage as it has been confirmed by the grand mean value M = 3.59 with standard deviation SD = .247.

The correlation coefficient analysis result revealed significant and positive relationship between training and career development, reward and compensation, management supervisor

and employee relationship, work – life balance, employee participation in decision making and communication, and employee performance level measurement and employee performance, where reward and compensation has the highest relationship.

The regression analysis results revealed that despite the impact differences among the six predictors, all have positive and significant effect on employees' performance in most of the CBE Gurage zone branches. All of the six predictors in combination accounted for 80.7% of the variance in employees' performance, however, among the six reward and compensation has the greatest contribution. That is, the explaining capacity of these six predictors that of the outcome variable, employee performance was 80.7%, but the remaining percentage 19.3% was explained by the variables which were not included in this study.

5.2. Conclusions

The study sought to examine the effect of employee retention strategies on the performance of critical job position holders in commercial bank of Ethiopia. This was accomplished by using six variables including the dependent variable (employee performance) and the rest five independent variables of retention strategies which are developed based on the literature, namely, training and career development, compensation, reward /recognition, supervisor-employee relation, work life -balance/ working environment and employee participation in decision-making/communication strategies. Each of these variables are measured using a composite of several items, and finally the last dependent variable (employee performance) is measured by compositing items from each ERS variables & at least more than two items from each variables are included to measure employee performance . And finally the overall retention strategies and their effect on performance was analyzed using descriptive statistics by the mean composite score of each variable, Correlation analysis was used to determine the strength of the relationship of the study variables, and the major findings of the study are summarized here below:

- One of the best ways to increase retention is to enrich employees with the education and tools required to thrive in organization. Companies will continue to innovate their training in order to provide a better and more immersive experience to employees, employees cite limited opportunities to learn new skills as the top

reason why they are bored in their current roles and looking for a change. Training and career development opportunities can help companies not only with retention, but also with developing their next generation of leaders. Therefore; the overall measurement index of all respondents on the tendency of CBE's to deliver proper training and career development strategies and its effect on the performance to critical job position holders is average mean score value of 3.54 which implies that the training and career development strategies in CBE are found to be marginally above moderate level. As from the study it is found that, in CBE there have been a lot of changes with regard to training and development in implementing it successfully,

- The study finds that, the overall measurement index for all respondents on the tendency of CBE's to deliver proper Compensation, reward/recognition Strategies and its effect the performance to critical job position holders is average mean score value of 3.517; which means that, it was the moderate which means that most of employees are stately satisfied with the banks compensation, reward/recognition strategies. The culture of employees' recognition and appreciation for outstanding job must be maintained. Employees should be appreciated for a well done job, they can be acknowledged by recognizing them as employee of month, quarter, year, etc.
- An employee's relationship with his/her immediately ranking supervisor or manager is equally important to keep & to make an employee feel embedded and valued within the organization. Supervisors need to know how to motivate their employees and reduce cost while building loyalty in their key people. Managers need to reinforce employee productivity and open communication, provide meaningful feedback and inspire employees to work as an effective team. In order to achieve this, organizations need to prepare managers and supervisors to lead and develop effective relationships with their subordinates. To encourage supervisors to focus on retention among their teams, organizations can incorporate retention metric into their organization's evaluation. the overall measurement index of all respondents on the tendency of CBE's Management/supervisor-Employee Relationship and its effect the performance to

critical job position holders is average mean score value of 3.56 which implies that it have a moderate effect. Management should work towards maintaining smooth working relationship between supervisors and employees. The existence of quality leadership has a significant impact for employees' retention and it helps to create a favorable work environment. This will enhance employees to be more committed and engaged to the bank.

- The study found out that on the tendency of CBE's to deliver proper Work-life balance/working environment its effect on the performance is average mean score value of 3.53 which implies that, also moderate of the respondents are not satisfied. Moreover, the mean scale which is close to from this we can understand that most of the respondents react there is slightly balance between work life balance and working environment in CBE. Having in place a good work life balance will act as a good strategy to improve employees' performance. So, the bank needs to create a working environment in which work processes and facilities enable rewarding jobs and roles to be designed and developed, because the study found that there is imbalance between work and home life in CBE & the concept of "work-life balance" should be recognized in CBE, that employees have important family and extraprofessional obligations that compete with their professional commitments. Therefore, in CBE a good channel of communications shall be maintain which employees feel comfortable in asking for time off to deal with pressing family matters which in turn contribute to greater employee commitment and productivity in the long run.
- The existence of strong information sharing and communication system is important for any organization. Employees may come up with alternative ideas to decisions. In the job matter or organization wise, especially in decision like; strategies issue & critical employee's their involvement has plays a great role, it increases their loyalty and feeling of belongingness to the organization. This study found that, from the overall measurement index for all respondents on the tendency of CBE's on proper employees Participation in decision-making/communication and its effect the performance is average mean score value of 3.54 which implies that, it was slightly above the moderate level and

most of the respondents are agreed on. Therefore, generally, the study found out that with regard to communication channels the bank is doing well, there are many ways of communication in CBE now days, employees can access information easily, different policies, procedures, other announcements, and almost all information can be shared through different communication channels like, CBE's portal, Giom-online training (self- learning and development) , CBE's outlook, using Oracle self-service which are available now, this is after the implementation of different HR strategies in counseling with the German Frankfurt School of Finance and Management. Accordingly, it potentially affects employees in fulfilling their duties. Therefore, a strong information sharing and communication system shall be maintained so that information will be disseminated on time to get better achievements and equally help to participate employees in decision matters.

- Employee performance is considered to be an important building block of any organization and must be critically analyzed. It also has a strong link to the strategic goals of an organization and is a major multidimensional construct aimed to achieve results according to (Abbas and Yaqoob, 2009). This study tried to measure the Employee Performance level based on the ERS's using the composition of each items in each independent variable, and from the finding it can be observed that, the overall measurement index for all respondents on the tendency of CBE's to the effects of retention strategies on Employee Performance to critical job position holders is average mean score value of 3.66 which implies that it was agreed effect. In generally, this study finding asserts that CBE employee retention strategies specifically to high position employees should consider these three important dimensions so as to increase employee's performance. Finally the study analysis of the data showed that the strategy that had the most impact on employees' performance based on the finding the employee's retention strategy includes employee relation, work-life balance /working environment and employee participation in decision-making/communication. However, the result shows moderate and agreed concern is given to those important dimensions by CBE's employee retention

strategies. Although, CBE have been working with Frankfurt School of Finance and Management on the development of employee engagement and retention strategy and it is found doing well in implementation of various human resources practices like human resource planning, job analysis, recruitment and selection, promotion, human resource development system, succession & career management, compensation and reward as a retention strategies. However, HR management performed as main activities; CBE has not assessed the retention strategies whether it achieves the goal or not with regard to the critical job position.

5.3. Recommendations

Based on the findings and conclusions the following recommendations are forwarded:.

- Commercial banks of Ethiopia need to have open discussion with its employees to minimize the gap between the management and the employee before losing employees commitment to honesty on their work. There should be a room to listen feedback and reply accordingly to a better outcome. There should be periodical training and career advancement programs to enhance their skills and increase their efficiency
- The company should develop participation of employees in different strategy development and decision making process, which makes the employee inclusive of the company and develop belongingness.
- It recommends that managements at all level should apply effective retention strategies that will result effective firm performance. The company should improve and adjust its retention strategies with the dynamic and competitive environment that will result different perception on employees by internal and external factors that influence the retention rate of employees to stay longer. Like salary scale, work life balance and others become determinant factors for employees to stay or leave the company
- As in general retention strategies should have to focus to anticipate and respond to internal and external modifications through consistent improvement and make every

effort to set up a culture that nurtures individual and group learning in developing motivated and skillful employee, availing a competitive compensation package, a better working environment, improve work life balance/working environment, recognition of employee achievements, merit based promotion and career advancement and other retention packages that CBE Gurage Zone should consider in retaining its skilled and experienced competent critical job position holders.

- So having effective retention strategies based on the needs of the employees not to affect their performance in order to meet its objective and increase company's efficiency and reputation
- Finding out what employees want or need is one way of understanding them and getting ideas of the kind of strategies that can be put in place in order to increase performance. Managers by taking some time need to discuss with employees, on what is needed to help or ensure the employee to perform better.
- Organizations need to have in place effective retention strategies so as to ensure that employee's performance is not affected. Finding out what employees want or need is one way of understanding them and getting ideas of the kind of strategies that can be put in place in order to increase performance
- Having in place a good work life balance will act as a good strategy to improve employees' performance

5.4. Suggestions for Further Study

Due to time and financial constraints this study was done or restricted only to the branches of Gurage Zone. Therefore it's suggested that other researches undertake on a better number of branches across the country to assess retention strategies since, the company has many branches and employees that concluding by taking only 216 samples will not be enough to generalize the whole employees and branches under it.

Also the study can be conducted by adding other variables or strategy mechanisms not included in this study to assess their effect on the employee performance since the result shows 47% variables are not covered by this study.

This study is conducted on ERS on the performance of critical job position holders, only

on CBE Future research should have a larger sample size and research in other types of service rendering sectors organizations like, telecommunication or general public services providers etc., even on other non-service based organizations. A different type of methodology should be used to analyze data to test the variables and compare the results. The researcher feels that there are several other research directions that could be successfully pursued in the future.

- A research could be conducted on the effect of retention strategies to measure on the performance of organization using performance indicator.
- A study could be undertaken to investigate the impact employee retention practice related to reduction of higher position employees turn over cost (Their cost related with leadership, competence and professional cost).
- Due to time and financial constraints, this research was cross sectional and was restricted to single bank in Ethiopia i.e. the Commercial Bank of Ethiopia. It is therefore suggested that in future, other researchers will undertake a longitudinal study to assess the effect of employee retention strategies. Such a study will have the potential to reveal the extent to which, employee retention strategies has effects on performance. Also the study can be replicated in other sectors.

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Appendix A: Questionnaire

College of Business and Economics

Department of Management

MBA Program

Questionnaires, that will be fill by employee of the commercial bank of Ethiopia

General Information:

No need to write your name

Please answer to the questions/items provided below by putting “√” mark in the box that highly reflects your idea parallel to your choice

Section I: Demographic Information

Gender

Male B.Female

EducationLevel

HighSchool C. UniversityBachelorDegree

CollegeDiploma D. Master’s Degree& above1.3.**Pleaseindicatesbycirclingyour answercorrectlyon yourpositionatCBE.**

OperationalLevelManager(OLM) C.Assistant Manager

Officer D. Treasury E. Messenger **1.4.YourYear ofserviceinCBE**

Below5years C. 10-15 Years

5-10 Years D.Above15Years

Section II: Employee’s Attitude toward the effects of Employee Retention strategies on the performance of Employee in CBE

This part of the questionnaires includes question related to the effects of Employee Retention strategies on the performance of critical job position, in Commercial Bank of Ethiopia, Gurage Zone.

NOTE: Please put a tick (√) mark in front of the following items listed and indicate your level of agreement. Provided corresponding to the option that identifies your level of agreement or disagreement on the true feeling you have on the five point Likert scale Assigned to each alternative range from 1 to 5, With **1** representing "**Strongly Disagree**" **2** representing "**Disagree**" **3** representing "**Neutral**" or "**Neither Agree nor Disagree**" **4** representing "**Agree**" and **5** representing "**Strongly Agree**".

No.	Items	1	2	3	4	5
	Training and Career Development Strategies and Employee Performance					
1	I feel motivated by the development plans that are offered in CBE.					
2	There is an opportunities for personal and professional growth in CBE.					
3	The Bank provides me a platform to develop my career.					
4	The learning and development (trainings) that offered By CBE has enabling me to Sharpen my skills.					
5	The training offered in CBE has based on the Assessment of gap in my job.					
6	In CBE Employee Development is seen as a key to Success rather than a cost.					
7	CBE provides me with regular opportunities for career advancements to increase in my performance					
8	There are a better career & training opportunities in CBE as compared to their similar banks.					
9	The Bank treats me as its partner in working towards meeting the stated goals					
10	I received an adequate training for my current job and there is a clear path way for career development in CBE.					
	B. Compensation, reward/recognition Strategies and Employee Performance					
11	I am paid fair internally and comparable to the externally market					
12	The Non-monetary benefits I received in CBE are better than the other commercial banks in Ethiopia.					
13	The benefits offered by CBE are appeal to and meet the needs of the various categories of employees.					
14	In CBE employees are given positive recognition when they produce high quality work.					
15	The salary & other benefit packages I am receiving now motivates me to work more years in CBE.					

16	I earn competitive compensation packages like in other Similar banks in similar position.					
17	My salary payment is fair and reflects my effort.					
18	The salary, benefits compensation packages I received in CBE is commensurate with my responsibilities.					
19	In CBE I provided with appreciation and praise-for what I did in perform well in my job.					
20	In CBE I provided with appreciation and praise-for what I did in perform well in my job.					
	C. Management/supervisor- Employee Relationship and employee performance					
21	The bank communicates me with if there are any Updates in the CBE regularly.					
22	I am provided with regular & constructive feedback.					
23	I am satisfied with my boss supervision style.					
24	In CBE I feel that I am valued					
25	My boss is helpful in solving my personal problems.					
26	Job responsibility is clearly defined &I am aware of what is expected from me?					
27	Appropriate facility (tools &equipment's)are adequately available to do my job.					
28	There is independence & autonomy in doing my job.					
29	There is a friendly relationship working environment in CBE					
	D. Employee work life balance /Flexible Work Environment/Strategies and Employee Performance					
30	My work environment allows me to achieve the organizational needs					
31	CBE allow and promote flexible work schedules.					

32	CBE Provides me with appropriate work life balance, where appropriate work life balance where appropriate					
33	I easily can get off my duty for “home crisis “like Illness/family crisis.					
34	CBE provides/helps me in creating suitable and Supportive environment.					
35	The bank gives me more choice about the time and Location of my work.					
36	In CBE my work life balance is well with my family life.					
37	Job sharing issued to enable employees have more time with their families.					
38	My work arrangement enables me to have healthier Work and life balance for the required number of hours.					
39	Compressed work week scan improve the quality of job performance					
40	There is effective in formations haring &communication culture					
41	In CBE there are different mechanisms to communicate &I have chance to participate in decision–making.					
42	CBE’s work environment is characterized by work Cohesion, team work trust and collaboration.					
43	I am communicated with the most crucial business Strategies initiatives in CBE in my position.					
44	There is independence & autonomy in doing my job.					
45	In CBE HRM policies programs, and procedures strategies are communicated fully and effectively to reach					
46	There is always a place for me to involve in decision making process in major strategic issues in CBE					
47	In CBE There is an easy &open to discuss the various Issues with face to face.					

48	I am always well informed about all the important affairs of the business.					
49	In CBE there are a Clear & direct information about My job's outcomes or performance.					
	F. Employee performance level Measurement					
50	In CBE there is an opportunities form for continuously training & learning and trying to improve myself.					
51	In CBE there are opportunities for promotion of an employee's achievements & motivate better performance & career advancement.					
52	The CBE's compensation strategy increases my effectiveness in my work.					
53	I find myself more motivated by the CBE's benefit Packages to put more effort in my performance.					
54	Performance incentives are clearly linked to standards and goals & the incentives are meaningful					
55	My Boss/supervisor recognizes and values my ideas, Suggestions and opinions.					
56	My supervisor creates a motivating and supportive work climate & he is honest and fair in my performance review					
57	I am able to balance my family and work life which helped me to concentrate in my work to perform effectively.					
58	My work environment enables me to perform better.					
59	There are different means of Communication across CBE which also enables me smoothly to perform my work.					
60	I am involved in important decisions that may affect my performance and work related issues					

Appendix B Interview

Guiding question to be used during interview with managers and top-level management of the commercial bank of Ethiopia“

According to the revised Job Positions Classification, CBE positioned different job levels and defines the levels in to Nine (9) different Job position - Classifications. On May, 2017CBE“s job classification systems are structured to aid the Bank administrators in understanding, organizing and dealing with a vast and complex array of professional functions.

Purpose: These guiding interviews questions are designed to gather information about the effects of Employee Retention strategies on the performance employees at critical job positions in CBE.

1. What are the existing employee retention strategies in CBE?
2. Is there a clear and articulated link between retention strategies and HR Strategies? To retain critical job position of employee, on
 - Employees development, performance improvement
 - That targets in reducing turnover of critical job position in CBE
3. Do you agree with if CBE provides a special retention packages that targeted at different position level (job categories)?
4. Availing competitive benefit package? Is there any retention strategic provisions provided solely to the CBE“s critical level employees? If there is such provision what are they?
5. What is the HR policy on retention Strategies and practices that intends to build the Morales and to enhance the performance of employees in selectively on critical job position level?

Example: comparable pay competitive to the lobar market pays system (i.e. is the pay system for manager level comparable with other commercial banks in the country?)

8. How competitive is the benefit, reward and compensation relative to the other Banks in existing market?

9. Do HR practices have impact on employee’s performance as well as on firm performance?
If yes, are the positions of individual HR strategic practices or Systems of practices that impact on both individual and firm performance?
10. What additional benefits and compensation packages do you need from the CBE’s or what benefits and compensation packages that you think if implemented will benefit the Bank for its effective retention practices?
11. What do you think are the main challenges and problems of employee retention strategies in CBE?

What do you suggest further to improve the CBE’s Employees Retention strategies to increase the performance of employee’s on critical job positions?

How much do you have engaging in important decisions about work related issues?

How do you evaluate the presence of ways /channels of communications in CBE to enhance work flow?

Aschalew Lemma

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Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	EPLM, WLB, MSER, EPDC, RWR, TRCD ^b	.	Enter

a. Dependent Variable: EMPER

b. All requested variables entered.

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.898 ^a	.807	.801	.07391

a. Predictors: (Constant), EPLM, WLB, MSER, EPDC, RWR, TRCD

b. Dependent Variable: EMPER

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.762	6	.794	145.291	.000 ^b
	Residual	1.142	209	.005		
	Total	5.904	215			

a. Dependent Variable: EMPER

b. Predictors: (Constant), EPLM, WLB, MSER, EPDC, RWR, TRCD

Coefficients^a

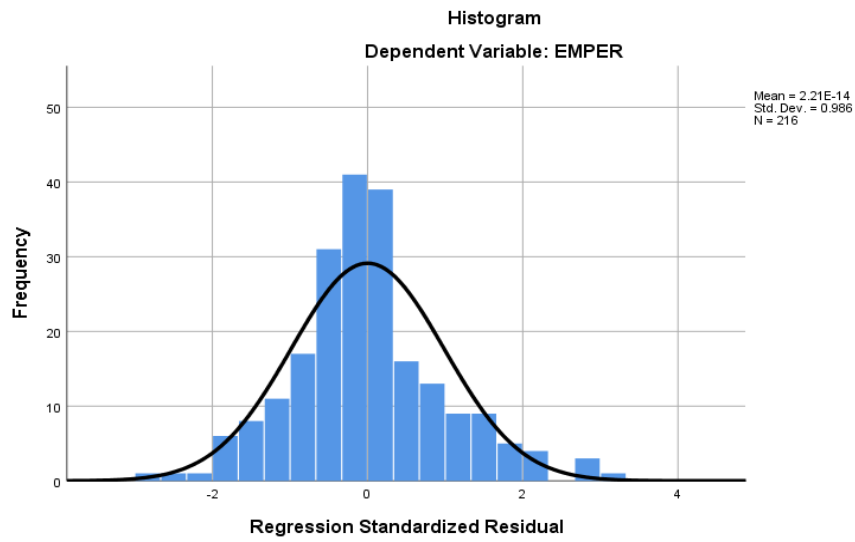
Model		Unstandardized Coefficients		Standardized Coefficients		t	Sig.	Correlations Zero-order	Collinearity Statistics	
		B	Std. Error	Beta					Tolerance	VIF
1	(Constant)	.191	.123			1.555	.121			
	TRCD	.112	.042	.131		2.642	.009	.751	.379	2.638
	RWR	.233	.037	.287		6.240	.000	.772	.438	2.284
	MSER	.126	.034	.161		3.675	.000	.713	.479	2.086
	WLB	.141	.035	.169		4.044	.000	.685	.533	1.877
	EPDC	.095	.033	.120		2.842	.005	.681	.515	1.941
	EPLM	.245	.039	.249		6.271	.000	.701	.587	1.702

a. Dependent Variable: EMPER

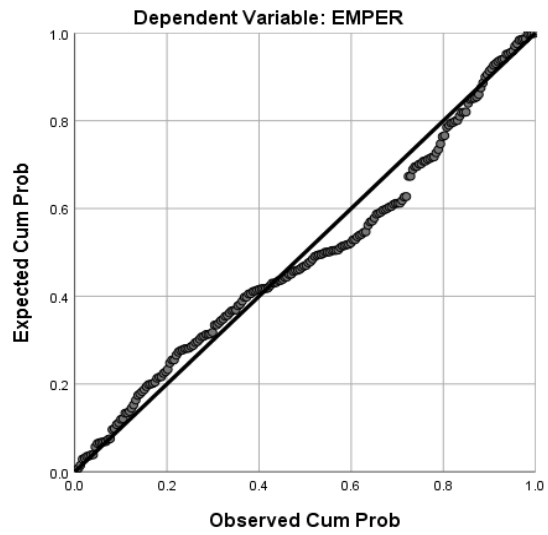
Residuals Statistics^a

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	3.3446	4.1177	3.6857	.14883	216
Residual	-.20121	.23180	.00000	.07287	216
Std. Predicted Value	-2.292	2.902	.000	1.000	216
Std. Residual	-2.722	3.136	.000	.986	216

a. Dependent Variable: EMPER



Normal P-P Plot of Regression Standardized Residual



Scatterplot

